NOTICE TO THE PUBLIC


PUBLIC COMMENT MAY BE SUBMITTED BY EITHER OF THESE TWO METHODS:

(1) BEFORE THE MEETING SUBMIT YOUR TELEPHONE NUMBER BY E-MAIL TO THE CLERK AT MNELSON@SDCWA.ORG AND THE CLERK WILL CALL YOU WHEN THE BOARD IS READY TO HEAR YOUR PUBLIC COMMENT (THREE MINUTES OR LESS); OR

(2) BEFORE THE MEETING E-MAIL YOUR COMMENT TO THE WATER AUTHORITY GENERAL COUNSEL AT MHATTAM@SDCWA.ORG AND MAY BE READ ALOUD AT THE PUBLIC COMMENT PERIOD (THREE-MINUTE LIMIT).

IF MODIFICATIONS OR ACCOMMODATIONS FROM INDIVIDUALS WITH DISABILITIES ARE REQUIRED, SUCH PERSONS SHOULD PROVIDE A REQUEST AT LEAST 24 HOURS IN ADVANCE OF THE MEETING BY E-MAIL TO THE WATER AUTHORITY GENERAL COUNSEL AT MHATTAM@SDCWA.ORG]

BOARD OF DIRECTORS’ REGULAR MEETING
9:00 A.M. OCTOBER 22, 2020

1. **UNIFIED AGENDA:** This unified agenda provides a brief description of each item to be considered by the Board. As allowed by the Water Authority Administrative Code, there will be no committee meetings on October 22, 2020, and all business will be conducted at the regular Board meeting.

2. **DOCUMENTS:** Staff reports and any other public information provided to the Board before the meeting relating to items on the agenda are available for public review on the Water Authority website at https://www.sdcwa.org/meetings-and-documents. Additional documents may be distributed at the meeting electronically, and will be made available. Copies of individual items are available through the Clerk of the Board at (858) 522-6614.

3. **MEETING TIMES:** The Board meeting will commence at 9:00 a.m. on October 22, 2020, and will continue until complete.

4. **CONSENT CALENDAR:** The agenda contains items listed on a consent calendar which is for matters considered routine or otherwise not requiring further deliberation. The Board will take action as recommended by one motion. There will be no individual discussion on such items prior to the vote unless an item is removed for discussion.

5. **PUBLIC HEARINGS OR COMMENT:** Any comments related to a public hearing should be made as stated in the special notice section above.

6. **ACCESS FOR THE DISABLED:** See above notice.

7. **RULES GOVERNING MEETINGS:** The Water Authority’s Administrative Code Chapter 2.00 governs conduct of meetings of the Board and the Committees. The Administrative Code is available online at www.sdcwa.org.

PUBLIC COMMENT MAY BE SUBMITTED BY EITHER OF THESE TWO METHODS:

(1) BEFORE THE MEETING SUBMIT YOUR TELEPHONE NUMBER BY E-MAIL TO THE CLERK AT MNELSON@SDCWA.ORG AND THE CLERK WILL CALL YOU WHEN THE BOARD IS READY TO HEAR YOUR PUBLIC COMMENT (THREE MINUTES OR LESS); OR

(2) BEFORE THE MEETING E-MAIL YOUR COMMENT TO THE WATER AUTHORITY GENERAL COUNSEL AT MHATTAM@SDCWA.ORG AND MAY BE READ ALOUD AT THE PUBLIC COMMENT PERIOD (THREE-MINUTE LIMIT).

IF MODIFICATIONS OR ACCOMMODATIONS FROM INDIVIDUALS WITH DISABILITIES ARE REQUIRED, SUCH PERSONS SHOULD PROVIDE A REQUEST AT LEAST 24 HOURS IN ADVANCE OF THE MEETING BY E-MAIL TO THE WATER AUTHORITY GENERAL COUNSEL AT MHATTAM@SDCWA.ORG.

AGENDA

FORMAL BOARD OF DIRECTORS’ MEETING

The mission of the San Diego County Water Authority is to provide a safe and reliable supply of water to its member agencies serving the San Diego region.

OCTOBER 22, 2020
9:00 a.m.

1. Call to Order.

2. Roll call, determination of quorum.
   2-A Report on proxies received.

3. Additions to Agenda. (Government code Sec. 54954.2(b)).

4. Approve the minutes the Formal Board of Directors’ meeting of September 24, 2020.

5. Opportunity for members of the public who wish to address the Board on matters within the Board’s jurisdiction.
6. REPORT BY CHAIR
   6-A Chair’s Report: Chair Croucher

7. ACTION/DISCUSSION/PRESENTATION

7.1 Recognition of Supervisor Greg Cox for his public service and leadership. Gary Croucher

7.2 Notice of Biennial Review of the Representatives to the Metropolitan Water District of Southern California. (Action) Gary Croucher

7.3 Rates & Charges and Budget Update. (Presentation) Lisa Marie Harris

7.4 Approve the selection of pool of Financial Advisors to provide financial advisory services. Lisa Marie Harris
   Staff recommendation: Authorize the General Manager to award professional service contracts to Financial Advisors for a total base amount not-to-exceed $300,000 for the three-year period from December 1, 2020 to December 1, 2023. The contracts will have two one-year renewal options. (Action)

7.5 San Vicente Project Negotiations Work Group update. (Presentation) Tony Heinrichs

7.6 Detachment Update. (Presentation) Sandy Kerl / Mark Hattam

7.7 Asset Management Program Briefing. (Presentation) Martin Coghill

7.8 Colorado River Salinity Control update. (Presentation) Kara Mathews

7.9 Regional Salinity Reduction Study. (Presentation) Nathan Faber

7.10 Washington report by Ken Carpi. (Supplemental Materials)

7.11 Sacramento Report. Glenn Farrel

7.12 Amendment to extend the federal advocacy services contract with Carpi & Clay. Glenn Farrel
   Staff recommendation: Staff recommends the Board of Directors extend an agreement with Carpi & Clay for federal advocacy services for a period of 24 months, from January 1, 2021 through December 31, 2022, for a total amount – including monthly retainer and reimbursable expenses – not to exceed $375,000. (Action)

7.13 Draft Proposed 2021 Legislative Policy Guidelines. (Presentation) Glenn Farrel

7.15 Quarterly report on Public Affairs activities. (Presentation) Denise Vedder / Andrea Mora

7.16 Small Contractor Outreach and Opportunities Program (SCOOP) Annual Report. (Presentation) Craig Balben

8. CONSENT CALENDAR


8.2 Establish 2021 Board meeting dates. Staff recommendation: Combine the November and December Board meeting dates to November 18, 2021 and approve the 2021 Board meeting dates calendar.

8.3 Abandonment of easements along El Paseo Road. Staff recommendation: Authorize General Manager/General Counsel to file documentation with the San Diego County Recorder’s Office to abandon Water Authority easements along El Paseo Road.

8.4 Agreement for the storage or sale of Local Water to the San Diego County Water Authority by the Santa Fe Irrigation District and San Dieguito Water District. Staff recommendations:

1) Approve the agreement between the Water Authority and Santa Fe Irrigation District and San Dieguito Water District for the storage or sale of local water.

2) Authorize the General Manager to purchase local water per the terms of the agreement.

8.5 Approve memorandum of understanding with City of San Diego and County of San Diego for implementation of Integrated Regional Water Management Program activities. Staff recommendation: Approve the MOU with the City and the County for IRWM activities.

9. INFORMATION
9-B Board Calendar.
9-C Colorado River Board Representative’s Report. (Supplemental Materials)
9-D Metropolitan Water District Delegates Report. (Supplemental Materials)
9-E Government Relations Update.
9-F Final Status Report on State Legislation and Legislative Positions.
9-G Water Resources Report.
10. **SPECIAL REPORTS**
10-A **GENERAL MANAGER’S REPORT** – Ms. Kerl
10-B **GENERAL COUNSEL’S REPORT** – Mr. Hattam
10-C **SANDAG REPORT** – Director Katz
   SANDAG Subcommittees: Borders Committee – Director Saxod
   Regional Planning Committee – Director Heidemann
10-D **AB 1234 Compliance Reports** – Directors

11. **CLOSED SESSION(S)**
11-A Conference with Legal Counsel – Existing Litigation
   Government Code §54956.9(d)(1)
   SDCWA v. Metropolitan Water District of Southern California; San Francisco Superior Court Case Nos. CPF-10-510830; CPF-12-512466; CPF-14-514004; CPF-16-515282; CPF-16-515391; CGC-17-563350; CPF-18-516389; California Court of Appeal (1st District) Case Nos. A146901; A148266; A154325; California Supreme Court Case Nos. S243500; and S251025

11-B Conference with Legal Counsel – Existing Litigation
   Government Code §54956.9(d)(1)
   Food & Water Watch and Center for Food Safety v. Metropolitan Water District of Southern California and All Persons Interested in the Matter; Los Angeles Superior Court Case No. BC 720692; California Court of Appeal (2nd District) Case No. B297553

11-C Conference with Legal Counsel – Existing Litigation
   Government Code §54956.9(d)(1)
   Name of Case: Bonnie Kessner et al v. City of Santa Clara et al; Santa Clara Superior Court Case No. 20CV364054; and Santa Cruz County Superior Court JCCP No. 5103

11-D Conference with Legal Counsel – Existing Litigation
   Government Code §54956.9(d)(1)
   Name of Case: Vallecitos Water District v. San Diego County Water Authority; San Diego County Superior Court Case No. 37-2020-00034563-CU-BC-NC

11-E Conference with Legal Counsel – Anticipated Litigation
   Government Code §54956.9(d)(2)
   Two Cases

12. **ACTION FOLLOWING CLOSED SESSION**

13. **OTHER COMMUNICATIONS**

14. **ADJOURNMENT**

Melinda Nelson, Clerk of the Board
MINUTES OF THE FORMAL BOARD OF DIRECTORS’ MEETING
September 24, 2020

1. **CALL TO ORDER** Chair Madaffer called the Board of Directors’ meeting to order at 9:00 a.m.

Chair Madaffer welcomed the Board to the meeting and briefly discussed logistics of the meeting.

2. **ROLL CALL, DETERMINATION OF QUORUM**

Clerk of the Board Nelson called the roll. Directors present virtually were Chair Madaffer, Vice Chair Croucher, Secretary Guerin, and Directors Arant, Ayala*, Barnum, Bebee, Boyle, Butkiewicz, Cate, Cherashore, Evans, Fong-Sakai, Hall, Hedberg*, Heinrichs, Hilliker, Hogan, Katz, Kennedy, Lewinger, Martinez, Miller, Murtland*, Mosca*, Preciado, Reeh, Rios, Saxod, Scalzitti*, Smith, Steiner, Wilson, and Supervisor Desmond.

Directors absent were Heidemann (p)*, Udrys, and Simpson.

Staff present included General Manager Kerl, Deputy General Manager Denham, General Counsel Hattam, Director of Administrative Services Foster, Director of the Colorado River Program Rodgers, Director of Engineering Reed, Director of Finance Harris, Director of Government Relations Farrell, Director of Human Resources Kite, Director of MWD Program Chen, Director of Operations & Maintenance Fisher, Director of Public Affairs Vedder, Director of Water Resources Gage, Controller Woidzik, Human Resources Manager Spaniol, Operations & Maintenance Manager Meda, Water Resources Manager Lovsted, Senior Construction Manager Olvera, Senior Water Resources Specialist Mendelson-Goossens, QSA Outreach Coordinator Simon, and Clerk of the Board Nelson. Also present was Ken Carpi of Carpi & Clay, Inc.

2-A **Report on proxies received.** No proxies were received.

3. **ADDITIONS TO THE AGENDA**

There were no additions to the agenda.

*Directors Hedberg and Murtland arrived at 9:05 a.m.

4. **APPROVAL OF MINUTES**

Director Cherashore moved, seconded by Director Lewinger, and the motion carried at 93.3645% of the vote to approve the minutes of the Formal Board of Directors’ meeting of August 27, 2020. Ms. Nelson took a roll call vote.
5. **PUBLIC COMMENT**  
Mr. Glenn Pruim, Vallecitos Water District General Manager, addressed the Board regarding an unresolved incident concerning desalinated water agreements and upcoming litigation steps for breach of contract.

*Directors Ayala and Mosca arrived at 9:13 a.m.

6. **REPORT BY CHAIR**  
Chair Madaffer reported that on July 1, 2020 the Government Finance Officers Association awarded the Water Authority with a Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR) for fiscal year ending June 2019. He added that it was the 20th consecutive year that the Water Authority had received the prestigious award and congratulated staff on the achievement.

He spoke briefly on Colorado River hydrology issues and stated the Bureau of Reclamation released updated projections that indicated an increased risk of the probability of shortages. He stated the 2019 Drought Contingency Plan (DCP) was being implemented and that no DCP issues were anticipated in California for 2021. He referred to the written Colorado River Hydrology update memo for more information on issues along the Colorado River.

Chair Madaffer also reported on continued discussion with the Governor, and members of his administration, regarding benefits of the San Vicente Pumped Hydro Storage facility as a green energy solution to alleviate the strain on California’s energy grid. He added that the project could provide 500 megawatts of long duration clean green energy, as well as provide substantial economic activity within the region.

7. **ACTION/DISCUSSION/PRESENTATION**

7.1 Presentation of Directors’ Service Certificates.

Chair Madaffer presented Directors Ayala, Fong-Sakai, Hall, Heinrichs, Kennedy, and Preciado with service certificates recognizing each for five years of service to the San Diego County Water Authority Board of Directors.

7.2 **Election of Board Officers for October 1, 2020 – September 30, 2022.**  
The following Board Members were nominated:  
Chair: Gary Croucher  
Vice Chair: Christy Guerin  
Secretary: Jerry Butkiewicz and Chris Cate

Chair Madaffer announced the nominations received for Board Officers for term ending September 30, 2022 and made a motion to approve the election of Croucher for Chair,
Guerin for Vice Chair, and Butkiewicz for Secretary. Director Mosca seconded the motion.

Directors Bebee, Kennedy, and Cate asked questions and made comments.

*Director Scalzitti arrived at 9:28 a.m.

Chair Madaffer moved, seconded by Director Mosca, and the motion carried at 79.6925% of the vote to approve the Chairs recommendation. Ms. Nelson took a roll call vote.

Chair Madaffer provided further comments on the process and congratulated the incoming Officers. Directors Kennedy, Bebee, Scalzitti, Butkiewicz, Barnum, Hedberg, Hilliker, and Guerin asked questions and made comments.

