Regional Workforce Development Work Group

- Review of Work Group’s Objectives:

  1. Develop regional program similar to BAYWORK in Northern California, focusing on recruitment and education
  2. Expanding regional water/wastewater internship program
  3. Outreach to Veterans, including separate internship designed specifically for transitioning military/veterans
  4. Expand outreach to high schools focusing on STEM and CTE students
Work Group Updates

- Website: SanDiegoWaterWorks.org

- Department of Defense SkillBridge Program

- Cuyamaca College partnership with National University
  - Bachelor Degree in PA: WaterWorks Management Concentration

- 2020-2021 Regional Water/Wastewater Internship Update
Website Features- SanDiegoWaterWorks.org

- Host regional water career opportunities
  - Form submission by Member Agencies
  - SDCWA act as administrator

- Education component on water careers, industry

- Career Path information

- Highlights Mission Critical jobs
DOD SkillBridge Program

- Partnering Company, *Hire Military*, works with Dept of Defense, all military branches

- Finds matches for internship positions with those in last six months of service, completes background checks

- Set up interview, if match, helps servicemember complete paperwork

- Service member responsible for housing, no break in military pay

- After 30 calendar days on internship, one-time $5,000 fee per service member from Employer to *Hire Military*

- Employer pays no wages or benefits during 6-month internship (Military responsible for Workers Compensation Coverage)

- Minimum period of internship set by Agency
DOD SkillBridge Program

- Work Group evaluated for mission critical positions, but can be any department, classification (e.g., Human Resources, Cybersecurity, Finance, etc.)

- San Diego County Water Authority recently executed contract to participate and has two positions posted.
Cuyamaca College partnership with National University

- Bachelor Degree in Public Administration: WaterWorks Management Concentration, first cohort Spring 2021

- Workgroup provided input and feedback on electives, learning outcomes of the program.

- In addition to core Public Administration courses, WaterWorks Concentration electives include:
  - WaterWorks Management Fundamentals and Practices in California
  - California WaterWorks Law and Regulatory Compliance
  - Human Resources & Labor Relations in WaterWorks Management
  - Leadership in the WaterWorks Industry
Regional Water/Wastewater Internship Program

- 2020-2021 Internship Rotation
  - Over 150 intern applications received for 8 positions.

- Agencies Participating:
  - City of Escondido
  - Fallbrook Public Utility District (3rd and 4th Quarters)
  - San Elijo Joint Powers Authority
  - Padre Dam MWD
  - San Dieguito Water District
  - San Diego County Water Authority
  - Sweetwater Authority (3rd and 4th Quarters)
Questions?
DETACHMENT UPDATE

Board of Directors
September 24, 2020

Sandra L. Kerl
General Manager
Detachment Update

- Water Authority and other member agencies filed LAFCO responses by September 18.

- A number of member agencies responded. The Water Authority is very appreciative of the interest expressed to LAFCO by our members.

- The Delta Watermaster also submitted a letter to the Water Authority expressing concern about how the change in suppliers would increase reliance on the Bay-Delta. The Water Authority submitted the letter to LAFCO.
The Water Authority Response was extensive, was supported by over 70 exhibits and was a major effort from staff in all departments and counsel. We covered major issues such as:

- The Water Authority’s key role in planning for our County and diversifying our supply
- The Fallbrook/Rainbow failed 2015 merger and its framing the current setting
- The major effects of detachment, including significant financial impacts on member agencies, loss of our voting rights at MWD, Fallbrook and Rainbow moving to a less reliable water supply, and many legal issues
Detachment Update

- We urge all Board members, General Managers, and the public to carefully read our Response. We will be working with LAFCO to address all the issues raised in the filing.

- Fallbrook and Rainbow also chose to respond to their own applications with a short cost study by a local group of real estate advisors. The study claims Fallbrook and Rainbow are subsidizing all other member agencies. The study is based on multiple incorrect assumptions and will be addressed by the Water Authority at LAFCO.
Detachment Update

- MWD also responded, saying it “is an interested party in this proceeding.” It filed a report asserting no water supply issues, and no Bay-Delta impacts.

