Controller’s Report
As of January 2019
(Unaudited)

Administrative and Finance Committee
March 28, 2019

Presented by Christopher Woidzik, Controller
Report Contents

Main Staff Report: Budget Variance Analysis and Discussion

Financial Report Attachments
1. FY 2018 & 2019 Results Summary
2. FY 2018 & 2019 Actual and Budget Comparison
3. Water Sales Volumes (Acre-Feet)
4. Water Sales Revenues (Dollars)
5. Water Purchases and Treatment Costs (Dollars)
**FY 2018 & 2019 Results (19 months completed)**

- Net Water Sales revenue was 6.7% higher than budget in spite of a 5.8% decrease in acre-feet of water sold.

- Budget planned for a withdrawal from Fund Balance of $61 million, but no withdrawal has been required as yet. However, it is anticipated that there will be a draw as there are five months remaining in the two-year budget.

- IID $10 million early repayment of obligation for water purchases.

- Department expenses were lower than budget by 3.8% including the additional pension charge (11.9% excluding it).

- CIP expenses were below budget by $18 million, but this is due to timing and it is expected that much of the work and payments difference will be eliminated by year end.
FY 2018 & 2019 Summarized Results - Water Sales in Acre Feet

WATER SALES VOLUMES (in Acre-Feet)  
Budget Versus Actual  
for the 20 Months Ended February 28, 2019

*Budgeted amounts are based on the Adopted Multi-Year Budget for Fiscal Years 2018 and 2019.
FY 2018 & 2019 Summarized Results - Water Sales Revenues

WATER SALES REVENUES (in Millions $)
Budget Versus Actual
for the 19 Months Ended January 31, 2019

-6%

*Budgeted amounts are based on the Adopted Multi-Year Budget for Fiscal Years 2018 and 2019.
FY 2018 & 2019 Summarized Results - Water Purchases & Treatment Costs

WATER PURCHASES AND TREATMENT COSTS (in Millions $)
Budget Versus Actual
for the 19 Months Ended January 31, 2019

Budget $809.5
Actual $735.6
-9%

*Budgeted amounts are based on the Adopted Multi-Year Budget for Fiscal Years 2018 and 2019.
## FY 2018 & 2019 Summarized Results - Net Water Sales Revenues

(Amounts in millions)

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Note: The Budget was amended in June 2018, but was nearly identical to the Original Budget.
## FY 2018 & 2019 Summarized Results - Other Revenues

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## FY 2018 & 2019 Summarized Results - Expenses

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## FY 2018 & 2019 Summarized Results - Capital Improvement Program

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## FY 2018 & 2019 Summarized Results - Net Fund Withdrawals

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What we do

GIS geographic information system

Our Region’s Trusted Water Leader
San Diego County Water Authority
What we do

Custom Web Application Development
What we do
Ensuring Staff Know How to Use the Tools
How we do it

Agile and Cost-Efficient Cloud Computing
How we do it

- SCRUM
- Agile Development Methodologies

Plan  Collaborate  Deliver

Backlog  Items  Daily Review  Feedback  Deliverable

Agile Project Management: Iteration
How we do it

Modern Programming Tools and Techniques
CIP Dashboard

This web application compiles 2-year budget data into automated reports and metrics.

A Water Authority account is required for authentication. Please report technical issues to Support in the Administrative Services Department.
Online Ordering System
# Water Standby Charge System

![Water Standby Charge System](image)

<table>
<thead>
<tr>
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<th>APN</th>
<th>TRA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuller</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferral Process</td>
<td>Re-Recorded Deferral</td>
<td>Acreage</td>
</tr>
<tr>
<td>1995</td>
<td>1993</td>
<td>10.0000</td>
</tr>
<tr>
<td>Deferred Amount</td>
<td>Accrued Interest</td>
<td>Agency</td>
</tr>
<tr>
<td>Life to Date Deferrals</td>
<td>Deferral Value</td>
<td>Interest Component</td>
</tr>
<tr>
<td>Correspondence</td>
<td>State</td>
<td>Modified</td>
</tr>
</tbody>
</table>

