MWD Demand Management Programs Update

Imported Water Committee
January 24, 2019

Liz Mendelson-Goossens
Senior Water Resources Specialist
Recent Modifications to MWD’s LRP & CCP

- Conservation Credits Program (CCP)
  - Member Agency Administered Program (MAAP)
  - Public Agency Landscape Program
  - Professional Landscape Training
  - Landscape Transformation Program (LTP)
  - Program for Increasing Conservation in “Disadvantaged Communities” (DAC)

- Local Resources Program (LRP)
  - 2014
    - 3 subsidy “alternatives” (based on $340/AF)
    - Added seawater desalination as LRP-eligible
  - 2018
    - Increased LRP “target” to 170,000 AFY
# Landscape Transformation Program - Proposed Changes

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidy Amount</td>
<td>$1/sq. ft.</td>
<td>$2/sq. ft.</td>
</tr>
<tr>
<td>Max. Eligible Area - Residential</td>
<td>1,500 sq. ft.</td>
<td>5,000 sq. ft.</td>
</tr>
<tr>
<td>Max. Eligible Area - Commercial</td>
<td>10,000 sq. ft.</td>
<td>50,000 sq. ft.</td>
</tr>
<tr>
<td>Plant Density</td>
<td>5 plants/100 sq. ft.</td>
<td>3 plants/100 sq. ft.</td>
</tr>
<tr>
<td>Program Name</td>
<td>Landscape Transformation</td>
<td>Turf Removal?</td>
</tr>
</tbody>
</table>
Local Resource Development - “Develop Data and Criteria”

- “Improve Metropolitan’s approach to supporting local resources”
- Three “actions”
  1. Potential project database
  2. Stormwater pilot program
     - Direct use
     - Recharge
  3. “Identify” criteria for “developing alternative approaches”
     - Consider potential “impacts and benefits”
Local Resource Development - “Developing Alternative Approaches”

Some questions to be addressed:
- How do we identify and develop local projects that provide additional regional benefit?
- Is there an added regional value in developing resources in certain areas?
- How can we use criteria to support development of projects as opposed to eliminating them?
- How do we account for Metropolitan’s financial exposure with alternative approaches?
- How do we evaluate impacts to existing assets and system?
Next Steps

- Feb. 2019: Board action on Landscape Transformation Program changes
- 2019: Local Resource Development
  - Survey for database
  - “Develop scope of study actions to support analysis of local project benefits”
  - Start developing stormwater pilot programs
Water Transfer
Implementation Update

Imported Water Committee
January 24, 2019

Kara Mathews
Senior Water Resources Specialist
Water Transfer with Imperial Irrigation District

- Largest agricultural to urban water transfer in the U.S.
- WA funds agricultural efficiency projects and receives water conserved
- Successfully implemented since 2003 as part of QSA
- Currently provides about \( \frac{1}{4} \) of San Diego County’s annual supply
## Annual Schedule

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Transfer Volume</th>
<th>“Early Transfer” Volume</th>
<th>Total Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>130,000 AF</td>
<td></td>
<td>130,000 AF</td>
</tr>
<tr>
<td>2019</td>
<td>160,000 AF</td>
<td></td>
<td>160,000 AF</td>
</tr>
<tr>
<td>2020</td>
<td>190,000 AF</td>
<td>2,500 AF</td>
<td>192,500 AF</td>
</tr>
<tr>
<td>2021</td>
<td>200,000 AF</td>
<td>5,000 AF</td>
<td>205,000 AF</td>
</tr>
<tr>
<td>2022</td>
<td>200,000 AF</td>
<td>2,500 AF</td>
<td>202,500 AF</td>
</tr>
<tr>
<td>2023-2047</td>
<td>200,000 AF</td>
<td></td>
<td>200,000 AF</td>
</tr>
</tbody>
</table>
IID’s Efficiency-Based Conservation

On-Farm Conservation
- IID pays growers $285/AF to implement projects on their farms

System Efficiency Projects
- Capital improvement projects that increase efficiency of IID’s distribution system
Supply Rates

- Annual price increase currently determined using GDPIPD
- 1.6% 10-year average annual increase

2018 Rates

$653
Transfer Supply Rate

$446
Melded QSA Supply Rate
Additional Funding

Socioeconomics
- $30M provided through 2017
- Fully dispersed

Prepayment for Future Water
- $10M in 2007
- IID repaid December 2018

System Efficiency Projects
- $50M in 2010
- IID spent $32M to date

Environmental Mitigation
- $81M of $94M for QSA JPA
- Funding credit for LCR MSCP
Environmental Mitigation