- LAFCO is in the midst of trying to choose consultants to review certain major issues in the reorganization applications. The consultants will work with LAFCO and the parties, with results expected next year.

- The LAFCO Advisory Committee meeting has been moved to early November. We will keep the Board updated.
Controller’s Report
As of June 2020
(Final/Unaudited)

Administrative & Finance Committee
September 24, 2020

Christopher Woidzik
Controller
Report Contents

Main Staff Report: Budget Variance Analysis and Discussion

Financial Report Attachments
1. Water Sales Volumes (Acre-Feet)
2. FY 2020 Budget and Actual Comparisons
3. FY 2020 Results Summary
FY 2020 Summarized Results - Water Sales in Acre Feet

Variance Explanation
1. Higher member agency use of local surface water supplies
2. Heavy rains November, December and April
## FY 2020 Summarized Results - Budget vs. Actual Results

(Amounts in millions)

<table>
<thead>
<tr>
<th></th>
<th>FY 2020</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Adopted Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Water Sales</td>
<td>$ 632.6</td>
<td>$ 565.8</td>
</tr>
<tr>
<td>Water Purchases &amp; Treatment Costs</td>
<td>518.5</td>
<td>449.8</td>
</tr>
<tr>
<td>Total Net Water Sales Revenues</td>
<td>114.1</td>
<td>116.0</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>120.9</td>
<td>115.9</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>229.5</td>
<td>213.0</td>
</tr>
<tr>
<td>Net Revenues before CIP</td>
<td>5.5</td>
<td>18.9</td>
</tr>
<tr>
<td>Capital Improvement Program</td>
<td>81.4</td>
<td>63.7</td>
</tr>
<tr>
<td>Net Fund Withdrawals</td>
<td>$(75.9)</td>
<td>$(44.8)</td>
</tr>
</tbody>
</table>

$31 million in budgetary savings for FY20
FY 2020 Results Summary

Budget vs. Actual Results

- Net Water Sales revenue was 2% higher than budget in spite of a 13% decrease in acre-feet of water sold

- Budget planned for a withdrawal from Fund Balance of $76 million, but only $45 million was required. This $31 million reduction was due to a reduction in expenses and CIP project timing adjustments

- Operating department expenses were lower than budget by 7% exclusive of the additional pension charge of $4 million

- CIP expenses were below budget by $17.7 million due to project timing

- Savings realized noted above were applied to achieve the debt management strategy to reduce CY 2021 Rates & Charges
QUESTIONS?
Amendment 2 to the Services Contract with OneSource Distributors, LLC, for Preventative Maintenance, Upgrades, Repair and Technical Support For Medium Voltage Variable Frequency Drives

Engineering & Operations Committee
September 24, 2020

Jesus Meda
Operations and Maintenance Manager
Background

- The San Vicente and Olivenhain pump stations are equipped with medium voltage variable frequency drives.

- WA utilizes a services contract to perform preventative maintenance, upgrades, repair and technical support services.
The Water Authority entered into a three-year contract for $573,192 with OneSource Distributors in January 2017

Amendment 1 extended the contract termination date to June 16, 2020
Amendment 2

- Increases contract value by $646,005 and three years for a new contract maximum amount not-to-exceed $1,219,197.
Authorize the General Manager to execute Amendment 2 to the services contract with OneSource Distributors, LLC, for preventative maintenance, upgrades, repair and technical support for medium voltage variable frequency drives for an additional three years, increasing the contract maximum amount by $646,005, for a new, not-to-exceed amount of $1,219,197
Vallecitos Water District 11/
Vista Irrigation District 12
Flow Control Facility
Notice of Completion

Board of Directors
September 24, 2020

Gary Olvera
Senior Construction Manager
CONSTRUCT NEW FLOW CONTROL FACILITY

EXISTING FLOW CONTROL FACILITY
Project Overview

“OLD” VAL 2/VID 1 Flow Control Facility

“NEW” VAL 11/VID 12 Flow Control Facility
Contract Summary

Original Contract Amount:  $4,977,000

Change Orders:  ($42,767.75)