**Agreement Hierarchy for**

![Hierarchy Image]
Asset Management System
## Business Plan

### WATER SUPPLY - Imported Water - Kelly Rodgers

<table>
<thead>
<tr>
<th>No.</th>
<th>Objective Description</th>
<th>Target Date</th>
<th>Revised Date</th>
<th>Status</th>
<th>Comments</th>
<th>Lead(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Achieve final decision in 2010/2012 MWD rate litigation through final court action or settlement and secure award of damages.</td>
<td>Dec-2019</td>
<td></td>
<td>2</td>
<td>Supported the litigation team’s effort to reach a settlement with MWD, including meetings with the MWD and Water Authority workgroup. Prior to MWD’s January 2019 special Board workshop on the Water Authority’s settlement proposal, Chair Madsen encouraged MWD to seriously consider settlement through a letter. Subsequent to this effort, MWD held a special Board workshop to review the Water Authority’s settlement proposal in January. At its February 13, 2019 Board meeting, the MWD Board authorized a payment of contract damages and subsequently MWD issued a check to the Water Authority for $44.4 million. The parties also received a 90-day timeout regarding remand issues.</td>
<td>Chen</td>
</tr>
<tr>
<td>2</td>
<td>Develop new and flexible water storage solutions, including an Intentionally Created Surplus account in Lake Mead for Water Authority Colorado River supplies, in coordination with local, state and federal stakeholders.</td>
<td>Dec-2019</td>
<td></td>
<td>2</td>
<td>In January, the Water Authority sent letters to the Bureau of Reclamation, California Drought Contingency Plan parties, and the Colorado River Board regarding the Water Authority’s desire to secure an Intentionally Created Surplus account and ability to leverage its QSA supplies to support the Drought Contingency Plan efforts.</td>
<td>Rodgers</td>
</tr>
<tr>
<td>3</td>
<td>Develop and implement strategies for Water Authority participation in Basin States policy discussions on the Drought Contingency Plan, binational issues, and renegotiation of the 2007 Interim Guidelines.</td>
<td>Dec-2019</td>
<td></td>
<td>2</td>
<td>Staff continues to engage in Basin States activities through Colorado River Board, MWD Board, and binational Minute 323 meetings as well as follow updates and actions taken by other Lower Basin states’ Boards and legislature.</td>
<td>Rodgers</td>
</tr>
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<td>4</td>
<td>Support the Water Authority’s MWD Delegates engagement in the review of MWD’s Ethics Office to promote transparency and equity at MWD.</td>
<td>Dec-2019</td>
<td></td>
<td>2</td>
<td>In January and February 2019, the MWD Board continued with its effort to review the Ethics Office and received a review of Ethics Office policies and procedures along with recommended changes. The Water Authority Delegates continue to participate in this review to promote transparency and equity at MWD.</td>
<td>Chen</td>
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<td>5</td>
<td>Communicate the Board’s conditional support of California WaterFix and updated Bay-Delta Policy Priorities and WaterFix to secure the support of the Board.</td>
<td>Jun-2020</td>
<td></td>
<td>2</td>
<td>In February 2019, staff met with the Executive Director of the Southern California Water Coalition to advocate the Water Authority’s position on California WaterFix. Additionally, on February 12, the Water Authority ...</td>
<td>Farrel – Vedder</td>
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Coachella Canal Lining Application
CIP Integrated Dashboard

This web application compiles 2-year budget data into automated reports and metrics.

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© San Diego County Water Authority 2019
Administrative and Finance Committee
Work Plan for Calendar Years 2019 & 2020

Administrative and Finance Committee
March 28, 2019

Chair Frank Hilliker
Financial

• Financial Rate Model Upgrade and Full Cost of Service Study*
• Adopt Annual CY Rates & Charges
• Adopt Multi-Year Budget
• Update Investment Management Strategy*
• Develop an Other Post Employee Benefits Policy and review existing Pension Policy

* Items related to the 2019-2023 Business Plan
Business Support

• Cybersecurity Initiatives*
• Business Insurance*
• Work Environment*

* Items related to the 2019-2023 Business Plan
State Financial Assistance for Paradise Irrigation District

Legislation and Public Outreach Committee
March 28, 2019

Glenn Farrel, Government Relations Manager
Deadliest and most destructive wildfire in California history to-date

- 85 deaths
- 18,800 structures destroyed
- 240 square miles
- $16.5 billion total damage
Paradise Irrigation District

- Prior to Camp Fire: 10,500 service connections
- Post Camp Fire: 1,500 service connections remain
  - Only 700 service connections are active customers
- 90 percent of PID’s revenues from customer charges
  - Replacement/repair of infrastructure met through FEMA, California OES, and PID’s insurance provider
  - Lack sufficient revenue to meet ongoing operational expenses
- PID seeking $21.7 million from state general fund over three years to assist with ongoing operational needs
  - Provides PID opportunity to develop long-term funding models
  - Enable PID employees to retain employment
  - Economic stability for the region
Adopt resolution in support of a financial assistance request of $21.7 million over three years from the State general fund by the Paradise Irrigation District to sustain the district’s operational costs and expenses, in response to the devastating effects of the Camp Fire.
Sacramento Update