Vice Chair Croucher thanked the Board for the election to Chair of the Board and stated that he looked forward to moving ahead, with a lot to be accomplished. He announced that the committee selection process was due to begin, and committee interest surveys would be sent out in following weeks.

Item 7.3 was deferred to later in the meeting.

7.3 Presentation to Outgoing Chair Madaffer.

*Ms. Nelson announced that a proxy had been received at 9:45 a.m. and that Director Martinez was the proxy for Director Heidemann.

7.4 Workforce Development update.

Ms. Spaniol presented an update on the Regional Workforce Development work group that included a review of work group objectives and updates, and shared a demonstration of the SanDiegoWaterWorks.org website. She reviewed the Department of Defense SkillBridge Program established for hiring military veterans, a Bachelor Degree program partnership between Cuyamaca College and National University specific to the water industry, and the 2020-2021 Regional Water and Wastewater Internship Program.

Ms. Kerl congratulated Ms. Spaniol for all that was achieved working with member agencies and provided further comments on workforce development projects and tools. Directors Preciado, Fong-Sakai, Martinez, and Chair Madaffer made comments and asked questions. Ms. Spaniol responded.

7.5 Detachment Update.

Ms. Kerl began the detachment update with an announcement that the Water Authority and other member agencies had filed LAFCO responses by the September 18, 2020 deadline, and that a number of member agencies had responded. She added that 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, and the Water Authority submitted that letter to LAFCO. She stated the Water Authority Response was extensive and was supported by over 70 exhibits. The Response covered major issues including the Water Authority’s key role in planning for the County and diversifying supply, the 2015 failed Fallbrook/Rainbow merger, and the major effects of detachment on member agencies such as significant financial impacts; loss of voting rights at MWD; and Fallbrook and Rainbow moving to a less reliable water supply.

Ms. Kerl reported that Fallbrook and Rainbow chose to respond to their applications with a short cost study by a local group of real estate advisors, which claimed that Fallbrook and Rainbow were subsidizing all other member agencies. Ms. Kerl stated the study was based on multiple incorrect assumptions and would be addressed by the Water Authority at LAFCO. She added that MWD also responded as an interested party in the proceeding and had filed a report asserting no water supply issues, and no Bay-Delta impacts. She announced LAFCO was in the process of selecting consultants to review certain major issues in the reorganization applications, and the consultants would work with LAFCO and the parties, with results expected next year. She stated that the LAFCO Advisory Committee meeting was moved to early November 2020 and the Board would be updated.

Mr. Hattam continued by thanking all the Staff involved and urged all Board members, General Managers, and the public to carefully read the Response. He stated he would be working with LAFCO to address all issues raised in the filing.

Director Bebee provided comments regarding the detachment update and LAFCO process.

Director Arant made comments clarifying that Valley Center Water District had no interest in, and was not contemplating, leaving the Water Authority.

Directors Preciado and Kennedy also provided comments.


Mr. Woidzik provided a presentation that included a summary report of water sales volumes in acre-feet, and FY 2020 Budget and Actual comparisons. He continued with a review of the FY 2020 Budget versus Actual results summary including total net water sales revenues, other revenues and expenses, net revenues before CIP, CIP costs, and net fund withdraws. He stated the presentation was a high-level summary and detailed information could be found in the written report.

Directors Smith, Bebee, and Wilson made comments and asked questions, and Mr. Woidzik responded.
Ms. Harris provided further comments in response to questions by Directors Bebee and Wilson, regarding budgets savings and reductions that were obtained through cost cutting measures in order to reach the bottom line. Ms. Kerl added further comments.

7.7 Amendment 2 to the services contract with OneSource Distributors, LLC, for preventative maintenance, upgrades, repair, and technical support for medium voltage variable frequency drives.

**Staff recommendation:** 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 maximum of $1,219,197.

Mr. Meda provided a presentation that included project background, an overview of the proposed amendment 2, and staff recommendation.

Director Miller moved, seconded by Director Katz, and the motion carried at 96.961% of the vote to approve staffs’ recommendation. Ms. Nelson took a roll call vote.

7.8 Notice of Completion for the Vallecitos Water District 11/Vista Irrigation District 12 Flow Control Facility project.

**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 all funds held in retention to Kiewit Infrastructure West, Inc., following the expiration of Notice of Completion period.

Due to time constraints no presentation was provided.

Directors Evans and Miller recused on item 7.8

Director Lewinger moved, seconded by Director Preciado, and the motion carried at 91.042% of the vote to approve staffs’ recommendation. Ms. Nelson took a roll call vote.

7.9 Adopt a Permanent Special Agricultural Water Rate Program ordinance and grant temporary PSAWR eligibility for existing Transitional Special Agricultural Water Rate Program customers.

**Staff recommendation:** Adopt Ordinance No.2020-04 to establish the Permanent Special Agricultural Water Rate (PSAWR) Program effective January 1, 2021, and grant existing Transitional Special Agricultural Water Rate (TSAWR) Program participants eligibility to participate in the PSAWR Program on a temporary basis through June 30, 2021, to allow member agencies sufficient time to verify compliance with new PSAWR Program eligibility requirements.
Ms. Gage spoke briefly on the background and history of the Special Agricultural Water Rate Program, and development of the Special Agricultural Water Rate.

Ms. Herbon continued with an overview of historical water rate programs, fiscal sustainability task force recommendations, PSAWR service limitations, and PSAWR CY 2021 cost benefits. She reviewed program development points, draft policies and procedures based on member agencies feedback, eligibility requirements, and temporary access eligibility for TSAWR customers. She concluded with next steps and a review of the staff recommendation.

Directors Kennedy and Arant made comments and thanked Staff.

Director Steiner commented and requested clarification on comments made regarding the rate going through cost of service study analysis. Staff responded that they would return with an answer.

Directors Barnum, and Bebee also made comments and thanked Staff. Mr. Denham responded to comments made by Director Bebee.

Ms. Harris responded to Director Steiner and clarified that the PSAWR had gone through the cost of service study.

Director Heinrichs moved, seconded by Director Hilliker, and the motion carried at 97.933% of the vote to approve staffs’ recommendation. Ms. Nelson took a roll call vote.

Director Lewinger provided further comments recognizing and thanking Director Arant for his continued dedication for over fifteen years, in achieving the PSAWR. Chair Madaffer added further comments and congratulations.

Due to time constraints Chair Madaffer referred to the written materials provided in the packet for item 7.10.

7.10 Metropolitan Water District Delegates report.

7.11 State Salton Sea Management Program update.

Mr. Simon presented a State Salton Sea Management Program (SSMP) update that included background, California Natural Resources Agency update on SSMP, CNRA signs of progress and steps towards SSMP implementation, and State Water Resource Control Board (SWRCB) response to SSMP update. He concluded with a review of next steps, including upcoming public workshops and congressional hearings.

7.12 Update on Metropolitan Water District’s 2021 and 2022 Budget and Rates Review.
Ms. Chen presented an update on MWD 2021 and 2022 Budget and Rates that included a review of April rate reductions not from budget cuts. She briefly discussed Chair Madaffer’s request to MWD for rate relief that included a fifteen dollars per acre-foot reduction in transportation rates and offered fifty-three million dollars in cost saving opportunities. She stated that a number of member agencies had rallied in support of Water Authority efforts for rate relief from MWD including Mayor Faulconer’s Office and the San Diego County Taxpayers Association. She reviewed September 2020 rate discussions and MWD Board actions including an action to consider new revenue generation options during mid-cycle budget review and a moratorium on non-emergency unbudgeted proposals for FY 2021.

Director Preciado made comments and asked questions regarding water sales and revenues at MWD and Staff responded. MWD Delegates Smith and Hogan provided further clarification and comments in response to Director Preciado’s questions.

Directors Bebee and Lewinger made comments and asked questions and Ms. Chen responded.

7.13 Update on Metropolitan Water District’s 2020 Integrated Water Resources Plan.

Ms. Mendelson-Goossens presented on the MWD 2020 Integrated Water Resource Plan (IWRP). She included a background review, and 2020 IRWP process overview. She stated that MWD had launched the 2020 IRP update in February 2020 using the scenario planning approach. She discussed major steps in the scenario planning process including development of projected resources mix in coordination with member agencies, uncertainty scenarios, potential strategies, and key tracking metrics.

Director Smith provided further comments on the IRP.

7.14 Update on Implementation of Senate Bill 606 and Assembly Bill 1668.

Chair Madaffer referred to the written materials included in the Board Packet for item 7.14.

7.15 Washington report by Ken Carpi.

Mr. Carpi provided a Washington report which included updates related to issues of interest of the Water Authority.

7.16 Sacramento report.

Mr. Farrell provided a report on legislative activities in Sacramento and reviewed issues of interest to the Water Authority. He stated that Legislature adjourned August 31, 2020 and would convene December 7, 2020 for the 2021-22 legislative session. He concluded with a review of Water Authority co-sponsored legislation SB 1386, and announced the bill had passed Legislature on unanimous vote, and was pending final action by the Governor.
Chair Madaffer and the Board wished Director Mosca a Happy Birthday.

8. **CONSENT CALENDAR**
Director Barnum pulled item 8.2., Director Lewinger pulled item 8.4., and Chair Madaffer pulled item 8.6.

Mr. Hattam announced that Director Hall would recuse on item 8.5.

Director Ayala moved, seconded by Director Bebee, and the motion carried at 99.912% of the vote to approve Consent Calendar items, 8.1, and 8.3, and 8.5. Ms. Nelson took a roll call vote. Directors voting no, or abstaining are listed under the item.

8.1 **Monthly Treasurer’s Report on Investments and Cash Flow.**
   **Staff recommendation:** Note and file the Treasurer’s report.

8.3 **Equipment purchase and service contract with Reliability Controls Corporation for the purchase of three Bently Nevada machinery protection systems for the San Vicente Pump Station, including software and support services for system installation and commissioning.**
   **Staff recommendation:** Authorize the General Manager to execute an equipment purchase and service contract with Reliability Controls Corporation for machinery protection system equipment and services for an amount not-to-exceed $250,032.

8.5 **Approve City of Carlsbad Waiver Request for Late Fee on June 2020 Water Bill.**
   **Staff recommendation:** Authorize the General Manager to waive City of Carlsbad late fee for the June 2020 water invoice amounting to $23,808.25.

Director Hall recused on 8.5. The motion carried at 98.0825%

8.2 **New Treated Water Service Connection for City of Poway.**
   **Staff recommendation:** Authorize City of Poway’s (Poway) request for a new service connection on the Water Authority’s system to be owned and operated by the Water Authority for the purpose of conveying treated water into Poway’s distribution system.

Ms. Kerl provided comments on the new treated water service connection request for City of Poway and introduced Mr. Crutchfield to continue the presentation.

Mr. Crutchfield provided a presentation that included background information on the Ramona Pipeline, Poway service connection planning study framework, and next steps. He stated that timing was extremely important in order for Poway to meet requirements from the Department of Drinking Water to complete the project by April 1, 2021. He concluded with a review of the staff recommendation.

Ms. Kerl stated that Director Barnum had requested to submit an alternate recommendation to the Board and introduced Director Barnum to present comments on his recommendation.
Director Barnum addressed the Board regarding his concerns with the staff recommendation and presented an alternate recommendation for consideration of the Board.

**Alternative recommendation:**
Authorize the City of Poway’s request for a planning study for a new service connection on the Water Authority’s system to be owned and operated by the Water Authority for the purpose of conveying treated water into Poway’s distribution system. The planning study will include the original stakeholders of the Ramona Pipeline including the City of San Diego, Olivenhain Municipal Water District and Ramona Municipal Water District. The connection point will be determined for Board approval at a later date and will involve the original stakeholders that funded the Ramona Pipeline.

Director Barnum provided further comments on the Ramona Pipeline and connection capacities.

Director Barnum moved the motion to approve his alternate recommendation.

Chair Madaffer and Director Barnum further discussed the alternative recommendation and the staff recommendation.

Director Martinez and Secretary Guerin asked questions and made comments. Secretary Guerin moved to approve staffs’ recommendation.

Director Kennedy seconded the alternate recommendation moved by Director Barnum.

Directors Arant, Steiner, Lewinger, Bebee, Cate, Guerin, and Chair Madaffer asked questions and made comments, and Ms. Kerl, Staff, and Director Barnum responded.

Director Steiner offered an alternative staff recommendation that included language from both proposed recommendations.

Discussion and clarification of the recommendation took place between Director Barnum and Chair Madaffer.

Chair Madaffer stated the amended recommendation:
**Alternative staff recommendation:** Authorize City of Poway’s (Poway) request for a new service connection on the Water Authority’s system to be owned and operated by the Water Authority for the purpose of conveying treated water into Poway’s distribution system. There will be a planning study to include the original stakeholders (City of San Diego, Olivenhain MWD, and Ramona MWD). The connection point, and the terms and conditions, will be determined for Board approval at a later date and will involve the original stakeholders that funded the Ramona Pipeline.
Further discussion on the alternative motion took place between Director Steiner, Secretary Guerin, Director Barnum, and Chair Madaffer.

Director Kennedy clarified that he was the second to the motion to approve the alternative recommendation moved by Director Barnum, and not Director Bebee as stated. He added that he supported the amendment by Director Steiner and removed his second to the alternative recommendation. Director Barnum accepted the amendment as proposed.

Vice Chair Croucher, Secretary Guerin, and Directors Heinrichs, Mosca, Hogan, Bebee, and Barnum asked questions and made comments and staff responded.

Director Guerin moved, seconded by Director Steiner, and the motion carried at 99.912% of the vote to approve the alternative staff recommendation. Ms. Nelson took a roll call vote.

8.4 Adopt a Resolution of Support for Proposition 16 – the “Allows Diversity as a Factor in Public Employment, Education and Contracting Decisions” Legislative Constitutional Amendment.

Staff recommendation: Adopt resolution 2020-____ endorsing Proposition 16, the “Allows Diversity as a Factor in Public Employment, Education and Contracting Decisions” legislative constitutional amendment.

Director Lewinger addressed the Board regarding the Water Authority Board taking a position of Support for Proposition 16. He stated that the Water Authority was a diverse agency and half of the 12 key positions were held by women and/or minorities, and the Proposition was not related to water. Director Lewinger made a motion to table item 8.4., seconded by Vice-Chair Croucher.