Final Contract Amount:  $4,908,275.25
Staff Recommendation

- Authorize the General Manager to accept the Vallecitos Water District 11/Vista Irrigation District 12 Flow Control Facility project as complete, record the Notice of Completion, and release funds held in retention to Kiewit Infrastructure West, Inc. following expiration of the retention period.
Permanent Special Agricultural Water Rate (PSAWR) Program

Board of Directors Meeting
September 24, 2020

Goldy Herbon
Senior Water Resources Specialist
## Previous Agricultural Water Rate Programs

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>1994</td>
<td>MWD Interim Agricultural Water Program (IAWP)</td>
</tr>
<tr>
<td>2008</td>
<td>Water Authority created Transitional Special Agricultural Water Rate (TSAWR)</td>
</tr>
<tr>
<td>2010, 2012</td>
<td>Water Authority extends TSAWR for an additional two years</td>
</tr>
<tr>
<td>2015</td>
<td>Water Authority extends TSAWR for five years</td>
</tr>
<tr>
<td>2019</td>
<td>Board directs staff to develop new and permanent Special Agricultural Water Rate</td>
</tr>
</tbody>
</table>
Fiscal Sustainability Task Force (FSTF)

- Charged with reviewing the Water Authority’s existing rate structure, including TSAWR
  - Reviewed benefits of an agricultural program
  - Evaluated agricultural water rate structure options

- FSTF unanimously recommended development of permanent SAWR program as part of the CY 2021 Cost of Service Process

- Board adopted PSAWR rate category in June 2020 as part of CY 2021 rates
PSAWR Service Limitations

**Supply Rate Differential**
- Differential between SDCWA Melded Supply and MWD Tier 1

**Supply Reliability Charge Exemption**
- Excludes PSAWR deliveries from share of supply reliability charge
  - MWD Allocation Level and Duration (forgo Desal/QSA reliability)

**Storage Charge Exemption**
- Excludes PSAWR deliveries from share of storage charge
  - ESP Event Cutback (twice the level of M&I customers)
  - No Access to Carryover Storage Supplies
## PSAWR CY 2021 Cost Benefit

<table>
<thead>
<tr>
<th>Cost Benefit</th>
<th>CY 2021</th>
</tr>
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<tbody>
<tr>
<td>Supply Rate Differential</td>
<td>$163/AF</td>
</tr>
<tr>
<td>Estimated Storage Charge Exemption *</td>
<td>$189/AF</td>
</tr>
<tr>
<td>Estimated Supply Reliability Charge Exemption *</td>
<td>$122/AF</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$474/AF</strong></td>
</tr>
</tbody>
</table>

* Fixed charge converted to $/AF using regional Municipal and Industrial (M & I) sales forecast. Actual cost benefit from storage and reliability charge exemptions will vary by member agency.
Program Development

- Reviewed prior programs
- Solicited stakeholder input
  - Two workgroup meetings
  - Ag industry
- Drafted policies and procedures based on:
  - Member agency feedback
  - Lessons learned
Eligibility

- Must grow or raise, for commercial purposes, products of an agricultural, horticultural, or floricultural nature

- Participants must be on one of four lists maintained by SD Regional Water Quality Control Board or County of San Diego
  - General Agricultural Orders Enrollment List
  - Growers List
  - Active Certified Producers List
  - Organic Producers List
Temporary Access to TSAWR Customers

- Allows existing TSAWR participants temporary eligibility in PSAWR Program from Jan. 1, 2021 - June 30, 2021
- Provides member agencies time to verify PSAWR Program eligibility
  - If determined ineligible, member agency must immediately remove customer from PSAWR Program
Next Steps