Legislation and Public Outreach Committee
March 28, 2019

Glenn Farrel, Government Relations Manager
Legislature

- April 11 - April 21: Legislature’s spring recess
- May 31: Last day for bills to pass from house of origin
- June 15: Budget bill must be passed by Legislature
Sponsored Legislation - AB 1588 (Gloria/Gray)

- AB 1588 is jointly authored by:
  - Assemblymember Todd Gloria (D-San Diego)
  - Assemblymember Adam Gray (D-Merced)

- AB 1588 is co-sponsored by the Water Authority and the Otay Water District

- AB 1588 is intended to address the lack of satisfactory crediting and equivalency standards for military veterans transitioning into civilian water and wastewater system operator occupations

- April 9 hearing in Assembly Environmental Safety and Toxic Materials Committee
Safe and Affordable Drinking Water

- Water tax legislation
  - AB 217 (Garcia)
    - Water trust fund
    - Water tax program
    - Production agricultural taxes
  - Budget Trailer Bill - Water/agricultural production taxes
- SB 200 (Monning) - Safe drinking water program administrative structure within SWRCB
- SB 669 (Caballero) - Safe drinking water trust fund
- SB 414 (Caballero) - Small water system consolidation authority
Priority Water-Related Legislative Issues

- AB 533 (Holden) - Income tax exclusion for water use efficiency rebates
- AB 557 (Wood) - Funding for implementation of atmospheric rivers research, data collection, and forecasting program
- SB 332 (Hertzberg) - limitation on ocean discharges
- Water/energy nexus issues
  - Pumped hydropower storage
  - Large hydro eligibility as renewable source
Safe and Affordable Drinking Water

Legislation and Public Outreach Committee
March 28, 2019

Glenn Farrel, Government Relations Manager
Administration’s and Legislature’s Approach

- Multiple, disconnected legislative efforts to address some aspect of safe and affordable drinking water issue
  - Administration’s budget trailer bill
    - Water tax
    - Production agriculture taxes + safe harbor provisions
  - AB 217 (Garcia)
    - Water “fees”
    - Production agriculture taxes (no safe harbor provisions)
    - $1 billion water trust fund
    - Safe and affordable drinking water fund administration through SWRCB
    - Regional distribution of funds
      - 80 percent to state
      - 20 percent for regional distribution (legislation lacks details)
Administration’s and Legislature’s Approach

- **SB 200 (Monning)**
  - Safe and affordable drinking water fund administration through SWRCB
  - Administrative structure to operate state’s safe drinking water program

- **SB 414 (Caballero)**
  - Small water system authorities - service-delivery and structural improvements

- **SB 669 (Caballero)**
  - Water trust fund
  - Allocation of budget surplus funds to seed trust fund
Problems With Current Legislative Approach

- Lack of understanding regarding the true need for funding
  - Original funding need identified by SWRCB = $45 million/year
  - Private consulting firm identified need at closer to $140 million/year
  - 2018 state budget directed SWRCB to undertake new needs analysis
    - SWRCB needs assessment to be completed in Fall 2020

- Lack of definition regarding solution targets
  - Community water systems + state small water systems + domestic wells

- Lack of definition regarding program objectives
  - Limited to O&M
  - Includes capital costs
    - $700 million for capital costs through existing sources since 2010 (261 projects)

- Polluter pays - Beneficiary pays
A Comprehensive Package Solution is Needed

- **Creation of Safe Drinking Water Trust Fund** – SB 669 and AB 217
- **$1B appropriation from budget surplus funds** – SB 669 and AB 217
- **Comprehensive administrative structure within SWRCB** – SB 200 and AB 217
- **Structural and service delivery reforms** – SB 414
- **Funding contribution through agricultural safe drinking water fees + safe harbor - Admin BTB**
Staff Recommendation

To resolve complex challenges associated with providing a safe and reliable water supply for disadvantaged communities in the Central and Salinas Valleys, staff recommends the following actions:

- Adopt positions on four legislative measures:
  - SB 200 (Monning) - Oppose Unless Amended
  - SB 414 (Caballero) - Support
  - SB 669 (Caballero) - Support
  - Administration’s Budget Trailer Bill - Oppose Unless Amended

- Direct Water Authority staff and legislative advocates to encourage legislative leadership to have these four measures, as proposed to be amended, considered as an interrelated package of bills within the context of a conference committee or similar legislative mechanism
Legislation and Public Outreach Committee Work Plan for Calendar Years 2019 & 2020

Legislation and Public Outreach Committee
March 28, 2019

Chair Jerry Butkiewicz
Legislation

• Review and adopt legislative positions that affect the Water Authority and its member agencies*