Chair Madaffer clarified that a motion to table, under the Water Authority Code, would require the item to return to the Board. He suggested Director Lewinger amend his motion to instead pull item 8.4 from the agenda, and he asked Mr. Hattam to clarify further. Mr. Hattam provided further clarification of the Water Authority Code.

Director Lewinger amended his motion to pull item 8.4 from the agenda, Vice-Chair Croucher seconded.

Directors Arant, Wilson, Kennedy, Mosca, Butkiewicz, Madaffer, Guerin, Preciado, Lewinger, Barnum, and Rios made comments and asked questions and staff responded.

Director Lewinger moved, and Vice-Chair Croucher seconded the motion to pull item 8.4. Ms. Nelson took a roll call vote and stated the motion failed at 60.259% of the vote.

Mr. Hattam clarified how the vote was calculated with further detail provided in respect to the block vote by the City of San Diego and he explained that the City of San Diego had essentially removed themselves with a split vote.
Mr. Hattam recommended that Chair Madaffer proceed with the motion by Director Mosca to approve staffs’ recommendation. Discussion on meeting procedure ensued between Mr. Hattam, Chair Madaffer, and Directors Lewinger and Preciado.

Director Mosca made a motion to approve staffs’ recommendation, seconded by Director Preciado. Ms. Nelson took a roll call vote and the motion failed at 84.027% of the vote.

8.6 Agreement with San Diego Gas & Electric to Rent Water Authority Property.
Staff recommendation: Authorize the General Manager to negotiate and enter into an agreement with San Diego Gas & Electric (SDGE) to rent Water Authority property to store construction materials and equipment for an amount up to $560,000.

Director Fong-Sakai asked for clarification of renting versus licensing and Mr. Hattam responded. Director Fong-Sakai asked a follow-up question regarding coordination with the City of San Diego and Mr. Reed replied that there would be coordination between SDG&E and the City of San Diego, as well as community outreach. Director Butkiewicz commented on the importance of community outreach.

Director Fong-Sakai moved staffs’ recommendation, and Director Cherashore seconded.

Chair Madaffer requested Ms. Nelson report the 8.4 vote results and Ms. Nelson stated that vote calculations were being tallied and recommended moving forward with the vote on 8.6.

Director Fong-Sakai moved, seconded by Director Cherashore, and the motion carried at 96.5464% of the vote to approve staffs’ recommendation. Ms. Nelson took a roll call vote. Director Hedberg recused.

The following Information items were received and filed:

9. INFORMATION
9-A Report on purchase orders and contracts for goods and services above $10,000.
9-B Board Calendar.
9-C Colorado River Board Representative’s report.
9-D Colorado River Hydrology Update.
9-E Government Relations Update.
9-F Water Resources report.

10. SPECIAL REPORTS
10-A GENERAL MANAGER’S REPORT – Ms. Kerl stated she had nothing further to report.
10-B GENERAL COUNSEL’S REPORT – Mr. Hattam stated he had nothing further to report.
10-C SANDAG REPORT – Director Katz reported on discussion and action taken at the SANDAG meeting. SANDAG Subcommittees: Borders Committee – No report was provided.
Regional Planning Committee – No report was provided.

10-D  AB 1234 Compliance Reports – No reports were given.

7.3  Presentation to Outgoing Chair Madaffer.

Vice-Chair Croucher thanked Chair Madaffer and recognized him for the time and effort given to the position of Chair over the prior two years. He presented Chair Madaffer with a gift of appreciation on behalf of the Board of Directors.

Chair Madaffer thanked Vice-Chair Croucher and the Board and reflected on highlights, achievements, and challenges during his tenor as Board Chair. He thanked Staff and the Board Officers for support provided during his tenor and wished the incoming Officers success in the future.

Vice-Chair Croucher thanked the Board for his nomination to Chair and expressed his intent to move forward collaboratively with the Board of Directors on issues of interest to the region. He reminded the Board of the upcoming committee selection process and stated that surveys regarding committee interest would be sent in the following days.

11.  CLOSED SESSION(S)

Mr. Hattam took the Committee into Closed Session at 2:00 p.m.

11-A  Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
SDCWA v. Metropolitan Water District of Southern California; San Francisco Superior Court Case Nos. CPF-10-510830; CPF-12-512466; CPF-14-514004; CPF-16-515282; CPF-16-515391; CGC-17-563350; CPF-18-516389; California Court of Appeal (1st District) Case Nos. A146901; A148266; A154325; California Supreme Court Case Nos. S243500; and S251025.

11-B  Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Food & Water Watch and Center for Food Safety v. Metropolitan Water District of Southern California and All Persons Interested in the Matter; Los Angeles Superior Court Case No. BC 720692; California Court of Appeal (2nd District) Case No. B297553.

11-C  Conference with Legal Counsel – Anticipated Litigation
Government Code §54956.9(d)(2)
One Case (claim available for public inspection pursuant to Government Code §54957.5).
12. **ACTION FOLLOWING CLOSED SESSION**
Mr. Hattam brought the Board out of Closed Session at 2:19 p.m. and stated there was nothing to report.

13. **OTHER COMMUNICATIONS**

14. **ADJOURNMENT**
There being no further business to come before the Board, Chair Madaffer adjourned the meeting at 2:20 p.m.

________________________________  _______________________________
Gary Croucher, Chair                Jerry Butkiewicz, Secretary

_______________________________
Melinda Nelson, Clerk of the Board
October 14, 2020

Attention: Board of Directors

From: Gary Croucher, Chair

Notice of Biennial Review of Representatives to the Metropolitan Water District of Southern California. (Action)

Under Section 9.00.060 of the Water Authority’s Administrative Code, all Metropolitan Water District (MWD) Delegates are to be reviewed in October of even-numbered years. I sent my request for your input on September 28, 2020. This memo serves as notice of my intention to present the biennial review of the Water Authority’s MWD Delegates at the October 22, 2020 Board Meeting and ask for the Board’s confirmation.

In undertaking this biennial review, I took into consideration, among other factors, the Water Authority’s longstanding policy objectives at MWD, including its leadership, the pending selection of MWD’s next General Manager, the pending update of MWD’s Integrated Resources Plan and rate structure, and the significant challenges confronting MWD’s water supply reliability and finances in the years ahead. Additionally, I considered the individual and collective skills, experience, and relationships of the individuals representing the Water Authority as our Delegates.

During this review, I also consulted with the Board Officers to identify the team of delegates we believe can achieve our objectives at MWD at this time. While in the past the Water Authority has not had an Officer who also serves as a MWD Delegate, we decided it was not the only issue to consider in the decision. Due to the significant issues facing MWD, including the timing and selection of a new General Manager, we believe it is not in our best interest to change the delegation at this time. Our current team is very educated on all the issues at MWD and work very well together. So, I am requesting the changes to any individual Delegate be delayed at this time to be reviewed next year after many of these critical issues have been resolved. I have also spoken with each of our delegates and they agree with this approach and look forward to serving. I request the Board confirm the current directors as follows for the Water Authority MWD representatives:

Jerry Butkiewicz
S. Gail Goldberg
Michael Hogan
Tim Smith

If you have any questions, please call me. Thank you.
October 14, 2020

Attention: Administrative and Finance Committee

Rates & Charges and Budget Update. (Presentation)

Purpose
To provide an update on the Calendar Year 2021 Rates and Charges and the Fiscal Years 2020 and 2021 Budget.

Background
In June 2020, the Board of Directors requested a review of the Water Authority’s Calendar Year 2021 Rates and Charges and the Fiscal Years 2020 and 2021 Budget, with a report back on any significant rate changes or amendments resulting from any Metropolitan Water District actions or adjustments to their budget and Rates. In September, the MWD Board approved to maintain the adopted rates and budget.

Previous Board action: On June 27, 2019, the Board of Directors approved the General Manager’s Multi-year Budget for Fiscal Years 2020 and 2021. On June 26, 2020, the Board of Directors approved the Calendar Year 2021 Rates and Charges and approved the amended budget for Fiscal Years 2020 and 2021.

Discussion
The Calendar Year 2021 Rates and Charges incorporate the cost saving measures from the midterm budget update presented to the Board in May and June 2020. These efforts included $44.5 million in savings to minimize expenditures in FY2020 and FY2021. In addition to these efforts, the CY2021 Rates and Charges included forecasted savings of a multi-year debt management strategy. While these strategies helped minimize rate impacts in CY2021, the majority of forecasted savings, due to refunding and defeasance, helped moderate greater increases forecasted for CY2022 and beyond.

At the end of FY2020 the Water Authority withdrew $32.0 million from the Rate Stabilization Fund to provide rate smoothing and align balances within the target levels. This RSF draw brought the balance to $120.7 million. This is part of the Water Authority’s multi-year pledge to draw nearly $80.0 million from the RSF.

Between June and now, Water Authority staff has not identified any additional savings or mitigation measures to further suppress CY2021 Rates and Charges. On the revenue side, FY2021 is off to a challenging start, with water sales 9% below the March forecast used for CY2021 Rates and Charges. Based on these facts, staff is not recommending any changes to the FYs 2020 and 2021 Budget or CY2021 Rates and Charges adopted in June 2020.

Prepared by: Pierce Rossum, Rate and Debt Manager
               Liana M. Whyte, Budget and Treasury Manager

Reviewed by: Lisa Marie Harris, Director of Finance/Treasurer

Approved by: Sandra L. Kerl, General Manager
Attention: Administrative and Finance Committee

Approve the selection of pool of Financial Advisors to provide financial advisory services. (Action)

Staff recommendation
Authorize the General Manager to award professional service contracts to Financial Advisors for a total base amount not-to-exceed $300,000 for the three-year period from December 1, 2020 to December 1, 2023. The contracts will have two one-year renewal options.

Alternative recommendation
Do not award contracts and direct staff to re-bid contracts.

Fiscal Impact
Funds are included in the Fiscal Years 2020 and 2021 Budget. Funds identified for use in future fiscal years will be dependent upon Board approval of the future budgets. The Board will approve transaction fees as part of any future transactions. This action impacts all rate categories.

Background
The Water Authority’s Debt Management Policy calls for the use of an external financial advisor to assist in the issuance and administration of debt and to advise the Water Authority on financial matters that are non-transaction related. Transaction related services include supporting competitive and negotiated debt transactions, facilitating investor outreach, acting as a credit rating agency liaison, evaluating market conditions, optimizing bond pricing and other important tasks that enable the Water Authority to maintain the lowest cost of funds possible, which is an important Business Plan goal. Non-transaction related work includes assisting with the development of financial plans and policies, monitoring capital markets and supporting the management of existing debt, which includes executing Commercial Paper (CP) dealer agreements, managing dealer allocations and the renewal of liquidity facilities that support the CP program.

Previous Board action: On December 10, 2015, the Board approved the selection of Montague DeRose and Associates, LLC and Acacia Financial Group, Inc. to provide financial advisory services.

Discussion
On August 20, 2020, the Water Authority issued a Request for Proposals (RFP) for financial advisory services. On September 10, 2020, seven proposals were received in response to the RFP. The firms submitting a proposal included Acacia Financial Group, Inc., Clean Energy Capital Securities, LLC, KNN Public Finance, LLC, Montague DeRose and Associates, LLC, PFM Financial Advisors, LLC, Piper Sandler, and Rockfleet Financial Services, Inc. The proposals were
evaluated based upon factors that included scope of services, technical competence, past performance, staff experience, and proposed fees. Of the seven firms, five met the minimum qualifications identified in the RFP. Acacia Financial Group, Inc., Clean Energy Capital Securities, LLC, Montague DeRose and Associates, LLC, PFM Financial Advisors, LLC, and Piper Sandler were asked to interview.

A panel of Water Authority staff conducted interviews and evaluated their proposals. Acacia Financial Group, Inc., Clean Energy Capital Securities, LLC, and Montague DeRose and Associates, LLC were selected to serve as a member of the pool of financial advisors to provide the Water Authority financial advisory services. The recommendation is based upon their expertise, extensive experience working with local governments, successful experience working with the Water Authority, and competitive pricing.

Prepared by: Rebecca Melillo, Senior Management Analyst
Reviewed by: Liana Whyte, Budget & Treasury Manager
Lisa Marie Harris, Director of Finance/Treasurer
Approved by: Dan Denham, Deputy General Manager
October 14, 2020

Attention: Engineering and Operations Committee

Asset Management Program Briefing. (Presentation)

Background
This presentation will provide an overview of the Asset Management Program and highlight some of the latest achievements.

Discussion
The Water Authority’s Asset Management Program seeks to monitor and maximize the life expectancy of Water Authority assets, and repair or replace them at the optimum time. The Water Authority implemented the program in 2009 to protect and ensure the reliability of the Water Authority’s pipelines and facilities.

As part of the rolling five-year Condition Assessment Plan, the Asset Management Program prioritizes the assets to be assessed in the coming years. The current priority for condition assessment is the First Aqueduct where the team has made significant progress. The pipelines forming the First Aqueduct are the oldest pipelines within the Water Authority’s aqueduct system and presented unique challenges with respect to assessment technology selection and implementation.

This presentation will provide an overview of the Asset Management Program, including program history, scope and future enhancements.

Prepared by: Martin R. Coghill, Operations and Maintenance Manager
Reviewed by: James E. Fisher, Director of Operations and Maintenance
Approved by: Sandra L. Kerl, General Manager
October 14, 2020

Attention: Imported Water Committee

Colorado River Salinity Control update (Presentation)

Purpose
This report provides an update on salinity control in the Colorado River.

Executive Summary

- The Salinity Control Program is critical for improving water quality on the Colorado River to meet required standards and help reduce economic damages.
- Current projects under the program remove over 1.2 million tons of salt per year.
- Paradox Valley Unit, a major salinity control project, is currently shut down and options for a replacement project are included in a draft Environmental Impact Statement (EIS) with a final EIS forthcoming.
- Continued funding for the program is key to maintaining current projects and expanding salinity reduction to meet future goals.
- Currently the TDS of the supply that the Water Authority is receiving from the Metropolitan Water District of Southern California (MWD) is approximately 575 mg/L, representing a high percentage of Colorado River water in the blend.