- Pending Board approval, staff will:
  - Develop press release to inform public of program
  - Develop template letter and key points for member agencies to use with potential program participants
  - Finalize program handbook and schedule member agency training on policies and procedures
  - Distribute eligibility lists to member agencies
  - Prepare for program implementation on January 1, 2021
Adopt Ordinance to establish the Permanent Special Agricultural Water Rate Program effective January 1, 2021 and grant existing Transitional Special Agricultural Water Rate Program participants temporary eligibility to participate in the PSWAR Program through June 30, 2021.
State Salton Sea Management Program Update

Board of Directors Meeting
September 24, 2020
Background

- August 19 - State Water Resources Control Board (SWRCB) Workshop - State’s Salton Sea Management Program (SSMP) Phase 1 - 10-Year Plan
  
  - Part of annual review
  
  - Established under 2017 Stipulated Order
    - Gave SWRCB oversight over SSMP
    - 30,000 acres to be addressed by 2028
    - Long-term plan by 2022
    - SSMP led by California Natural Resource Agency (CNRA)
  
  - Water Authority participated on workshop panel
CNRA Update on the SSMP

- Progress despite missed milestones
  - SSMP behind in acreage
  - Recovery plan
    - Dust Suppression Action Plan

- State prioritizing sea
  - Funding awarded despite economy
  - $20 million this year
Signs of Progress

- CNRA steps toward implementation of SSMP
  - Contractor hired for cornerstone project
    - ~4,000-acre Species Conservation Habitat (SCH)
  - Ten new positions
    - Based near the sea
  - Dust suppression moving forward
    - 120 acres complete
    - 7,000 acres planned
Signs of Progress Continued

- State signed MOUs for Salton Sea restoration effort
  - Salton Sea Authority
  - Imperial County
- Developing programmatic EIR for Phase 1
- Planning North Lake project
SWRCB Response to SSMP Update

- Supports the progress and State prioritization of the sea

- Wants additional information on permitting process

- Looking for mid-term plan between phase one and long-term plan
Next Steps in SSMP

- Hold public workshops (this week)
- Implement Dust Suppression Action Plan
- Move forward on SCH
- Open field office
- Develop mid-term plan
- Continue work on long-term plan

- Separate but complimentary - QSA JPA Mitigation
  - Continue to implement Salton Sea Air Quality Mitigation Program
  - 2,000 acres completed
  - Thousands of more acres in planning phases
MWD Budget and Rates Update

Board of Directors
September 24, 2020

Amy Chen
Director of MWD Program
MWD April Rates Reduction not from Budget Cuts

<table>
<thead>
<tr>
<th>Appropriations</th>
<th>Original</th>
<th>Updated</th>
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</thead>
<tbody>
<tr>
<td><strong>2020/21 Appropriations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Budget*</td>
<td>$1,385.4</td>
<td>$1,387.4</td>
</tr>
<tr>
<td>Debt Service</td>
<td>298.7</td>
<td>298.7</td>
</tr>
<tr>
<td>CIP**</td>
<td>250.0</td>
<td>250.0</td>
</tr>
<tr>
<td><strong>2020/21 Total</strong></td>
<td>1,934.1</td>
<td>1,936.1</td>
</tr>
</tbody>
</table>

| **2021/22 Appropriations** |       |         |
| Operating Budget*        | 1,421.5 | 1,423.5 |
| Debt Service             | 307.0   | 307.0   |
| CIP**                    | 250.0   | 250.0   |
| **2021/22 Total**        | 1,978.5 | 1,980.5 |

| **Total Biennium**       |       |         |
| Operating Budget*        | 2,806.9 | 2,810.9 |
| Debt Service             | 605.7   | 605.7   |
| CIP**                    | 500.0   | 500.0   |
| **Grand Total**          | $3,912.6 | $3,916.6 |

- Overall rate increases of 3% and 4% for 2021 and 2022 achieved through modifying treated water sales assumption and CIP PAYGo funding.
- Board Action included a directive to revisit adopted budget by September for potential rate relief due to COVID-19.