• Review and provide input to legislative policy guidelines

• Review and provide input into federal legislative priorities

• Participate in advocacy trips and roundtables*

* Items related to the 2019-2023 Business Plan
Outreach

• Review and support regional outreach that increases awareness of water supply reliability*

• Provide input on public opinion polling*

• Review and set small business participation goals*

* Items related to the 2019-2023 Business Plan
2019 Public Opinion Poll

Legislation and Public Outreach Committee
March 28, 2019

Craig Balben, Public Affairs Representative
Denise Vedder, Director of Public Outreach & Conservation
Purpose

- Understand and track, public sentiment on water-related items
- Help focus outreach programs
- Track progress toward Business Plan objectives

Perceived Need for Water Rate Increases

Q.23g) “People have different views and behaviors when it comes to San Diego County’s water supplies. For each statement below, please indicate if you agree or disagree using a five-point scale where a “1” means you strongly disagree and a “5” means you strongly agree. Additional water rate increases are necessary to support the region’s water supply reliability.” (n=1,001)

Base: All respondents
Methodology Overview

- Approx. 800 adult residents
- Approx. 60 questions
- Representative samples across county
- Offered in English & Spanish
Schedule

- Board presentation: March 2019
- Poll development: April 2019
- Conduct poll: May 2019
- Final poll results: July 25, 2019
Recommended Topics

- Cost of water, value of water
  - Support for future investments

- Reliability of water supplies
  - Trust in water agencies to meet region’s needs

Compared to other utilities, 67% of residents feel they receive an excellent or good value for their water.
Recommended Topics

- Water use, water-use efficiency
  - Knowledge of water use efficiency measures
- Actions taken to maintain or reduce water use
- Perceptions about need for on-going water use efficiency

[Diagram showing poll results: 92% of residents say they will use less or the same amount of water in 2017 as they did in 2016.]

San Diego County Water Authority
Recommended Topics

- *Potential* regional concerns/issues to be surveyed:
  - Attitudes/opinions on news/issues/current events
  - Potential threats to water supply reliability
Next Steps

Send poll content recommendations by April 12
Craig Balben, Public Affairs Representative
cbalben@sdcwa.org
Small Contractor Outreach and Opportunities Program
Mid-Year Update

Legislation and Public Outreach Committee
March 28, 2019

Teresa Penunuri
Public Affairs Supervisor
SCOOP Overview

- Goal: Increase the bidding opportunities for small businesses in public contracting bids
  - Communicate and provide opportunities
  - Track and report small-business participation
  - Current annual goal: 20% (Established 2016)
Outreach and Training

- July - December 2018
  - 8 Regional/Southern California events
  - Small business, water and tech

- Major events
  - July - CalCon Expo - Anaheim
    - 600 attendees
  - November - Veterans in Business - Los Angeles
    - 800 attendees
    - 2019 in San Diego
  - October - CalTrans Procurement
    - 700 attendees
### SCOOP 2nd Quarter Report FY 2019

<table>
<thead>
<tr>
<th>Measurements</th>
<th>Total</th>
<th>% Small</th>
<th>% M/W</th>
</tr>
</thead>
<tbody>
<tr>
<td>Database</td>
<td>1800</td>
<td>31%</td>
<td>25%</td>
</tr>
<tr>
<td># Bidders</td>
<td>190</td>
<td>41%</td>
<td>8%</td>
</tr>
<tr>
<td># Firms</td>
<td>377</td>
<td>26%</td>
<td>11%</td>
</tr>
<tr>
<td>Contracts</td>
<td>164</td>
<td>30%</td>
<td>16%</td>
</tr>
<tr>
<td>$ Awarded</td>
<td>$83,860,247</td>
<td>11%</td>
<td>7%</td>
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</table>

**Overall SCOOP participation goal for 2019 = 20%**
San Diego 28 Flow Control & Alvarado Hydroelectric Facilities Project Update

Engineering & Operations Committee
March 28, 2019

Brent Fountain
Principal Engineer
Alvarado Hydroelectric Facility

- 2007 Flood
- Damaged equipment removed in 2017
San Diego No. 12 August 2016 Failure

Pipe Failure

Valve Damage
San Diego No. 12 August 2016 Repairs

Pipe Repairs

Valve Repair
San Diego No. 12 Interim Modifications

- Enlarged Access Hatch
- Demolition
- New valve & piping
- Interim Operations
Rehabilitation Design

- Structural
  - Seismic Code
- Mechanical
  - Turbine / Generator
- Electrical
  - Switchgear
- Civil
  - Site layout / Drainage
  - Maintenance access
- Power Market Analysis
  - Energy options
Bidding & Analysis