Background
The Colorado River flows more than 1,400 miles from its headwaters in the Rocky Mountains through portions of seven states and Mexico. Through natural and man-induced causes, the river picks up and dissolves salt along its path, with salinity ranging from about 50 mg/L at its source to nearly 850 mg/L as it reaches Mexico. Historically nearly 10 million tons of dissolved salts have passed down the river annually below Hoover Dam. The seven Colorado River Basin States formed the Colorado River Basin Salinity Control Forum (Forum) in 1973 to coordinate efforts with the federal government to address the increasing salinity levels in the river. The Colorado River Basin Salinity Control Act in 1974 created the Salinity Control Program and directed the Secretary of the Interior to implement salinity control projects. Salinity standards were set for the river, including a standard for Colorado River water delivered to Mexico. The Salinity Control Act also defined certain funding aspects of the program, including the requirement that the states cost share 30 percent of the total cost implemented by the Bureau of Reclamation (Reclamation) and U.S. Department of Agriculture (USDA). The significant salt load in the river creates economic damages to its users if not actively managed. Modeling by Reclamation projects quantifiable damages from high salinity water to be more than $450 million dollars per year to United States users with the potential to increase to nearly $575 million by 2035 if the Salinity Control Program were not to continue to be aggressively implemented.

Discussion
There are several salinity control projects being implemented through the Salinity Control Program. The Yuma Desalting Plant is a project located in Arizona, but most of the other salinity control projects, such as the Paradox Valley Unit (PVU), are located in the Upper Basin and
reduce salts by improving irrigation techniques or by intercepting and disposing of salts before they enter the Colorado River system. The current projects remove over 1.2 million tons annually with a goal to implement additional salinity reduction to bring the total to 1.7 million tons removed per year by 2040.

The Yuma Desalting Plant (YDP), located in the Lower Basin, was constructed in 1992 to treat saline agricultural return flows from the Wellton-Mohawk Irrigation and Drainage District in Arizona. Treated water from YDP is included in water deliveries to Mexico thereby preserving a like amount of water in Lake Mead. The plant has been maintained, but largely not operated due to surplus/normal water supply conditions on the Colorado River throughout the 1990s. Since then, steady increases in water demand on the lower Colorado River coupled with the effects of a prolonged drought over the entire Colorado River Basin have prompted increased interest in plant operation. In 2010, Reclamation conducted a pilot run of the YDP in order to collect performance and cost data, and to determine if any additional corrective actions would be necessary for potential long-term operation of the plant. While operating at one-third capacity, the YDP pilot run successfully conserved 30,500 acre-feet included in deliveries to Mexico.

One of the largest salinity control projects in the Upper Basin is PVU located in Paradox Valley, Colorado, where a Colorado River tributary receives over 200,000 tons of salt annually from highly saline aquifers. Since the 1990s, the PVU has removed approximately 100,000 tons of salt each year by pumping the saline aquifer into a 16,000-foot deep injection well until its closure in March 2019 due to seismic activity. Reclamation resumed operation of the existing brine-water injection operations at PVU in April 2020 for a six-month test conducted at a much-reduced injection rate. The test was suspended on May 29, 2020 to seek an independent review of the test procedures and protocols. Reclamation indicated that it may restart the test run on the existing brine injection well in November 2020. Reclamation identified four PVU replacement alternatives in the draft EIS released on December 6, 2019 including no action, a new deep injection well, evaporation ponds, and zero liquid discharge technology. The Water Authority submitted a comment letter on the draft EIS in February supporting the Forum’s position to select a preferred alternative that meets the project purpose and need; provides the greatest certainty of meeting EIS goals; reduces risk; and considers costs. The Final EIS scheduled for release in August has not yet been released.

The 2040 salinity control goal relies on maintaining funding levels for the program, including these and other projects. The Salinity Control Program is funded on a cost-share basis between the Basin States and federal appropriations. The cost-share amount is a percentage of the federal appropriations amount. The cost-share funding is linked to hydropower generation, which has decreased in recent years due to reduced reservoir levels in the Colorado River system. Recent higher federal appropriations have triggered higher cost-share requirements, while lower reservoirs have resulted in reduced hydropower revenues. As a result, maintaining the solvency of the cost-share portion of the program has become challenging and there is now a growing accrual deficit of over $13 million. In February, the Basin States submitted a letter to Reclamation expressing interest in seeking options to address this funding issue, especially in light of potential increases in funding requirements associated with the future PVU replacement alternative. Annual funding for Reclamation’s Basinwide Program is approximately $10 million, which is awarded as grants for agricultural water delivery systems and other projects. Additional funding is needed for the Basinwide Program to keep up with program costs and integrate with
the USDA Environmental Qualities Improvement Program (EQIP) efforts. The USDA utilizes the EQIP to implement on-farm irrigation projects for salinity control. The Forum and its members are working with Congress to ensure continued funding for salinity reduction projects.

The Water Authority’s supply delivered from MWD is a blend of Colorado River water and State Water Project water. The State Water Project water has lower salinity than Colorado River water. Higher salinity levels (measured as total dissolved solids or TDS) in the water delivered by MWD indicates a higher percentage of Colorado River water. Currently the TDS of the supply that the Water Authority is receiving from MWD is approximately 575 mg/L, representing a high percentage of Colorado River water in the blend.

Prepared by:  Kara Mathews, Principal Water Resources Specialist
Reviewed by:  Kelly Rodgers, Director of the Colorado River Program
Approved by:  Dan Denham, Deputy General Manager
October 14, 2020

Attention: Water Planning and Environmental Committee

Regional Salinity Reduction Study. (Presentation)

**Purpose**
To provide an overview of a current Water Research Foundation (WRF) project that assesses regional water quality influences from new local supply projects, including the Claude “Bud” Lewis Carlsbad Desalination Plant (CDP).

**Executive Summary**
- In 2018, WRF published a report that examined the impact of integrating seawater desalination water from the CDP into existing regional supplies.
- The previous WRF research indicated no negative impacts to water quality in the region, however the team recommended analyzing longer-term water quality trends under various State Water Project blends.
- The Water Authority, eight member agencies, the Southern California Salinity Coalition, and Poseidon have partnered with WRF to further analyze these regional water quality trends and evaluate the effect new local supply projects utilizing reverse osmosis may have on regional salinity.
- The new study looks at additional CDP data as well as potential salinity reduction stemming from the development of planned local supply projects in the region and could assist agencies to further quantify salinity loading to support development of salt and nutrient plans as regulated by the State Water Resources Control Board.
- The team kicked off the study this month and will be conducting research over the next two years. The final report is expected in September 2022.

**Background**
From 2016 to 2018, the Water Authority and eight member agencies worked with the Water Research Foundation (WRF) to evaluate initial effects the Claude “Bud” Lewis Carlsbad Desalination Plant (CDP) had on regional water quality. The study found that the blend of CDP water in the Water Authority’s regional treated water supply was highly variable not only geographically, but also at various times throughout the day, month, and year. Although the exact blend of CDP water was variable, the study confirmed there were no negative impacts to water quality as a result of introducing CDP product water as a new local supply. This research was conducted during a period when the State Water Project represented only a small component of the imported water received by the Water Authority, ranging from 3% to 18% in the region, and the team recommended analyzing trends under higher State Water Project influences.

**Discussion**
In an effort to evaluate higher State Water Project blends (34% to 66%) and longer-term water quality trends, the Water Authority, eight member agencies, the Southern California Salinity Coalition, and Poseidon have again partnered with WRF. This partnership will extend the previous research, along with an added salinity aspect based on trends observed in the previous research.
The study includes three main tasks:

1. **Analysis of water quality from the CDP from 2017-2019.** The analysis builds from the analysis conducted during the previous study and includes salinity, disinfectant residual (chloramines), nitrification, disinfection by-product formation including bromide, corrosion, and water quality impacts on irrigated plants (e.g., boron and chloride), among others. The analysis will also evaluate a higher State Water Project blend that was present during the subject time period.

2. **Model regional salinity reduction from proposed local supply sources.** As a complement to the first task, a model will be developed to analyze the reduction in regional salinity not only due to the CDP, but also new local supply projects planned in the region. The regional salinity management model will be designed to calculate salinity loading in the Water Authority service area. Inputs to this mass-balance model are expected to include flows, salinity of the respective supplies, and proportion of the State Water Project in imported water flows. Results of this task will also assist agencies to further quantify salinity loading to support development of salt and nutrient plans as regulated by the State Water Resources Control Board.

3. **Determine potential economic benefits.** The study will quantify both the salinity yielded by these new local supply sources and the potential economic benefits using the U.S. Bureau of Reclamation’s Salinity Impact Model.

Eight member agencies plan to provide water quality data collected from existing sampling routines and participate in project workshops. Water Authority staff will be guiding the project through the WRF Project Advisory Committee, providing data, and modeling the potential economic benefits for the San Diego region.

The team started with a project kickoff and planning workshop this month. Over the next two years, WRF will conduct an analysis workshop and model assessment workshop to review data and results. The study will conclude with a final report in September 2022. Overall, this research will further the previous research and provide a better understanding of overall regional water quality based on a diversified water supply portfolio.

Prepared by: Nathan Faber, Principal Engineer  
Reviewed by: Jeremy Crutchfield, Water Resources Manager  
Kelley Gage, Director of Water Resources  
Approved by: Sandra L. Kerl, General Manager
October 14, 2020

Attention: Legislation and Public Outreach Committee

Amendment to extend the federal advocacy services contract with Carpi & Clay. (Action)

**Staff recommendation**

Staff recommends the Board of Directors extend an agreement with Carpi & Clay for federal advocacy services for a period of 24 months, from January 1, 2021 through December 31, 2022, for a total amount – including monthly retainer and reimbursable expenses – not to exceed $375,000.

**Alternative**

1. Do not enter into the recommended contract.
2. Modify the terms of the recommended contract.

**Fiscal Impact**

If the Water Authority staff’s federal advocacy services recommendation is approved, the amount of the contract for two years of service would total a not to exceed $375,000. There are sufficient funds budgeted in the current FY 2021 budget to cover the remaining six months of the fiscal year (through June 30, 2021), and the 2021-22 two-year budget will contain sufficient funding proposals to address the remainder of the proposed two-year contract extension.

**Executive Summary**

- Continue receiving federal advocacy services from the Carpi & Clay firm.
- The services received during the contract thus far has proven to be highly successful and valuable.
- An extension of the current contract is required, as the federal advocacy contract is scheduled to expire on December 31, 2020.
- Staff recommends increasing the Carpi & Clay monthly retainer amount to ensure it is competitive and commensurate with services provided and consistent with similarly-situated federal advocacy firm contracts in Washington, D.C., for a total amount not-to-exceed $375,000 for the two-year extension period.
- The contract would be extended from January 1, 2021 through December 31, 2022.

**Background**

The Water Authority utilizes consultants to assist in accomplishing Board-directed priorities and programs. The Water Authority entered into a federal advocacy professional services contract with Carpi & Clay beginning in 1984. The professional services contract is scheduled to terminate on December 31, 2020.

In addition, the Water Authority entered into state advocacy professional services contracts with Cruz Strategies beginning in 2014 and with Smith, Watts, and Hartmann (for regulatory advocacy
services) beginning in 2017. Both of the state advocacy contracts are scheduled to terminate on December 31, 2020. The Board Officers have directed staff to issue a Request for Proposals for state legislative advocacy professional services, with a projected timeline to bring recommended state advocacy services contracts – to supplement the existing Water Authority staff advocacy efforts – to the Board at its January 28, 2021 meeting.

**Discussion**

For many years, water- and resources-related legislative and regulatory issues have gained high profile throughout the state and continue to have significant priority for state and federal officials, legislators, and stakeholders. Challenges facing the Water Authority include navigating the variety of legislative, administrative, and regulatory efforts to address the state’s water supply situation, continuing debates over addressing the affordability of water for consumers, ensuring the Water Authority is appropriately positioned to successfully compete for funding from federal sources, pursuing water supply storage opportunities in Lake Mead, and advancing opportunities to protect the region’s water supply reliability, drought resiliency, regional self-reliance, and water supply independence.

Maintaining a strong presence in Washington, D.C. for the Water Authority’s legislative and regulatory advocacy efforts will be necessary to overcome challenges and to capitalize on opportunities that may be presented. The Carpi & Clay firm has a strong track record of success on behalf of the Water Authority for many years. Managed and led by the Water Authority’s Director of Government Relations, the Carpi & Clay firm complements the efforts of the staff and others within the broader Water Authority team, providing strong relationships within Congress, the federal Administration, and key regulatory agencies that are important to the Water Authority’s activities.

Water Authority staff will work with the Board Officers and LPO Committee leadership in early 2022 to establish a timeline and plan for competitively re-bidding the federal advocacy contract in a manner that provides for an open and transparent process with full engagement and opportunity for all federal advocacy service providers that wish to compete.

The staff recommendation for extension of the Carpi & Clay advocacy services contract, and the compensation proposed under the contract reflects the comprehensive nature of services provided by the firm, and is also reflective of the contemporaneous cost of securing a high level of experienced and expertise services from federal advocacy firms in Washington, D.C..
## Water Authority Federal Advocacy Contract

<table>
<thead>
<tr>
<th>FIRM</th>
<th>2018 MONTHLY RETAINER</th>
<th>2019 MONTHLY RETAINER</th>
<th>2020 MONTHLY RETAINER</th>
<th>PROPOSED 2021 MONTHLY RETAINER</th>
<th>PROPOSED 2022 MONTHLY RETAINER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carpi/Clay</td>
<td>11,024</td>
<td>11,355</td>
<td>11,696</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>ANNUAL TOTAL</td>
<td>$139,788</td>
<td>$143,760</td>
<td>147,852</td>
<td>187,500</td>
<td>187,500</td>
</tr>
</tbody>
</table>

(Incl. reimbursable expense allowance)

Ensuring a strong and consistent presence for the Water Authority within federal legislative and regulatory forums and venues will be necessary to advocate the Water Authority’s, the member agencies’, and the region’s priorities and to capitalize on opportunities that may be presented. The Carpi & Clay firm has a meritorious track record of success, engagement, and strong relationships within the Congress and federal regulatory and administrative agencies.

Prepared by: Ivy Ridderbusch, Legislative Analyst  
Glenn A. Farrel, Director of Government Relations  
Approved by: Dan Denham, Deputy General Manager
October 14, 2020

Attention: Legislation and Public Outreach Committee

Draft Proposed 2021 Legislative Policy Guidelines. (Discussion).

Purpose
This memo provides a preliminary identification of proposed 2021 Legislative Policy Guidelines.