* Includes Conservation appropriation of $43M per year. The annual Conservation expenditures are budgeted at $25M per year.
** CIP appropriation is $500M over the biennium and will be subject to a separate Board action following the approval of the Budget.
Chair Madaffer’s Request

- $15/AF reduction in transportation rates ($24M)
  - Would reduce transportation rates increase to 7.7% from 10.8%
- Offered $53M in cost savings opportunities
San Diego Region Rallied in Support of Water Authority’s Efforts Seeking MWD Rate Relief

- Carlsbad MWD
- Helix WD
- Lakeside WD
- City of Oceanside
- Olivenhain MWD
- Otay WD
- Padre Dam MWD
- San Dieguito WD
- Santa Fe Irrigation District
- Valley Center MWD
- Yuima MWD

City of San Diego
- Mayor Faulconer’s office
- Council President Pro Tem Bry

San Diego County Taxpayers Association
September Discussion

- Identified $11.7M cost savings, but recommended no rate relief
- Budget included a new succession plan (overlapping staffing) initiative of $7M/yr, but said not possible to reduce
- Said own estimate of $8M tax revenue increase is unrealistic
September 2020 Board Action

- Added two amendments to staff’s recommendation:
  - Consider new revenue generation options during mid-cycle budget review; and
  - Moratorium on non-emergency, unbudgeted proposals for FY 2021
Questions?
MWD IRP Update

Board of Directors
September 24, 2020

Liz Mendelson-Goossens
Senior Water Resources Specialist
2020 IRP: Background

- 1996 IRP
  - Born out of 1987-1993 drought
  - “Major objective”
    - Reliability
    - Affordability
    - Water quality
    - Diversity of supply
    - Adaptability

- 2019 Board Retreat
  - MWD at a “crossroads”
Sept. 2020: MWD yet to provide data to support update
Water Authority Joins Other Member Agencies in Advocating for a 2020 IRP Update that is:

- Driven by data and analysis; and
- Carries-out meaningful regional coordination
Recent Update

Planned Near-Term Outreach

- Southern California Water Dialogue
  - October 28
- Southern California Water Coalition
  - November 5
- Public Workshop (2 dates)
  - Early November
- Member Agency Forums
  - Seeking opportunities

WHAT IS SOUTHERN CALIFORNIA’S WATER FUTURE?
Update on Implementation of Senate Bill 606 and Assembly Bill 1668

Board of Directors Meeting
September 24, 2020

Elizabeth Lovsted
Water Resources Manager
## Overview

<table>
<thead>
<tr>
<th>Component</th>
<th>Timing</th>
<th>Lead Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent monthly reporting</td>
<td>Begins Oct. 1, 2020</td>
<td>SWRCB</td>
</tr>
<tr>
<td>Water loss standards</td>
<td>End of 2020</td>
<td>SWRCB</td>
</tr>
<tr>
<td>Recommendation on indoor standards</td>
<td>January 2021</td>
<td>DWR</td>
</tr>
<tr>
<td>Residential irrigable land measurements</td>
<td>January 2021</td>
<td>DWR</td>
</tr>
<tr>
<td>Recommendation on WUE standards*</td>
<td>October 2021</td>
<td>DWR</td>
</tr>
<tr>
<td>UWMP/WSCP Updates</td>
<td>July 2021</td>
<td>DWR</td>
</tr>
<tr>
<td>Adoption of WUE standards*</td>
<td>July 2022</td>
<td>SWRCB</td>
</tr>
<tr>
<td>Annual water shortage assessment</td>
<td>June 2022</td>
<td>DWR</td>
</tr>
</tbody>
</table>

*WUE standards include:
- Outdoor residential use standard
- Standard for CII outdoor landscape area with dedicated irrigation meters
- Performance measures for CII water use
- Appropriate variances
- Guidelines and methodologies for calculating urban water use objectives
Water Use Studies

- Workgroup meeting held July 23, 2020
- Indoor Residential Water Use Study Overview
  - Monthly (Meter data, 5-10 years of data)
  - Hourly (AMI data, 1 year)
  - End-Use (896,000 customers, 30 days)
- Next workgroup meeting in September: DWR and Water Board recommendations
- Public review draft: end of October 2020
- Final report: end of November 2020
Landscape Area Measurement