On River Mitigation

In Valley Mitigation
Lower CO River Multi-Species Conservation Program

- Comprehensive On River environmental program for water and power operations throughout Lower Basin
- Establishes Habitat Conservation Areas along the river corridor for covered species
- Water Authority participates for change in point of diversion of QSA supplies

Implemented by BOR
Cotton Rat is a covered species
Beal Lake Conservation Area

Funding Breakdown
QSA Joint Powers Authority (JPA)

- In Valley environmental coverage for IID-WA and IID-CVWD transfers
- WA in charge of administrative and financial duties
- $134M spent through 2018
  - Salton Sea Mitigation Water
  - Robust Air Quality Mitigation Program
- Met all mitigation requirements to date
Looking Back

17th YEAR IMPLEMENTED

1.13 MILLION ACRE-FEET

$575 MILLION SUPPLY COSTS
Looking Forward

200,000 ACRE-FEET IN 2021

CONTINUE ENVIRONMENTAL MITIGATION EFFORTS

CONTINUE EFFORTS FOR FLEXIBILITY IN TRANSFER IMPLEMENTATION
Fiscal Years 2020 and 2021
Budget Development

Administrative and Finance Committee
January 24, 2019

Maureen A. Stapleton
General Manager
Agenda

- **Purpose:**
  - Solicit input from the Board for budget development of Fiscal Years 2020 & 2021

- **Presentation will provide:**
  - Framework of current budget
  - Fiscal Years 2018 & 2019 Accomplishments
  - Key factors impacting upcoming budget
  - Future Board Budget schedule
  - Seeking Board input
FYs 2018 & 2019 Sources of Funds

- Water Sales
- Infrastructure Access Charges
- Net Fund Withdraws
- Build America Bonds & Investment Income
- Capacity Charges
- Property Taxes & In-Lieu Charges
- Water Standby Availability Charges
- All Other Revenue Sources

*Totals may not foot due to rounding.*
Fiscal Years 2018 & 2019 Budget

- Water Purchases & Treatment: 66%
- Debt Service: 18%
- CIP Expenditures: 8%
- Operating Departments: <2%
- Other & Grants: <1%
- Equipment Replacement: <1%

Total Expenditures: 92% of TOTAL BUDGET
Historical Water Sales

Acre-Feet

Sales

Our Region’s Trusted Water Leader
San Diego County Water Authority

5
Debt Service

- Maintain AAA Financing Rating
- Debt Refundings have saved over $60 million
Fiscal Years 2018 & 2019 Accomplishments

- Administered the Local Water Supply Development Program and facilitated submittal of member agency applications to MWD’s Local Resources Program
- Completed water and energy use reduction projects
- Initiated Long-Term Demand Forecast for the 2020 Urban Water Management Plan
- Implemented critical cybersecurity measures and completed physical security assessments
- Initiated work on new water billing system and water resources database
Fiscal Years 2018 & 2019 Accomplishments

- Internal Operations at Lake Hodges Pumped Storage Hydroelectric Facility (savings: $500,000/year)
- Developed in-house tools and equipment for safer and more efficient maintenance and condition assessments
- Secured four-year preliminary permit for San Vicente Energy Storage Facility
- Completed Stipulated Order with the State Water Board for the Salton Sea Management Plan
Fiscal Years 2018 & 2019 Accomplishments

- Achieved final determination from Court of Appeals on 2010 and 2012 MWD rate litigation
- Led coalition advocacy efforts on Water Use Efficiency, drought restrictions, and Water Tax
- Initiated Brought to You by Water regional communications program
- Launch of the Water News Network
Fiscal Years 2020 & 2021 Budget Themes

- Cybersecurity
- Colorado River Initiatives
- System and Asset Management
- Innovation and Business Services
- Legislative and Regulatory Challenges
- Workforce Planning
Fiscal Years 2020 & 2021 Budget Development

- Full implementation of IT/Cybersecurity Deployment Plan
- Improved facility monitoring and access controls
- Complete risk and resiliency assessment
Fiscal Years 2020 & 2021 Budget Development

- Drought Contingency Plan (DCP)
- Lake Mead/Intentionally Created Surplus Storage
- Regional Conveyance Study
- Salton Sea Advocacy
Fiscal Years 2020 & 2021 Budget Development