Background
The Water Authority maintains a set of legislative policy guidelines to direct staff and legislative advocates on issues of importance to the Water Authority, its member agencies, and the San Diego region. The Board approved an original set of Legislative Policy Guidelines in December 1993. They are reviewed and updated annually. The guidelines provide a useful framework for staff and legislative advocates to evaluate the potential impact of state and federal legislation on the Water Authority and its member agencies. The guidelines also permit staff and the Water Authority’s legislative advocates to act in a timely fashion between Board meetings on issues that are consistent with the guidelines. Such actions are then reported to the Board during the next regular monthly Board meeting.

Staff and legislative advocates consult the guidelines to determine recommended positions on legislation and amendments. Irrespective of whether a staff recommended position on legislation meets, or fails to meet, the principles set forth in the guidelines, staff brings those recommendations before the Board for consideration of adopting a formal position in support or opposition, accordingly. Prior to each Board meeting, staff provides a written report on recommended positions, an analysis of each bill, and a discussion of the measure’s relevance to the Legislative Policy Guidelines and other Board policies.

Discussion
This report presents staff’s initial recommendations for the Board’s annual review, and seeks input from interested parties for any additional modifications. Staff will incorporate feedback any additional input received, and bring the proposed 2021 Legislative Policy Guidelines to the Board for consideration of approval and adoption at its November 19, 2020 meeting.

Over the past two months, Water Authority staff has solicited any proposed substantive modifications to the Legislative Policy Guidelines from member agencies and from Water Authority staff. Attachment 1 a matrix reflecting the full scope of areas within the Legislative Policy Guidelines document that are proposed for modification, and Attachment 2 is the proposed redline and strikeout version of the Legislative Policy Guidelines reflecting grammatical, clarifying, and substantive modification proposals. The areas of the draft 2021 Legislative Policy Guidelines with proposed substantive modifications include the following:
Legislation and Public Outreach Committee  
October 14, 2020  
Page 2 of 2

- Energy
  - Energy Costs
  - Energy Independence
- Water Facilities and Facility Operations
  - Construction and Asset Management
  - Funding
  - Public Safety Power Shutoffs
  - Workforce Development
- Water Planning
  - Climate Change
    - Local Planning

Staff requests that interested parties provide suggested modifications to the 2021 Legislative Policy Guidelines to Glenn Farrel on or before November 6, 2020, by email to gfarrel@sdcwa.org, so all suggestions may be properly integrated into the final version of the Legislative Policy Guidelines document.

Prepared by: Ivy Ridderbusch, Legislative Analyst  
Glenn A. Farrel, Director of Government Relations  
Approved by: Dan Denham, Deputy General Manager

Attachment 1: Matrix of Proposed Legislative Policy Guideline Modifications
Attachment 2: Draft Proposed 2021 Legislative Policy Guidelines
## PROPOSED LEGISLATIVE POLICY GUIDELINE MODIFICATIONS

<table>
<thead>
<tr>
<th>LPG Policy Category</th>
<th>Page #</th>
<th>Sub-Category</th>
<th>Policy #</th>
<th>Description of Proposed Change</th>
<th>Submitted By</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>15</td>
<td>Energy Costs</td>
<td>Support – 2</td>
<td>Clarifying text to ensure applicability to both the Water Authority and the member agencies</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>Energy</td>
<td>15</td>
<td>Energy Costs</td>
<td>Support – 3</td>
<td>Clarifying text addition</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>Energy</td>
<td>16</td>
<td>Energy Independence</td>
<td>Support – 2</td>
<td>Clarifying text addition</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>Energy</td>
<td>16</td>
<td>Energy Independence</td>
<td>Support – 4</td>
<td>Clarifying text related to identification of pumped hydropower storage as an energy storage resource rather than a renewable energy resource</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>Energy</td>
<td>16</td>
<td>Energy Independence</td>
<td>Support – 5</td>
<td>Clarifying text related to identification of benefits and attributes associated with pumped hydropower energy storage</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>Energy</td>
<td>16</td>
<td>Energy Independence</td>
<td>Support – 6</td>
<td>Clarifying text related to opportunities for in-line hydroelectric energy recovery within the Water Authority’s aqueduct system</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>Energy</td>
<td>16</td>
<td>Energy Independence</td>
<td>Support – 9</td>
<td>Elimination of a guideline related to identification of pumped hydropower storage as a renewable energy resource</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>Energy</td>
<td>17</td>
<td>Energy Independence</td>
<td>Support – 11</td>
<td>Clarifying text addition</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>Energy</td>
<td>17</td>
<td>Energy Independence</td>
<td>Support – 12</td>
<td>Clarifying text addition</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>LPG Policy Category</td>
<td>Page #</td>
<td>Sub-Category</td>
<td>Policy #</td>
<td>Description of Proposed Change</td>
<td>Submitted By</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------</td>
<td>--------------</td>
<td>---------</td>
<td>---------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Water Facilities and Facility Operations</td>
<td>44</td>
<td>Construction and Asset Management</td>
<td>Title Page</td>
<td>Add new text to reflect addition of Asset Management, public safety power shutoff, and workforce development components proposed to be added to guidelines</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>Water Facilities and Facility Operations</td>
<td>45</td>
<td>Construction and Asset Management</td>
<td>Preamble</td>
<td>Add new text to reflect Asset Management, workforce development, and public safety power shutoff components proposed to be added to guidelines</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>Water Facilities and Facility Operations</td>
<td>45</td>
<td>Construction and Asset Management</td>
<td>Support – 2</td>
<td>Add new policy guideline regarding monitoring and assessments of large diameter pipelines</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>Water Facilities and Facility Operations</td>
<td>45</td>
<td>Construction and Asset Management</td>
<td>Support – 3</td>
<td>Add new policy guideline regarding development and implementation of asset management programs</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>Water Facilities and Facility Operations</td>
<td>46</td>
<td>Construction and Asset Management</td>
<td>Oppose – 2</td>
<td>Add new policy guideline regarding implementation of asset management programs</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>Water Facilities and Facility Operations</td>
<td>46</td>
<td>Construction and Asset Management</td>
<td>Oppose – 4</td>
<td>Clarifying text regarding planning, design, and construction of projects</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>Water Facilities and Facility Operations</td>
<td>46</td>
<td>Construction and Asset Management</td>
<td>Oppose – 5</td>
<td>Add new policy guideline regarding development and implementation of asset management programs</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>Water Facilities and Facility Operations</td>
<td>46</td>
<td>Funding</td>
<td>Support – 1</td>
<td>Clarifying text regarding planning, design, and construction of projects</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>Water Facilities and Facility Operations</td>
<td>47</td>
<td>Funding</td>
<td>Support – 14</td>
<td>Add new policy guideline regarding</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td></td>
<td>funding for asset management programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LPG Policy Category</td>
<td>Page #</td>
<td>Sub-Category</td>
<td>Policy #</td>
<td>Description of Proposed Change</td>
<td>Submitted By</td>
</tr>
<tr>
<td>--------------------------</td>
<td>--------</td>
<td>---------------------------------------</td>
<td>----------</td>
<td>------------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Water Facilities and Facility Operations</td>
<td>47</td>
<td>Public Safety Power Shutoffs</td>
<td>Support – 1</td>
<td>Add new policy guideline regarding price gouging during PSPS events</td>
<td>Water Authority Staff based on Board position on AB 1936 during 2020 legislative session</td>
</tr>
<tr>
<td>Water Facilities and Facility Operations</td>
<td>48</td>
<td>Public Safety Power Shutoffs</td>
<td>Support – 2</td>
<td>Add new policy guideline regarding declaration of emergency during PSPS events</td>
<td>Water Authority Staff based on Board position on AB 2178 during 2020 legislative session</td>
</tr>
<tr>
<td>Water Facilities and Facility Operations</td>
<td>48</td>
<td>Public Safety Power Shutoffs</td>
<td>Support – 3</td>
<td>Add new policy guideline regarding tax exemptions associated with purchase of backup energy sources for use during PSPS events</td>
<td>Water Authority Staff based on Board position on SB 952 during 2020 legislative session</td>
</tr>
<tr>
<td>Water Facilities and Facility Operations</td>
<td>48</td>
<td>Public Safety Power Shutoffs</td>
<td>Support – 4</td>
<td>Add new policy guideline regarding use of alternative power sources during PSPS events</td>
<td>Water Authority Staff based on Board position on AB 2182 and SB 1099 during 2020 legislative session</td>
</tr>
<tr>
<td>Water Facilities and Facility Operations</td>
<td>48</td>
<td>Public Safety Power Shutoffs</td>
<td>Oppose – 1</td>
<td>Add new policy guideline regarding use of alternative power sources during PSPS events</td>
<td>Water Authority Staff based on Board position on SB 1185 during 2020 legislative session</td>
</tr>
<tr>
<td>Water Facilities and Facility Operations</td>
<td>49</td>
<td>Workforce Development</td>
<td>Support – 1</td>
<td>Add new policy guideline regarding pathways for transitioning military service members toward employment in the water and wastewater treatment industries</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>LPG Policy Category</td>
<td>Page #</td>
<td>Sub-Category</td>
<td>Policy #</td>
<td>Description of Proposed Change</td>
<td>Submitted By</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>--------</td>
<td>----------------------------</td>
<td>----------</td>
<td>------------------------------------------------------------------------------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Water Facilities and Facility Operations</td>
<td>49</td>
<td>Workforce Development</td>
<td>Support – 2</td>
<td>Add new policy guideline regarding potable reuse and recycled water facility operators</td>
<td>Water Authority Staff</td>
</tr>
<tr>
<td>Water Planning</td>
<td>52</td>
<td>Climate Change: Local Planning</td>
<td>Oppose – 3</td>
<td>Clarifying text regarding the establishment of local water supply “loading orders”</td>
<td>Water Authority Staff</td>
</tr>
</tbody>
</table>
2020 LEGISLATIVE POLICY GUIDELINES

Government Relations Program
San Diego County Water Authority
2021 Legislative Policy Guidelines

Purpose

The San Diego County Water Authority's legislative policy guidelines reflect policy positions adopted by the Board of Directors through 2017. The guidelines provide direction to staff and the legislative advocates when they evaluate proposed legislation that may affect the Water Authority, its member agencies, or regional water management and use. Legislation that meets, or fails to meet, the principles set forth in the guidelines may be supported or opposed accordingly. The guidelines permit staff and the Water Authority's legislative advocates to act in a timely fashion between Board meetings on issues that are clearly within the guidelines. Such actions are then reported to the Board during the next regular monthly Board meeting.

While the title of this document suggests these policy guidelines are applicable solely to state and federal legislative issues reviewed by the Water Authority, increasingly state and federal regulatory and administrative bodies are developing rules, guidelines, white papers, and regulations that can significantly affect the Water Authority and its member agencies. Water Authority staff, including the Water Authority's legislative team, often utilize these Legislative Policy Guidelines to provide guidance on emerging and active regulatory and administrative issues.

Legislation that does not meet the principles set forth in the guidelines or that has potentially complicated or varied implications will not be acted upon by staff or the legislative advocates in between Board meetings and will instead be presented to the Board directly for guidance in advance of any position being taken.
## Policy Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Binational Issues</td>
<td>5</td>
</tr>
<tr>
<td>Biological and Habitat Preservation</td>
<td>7</td>
</tr>
<tr>
<td>Drought Response</td>
<td>11</td>
</tr>
<tr>
<td>Energy</td>
<td>14</td>
</tr>
<tr>
<td>Financial Issues</td>
<td>19</td>
</tr>
<tr>
<td>Financial Issues</td>
<td></td>
</tr>
<tr>
<td>A. Fiscal Policy and Water Rates</td>
<td>20</td>
</tr>
<tr>
<td>B. Water Bonds</td>
<td>24</td>
</tr>
<tr>
<td>Imported Water Issues</td>
<td>26</td>
</tr>
<tr>
<td>A. Bay-Delta</td>
<td>27</td>
</tr>
<tr>
<td>B. Metropolitan Water District</td>
<td>29</td>
</tr>
<tr>
<td>C. Imported Water Supply</td>
<td>30</td>
</tr>
<tr>
<td>Local Autonomy</td>
<td>33</td>
</tr>
<tr>
<td>Local Water Resources</td>
<td>35</td>
</tr>
<tr>
<td>Right of Way and Property</td>
<td>40</td>
</tr>
<tr>
<td>State Administrative and Regulatory Agencies</td>
<td>43</td>
</tr>
<tr>
<td>Water Facilities and Facility Operations</td>
<td>44</td>
</tr>
<tr>
<td>Water Planning</td>
<td>4950</td>
</tr>
<tr>
<td>A. Climate Change</td>
<td>520</td>
</tr>
<tr>
<td>B. Integrated Regional Water Management Planning</td>
<td>542</td>
</tr>
<tr>
<td>C. Land Use and Water Management</td>
<td>564</td>
</tr>
<tr>
<td>Water Quality Issues</td>
<td>586</td>
</tr>
<tr>
<td>Water Use Efficiency</td>
<td>620</td>
</tr>
</tbody>
</table>
Bill Positions Considered by the Water Authority Board of Directors

The following represent active bill positions that may be recommended by the Water Authority staff for consideration by the Water Authority’s Board of Directors in providing guidance to the Water Authority staff and legislative advocates. Once adopted by the Board of Directors, the bill position will be communicated with the author of the legislation and may be communicated with other legislators, legislative staff, the Administration, member agencies, and the public. Advocacy strategies and activities will be directed toward implementation of the Board’s policies through advancement of the Water Authority adopted bill position.

- **SUPPORT:** This position reflects the Water Authority’s unconditional interests to see the legislation become law. Water Authority staff and legislative advocates will work for passage of the bill in its present form.

- **SUPPORT AND SEEK AMENDMENTS:** This position reflects the similar level of unconditional support for a bill as the SUPPORT position. However, this position connotes that the Water Authority would prefer specific amendments to be considered that would improve the measure. Water Authority staff and legislative advocates will communicate and advocate in support of the legislation even if amendments proffered by the Water Authority are not included in the measure.

- **SUPPORT IF AMENDED:** This is an affirmative position that connotes conditional support for a measure, but only if it is amended to incorporate specific amendments approved by the Water Authority Board. Water Authority staff and legislative advocates will not advocate in support of the legislation unless it is amended as requested by the Water Authority.

- **OPPOSE:** This position reflects the Water Authority’s unconditional interests to defeat the legislation. Water Authority staff and legislative advocates will work for defeat of the measure in its present form, and will not pursue amendments to address the measure’s shortcomings.