- **August 2018 Bidding**
  - Cost Estimate: $7M to $8M

<table>
<thead>
<tr>
<th>NO.</th>
<th>GENERAL CONTRACTOR</th>
<th>BID AMOUNT</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Kiewit Infrastructure West Co.</td>
<td>$13,724,000</td>
</tr>
<tr>
<td>2</td>
<td>SCW Contracting Corp.</td>
<td>$15,866,596</td>
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</table>

- **Bidder Feedback**
  - Construction Schedule
  - Materials
  - Facility Equipment
  - Labor Shortage
Project Packages

- San Diego 28 Flow Control
  - $10.5M to $12.5M
  - 12 month duration

- Alvarado Hydroelectric
  - $2.0M to $3.0M
  - 18 month duration
Construction

- San Diego 28 Flow Control
  - Valves, piping, structural, electrical
  - Start Summer 2019
  - Complete Summer 2020

- Alvarado Hydroelectric
  - Turbine, generator, support systems
  - Start Summer 2021
  - Complete Winter 2022
Engineering & Operations Committee
Work Plan for Calendar Years 2019 & 2020

Engineering & Operations Committee
March 28, 2019

Chair Marty Miller
Engineering

- Constructing the Pipeline 5 Relining Delivery Point to Sage Road project*
- Constructing the San Diego 28 Flow Control Facility Rehabilitation project*
- Facilitating regulatory and legislative actions which support San Vicente Energy Storage Project and continue the development of the Project Development Agreement*

* Items related to the 2019-2023 Business Plan
Operations & Maintenance

• Developing the Lake Hodges Hydroelectric Facility Maintenance and Replacement Plan*

• Implementing identified physical security recommendations for critical facilities for continued water system protection against potential threats*

* Items related to the 2019-2023 Business Plan
Bay-Delta Flows and Other Updates

Imported Water Committee
March 28, 2019

Amy Chen
Director of the MWD Program
Sources of San Diego County’s Current Water Supply

11% State Water Project
(MWD Supplies)

72% Colorado River
(Long-term transfers and MWD Supplies)

17% Local Supplies

*Sources of San Diego County’s Water Supply (2014-2018 five-year average)*
As Water Authority Reduces its Reliance on MWD, it is Reducing Reliance on the Bay-Delta

98% decrease in Water Authority purchases from MWD
Water Authority Supportive of a Bay-Delta Fix

- 2009 Delta Reform Act
- 2012 Bay-Delta Policy Principles
- 2013-2018 Board review of BDCP/WaterFix
  - Supply benefits and cost impacts to San Diego ratepayers
- 2018 Conditional support of WaterFix
  - Proper cost allocation

<table>
<thead>
<tr>
<th>MWD Financial Commitment</th>
<th>Impact to Household Monthly Bill (Supply)</th>
<th>Impact to Household Monthly Bill (Transportation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10.8 billion</td>
<td>$0.55 - $0.80</td>
<td>$13.27 - $21.07</td>
</tr>
<tr>
<td>$11.9 billion</td>
<td>$0.60 - $0.97</td>
<td>$14.67 - $23.30</td>
</tr>
</tbody>
</table>
California shifts water from farms, cities to fish. But a Jerry Brown compromise plan isn’t dead

California cedes water to feds in Delta deal with Trump

Newsom inherits a ‘whole bunch of headaches’ despite last-minute water deals by Brown

California Gov. Gavin Newsom downsizes Delta water project: one tunnel, not two

As Trump tries to roll back clean water rules, California seeks stronger protections
CVP and SWP Operations

- Coordinated Operating Agreement
- Bay-Delta Water Quality Control Plan
- Long term operations, ESA BiOps (2008 USFWS and 2009 NMFS) CESA
December 12, 2018 Agreements

- Cost-sharing agreement for 2008 and 2009 BiOps
- COA Addendum
- “No harm” agreement
- DWR letter to agencies regarding above
State Board Bay-Delta Plan

- December 12
  - Voluntary Settlement Agreements proposed
  - State Board adopted Lower San Joaquin River and Southern Delta piece of Bay-Delta Plan without voluntary settlement agreements
    - Leave 40% of watershed runoff in the rivers
CVP/SWP operations governed by
- Coordinated Operating Agreement
- Bay-Delta Water Quality Control Plan
- Long term operations, ESA BiOps (2008 USFWS and 2009 NMFS) CESA

Presidential memo dictates re-consultation schedule (and maybe outcome) for new biological opinions
- “Streamlining regulatory process and removing unnecessary burdens”

Biological assessment proposing to relax environmental regulations released February 5

What happens if state and feds are not in alignment?
Newsom’s New Direction

- Governor Newsom announces support for one tunnel
- Joaquin Esquivel named as new Chair of State Board
  - More supportive of voluntary settlement agreement?
What’s next?