- San Vicente Energy Storage Facility project development agreement
- Update 2013 Energy Management Policy
- Drone Pilot Study - Phase II
Fiscal Years 2020 & 2021 Budget Development

- 2020 Urban Water Management Plan
- New Drinking Water Quality regulations
- “Conservation as a California Way of Life”
- California energy bulk storage
- Increasing Regulatory and Legislative efforts
Capital Improvement Program
Fiscal Years 2018 & 2019 Accomplishments

- Completed the Emergency Storage Project and Carryover Storage Project Wetlands permit obligations
- Settlement of San Vicente Dam Raise litigation
- Closed out Owner Controlled Insurance Program (Phase I), while avoiding $1.7 million in risk
FYs 2018 & 2019 Projects

Design/Construction Completed to Date (January 2019):

- Nob Hill Improvements (Jul 2017)
- Carlsbad 6 Flow Control Facility Rehabilitation (Apr 2018)
- Pipeline 3 - Lake Murray to Spring Street (Oct 2018)
- Asset Management Pipeline Condition Assessment/Inspection
- Demolition of Several Abandoned Flow Control Facilities
- San Vicente Post Construction (Dec 2018)
- Pipeline Structure Rehabilitation (Dec 2018)
- Moosa Canyon Erosion Control (Jan 2019)
- Vallecitos 11/Vista Irrigation District 12 Flow Control Facility Rehabilitation (In Construction)
- First Aqueduct Structure Rehabilitation Phase I (In Construction)
Completed the Nob Hill Improvements
Completed Rehabilitation of the Carlsbad 6 Flow Control Facility
Completed 10 Miles of Condition Assessment

SPECIAL DISTRICTS
West/2017

TECHNOLOGY INNOVATION AWARD

OPERATIONS CATEGORY

Pipeline Risk Visualization

San Diego County Water Authority
6.6 Miles of Pipeline Relining
Rehabilitated 15 Critical Structures
Rehabilitated 15 Critical Structures

After 2018/09/18
Moosa Canyon Erosion Control
FY 2018 & 2019 Projects

Projects to Finish Design/Construction by End of FY2019:

- San Diego 28 FCF/J0302 Alvarado Hydroelectric Facility Rehabilitation (Design-Feb 2019)
- Kearny Mesa Headquarters Roof (Const.-Mar 2019)
- Pipeline 5 Rejection Tower Upgrades (Design-Mar 2019)
- Pipeline 5 Relining - Sage Road to Delivery Point (Const.-Apr 2019)
- Hauck Mesa Storage Reservoir and Pipeline Surge Protection Project (Design-May 2019)
- Fallbrook 7/Rainbow 14 Flow Control Facility (Design-May 2019)
FYs 2020 & 2021 Look Ahead
Challenges Moving Forward

- Strong construction market
- Higher overall construction costs
- Increasing material prices, impacting both maintenance and capital projects
- Greater competition in the labor market
- Escalating wages
Construction Cost Analysis

Annual Percent Change in Indices

Percent Change from Previous Year


-15% -10% -5% 0% 5% 10% 15% 20% 25% 30%

ENR Tunnel Pipeline Relining Concrete Vault Pipeline Pump Station

Our Region’s Trusted Water Leader
San Diego County Water Authority
Fiscal Years 2020 & 2021 Budget Development

- Reline 2.3 miles of pipe
- Complete 20 miles of condition assessments
- Complete the highest priority Asset Management projects
- Evaluate new inspection and measurement tools
Pipeline Relining

Alvarado Hydro Rehab

Structure Rehabilitation
Flow Control Facility Rehabilitation
FY 2020 & 2021 Capital Improvement Program

Projects to Complete Construction:

- Vallecitos 11/Vista Irrigation District 12 Flow Control Facility Rehabilitation
- Pipeline 4EI & 4Ell Structures Flood Control and Access Improvements
- San Diego 28 Flow Control Facility/Alvarado Hydroelectric Facility Rehabilitation
- Rancho Peñasquitos Turbine Generator Rehabilitation (Design-Build)
- First Aqueduct Structures & Lining Rehabilitation - Hubbard Hill North
- Fallbrook 7/Rainbow 14 Flow Control Facility
- Olivenhain 11 Flow Control Facility Rehabilitation
- Hauck Mesa Storage Reservoir
Projects to Complete Design or Begin Construction:

- Mission Trails FRS II and Flow Control Facility
- ESP - North County Facilities
- San Diego 5A & 5B Flow Control Facility Rehabilitation
- System Isolation Valves
- Carlsbad 5 Flow Control Facility and Pressure Reducing Valve
- Helix 9 Flow Control Facility Rehabilitation
## Board Budget Development Calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 24&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Board overview of drivers and priorities</td>
</tr>
<tr>
<td>May 23&lt;sup&gt;rd&lt;/sup&gt;</td>
<td>Presentation of Recommended FYs 2020 &amp; 2021 Budget</td>
</tr>
<tr>
<td>June 11&lt;sup&gt;th&lt;/sup&gt; &amp; 13&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Special Board workshop</td>
</tr>
<tr>
<td>June 27&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Consideration for Adoption of General Manager’s Recommended FYs 2020 &amp; 2021 Budget</td>
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</tbody>
</table>
Requested Board Input/Direction

- Provide Board input for consideration into development of Fiscal Years 2020 and 2021 multi-year budget
- Are there any significant drivers that have not been identified?
- What focus areas should the FY2020 and FY2021 Budget include?
Pipeline 5 Relining Delivery Point to Sage Road Project Update

Engineering and Operations Committee
January 24, 2019

Gary Olvera
Senior Construction Manager
The Pipeline Relining Process
Northern Section

- Reline 1.9 miles 96” prestressed concrete cylinder pipe
- Using 6 Access Portals
Southern Section

- Reline .4 miles 96” prestressed concrete cylinder pipe
- Using 1 Access Portal
- Value Engineering
Staging Area

Pipeline 5 Relining Project, Staging Area Map
Clearing Operations
Shutdown Work
Portal Excavation
Portal Excavation-Shored Trench
Liner Delivery
Transport To Site
Completed Portal Site
Steel Liner
Liner Installation
Welding
Grout and Mortar Lining Operations
Structure Rehabilitation
Change Order Status

Original Contract Amount: $25,304,375

Change Orders: ($50,304)

Current Contract Amount: $25,254,071
Remaining Schedule

Pipeline 5 Reactivated  April 1, 2019

Project Completion  June 2019

Notice of Completion (Board Action)  August 2019
Update on Water Supply Conditions

Water Planning Committee
January 24, 2019

Alexi Schnell
Water Resources Specialist
Northern Sierra Precipitation 8-Station Index

Accumulated Precipitation (in)

- WY 2017 (record year)
- WY 2018
- WY 2019

- Normal

102% of Normal (January 24, 2019)

Source: Department of Water Resources
Northern Sierra Snowpack

111% of Normal (Jan. 24, 2019)

Source: Department of Water Resources
Lake Oroville Storage Volume - SWP

Source: Department of Water Resources

 mot Acre-Feet

38% of Capacity
58% of Average
(January 23, 2019)

Source: Department of Water Resources
San Luis Reservoir Storage Volume - SWP

Initial CY 2019 SWP Allocation: 10%

83% of Capacity
109% of Average
(January 23, 2019)

Historical Average

Source: Department of Water Resources
Upper Colorado River Basin

As of Jan. 22, 2019:

- Precipitation 106% of normal
- Snow water equivalent 106% of normal
## Local Conditions

### Water Year 2019 Precipitation

<table>
<thead>
<tr>
<th>Station</th>
<th>January 1-23, 2019</th>
<th></th>
<th>October 1, 2018 - January 23, 2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>% Normal</td>
<td>Actual</td>
<td>% Normal</td>
</tr>
<tr>
<td>Lindbergh Field</td>
<td>2.18 in.</td>
<td>148%</td>
<td>6.58 in.</td>
<td>144%</td>
</tr>
<tr>
<td>Ramona Airport</td>
<td>2.62 in.</td>
<td>96%</td>
<td>7.65 in.</td>
<td>111%</td>
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</tbody>
</table>

Total reservoir storage as of January 14 at 343,000 AF, or 46 percent of storage capacity.
Key Indicators of Success

WSLM Four-Class Series
- 1,059 graduates through 49 series since 2012
- 1,000,000+ square feet of turf pledged for upgrade, totaling up to 112 acre-feet of water savings annually

Design for Homeowners 3-Hour Workshops
- 87 workshops with more than 4,300 homeowners