- **OPPOSE UNLESS AMENDED:** This is a position that connotes conditional opposition to a measure, unless it is amended to incorporate specific amendments approved by the Water Authority Board. Water Authority staff and legislative advocates will actively work to defeat the legislation until and unless it is amended as requested by the Water Authority. If legislation is amended as requested by the Water Authority, the Water Authority staff and legislative advocates will cease working to defeat the legislation, but will not advocate in support of the measure unless further directed by the Water Authority Board.

All other bills that are of potential interest or concern to the Water Authority are monitored by the staff and legislative advocates, as reflected on the monthly bill matrix provided to the Board. If any of those measures are amended, they are reevaluated to determine if a formal position should be recommended for Board consideration.
Binational Issues

Policy Category:  Binational Issues
Binational Issues

The Water Authority generally supports initiatives that fund and encourage cooperative projects that serve the San Diego/Baja California area.

The Water Authority’s policy principles support initiatives that:

1. Provide funding for development of Board-approved water supply and infrastructure projects to serve the San Diego/Baja California region while protecting local interests.

2. Encourage enhanced cooperation between entities in San Diego and Baja California in development of supply and infrastructure projects that will benefit the entire border region.

3. Encourage state and federal funding to support collaborative binational projects to improve water quality and protect human health and the environment within the broader San Diego border region.
Biological and Habitat Preservation

Policy Category: Biological and Habitat Preservation
  Environmental & Conservation Planning
  Funding
  Species & Habitats
Biological and Habitat Preservation

The Water Authority generally supports the preservation of biological and habitat values through comprehensive approaches that provide the necessary regulatory certainty for long lead time water supply projects. The Water Authority also believes that water storage and conveyance facilities provide inherent long-term habitat values that should be recognized in the regulatory process.

The Water Authority supports regulatory exemption of emergency activities when the emergency threatens the continued delivery of safe and clean water. The Water Authority also supports efforts to provide state and federal funding for habitat conservation efforts in San Diego County, on the Salton Sea, Colorado River, and at the Bay-Delta.

The Water Authority generally opposes regulations that reduce or limit the use of existing water rights or supplies, restrict the development of future water supplies, or interfere with the operation, maintenance, or repair of existing water conveyance and storage facilities.

Environmental & Conservation Planning

The Water Authority’s policy principles support initiatives that:

1. Support development of comprehensive multi-species habitat conservation plans that anticipate and mitigate project development impacts while preserving representative ecosystems, rather than individual species.

2. Exempt operation, maintenance, and repair of water system facilities from endangered species and other habitat conservation regulations because they provide beneficial cyclical habitat values to declining species and foster biological diversity in California.

3. Provide environmental regulatory certainty for implementation of existing and proposed long-term water supply programs.

4. Consolidate wetlands regulations to alleviate multi-agency jurisdiction over the same environmental resource.

5. Streamline filing of CEQA notices of determination for multi-county water projects by making those notices available on the CEQAnet website through the Governor’s Office of Planning and Research.

6. Support the eradication of nutria (myocaster coypus) or prevent the species from becoming established in the Delta.
Funding

The Water Authority’s policy principles support initiatives that:

1. Authorize federal and state funding to develop and implement regional or subregional wildlife and habitat conservation programs, including but not limited to property acquisition, revegetation programs, and watershed plans.

2. Provide state and/or federal funding for the restoration of the Salton Sea.

3. Provide federal and/or state funding to implement actions that address the ecological and water supply management issues of the Lower Colorado River from Lee’s Ferry to the southerly international border with Mexico.

4. Provide federal and/or state funding to implement actions that address the ecological and water supply management issues of the Sacramento-San Joaquin River Delta.

The Water Authority’s policy principles oppose initiatives that:

1. Provide for after-the-fact reduction in quantity or quality of a public water supply due to new restrictions on the operation or use of water supply facilities unless funding for alternate sources of water is provided.

2. Impose a “utility user fee” or “surcharge” on water for the purposes of financing open space/habitat preservation, restoration, or creation.

Species & Habitats

The Water Authority’s policy principles support initiatives that:

1. Incorporate an emergency exemption for “take” of a listed species listed under the state or federal Endangered Species Acts when necessary to mitigate or prevent loss of or damage to life, health, property, or essential public services.

2. Encourage species listings, critical habitat designation, and recovery plans developed pursuant to the state or federal Endangered Species Acts to be consistent with existing interstate compacts, tribal treaties, and other state and federal agreements.

3. Facilitate implementation of the Conserved Water Transfer Agreement with the Imperial Irrigation District and other Quantification Settlement Agreement programs with impacts or potential impacts to species and habitat along the lower Colorado River and at the Salton Sea.
4. Designate feral pigs as a noxious invasive animal species in the San Diego region, or authorizes actions, including eradication, to protect the region's waters and natural landscapes from damage by feral pigs.

The Water Authority’s policy principles oppose initiatives that:

1. Impose endangered species or habitat conservation requirements that restrict the operation, maintenance, or repair of public water supply, conveyance, treatment, or storage facilities.
Drought Response

The Water Authority and its member agencies have made significant investments in supply, storage and infrastructure to avoid or minimize water shortages during drought periods and ensure a reliable supply of water for the residents and businesses of San Diego County. The Water Authority generally supports emergency drought regulations that ensure the Water Authority and its member agencies receive the water supply benefits of the investments made in reliability. The Water Authority generally supports drought regulations that recognize variations among communities, regions, and counties with respect to their abilities to withstand the impacts and effects of drought. The Water Authority generally opposes initiatives that create a disincentive to water agencies to invest in drought-resilient supplies and creates a “one-size-fits-all” approach to emergency drought declarations.

Drought Response

The Water Authority’s policy principles support initiatives that:

1. Ensure the Water Authority and its member agencies receive the water supply benefits of its investment in local water supply sources.

2. Allow local agencies to achieve compliance with emergency or non-emergency drought regulations or objectives through a combination of water conservation measures and development and implementation of local water supply sources that are not derived from the Delta.

3. Allow for local agencies to account for all water supplies available during droughts and other events when calculating the water supply shortage level.

4. Create a process for development and implementation of emergency drought declarations and regulations that recognizes variations among communities, regions, and counties with respect to their abilities to withstand the impacts and effects of drought.

5. Recognize variations among communities, regions, and counties with respect to their abilities to withstand the impacts and effects of droughts, and ensure that any temporary or permanent statutory or regulatory direction for improving water use efficiency to meet statutory or regulatory goals or standards is focused on regional achievement of objectives rather than a one-size-fits-all approach.

The Water Authority’s policy principles oppose initiatives that:

1. Disincentivize or impede water agencies from making investments to maximize the potential for recycled water, potable reuse, desalination and other drought-resilient local water supplies.
2. Create a “one-size-fits-all” approach to emergency drought declarations and regulations that ignores variations among communities, regions, and counties with respect to their ability to withstand the impacts and effects of drought.
Energy

Policy Category: Energy
  Energy Costs
  Energy Independence
Energy

Electricity for treating and delivering water is a major cost to the Water Authority. Generally, the Water Authority supports initiatives that help to lower the cost of electricity. The Water Authority has some capacity to generate electricity and has acquired federal preferential power, and therefore supports legislation that helps it to utilize or market the electricity it produces and acquires for its own operations and for the benefits of its member agencies. The Water Authority also supports actions related to energy creation that will reduce the overall cost of water. The Water Authority’s goal is to ensure existing and planned facilities are built and operated in a manner that is environmentally sensitive, reliable, and energy efficient. This section outlines the Water Authority’s policies toward initiatives affecting renewable energy, energy consumption, and efficiency and conservation related to existing or planned facilities.

The Water Authority generally supports initiatives that will facilitate the development of renewable and alternative energy sources. The Water Authority also supports initiatives that will provide funding for projects to increase energy efficiency, reliability, and reduce peak demands.

The Water Authority generally opposes legislation that would increase the cost of its power supply. The Water Authority also opposes initiatives that would interfere with its ability to produce electricity, buy or sell, and deliver electrical power or natural gas.

Energy Costs

The Water Authority’s policy principles support initiatives that:

1. Provide opportunities for reduced energy rates under tariff schedules for the Water Authority and its member agencies.

2. Provide protection to water agencies in San Diego County from energy rate increases and provides rate relief for the Water Authority and its member agencies.

3. Provide funding, including state and federal grants, for in-line hydro-electric, solar, wind, battery storage, biogas cogeneration, nanogrids, microgrids, closed-loop pumped storage facilities and other renewable energy generation or storage technology as a means of reducing greenhouse gas emissions and energy costs.

4. Promote funding for use of renewable energy in the operation of water agency facilities in San Diego County.

5. Prohibit investor-owned utilities from implementing rate changes that undercut the financial viability of renewable energy facilities obligated under long-term Power Purchase Agreements.
The Water Authority’s policy principles oppose initiatives that:

1. Adversely affect the cost of energy needed to operate MWD’s facilities, State Water Project facilities, or the facilities of the Water Authority and its member agencies.

2. Impose greenhouse gas reduction obligations on a public water agency for electricity purchased or produced for the sole purpose of operating its system.

Energy Independence
The Water Authority’s policy principles support initiatives that:

1. Provide greater flexibility in the utilization of Water Authority and its member agencies’ facilities for generation and acquisition of electrical and natural gas power.

2. Provide the Water Authority and its member agencies with greater flexibility in the licensing, permitting, interconnection, construction, and operation of its existing and potential in-line hydroelectric, solar, wind, battery, nanogrid, microgrid, closed-loop pumped energy-storage projects, and other renewable energy generation or storage technology.

3. Make SWP power available for all water projects.

4. Promote the classification of electricity generated by in-line hydroelectric and closed-loop pumped energy storage facilities as a clean, environmentally sound, and renewable energy resource.

5. Promote the expansion of closed-loop pumped energy storage facilities to provide a clean and environmentally sound energy resource that provides electric grid reliability and resiliency; especially during times of potential blackouts.

6. Promote the expansion of in-line hydroelectric energy recovery systems at treatment facility discharge systems and where feasible on the Water Authority’s aqueduct.

7. Promote the production, purchase, delivery, and use of alternative sources of energy on a wholesale basis.

8. Facilitate the Water Authority’s opportunities to exercise the authorities granted by the County Water Authority Act, Section 45-5.1.

9. Promote large-scale (greater than 50 MW) pumped storage as counting toward energy storage procurement targets.
Provide clear statutory, regulatory, or administrative authority for the Water Authority to wheel acquired or produced power to itself, its member agencies, or entities with which the Water Authority is under contract for the purchase, treatment, transport, or production of water.

Recognize all grid services that energy storage provides, and supports fair compensation in the wholesale energy market for such services.

Provides timely, efficient, and cost-effective interconnection of new energy resources such as solar, inline hydroelectric, pumped energy storage, and other renewable energy generation or storage technologies to the electric distribution and transmission grid.

Recognize the value of large-scale hydropower and pumped energy storage hydropower facilities in assisting the state to meet its renewable and zero-carbon emission goals of 100 percent by 2045.

The Water Authority’s policy principles oppose initiatives that:

1. Adversely affect the ability of the Water Authority or its member agencies to own, operate, and/or construct work for supplying its member public agencies, or its own facilities with natural gas and electricity.

2. Impede the Water Authority’s or its members agencies’ ability to contract for, deliver, and use the purchase of natural gas and electricity from the United States, the State of California, and any other public agency or private entity and sell the gas and electricity to any public agency or private entity engaged in retail sales of electricity and gas.

3. Reduce the Water Authority or its member agencies’ ability to maintain high operational efficiency at all times.

4. Restrict the Water Authority or its member agencies’ ability to expand or improve infrastructure or facilities.

5. Restrict or caps future energy demands needed for possible expansion of recycled water, potable reuse, and desalination projects.

6. Adversely affect the Water Authority or its member agencies’ ability to expand cogeneration or polygeneration at planned or existing facilities.

7. Inhibit the scientific advancement of energy and water efficient/conserving technologies that may be implemented at Water Authority and member agency facilities.
8. Prevent the Water Authority and its member agencies from enhancing energy reliability and independence for their facilities.

9. Do not count or credit qualified renewable energy projects toward accomplishment and satisfaction of the California Renewables Portfolio Standard objectives.

10. Prohibit the Water Authority from wheeling – or securing statutory, regulatory, or administrative authority necessary to wheel – acquired or produced power to itself, its member agencies, or entities with which the Water Authority is under contract for the purchase, treatment, transport, or production of water.

11. Result in a lengthy, more complicated, or more costly interconnection of new energy resources, such as solar, inline hydroelectric, pumped storage, and other renewable energy generation or storage technologies to the electric distribution and transmission grid.
Financial Issues

Policy Category: Fiscal Policy and Water Rates
Fees, Taxes, and Charges
Financial Management
Funding
Rates

Policy Category: Water Bonds
Fiscal Policy and Water Rates

The Water Authority generally supports initiatives that improve the Water Authority’s ability to obtain cost-effective financing for the construction, operation, and maintenance of public facilities. The Water Authority supports initiatives that are consistent with the Board’s policy principles adopted in 2006, regarding user fees and statewide water infrastructure funds. The Water Authority supports initiatives that promote local control over water rates, but ensure that rate-making is undertaken pursuant to a clearly defined cost-of-service basis and foundation.

The Water Authority generally opposes unfunded federal or state mandates that are not accompanied by subventions. The Water Authority opposes initiatives that reallocate the Water Authority’s revenues or reserves to statewide purposes. The Water Authority opposes imposition by the state of a “public goods charge,” or excise tax on water for statewide purposes. The Water Authority opposes state-imposed user fees on water imposed by the state unless the fee is restricted to paying for specific projects and programs with identified costs and clearly identified benefits. The Water Authority opposes the imposition of a state water user fee to pay the interest or principal on a statewide water bond. The Water Authority opposes initiatives that would interfere with public agencies’ ability to set their own rates and manage their own finances.

Fees, Taxes & Charges

The Water Authority’s policy principles oppose initiatives that:

1. Impose mandated costs or regulatory constraints on local governments without providing subventions to reimburse local governments for such costs.

2. Pre-empt the Water Authority’s or its member agencies’ ability to impose or change rates, charges, fees, or assessments.

3. Weaken the protections afforded the Water Authority or its member agencies under California’s Proposition 1A (November 2, 2004).

4. Impose a water user fee on water agencies or water users that does not provide a commensurate and directly linked benefit in the local area or region from which the water user fee is collected.