- WaterFix (one tunnel)
- State Board (Delta flows)
- State and Feds directions on water policy
  - Senate Bill 204, Senate Bill 1
- At MWD
  - What is the range of supply and cost impacts as a result of
    - Single tunnel
    - Voluntary settlement agreements (SWP/CVP share of 300-600 TAF)
    - COA addendum (SWP share of 200 TAF)
    - “No harm” agreement re WaterFix
Imperial Valley Outreach

Imported Water Committee
March 28, 2019

Darren Simon
QSA Outreach Coordinator
History

- Outreach office opened in 2005

- Goals
  - Support the Water Authority’s investment in the Quantification Settlement Agreement (QSA) supplies
  - Establish stronger relationships
  - Build more awareness

- Need for adaptive, flexible methods
  - Changing issues
  - Evolving perspectives
  - Political shifts
Issues Early On

Water Transfer was unpopular

Fallowing seen as a dirty word

Canal lining perceived as no benefit to the Valley

Would farmers participate in voluntary program?
Initial Outreach Efforts

- Work on messaging and establishing relationships
- Give a larger perspective

- QSA is mutually beneficial
- The Valley and San Diego are connected regions with common goals and linked economies
- The Water Authority is a partner
- QSA has a larger goal than providing water to the coast
- Canal lining projects are critical for conservation
The goal at the time was to introduce the Water Authority to the Imperial Valley

- Presentations
- One-on-one meetings
- Involvement in local committees/organizations
- Online newsletter-Water Updates from the Coast
- Presence at local government meetings
New Perspectives

Issues have evolved and changed

- Acknowledgement that QSA/Transfer are necessary
- More acceptance of the Water Authority as a partner
- Canal lining conservation is necessary
- Farmers are willing to participate in conservation
- Funding from the Water Authority seen as a benefit
Current Approach

- Older methods ongoing
- Tours
  - Bring Valley reps to San Diego
  - Bring board members to the Valley
  - Tour scheduled for April 4
- Board to Board meetings
- Website & Blog
  - IV-San Diego Currents

Efforts focus on:
- balancing relationships
- maintaining partnerships protecting the WA’s investments amidst ever-changing issues and a complicated political landscape
Today’s Issues/Ongoing Focus Areas

- Salton Sea
- Drought Contingency Plan
- Water Transfer volume ramp up
- Long-term relationship
Transfer is Working
Colorado River
Drought Contingency Plan Update

Imported Water Committee
March 28, 2019

Kelly Rodgers
Director of the Colorado River Program
February Update

- Arizona approved participation - still working on intrastate agreements
- IID and CVWD approved DCP participation with conditions
- Federal legislation and Companion Agreement required for implementation
March 19 Federal Deadline Met

- IID opted not to participate in DCP at this time
- MWD to cover IID’s share of DCP contributions
- CVWD approved DCP participation
- Colorado River Board held special meeting
- Basin States signed letter to Congress
- Secretary rescinded federal notice
Still Work To Do

- Congressional DCP hearings this week
- Bill to carry legislation
- Final execution of DCP agreements
- Notice to Mexico
- Finalization of Arizona intrastate agreements
- IID continues to pursue Salton Sea federal funding
April Highlights

- Reduced probability of shortage anticipated for 2020 as part of Reclamation’s latest projections
- Still goal to finalize DCP and integrate into August hydrology and 2020 Colorado River operations
- Detailed hydrology update next month
- Update on DCP-related activities
Background

- **Salton Sea Management Program (SSMP)**
  - State’s phased approach to restoration led by CNRA
  - Phase I plan covers first 10 years

---

Under the new Water Order, there have been 3 public workshops, most recently on March 19.

**Water Order 2017-0134 (Nov. 2017)**

- Established annual acreage milestones
  - 30,000 total acres in first 10 years
  - 500 acres in 2018
  - 1,300 acres in 2019
- State Water Board maintains continuing jurisdiction over restoration
- Long-term plan required by 2021
March 19 Workshop

- State report on SSMP Progress

  Delays in Project Implementation
  - Easement issues for Species Conservation Habitat (SCH)
  - 2018 milestone not met
  - 2019 milestone will not be met

- Planned SCH Changes
  - Reconsider scope for 2020
  - Expand from 640 to 3,770 acres
  - Expected completion by 2022
Some Positive Movement

- CNRA reported the following positive developments
  
  - Earthwork complete on Red Hill Marina Project
  - Governor Newsom has expressed support
  - CNRA Director Crowfoot is engaged
  - Additional state staffing for SSMP projects
  - Easement issues to be resolved by May 1
  - Over $300M available to launch projects
  - DWR and CDFW developing MOU for O&M
State Water Board Reaction