- Workgroup meeting held July 29, 2020
- DWR completing validation of pilot projects
  - 5% +/- accuracy
- Phased delivery of landscape areas to agencies
  - Mid-September 2020 delivery for Phase 2A and 2B agencies
  - Remaining grouped in batches of 100
  - Specific timelines will be announced
- QC tool available for six months
- DWR providing residential parcel information only
Annual Water Supply and Demand Assessment

- DWR developing guidelines for assessment

Voluntary Reporting

- Association of California Water Agencies (ACWA) Workgroup
  - Better inform decisions about water conditions
  - Template based on “stress test”
  - Coordinate with DWR
  - Pilot launched in August
Developing guidelines and protocols for new UWMP legislative requirements

Public Review Draft released
- Comments due September 21, 2020
- Webinar scheduled for Wednesday, September 16, 2020

Final UWMP Guidebook is scheduled for release in Fall 2020

2020 UWMPs due to DWR by July 1, 2021
Inactive Stakeholder Workgroups

- Two inactive workgroups
  - Standards, Methodologies, and Performance Measures
  - Data Streamlining

- Anticipate additional meetings in 2020
  - Small work groups of water suppliers meeting to brainstorm ideas and coordinate response to proposals
Next Steps

Continue to...

- Update Water Authority Board, member agency managers, community groups, trade organizations, etc.
- Participate in workgroups
- Coordinate with ACWA, CMUA, member agencies, and other water suppliers to provide information and expertise to DWR and SWRCB
- Support member agency implementation efforts
Sacramento Update

Board of Directors
September 24, 2020

Glenn Farrel, Director of Government Relations
Legislature

- 2020 legislative session
  - Adjourned on August 31

- December 7: Legislature will convene to organize for 2021-22 legislative session
Dash Stumble to the Finish Line...

- Last month of legislative session proceeded fairly smoothly with limited bills and condensed legislative schedule until...

- Senate Republican caucus lunch exposed 10 of the 11 Senate Republicans
  - Senate President Pro Tem Toni Atkins required quarantine and authorized virtual/remote access for Senate debate and votes
August 31 - The Grand Finale...
It’s a Wrap...

A year of modest policy accomplishments:
- Eviction protection compromise
- Policing power
- Housing reform
- Plastics and recycling

Major issues remaining unaddressed:
- Wildfires
- Economic recovery
- Resources/resiliency
- Grid reliability/energy storage
The End??

- Legislature is adjourned until November 30 - however, it can reconvene at any time:
  - To consider legislation requiring 2/3 vote, to take action relative to the state budget, or to consider legislation imposing taxes
  - In response to an Extraordinary (Special) Session called by the Governor
Sponsored Legislation - Pumped Hydro Storage

- Continuing to explore legislative and administrative (through CPUC proceeding) opportunities into 2021

- Letter to Governor by Chair Madaffer
  - Calling for Executive Order to jump-start the procurement process at the CPUC for long-duration energy storage
Sponsored Legislation - SB 1386 (Moorlach)

- Water Authority co-sponsored SB 1386 (Moorlach) during 2020 with Irvine Ranch Water District
- Objective is to clarify existing law (and Prop 218 compliance) regarding the imposition of fire-related water service charges across the customer base
- Passed Legislature on unanimous vote
  - Pending final action on Governor’s Desk
- Broad support from water agencies, municipalities, fire districts, professional fire fighter organizations
Recent Bill Signings

- COVID-19 legislation
  - AB 685 (Reyes) - Requires employers to provide written notice to employees who may have been exposed to COVID-19 at their worksite - Chapter 84, Statutes of 2020
  - SB 1159 (Hill) - Creates a rebuttable presumption that illness or death related to COVID-19 is an occupational injury and therefore eligible for workers’ compensation benefits - Chapter 85, Statutes of 2020

- Other
  - AB 992 (Mullin) - Amends the Brown Act to address public officials’ use of social media - Chapter 89, Statutes of 2020
    - Water Authority General Counsel will advise the Board regarding applicability and statutory requirements
QUESTIONS?