5. Impose a water user fee for statewide projects or programs, for which the projects or programs are not clearly defined, the beneficiaries identified, and the reasonable costs identified.

6. Impose a water user fee in order to create a state fund that can be used to finance undefined future projects and programs.
7. Allow the state to retain more than five percent of water user fees for administrative costs.

8. Do not restrict the use of water user fees to only the specific purposes for which they are imposed, without any possibility of diversion to meet other fiscal needs of the state.

9. Impose a “public goods charge” or “water tax” on public water agencies or their ratepayers.

10. Impose a fee on water users to repay the principal and interest on a statewide general obligation bond.

11. Establish regulatory or permit fees that lack a nexus to the costs of oversight.

12. Establish a broad-based user fee that does not support a specific program activity; any fee must provide a clear nexus to the benefit the fee would provide.

Financial Management
The Water Authority’s policy principles oppose initiatives that:

1. Are inconsistent with the Water Authority’s and its member agencies’ current investment policies and practices.

2. Make any unilateral reallocation of Water Authority or its member agencies’ revenues by the state unless the state takes compensatory measures to restore those funds.

3. Reduce the Water Authority’s or its member agencies’ revenues without giving the Water Authority and its member agencies a commensurate public benefit that is clearly identifiable and separate from a general statewide benefit.

4. Restructure the Water Authority’s or its member agencies’ responsibilities without also providing the commensurate restructuring of revenues.

5. Require the expenditure of Water Authority or member agency funds to accomplish federal water supply commitments such as may be required in national treaties.

6. Reduce or eliminate the tax-exempt status on municipal financings.

Funding
The Water Authority’s policy principles support initiatives that:

1. Require the federal and state governments to provide subvention to reimburse local governments for all mandated costs or regulatory actions.
2. Provide the Water Authority and its member agencies with additional forms of cost-effective financing for public facilities.

3. Revitalize the Title XVI federal funding program by converting new authorizations to a competitive grant program with congressional oversight while protecting existing Title XVI authorizations for the San Diego region.

4. Provide the Water Authority and its member agencies with grant funding for public facilities.

The Water Authority’s policy principles oppose initiatives that:

1. Impose additional administrative requirements and/or restrict the Water Authority’s or its member agencies’ ability to finance public facilities through the issuance of long-term debt.

2. Interfere with the responsibility of a region, operating under an Integrated Regional Water Management Plan, for setting priorities and generating projects to be paid from any IRWM accounts and grants.

3. Interfere with the control exercised by the San Diego funding subregion over the use and expenditure of any water user fee revenues that may be dedicated to the region.

Rates

The Water Authority’s policy principles support initiatives that:

1. Maintain the authority of water agencies to establish water rates locally, consistent with cost-of-service requirements of the law.

2. Maximize the ability of water agencies to design rate structures to meet local water supply goals and that conform to cost-of-service requirements of the law.

The Water Authority’s policy principles oppose initiatives that:

1. Impair the Water Authority’s or its member agencies’ ability to provide reliable service at reasonable costs to member agencies or to charge all member agencies the same or similar rate for each class of service consistent with cost-of-service requirements of the law.

2. Undermine or weaken cost-of-service rate-making requirements in existing law.

3. Impair the Water Authority’s or its member agencies’ ability to maintain reasonable reserve funds and obtain and retain reasonable rates of return on its reserve accounts.
4. Mandate a specific rate structure for retail water agencies.

5. Prescribe mandatory conservation-based rate structures that override the authority of the boards of directors of local water agencies to set rate structures according to the specific needs of the water agencies.
Water Bonds

The Water Authority generally supports water bond legislation that provides an equitable share to the San Diego region, focuses on statewide priorities that achieve the coequal goals of improving water supply reliability and restoring ecosystems in the Delta. The Water Authority also supports bond legislation that ensures the grant application is not unduly burdensome and is open and transparent.

However, the Water Authority generally opposes water bond legislation that does not provide equitable funding for the San Diego region. The Water Authority also opposes water bond legislation that does not result in real improvements in water supply and water supply reliability and resolve statewide conflicts over water supply.

It shall be the Water Authority’s policy to support water bond legislation or an initiative that:

1. Provides an equitable share of funding to San Diego County, with major funding categories being divided by county and funded on a per-capita basis to ensure bond proceeds are distributed throughout the state in proportion to taxpayers’ payments on the bonds.

2. Focuses on statewide priorities, including restoration of fish and wildlife habitat, construction of an improved method of conveyance of water through or around the Delta that provides water supply reliability to Delta water users, promotion of greater regional and local self-sufficiency, surface storage, and promotion of water use efficiency.

3. Provides the states’ share of funding for projects that advance the achievement of the co-equal goals of water supply reliability and Delta ecosystem restoration.

4. Provides funding for water infrastructure that resolves conflicts in the state’s water system and provides long-term benefits to water supply, water supply reliability, water quality, and ecosystem restoration.

5. Defines the “San Diego sub-region” and “San Diego county watersheds” as “those portions of the westward-flowing watershed of the South Coast hydrologic region situated within the boundaries of San Diego County.”

6. Includes within IRWM funding money that a region may use over time to develop and refine its plan and to develop institutional structures necessary to establish and implement the plan.

7. Gives primary consideration to funding priorities established by local and regional entities through their IRWM planning process.

8. Ensures that the application process for funding is not unnecessarily burdensome and costly, with an emphasis on streamlining the process.
9. Limits state overhead to no more than five percent of bond funding amounts.

10. Places as much emphasis and provides at least as much funding for surface storage as for groundwater storage.

11. Funds emergency and carryover storage projects such as the San Vicente dam raise project.

12. Consolidates administration of all voter-approved water-related bond funding in one place, preserves existing expertise within the state bureaucracy to manage bond funding processes, and provides consistent application and evaluation of bond funding applications.

**It shall be the Water Authority’s policy to oppose water bond legislation or an initiative that:**

1. Does not provide an equitable share of funding to San Diego County, based on San Diego County taxpayers' proportional contribution to repayment of the bond.

2. Does not provide funding for infrastructure that resolves statewide or regional conflicts over water supplies.

3. Does not provide funding that results in net increases in real water supply and water supply reliability.

4. Commits a significant portion of its funding to projects that do not result in net increases in real water supply or water supply reliability.
Imported Water Issues

Policy Category: Bay-Delta
- Co-Equal Goals
- Bay-Delta Conveyance Project

Policy Category: Metropolitan Water District

Policy Category: Imported Water Supply
- Colorado River
- State Water Project
- Water Transfers
Bay-Delta

Generally, the Water Authority has supported an implementable and affordable solution to the conflicts between water supply exports and Delta ecosystem protection. These long-standing Delta conflicts have made water supply less reliable. Irrespective of whether a proposed Delta fix is the California WaterFix, or some other conveyance-related proposal, the Water Authority is also interested in ensuring that the solution to Delta conflicts be cost-effective, and that the water contractors who finance the solution be capable of financing and maintaining improvements to the Delta. The Water Authority supports Delta solution costs being shared equitably among beneficiaries of the improvements, and that the costs are apportioned fairly and equitably to all users. These policy principles reflect the Board’s multi-year engagement on issues related to the Bay-Delta Conservation Plan, California WaterFix, and other Delta fix and Delta conveyance project proposals.

Co-Equal Goals

The Water Authority’s policy principles support initiatives that:

1. Require the Delta Stewardship Council or DWR to provide periodic analyses of the cost of proposed Delta improvements to the Legislature and the public.

2. Provide conveyance and storage facilities that are cost-effective for the San Diego region’s ratepayers, improve the reliability and quality of the San Diego region’s water supplies, and protect the Bay-Delta’s ecosystem.

3. Continue to support the co-equal goals of water supply reliability and environmental restoration embodied in the 2009 Delta bill package.

4. Improve the ability of water-users to divert water from the Delta during wet periods, when impacts on fish and the ecosystem are lower and water quality is higher.

5. Encourage the development of a statewide water transfer market that will improve water management and allow more efficient use of available resources.

6. Support improved coordination of Central Valley Project and State Water Project (SWP) operations and implementation of voluntary agreements that are fair to users of both projects and do not unfairly shift costs to SWP contractors.

7. Support continued state ownership and operation of the SWP, including project facilities, as a public resource.

8. Authorize and appropriate the federal share of funding for the long-term Bay-Delta solution, including for the EcoRestore Program.

9. Provide the ongoing state share of funding for the EcoRestore Program.
10. Provide state funding for aquatic toxicity monitoring in the Bay-Delta. Such legislation should not place a surcharge on water supply exports nor should it substantively reduce funding for other measures that protect the environment and public health.

**The Water Authority’s policy principles oppose initiatives that:**

1. Impose water user fees to fund ecosystem restoration and other public purpose, non-water-supply improvements in the Delta that benefit the public at large.

2. Transfer operational control of the SWP or any of its facilities to MWD, the State Water Project Contractors, Central Valley Project Contractors, the State and Federal Contractors Water Agency, any entity comprised of MWD or other water project contractors, or any other special interest group.

**Bay-Delta Conveyance Project**

**The Water Authority’s policy principles support initiatives that:**

1. Are consistent with the Water Authority Board of Directors’ July 25, 2019 adopted Bay-Delta and project policy principles, including the following:

   a. On April 29, 2019, Governor Newsom signed Executive Order N-10-19, directing the preparation of a water resilience portfolio approach that meets the needs of California’s communities, economy, and environment through the 21st century, including consideration of multi-benefit approaches that meet multiple needs at once, and a single-tunnel Bay-Delta project.

   b. The Water Authority Board of Directors supports Governor Newsom’s Executive Order N-10-19 and directs staff to inform the Newsom Administration that its support for a single-tunnel Bay-Delta project is expressly conditioned upon the project costs being characterized by the Department of Water Resources (DWR) as conservation, or supply charges, as similar facilities historically have been defined in the Metropolitan Water District of Southern California’s (MWD) State Water Project (SWP) contract with DWR.

   c. As reflected in Table 2 of DWR’s Appendix B to Bulletin 132-17, Data and Computation Used to Determine Water Charges, and for which costs are recovered in Article 22(a) of Delta Water Charge of MWD’s SWP Contract; allow for the exemption of north-of-Delta SWP contractors.

2. Support establishment of an independent and transparent oversight function to monitor and provide regular updates on project implementation progress, including expenditure tracking, construction progress, project participants’ contributions, and all other relevant activities and developments.
3. Allow access to all SWP facilities, including project facilities, to facilitate water transfers.

**Metropolitan Water District**

The Water Authority supports initiatives that require MWD to treat its member agencies equitably in proportion to their financial contributions. The Water Authority supports the protection of the Water Authority’s preferential rights at MWD, and supports initiatives requiring MWD to be open and transparent in its governance, and implement policies that ensure its long-term fiscal sustainability.

**The Water Authority’s policy principles support initiatives that:**

1. Provide an appropriate level of accountability and cost control over MWD spending.
2. Protect and safeguard the Water Authority’s Preferential Rights in the Metropolitan Water District Act.
3. Require MWD to refund or credit to its member agencies revenues collected from them that result in reserve balances greater than the maximum reserve levels established pursuant to state legislation.
4. Require MWD to implement actions that advance and support its long-term financial stability, fiscal sustainability, and that moderate fluctuations in rates and charges for its member agencies from year to year, in a publicly transparent manner.
5. Amend the Metropolitan Water District Act to change voting allocation on its Board of Directors based on a member agency’s total financial contribution to MWD, and in a manner similar to the voting allocation method of the County Water Authority Act.
Imported Water Supply

The Water Authority relies on imported water from the Sacramento-San Joaquin Delta and from the Colorado River for a significant portion of its water supply. This section details the Water Authority’s policies toward initiatives that affect the imported water supply. Policies specifically relating to the Sacramento-San Joaquin Delta are listed in the section entitled “Bay-Delta.”

The Water Authority supports funding and other incentives for ecosystem restoration and other improvements to the Colorado River that improve water supply and water supply reliability. The Water Authority also supports a robust and effective means of transferring water from one part of the state to another as needed, either year-by-year or longer term.

The Water Authority opposes initiatives that would transfer control of the State Water Project from the state to MWD, the State Water Contractors, the Central Valley Project Contractors, the State and Federal Water Contractors Authority, or to any entity comprised of MWD and other water contractors. The Water Authority also opposes initiatives that would jeopardize its independent Colorado River water supplies derived through the IID/Water Authority transfer or canal lining projects.

Colorado River

The Water Authority’s policy principles support initiatives that:

1. Supports implementation and funding of the California Colorado River Water Use Plan, including the Lower Colorado River Multi-Species Conservation Program.

2. Provide funding for Colorado River salinity control projects and other water quality management efforts.

3. Provide for state and federal authorizations and appropriations of non-fee-based funds to implement Salton Sea mitigation and the State’s phased approach to restoration in the form of the Salton Sea Management Program, consistent with its obligations under Chapters 611, 612, and 613 of the Statutes of 2003.

4. Limit the Quantification Settlement Agreement mitigation costs imposed on the funding parties to the amount committed in accordance with the original QSA legislation.

5. Provide a governing structure and/or specified managing office over the state’s Salton Sea Management Program to provide guidance and oversight of restoration activities.

6. Support the sustainability of the Colorado River and provide operational flexibility through the development of storage, including in Lake Mead, and through the renegotiation of the new interim shortage guidelines for the continued operation...
of the River.

7. Allow for the option to create an alternate conveyance route, when technically and financially feasible, for reliable delivery of the Water Authority’s independent Colorado River water supplies and integration of compatible partnership projects along the proposed conveyance routes as a model of the Governor’s Water Resilience Portfolio approach to water management.


The Water Authority’s policy principles oppose initiatives that:

1. Impose additional mitigation costs or obligations for the Salton Sea on the non-state parties to the Quantification Settlement Agreement.

State Water Project
The Water Authority’s policy principles support initiatives that:

1. Provide for development of a comprehensive state water plan that balances California’s competing water needs and results in a reliable and affordable supply of high-quality water for the San Diego region.

The Water Authority’s policy principles oppose initiatives that:

1. Make urban water supplies less reliable or substantially increases the cost of imported water without also improving the reliability and/or quality of the water.

2. Revise the Central Valley Project Improvement Act to jeopardize the Act’s environmental integrity, compromise State Water Project supply reliability and/or limit the ability of urban agencies to transfer and/or bank CVP water for use both within and outside the CVP service area.