- Board changes
  - Former Chair Felicia Marcus tenure ended
  - E. Joaquin Esquivel appointed new chair by Governor Newsom

Board’s Cautious Support
- Newsom administration deserves time
- Resolve easement issue by May 1
- Utilize design-build process
- Plan for making up missed acreage for 2018/2019
- Better use of committees
Next Steps

- June workshop must include:
  - Easement issue update (priority)
  - Recovery plan to make up deficiencies in SSMP targets
  - Staffing updates to expedite projects
  - Clear progress from March update

QSA JPA Update
- Ongoing mitigation work
- 1,400 acres of air quality projects complete
- More planned this year
  - Surface roughening
  - Vegetation enhancement
  - Additional pilot projects
Imported Water Committee Work Plan for Calendar Years 2019 & 2020

Imported Water Committee
March 28, 2019

Chair Keith Lewinger
Colorado River Water Supplies

- Support access to QSA supplies including the study of alternate conveyance viability*
- Support Water Authority’s participation in Basin States policy discussions*
- Support implementation of mitigation and restoration plans for the Salton Sea*

* Items related to the 2019-2023 Business Plan
Bay Delta Plan

- Review and provide guidance on strategies to address Bay-Delta activities*
- Communicate the Water Authority’s perspectives on Bay-Delta activities, including the proper allocation of a Delta Fix’s costs on MWD rates*

* Items related to the 2019-2023 Business Plan
MWD Water Supplies

- Review and consider recommendations to ensure MWD is a sustainable supplemental imported water supplier*
- Support the Board Officers and MWD Delegates to advocate for equity and transparency in MWD’s decision making process*
- Achieve fair and satisfactory resolution of MWD rate litigation*

* Items related to the 2019-2023 Business Plan
Update on Water Supply Conditions

Water Planning and Environmental Committee
March 28, 2019

Alexi Schnell
Water Resources Specialist
Northern Sierra Snowpack

162% of Normal (March 28, 2019)

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

Capacity

Historical Average

78% of Capacity
104% of Average
(March 27, 2019)

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

Revised CY 2019 SWP Allocation: 70%

San Luis Reservoir

99% of Capacity
111% of Average (March 27, 2019)

Historical Average

Source: Department of Water Resources
As of March 25, 2019:

- Precipitation 127% of normal
- Snow water equivalent 139% of normal
### Local Conditions

#### Water Year 2019 Precipitation

<table>
<thead>
<tr>
<th>Station</th>
<th>March 1 - 27, 2019</th>
<th>October 1, 2018 - March 27, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>% Normal</td>
</tr>
<tr>
<td>Lindbergh Field</td>
<td>1.23 in.</td>
<td>75%</td>
</tr>
<tr>
<td>Ramona Airport</td>
<td>1.74 in.</td>
<td>61%</td>
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</table>

Total reservoir storage as of March 25 at 428,000 AF, or 58 percent of storage capacity (an increase of 85,000 AF or 12% since Jan. 14, 2019)
MWD Member Agency Administered Program (MAAP) Update

Water Planning and Environmental Committee
March 28, 2019

Joni German
Water Resources Specialist
MAAP Funding Explained

APPROVED Quantifiable Project Funding $834,500

- Low-Income Direct-Install Partnership w/ SDG&E
- WaterSmart Landscape Makeover Series
- Residential & Commercial Audits

$2,007,500 Projects w/ Quantifiable Water Savings

$401,500 Projects w/ Non-Quantifiable Water Savings

REMAINING Non-Quantifiable Project Funding $75,427

APPROVED Non-Quantifiable Project Funding $326,073

- Demonstration Gardens
- Water Bottle Stations
- Plant Voucher Program

REMAINING Quantifiable Project Funding $1,173,000
Agency Projects

- Drought Tolerant Plant Voucher Program
  *Fallbrook Public Utility District*

- WaterSmart Landscape Contest Website
  *Various Member Agencies*

- Sustainable Demonstration Garden Upgrade
  *Vallecitos Water District*

- Residential Pressure Regulation Pilot Program
  *Sweetwater Authority*
Drought Tolerant Plant Voucher Program

Fallbrook Public Utility District

- Encourage customers upgrading their yards to replant with very-low-water use plant material

- Customers apply for vouchers through FPUD’s website

- FPUD working with local nurseries to create list of available plant materials including trees, shrubs and succulents

- Collateral benefit: increased use of recycled water by local nurseries participating in the program

Approved MAAP Funding: $9,903
WaterSmart Landscape Contest Website

Various Member Agencies

- Contest recognizes customers’ efforts to install beautiful, water-efficient and climate-appropriate gardens.