Videos On Demand
- 17 videos available online 24/7

Increased Participation in Incentive Programs

Grant Funding
Before and After
Before and After
BETTER BY A YARD

THIRSTY LAWN GETS WATER-WISE

WATER-WISE • Yard now 15% dry creek bed

Our Region’s Trusted Water Leader
San Diego County Water Authority
Schedule of Classes

Four-Class Series
- 10 scheduled between March & November

Design Workshops
- Upon agency request

Future Program Enhancements
- Curriculum revision
- Topic-specific workshops
- Additional videos on rainwater as a resource
Resolution Establishing Preliminary Informal Terms and Conditions for the Rincon del Diablo Municipal Water District’s Proposed SVBF Temple Annexation

Water Planning Committee
January 24, 2019

Alexi Schnell
Water Resources Specialist
Background

- Proposed Sringeri Vidya Bharati Foundation (SVBF) Temple Annexation
  - 19 acre parcel
  - 17,500 square foot temple
  - 8,000 square feet of related facilities

- Concurrent annexation to Water Authority and MWD requested by Rincon del Diablo MWD

- Projected demands of 11.9 acre-feet

- Will be served by City of Escondido through exchange agreement with Rincon del Diablo MWD
Proposed SVBF Temple Annexation Area
<table>
<thead>
<tr>
<th>Step*</th>
<th>Action</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Member agency submits resolution requesting concurrent annexation to Water Authority and Metropolitan</td>
<td>Complete (May 2018)</td>
</tr>
<tr>
<td>2</td>
<td>Water Authority Board sets preliminary, informal terms and conditions, and requests Metropolitan set formal terms and conditions</td>
<td>Today’s Staff Recommendation</td>
</tr>
<tr>
<td>3</td>
<td>Metropolitan Board adopts resolution setting formal terms and conditions</td>
<td>--</td>
</tr>
<tr>
<td>4</td>
<td>Member agency adopts resolution accepting the Water Authority and Metropolitan’s terms and conditions</td>
<td>--</td>
</tr>
<tr>
<td>5</td>
<td>Water Authority Board verifies all policies have been met; adopts resolution approving, conditionally approving, or denying the annexation</td>
<td>--</td>
</tr>
<tr>
<td>6</td>
<td>San Diego Local Agency Formation Commission files notice of completion after the terms and conditions are satisfied</td>
<td>--</td>
</tr>
</tbody>
</table>

* The process will stop, if at any step the Water Authority or Metropolitan denies approval, but the agencies may reinstate the process upon later application.
Board Adopted Annexation Policies and Procedures

- 13 policies utilized to evaluate proposed annexations

- All Water Authority annexation policies have been met, including:
  
  - Policy #2: *Protection of Member Agency Supply Reliability*
    - Demands included in 2015 UWMP for near-term annexations

  - Policy #8: *Environmental Compliance*
    - Major Use Permit (February 2018)
    - CEQA Compliance - Mitigated Negative Declaration
Staff Recommendation

- Adopt Resolution No. 2019-___, establishing preliminary, informal terms and conditions for the Rincon del Diablo Municipal Water District’s proposed Sringeri Vidya Bharati Foundation Temple Annexation, and requesting that the Metropolitan Water District of Southern California set formal terms and conditions
Update on Public Review Draft of California Water Plan Update 2018

Water Planning Committee
January 24, 2019

Jeff Stephenson
Principal Water Resources Specialist
Water Plan Update 2018 Background

- Prepared by California Department of Water Resources
- State’s strategic plan to manage and develop water resources
- Updated every five years
- Delayed due to executive-level staffing changes at DWR
- No details on implementation
  - Provides flexibility to new administration
## Timeline

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2016</td>
<td>DWR Plenary Meeting to Kick-Off Update Process</td>
</tr>
<tr>
<td>September 2017</td>
<td>Preliminary Draft Released</td>
</tr>
<tr>
<td>January 2018</td>
<td>Working Draft Released</td>
</tr>
<tr>
<td>December 20, 2018</td>
<td>Public Review Draft Released</td>
</tr>
<tr>
<td>January 21, 2019</td>
<td>Comments Due</td>
</tr>
</tbody>
</table>
Chapters in Public Review Draft Update 2018

1. California Water Today
2. Challenges to Sustainability
3. Actions for Sustainability
4. Investing in Water Resource Sustainability
Chapter 1 - California Water Today

- Discussion of existing state initiatives and investments, including:
  - Water Action Plan
  - Sustainable Groundwater Management Act of 2014
  - WaterFix