- Annual recognition program with 14-year history of member agency participation

- Updated website provides a user-friendly experience for customers submitting their projects for consideration

- Enhancements include an online application, photo galleries of past winners, video capabilities and a mirror website in Spanish

Approved MAAP Funding: $16,200

https://landscapecontest.com
Sustainable Demonstration Garden Upgrade
Vallecitos Water District

- More than 1,000 students and customers annually tour this demonstration garden at Vallecitos HQ

- Invaluable public outreach tool to teach water-wise, sustainable gardening

- Upgrade includes plant materials, soil amendment, irrigation retrofits and signage

- New features include seating areas designed around plant themes and bioswale installation

Approved MAAP Funding: $20,000
Residential Pressure Regulation Pilot Program

Sweetwater Authority

- Program goal is to reduce water use and improve indoor and outdoor water efficiency

- Pilot program will identify 600 single family residences in high pressure zones

- Existing pressure reducing valves (PRVs) will be adjusted or replaced with new PRVs when underperforming or failing

- Functionality of existing PRV will be evaluated by a qualified professional through a pressure test

Approved MAAP Funding: $35,000
Special Conservation Coordinators Meeting

Thursday, April 11\textsuperscript{th}  
10:30 am to 1:30 pm  
Water Authority

**Discussion Topics:**
MAAP History & Process Overview
SDCWA Study of Potential MAAP-Funded WUE Programs
MWD Pre-1994 Multi-Family Toilet Rebate Pilot Program

**Guest Speakers:**
Bill McDonnell, Metropolitan Water District
Maureen Erbeznik, MEA
Water Planning and Environmental Committee
Work Plan for Calendar Years 2019 & 2020

Water Planning and Environmental Committee
March 28, 2019

Chair Tony Heinrichs
Water Resources

• Development of a New Water Resources Database & Billing System*

• Provide direction on 2020 Urban Water Management Plan & Water Shortage Contingency Plan*

• Approve Integrated Regional Water Management Plan Update*

• Approve Climate Action Plan Update*

• Approve two Contract Supplements related to Carlsbad Desalination Intake Modifications*

* Items related to the 2019-2023 Business Plan
General Manager Recruitment Process

General Manager Recruitment Work Group
March 28, 2019

Ashley Kite
Acting Human Resources Manager
Work Group

- Jim Madaffer, Board Chair
- Gary Croucher, Board Vice Chair
- Christy Guerin, Board Secretary

- Jerry Butkiewicz, Legislation & Public Outreach Committee Chair
- Tony Heinrichs, Water Planning & Environmental Committee Chair
- Frank Hilliker, Administrative & Finance Committee
- Keith Lewinger, Imported Water Committee Chair
- Marty Miller, Engineering & Operations Committee Chair

- Ashley Kite, SDCWA Staff Liaison
Work Group Kick-Off Meeting

- March 14, 2019
- Led by Chair Madaffer
- Materials Provided
  - Draft Timeline
  - Draft Request for Proposal Language
  - Community Stakeholder Contact Information
  - List of Executive Search Firms Specializing in Public Agencies
Work Group Kick-Off Meeting

- Key Priorities
  - Openness / Transparency
    - Open, Transparent Process with Clear Milestones and Timelines
    - Input from the Full Board to the Work Group and/or Selected Consultant
    - Regular Updates to the Full Board
  - Stakeholder Outreach and Input
    - Member Agency General Managers
    - Regional Business Associations, EDCs, Chambers of Commerce
    - Environmental Groups
    - Social Justice Advocacy Groups
    - Taxpayer Groups
    - Ratepayer Advocates
Results of Kick-Off Meeting

- **Recommended changes included:**
  - Emphasizing search firms must have candidate networks in the seven Colorado River Basin states.
  - Consolidating evaluation criteria for greater emphasis on past successful executive placements.
  - Expanding stakeholder input to include Citizens Water Academy participants.
Action Taken

- RFP revised with recommended changes.
- RFP issued March 18 - one week ahead of schedule.
- 19 executive search firms previously identified by the Work Group and 47 companies matched by the Water Authority’s Network Bid System were notified of the RFP.
- Timeline modified to capture new issue date, submittal deadline, and affected Work Group review dates; revised timeline redistributed to Work Group.
Anticipated Timeline

March 18: RFP Released
April 8: Proposals Due
April 10: Proposals Distributed to Work Group
April 25: Work Group Interviews Short-Listed Firms
April 26: Selected Firm Notified
May 6: Contract Finalized
May 13: Firm Initiates Recruitment
September: First Round Interviews
September 26: Full Board Interviews with Finalists
October: Consultant Initiates Background/References
October 24: Consultant to Update Full Board
November: Negotiate Employment Agreement
November 21: Full Board Announces New GM