- Review of state’s water uses and supplies

- Summary of historical investments in water management
  - Local
  - State
  - Federal
Chapter 2 - Challenges to Sustainability

- Discusses challenges facing state

- Includes:
  - More-extreme hydrological events
  - Increased flood risk
  - Reduced access to clean, safe, reliable, and affordable water supplies
  - Fragmented and non-coordinated initiatives and governance
  - Lack of data for decision-making
  - Insufficient and unstable funding
Chapter 3 - Actions for Sustainability

- Goals to support state initiatives and investments

<table>
<thead>
<tr>
<th>Goal 1</th>
<th>Improve Integrated Watershed Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal 2</td>
<td>Strengthen Resiliency and Operational Flexibility of Existing and Future Infrastructure</td>
</tr>
<tr>
<td>Goal 3</td>
<td>Restore Critical Ecosystem Functions</td>
</tr>
<tr>
<td>Goal 4</td>
<td>Empower Under-Represented or Vulnerable Communities</td>
</tr>
<tr>
<td>Goal 5</td>
<td>Improve Inter-Agency Alignment and Address Persistent Regulatory Challenges</td>
</tr>
</tbody>
</table>

- Implemented through 19 actions
DWR developed two categories of funding mechanisms

<table>
<thead>
<tr>
<th>“Current” Funding Mechanisms</th>
<th>“Novel” Funding Mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td>• State General Fund</td>
<td>• Water Surcharge Fee</td>
</tr>
<tr>
<td>• General Obligation Bond</td>
<td>• Watershed Assessment</td>
</tr>
<tr>
<td>• Public-Private Partnerships</td>
<td>• Water Markets</td>
</tr>
<tr>
<td>• Etc.</td>
<td>• Etc.</td>
</tr>
</tbody>
</table>

Funding scenarios identified would use “current” funding mechanisms to implement recommended actions

Use of “novel” funding mechanisms not included
Water Authority Engagement & Next Steps

- Submitted comments on January 17
  - Coordinated comments with member agencies, ACWA, and CUWA
  - Main focus of comments:
    - Oppose water surcharge fee
    - Strengthen support for long-term sustainability of IRWM
    - Link plan’s actions to California Water Action Plan

- DWR next steps
  - Review comments
  - Finalize plan
  - Work with Governor on implementation
Sacramento Update

Legislation and Public Outreach Committee
January 24, 2019

Glenn Farrel, Government Relations Manager
Legislature

- The newly-constituted Legislature reconvened on January 7 for the 2019-2020 legislative session

- Deadlines for bill introduction are rapidly approaching
  - January 25: Bill requests must be submitted to Legislative Counsel
  - February 22: Bill introduction deadline
<table>
<thead>
<tr>
<th>LEGISLATOR</th>
<th>COMMITTEE/LEADERSHIP ASSIGNMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senator Toni Atkins</td>
<td>President pro Tempore Chair, Rules Committee</td>
</tr>
<tr>
<td>Senator Patricia Bates</td>
<td>Senate Minority Leader Vice Chair, Appropriations Committee Vice Chair, Environmental Quality Legislative Ethics Committee</td>
</tr>
<tr>
<td>Senator Ben Hueso</td>
<td>Banking and Financial Institutions Chair, Energy, Utilities, and Communications Governmental Organization Insurance Committee Natural Resources and Water</td>
</tr>
<tr>
<td>Senator Brian Jones</td>
<td>Appropriations Committee Budget and Fiscal Review Budget Sub. on Resources, Energy, Transportation Governmental Organization Vice Chair, Natural Resources and Water</td>
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## Legislative Committee Assignments

<table>
<thead>
<tr>
<th>LEGISLATOR</th>
<th>COMMITTEE/LEADERSHIP ASSIGNMENT</th>
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</thead>
</table>
| Assm. Tasha Boerner Horvath       | Assistant Majority Whip  
Aging and Long-Term Care  
Communications and Conveyance  
Local Government  
Veterans Affairs  
Joint Legislative Audit           |
| Assm. Todd Gloria                 | Majority Whip  
Business and Professions  
Housing and Community Development  
Veterans Affairs  
**Water, Parks, and Wildlife**    |
| Assm. Lorena Gonzalez             | Chair, Appropriations Committee  
Judiciary Committee  
Labor and Employment               |
<table>
<thead>
<tr>
<th>LEGISLATOR</th>
<th>COMMITTEE/LEADERSHIP ASSIGNMENT</th>
</tr>
</thead>
</table>
| Assm. Brian Maienschein | Budget Committee  
|                       | Budget Sub. on Education Finance  
|                       | Communications and Conveyance  
|                       | Education Committee  
|                       | Vice Chair, Housing and Community Development  
|                       | Vice Chair, Human Services  
|                       | Vice Chair, Judiciary Committee                                       |
| Assm. Randy Voepel    | Vice Chair, Aging and Long-Term Care  
|                       | Insurance Committee  
|                       | Local Government  
|                       | Vice Chair, Public Employment and Retirement  
|                       | Vice Chair, Veterans Affairs  
|                       | Joint Legislative Audit                                             |
| Assm. Marie Waldron   | Assembly Minority Leader  
|                       | Health Committee                                                      |
| Assm. Shirley Weber   | Banking and Finance  
|                       | Budget Committee  
|                       | Chair, Budget Sub. on Public Safety  
|                       | Budget Sub. on Budget Process and Oversight  
|                       | Education Committee  
|                       | Elections and Redistricting  
|                       | Higher Education  
|                       | Joint Legislative Budget                                                |
Governor Newsom and New Administration

- Governor Newsom has made a number of new appointments to his Administration
  - Wade Crowfoot - Secretary, Natural Resources Agency
    - Formerly Executive Director of CA Water Foundation
  - Ann O’Leary - Chief of Staff
  - Ana Matasantos - Cabinet Secretary
  - Rachel Wagoner - Deputy Legislative Secretary for Resources
    - Formerly chief consultant for Senate Environmental Quality Committee
  - Keely Martin Bosler - Director of Finance
January 10 - Governor Newsom unveiled first proposed state budget

- $144 billion general fund expenditures
  - Projected increase of 4% in spending from previous budget year
  - 86% of new spending is one-time spending

- Projected $21 billion revenue surplus
  - $15 billion surplus last year

- Proposed spending highlights:
  - $13.6 billion toward state’s reserves, paying down debt, and reducing liability for retiree pensions and health coverage
  - $1.4 billion - higher education programs
  - $750 million - kindergarten programs
  - $500 million - early childhood education
  - $500 million - low income tax credit
  - $400 million - community colleges
  - $1.75 billion - housing and homeless programs
Governor’s Proposed State Budget

- Nearly 73% of proposed state budget is dedicated to education and health programs
  - Natural resources and environmental protection spending accounts for approximately 2.5% of the proposed state budget

- Only water-related initiatives contained in proposed state budget relate to “Safe and Affordable Drinking Water”
  - $168.5 million from Proposition 68 for drinking water and wastewater treatment system infrastructure improvements in DACs
  - $10 million to address safe drinking water emergencies in DACs

- Establishment of a Safe and Affordable Drinking Water Fund - Water Tax
  - Consistent with policy framework of SB 623 from 2017-18 legislative session
  - $4.9 million to SWRCB and DFA to establish framework for implementation of new water tax fund and program
Water Authority Sponsored Legislation

- December 6, 2018: Water Authority Board approved sponsorship of three bills in 2019
  - Eligibility for P3 projects to apply for desalination grant funds under general obligation bond measures
  - Advancement of opportunities for pumped hydropower storage projects to improve electrical grid reliability and integration of renewable energy into the system
  - Crediting and equivalency standards for military veterans transitioning into civilian water and wastewater system operator occupations
Anticipated State Legislative Issues in 2019

- Safe and affordable drinking water
  - Water tax legislation
    - Potential budget play
  - Creation of drinking water trust fund using one-time allocation of budget surplus funds - ACWA/CMUA
  - Small water system consolidation authority - CMUA/Eastern MWD
  - Implementation of low-income water rate assistance program
    - Income tax component
    - Bottled water tax component
- Joint informational hearing - February 6
  - Assm. Water, Parks, and Wildlife Committee
  - Assm. Environmental Safety and Toxic Materials Committee
  - Assm. Budget Subcommittee #3 on Resources
Anticipated State Legislative Issues in 2019

- Long-term water use efficiency
  - Potential cleanup legislation relating to implementation dates and water loss standards
- Recycled water legislation - elimination of ocean discharges - revisiting of SB 163 (Hertzberg) from 2015-16 legislative session
- Energy-related issues
  - Pumped hydropower storage
  - California wildfire response
  - PG&E bankruptcy
  - SDG&E proposal to discontinue energy procurement
San Diego
Brought to you by water...

Legislation & Public Outreach Committee
January 24, 2019

Mike Lee, Public Affairs Supervisor
Denise Vedder, Director of POC
A Strategic, Regional Approach

- Focus on drivers of local economy and quality of life
- Collaborate with member agencies
- Promote the value of water
- Re-energize stakeholders
- Expand educational opportunities
Sharing the Best of San Diego
Sharing the Best of San Diego
Targeted Media Tells B2U Stories

- 825,000+ video views
  - Streaming TV devices & YouTube
- Banner ads displayed +800,000 times
  - Facebook, LinkedIn, YouTube, U-T website & Times of San Diego generated nearly 8,000 clicks
- Videos on CBS8 TV for 13 weeks
  - Ads aired 126 times with total estimated views of 2.9 million
Brewing Industry Takes Center Stage

- Craft brewing: $1.1 billion economic impact
- 22 percent increase in local barrel production
- More than 6,000 jobs
- Dozens of local coffee roasters
Branded Coffee Kicks Off Quarter

- Specialty roast from Cafe Moto
  - Coffee selection on Dec. 20
  - Authority 1944 Blend

Brought to You by Water...

Authority 1944 Blend

The San Diego County Water Authority and Cafe Moto created this locally roasted special blend to celebrate how everything we love about San Diego is *Brought to You by Water!* This limited-run roast with notes of vanilla, cocoa and molasses pairs nicely with safe and reliable water supplies provided by the Water Authority since 1944.

Our Region’s Trusted Water Leader
San Diego County Water Authority
Water Authority Perks Up Civic Events

- Coffee Takeovers
  - 1,000 civic, labor & business leaders
  - ~30 events
- Expanded speaking opportunities across county
  - Industry & stakeholder associations
  - Chambers
  - EDCs
Brewing Month in San Diego

- Social media contest
  - Coasters
  - Stickers
  - Donated prizes
- Electronic ads
  - Airport
  - Times of San Diego
- Outreach to trade media
Recommendation

- Adopt the proclamation declaring February 2019 as San Diego Brewing Month.
Professional Services Agreement with Southwest Strategies

Legislation and Public Outreach Committee
January 24, 2019

Mike Lee, Public Affairs Supervisor
Denise Vedder, Director of POC
A Team Approach to Enhanced Outreach

- Program coordination
- Concept development
- Content oversight
- Website management
- Logistics & planning
- Event staffing
- Partnerships

POC Staff

Southwest Strategies

- Stakeholder connections
- Strategic advice
- Creative briefs
- Brand development & execution
- Staff support
- Media outreach

Vendors

Member Agencies

- Writing
- Photography
- Videography
- Event support
- Advertising

- Recommendations
- Content generation
- Social media promotion
- Partnership opportunities
Southwest Makes Key Contributions

- Industry & media relationships
- Brand development
- Summer launch event & regional beachball tour
- Creation & deployment of Brewing Month strategy
- Video development
- Social media content
Program Impact

Regional Audience

- Ads displayed 800,000+ times
- 825,000+ streaming video views
- 2.9 million TV ad audience
- Airport ads
- 10+ media stories

Stakeholders

- 5,000 WNN page views per month
- 5,000+ hotel-motel cards
- 1,000+ WNN roundup readers weekly
- 7,500 B2U Coasters

Influencers

- 32,000+ social engagements
- 1,000 leaders at Coffee Takeovers
- 1,000+ leaders at fall events
- 500+ beach ball signatures
- 2,000 EDC reports
- 500+ beach ball signatures
- 1,000+ leaders at fall events

Our Region’s Trusted Water Leader
San Diego County Water Authority
Extended Contract Maintains Level of Service

- **Current contract:** $20k/month through February 2019

- **Extended contract:** $20k/month through June 2021
  - +$5,000 for misc. expenses

- **Funding through June 2019:** From current budget

- **Future funding:** Contingent on Board approval of budget for FY 2020 & 2021
Recommendation

- Authorize the General Manager to extend the professional services contract with Southwest Strategies for 28 months, through Fiscal Year 2021, in an amount not to exceed $565,000 for public outreach services to help implement the Brought to You by Water enhanced regional outreach program. Funding for the final 24 months of the program will be contingent upon Board approval of the FY 2020 & 2021 budget.
The reduction in potable per capita water use of 53% since 1990 offsets the need for over 300,000 acre-feet per year within the region.