3. Transfer operational control of the State Water Project or any of its facilities to MWD, the State Water Project contractors, Central Valley Project contractors, the State and Federal Contractors Water Agency, any entity comprised of MWD or other water project contractors, or any other special interest group.

Water Transfers
The Water Authority’s policy principles support initiatives that:

1. Encourage and facilitate voluntary water transfers consistent with other Water
Authority policies and agreements.

2. Provide appropriate protection or mitigation for the environment, groundwater basins, water-rights holders and third-party impacts within the district transferring water.

3. Create a water transfer clearinghouse that serves as a neutral information resource that focuses on the collection, assembly and dissemination of information on water transfers.

4. Streamline the permitting and approval process for implementing transfers that will improve water management consistent with other Water Authority policies and agreements.

5. Encourage efficient use of existing facilities to advance voluntary transfers of water consistent with other Water Authority policies and agreements.

6. Provide that any water transfer between users within counties, watersheds or other areas of origin shall be deemed not to operate to the injury of any use of water with a point of diversion that is not located within the same hydrologic area as the transferor of the water.

7. Allow for the storage of the Water Authority’s Colorado River water supplies to provide enhanced flexibility with annual transfer volumes, support drought contingency planning, and align with the Governor’s Water Resilience Portfolio approach to water management.

The Water Authority’s policy principles oppose initiatives that:

1. Adversely affect water management efforts by granting property rights status for the right to use or receive water and requires compensation for federal actions that impact users of water from federal projects.

2. Create a water transfer clearinghouse that is anything other than a neutral information resource.

3. Increase regulatory or procedural impediments to water transfers at the local or state level.
Local Autonomy

Policy Category: Local Autonomy
Local Autonomy

The Water Authority generally opposes initiatives that interfere with the Water Authority’s Board of Directors’ ability to govern the Water Authority’s affairs or govern relations with its employees, or that would similarly impede the ability of the Water Authority’s member agencies to exercise local authority.

The Water Authority’s policy principles oppose initiatives that:

1. Diminish the power of the Water Authority Board of Directors to govern the Water Authority’s affairs.

2. Modify the committee or board voting structure or member agency board representation unless such changes have been expressly authorized by the Water Authority Board of Directors.

3. Diminish the power or rights of the Water Authority to govern relations with its employees.

4. Diminish the power or rights of the Water Authority’s member agency governing bodies to govern their own affairs.
Local Water Resources

Policy Category: Local Water Resources
  Alternative Sources
  Desalination
  Funding
  Water Recycling & Potable Reuse
Local Water Resources

In recent years, the Water Authority and its member agencies have made great progress in diversifying and improving the reliability of the region’s water supply and developing local water resources to reduce reliance on increasingly unreliable imported water supplies. This section details the Water Authority’s policies toward initiatives that affect local water resources.

Generally, the Water Authority supports initiatives that provide funding for the development of local water supplies. The Water Authority supports initiatives that fund, promote, or facilitate the development of groundwater, potable reuse, recycling, and seawater desalination facilities. The Water Authority supports initiatives that provide local agencies with regulatory flexibility with respect to local water supplies that may raise water quality concerns, such as recycled water, potable reuse, graywater, and storm water runoff.

The Water Authority supports initiatives that provide local decision-making authority for potable reuse, stormwater, conservation, recycling, seawater desalination, and other alternative sources of water. The Water Authority has been very active in shaping state laws that promote water conservation, both indoor and landscape.

The Water Authority generally opposes initiatives that impose unreasonable regulations on local water supplies, or that interfere with the authority of local agencies to regulate the discharge of contaminants into local water sources. The Water Authority opposes initiatives that restrict the ability of local water agencies to capture and manage stormwater runoff, or diminish the water rights of downstream water users through the capture or management of stormwater runoff upstream.

Alternative Sources

The Water Authority’s policy principles support initiatives that:

1. Facilitate and encourage the use of rainwater-capture systems (e.g. rain barrels and cisterns) and alternative water sources (e.g. air conditioner condensate) for use in irrigation.

2. Ensure that decision-making with regard to stormwater management and recapture is kept at the local or regional level through local water agencies, stormwater districts, cities, counties, and regional water management groups.

3. Promote and encourage the use of stormwater management to reduce pollutant loading, increase local municipal water supplies, and improve water quality through low-impact development and watershed-based stormwater treatment systems.

4. Provide incentives for the local or regional use of stormwater management, nutrient management, and recapture.
5. Reduce or remove regulatory hurdles that hinder the use of stormwater management and recapture.

6. Encourage land use practices that promote efficient landscape design, groundwater recharge, and reduce runoff of pollutants into local water supplies.

7. Provide broad local autonomy and flexibility—within the existing Sustainable Groundwater Management Act framework—for local entities to manage and utilize local groundwater resources for local and regional needs.

The Water Authority’s policy principles oppose initiatives that:

1. Restrict the ability of the Water Authority or its member agencies to manage, store, or distribute water supplies through actions to manage or recapture stormwater.

2. Diminish the water rights or legal historical uses of downstream water users through actions to manage or recapture stormwater.

Desalination

The Water Authority’s policy principles support initiatives that:

1. Provide funding for seawater and brackish groundwater desalination studies and facilities, including concentrate disposal facilities.

2. Recognize and support the development of seawater desalination as a critical new water supply for the state, including San Diego County.

3. Streamline permitting of desalination facilities.

4. Preserve and protects potential seawater desalination sites and existing coastal facilities including intake and discharge infrastructure that could be used or reused by a seawater desalination facility.

5. Ensure that desalination intake and discharge regulations are science-based, considering site-specific conditions and recognizing that not all technologies or mitigation strategies are feasible or cost-effective at every site.

Funding

The Water Authority’s policy principles support initiatives that:

1. Provide funding or other incentives for conservation, peak management programs, water recycling, potable reuse, groundwater recovery and recharge, surface water development and management projects, including reservoir
management, source water protection and watershed planning studies and facilities that sustain long-term reliable water resources.

2. Provide financial incentives to assist in the disposal of concentrate, sludge, and other byproducts created in the water treatment process.

3. Provide for the interchangeability of funding for groundwater and surface water enhancements to best fit the hydrogeologic attributes of a particular region.

4. Authorize, promote, and provide incentives or credits for development of local drought-resilient water supply projects such as desalination, non-potable recycling and potable reuse projects.

5. Provide funding for potable reuse demonstration projects and studies.

**Water Recycling & Potable Reuse**

The Water Authority’s policy principles support initiatives that:

1. Recognize and support the development of potable reuse as a critical new water supply for the State and especially San Diego County.

2. Authorize and facilitate expanded use of local water resources including water recycling, potable reuse, graywater, and rainwater harvesting (e.g., cisterns and rain barrels), and brackish groundwater.

3. Authorize local governmental agencies to regulate the discharge of contaminants to the sewer collection system that may adversely affect water recycling and reuse.

4. Encourage dual plumbing in new development where non-potable recycled water is likely to be available to enable utilization of recycled water.

5. Encourage the use of recycled water in commercial, industrial, institutional, and residential settings.

6. Promote uniform regulatory interpretation of state recycled water system standards.

7. Support beneficial revisions to the California Plumbing Code that facilitate recycled water systems.

8. Streamline regulatory processes and requirements to encourage and support the development of potable reuse and non-potable reuse as a municipal water supply.

9. Define purified recycled water as a source of water supply, and not as a waste.
10. Recognize the entire interconnected urban water cycle, as well as public health and safety, must be taken into consideration in long-term water use efficiency policies, particularly including the unintended consequences of declining flows on water, wastewater, potable reuse and recycled water systems.

The Water Authority’s policy principles oppose initiatives that:

1. Limit the ability of local governmental agencies to regulate the discharge of contaminants to the sewer collection system that may adversely affect water recycling and reuse.

2. Establish unreasonable regulatory requirements or fees relative to the safe use of recycled water which may unreasonably impede or create a disincentive to its further development.

3. Mandate the reduction of wastewater discharges to the ocean absent inclusion of funding to offset the significant costs of implementation.
Right of Way and Property

Policy Category:  Right of Way and Property
Right of Way and Property

The Water Authority generally supports initiatives that improve its ability to maintain and protect its property, rights of way, easements, pipelines, and other facilities. The Water Authority generally opposes initiatives that interfere with or increase the cost of obtaining, maintaining, and protecting property and rights of way.

The Water Authority’s policy principles support initiatives that:

1. Improve the Water Authority’s and its member agencies’ efforts to maintain and protect its property, rights of way, easements, pipelines, and related facilities and minimizes liability to the Water Authority.

2. Protect the Water Authority’s and its member agencies’ properties from restrictions when surrounding properties are incorporated into preservation areas.

The Water Authority’s policy principles oppose initiatives that:

1. Impair the Water Authority’s or its member agencies’ efforts to acquire property or property interests required for essential capital improvement projects or acquisition of property to meet pipeline water drain-down needs for existing facilities.

2. Increase the cost of property and right of way acquisition.

3. Restrict the Water Authority’s or its member agencies’ use of public rights of way or increases the cost of using public rights of way.

4. Restrict the transfer of property acquired for purposes of environmental mitigation or environmental mitigation credits to other public or private entities for long-term management.
State Administrative and Regulatory Agencies

Policy Category: State Administrative and Regulatory Agencies
State Administrative and Regulatory Agencies

In recent years, there has been considerable discussion of reorganizing the state government. One proposal that keeps recurring is the elimination of the Colorado River Board. The board is funded entirely by the California public agencies that take water from the river, and it is important because it serves as a liaison to other states and the federal government. The Water Authority generally supports initiatives that preserve the Colorado River Board.

The Water Authority supports initiatives that make the Regional Water Quality Control Boards more consistent in their application of state water quality laws. The Water Authority also supports initiatives that allow non-state water contractors to access the SWP system to convey transferred water.

The Water Authority generally opposes initiatives that would eliminate the Colorado River Board or the regional water quality control boards without creating other bodies that carry out their functions.

The Water Authority’s policy principles support initiatives that:

1. Preserve the California Colorado River Board.

2. Ensure the interests of the members of the California Colorado River Board continue to be addressed in any state government reorganization.

3. Ensure consistent application of the law by the State Water Resources Control Board and the nine Regional Water Quality Control boards.

4. Ensure that any reorganization of the State Water Project, including operations and management, preserves the ability for non-State Water Project contractors to access the facility for transportation of water to a non-State Water Project contractor.

5. Ensure an open and transparent process for adoption of regulations, policies, and guidelines.

The Water Authority’s policy principles oppose initiatives that:

1. Eliminate the California Colorado River Board without providing a comparable structure or forum that ensures the Water Authority’s interests in the Colorado River are preserved.

2. Eliminate the State Water Resources Control Board and/or the nine Regional Water Quality Control boards without ensuring that the functions and expertise of the boards is maintained in any reorganized entity.
Water Facilities and Facility Operations

Policy Category: Water Facilities and Facility Operations
Construction and Asset Management
Funding
Public Safety Power Shutoffs
Water System Operations
Workforce Development
Water Facilities and Facility Operations

The planning, design, construction, maintenance, and operation of water facilities is an essential activity of the Water Authority. Portions of the Water Authority’s and its member agencies’ water delivery systems are more than 70 years old. As components of these water systems naturally age, it is critical to actively monitor, repair, or replace the assets, which includes pipes, valves, facilities, equipment, and other infrastructure. This section details the Water Authority’s policies toward initiatives that affect water facilities and facility improvement.

Generally, the Water Authority supports initiatives that provide state and federal funding for water storage, watershed protection, treatment and delivery facilities, groundwater recharge, canal lining, and other water infrastructure development, security, asset management, maintenance, and rehabilitation. The Water Authority also supports initiatives that prevent the spread of dreissenid mussels and other non-native aquatic species. The Water Authority supports the protection of habitats and cultural resources connected with water facilities or water facility improvements.

The Water Authority generally opposes initiatives that restrict local control and discretion over water facilities, asset management, and facility operations. The Water Authority also generally opposes initiatives that shift the risks of legal liability from contractors to public agencies. The Water Authority opposes initiatives that restrict the Water Authority from using its own employees on construction projects, and initiatives that interfere with public agencies’ ability to respond to emergencies that would disrupt water service.

The Water Authority generally supports initiatives that provide broad discretion for local government entities’ response to de-energization or public safety power shutoff events, and general oppose initiatives that restrict a local government entity’s ability to operate alternative power sources, such as natural gas generators, during public safety power shutoff events.

The Water Authority generally supports initiatives that lower employment barriers for military veterans and transitioning military and that sustain vital water and wastewater services for the next generation.

Construction and Asset Management

The Water Authority’s policy principles support initiatives that:

1. Provide incentives that encourage contractors to recycle or reduce waste associated with the construction of water facilities.

2. Encourage the use of current and emerging technologies for monitoring and assessing the condition of large diameter pipelines.
1.3. Encourage water suppliers to develop and execute asset management programs that include visual inspections, internal/external inspections, asset condition assessments, corrosion mitigation, and risk analysis in a manner that recognizes the individuality and uniqueness of each water supplier and its systems.

The Water Authority’s policy principles oppose initiatives that:

1. Limit the Water Authority’s and/or its member agencies’ sole jurisdiction over the planning, design, routing, approval, construction, operation, or maintenance of water facilities.

2. Limit the discretion of the Water Authority and/or its member agencies from protecting the security and privacy of comprehensive inventories of all assets, which includes infrastructure location, condition, performance and useful life.

3. Shift the risks of indemnity for damages and defense of claims from contractors to the Water Authority and/or its member agencies.

4. Impair the Water Authority’s and/or its member agencies’ ability to execute the planning, design, and construction of projects using its own employees.

5. Prohibit the use of alternative contract procurement methods that can be utilized in the construction of water facilities.

6. Limit the autonomy or discretion of water suppliers to develop and execute asset management inspection programs that include visual inspections, internal/external inspections, asset condition assessments, and corrosion mitigation in a manner that recognizes the individuality and uniqueness of each water supplier and its systems.

Funding

The Water Authority’s policy principles support initiatives that:

1. Fund or otherwise facilitate planning, design, construction and/or maintenance of public water storage, watershed areas, and treatment and delivery facilities and facilitates maintenance and/or enhancement of groundwater recharge spreading areas and groundwater basin rehabilitation that benefit San Diego County.

2. Fund or otherwise facilitate the operation and maintenance of canal lining projects that enhance water supplies.
3. Provide funding for water infrastructure development, infrastructure security, and infrastructure rehabilitation and replacement projects that benefit San Diego County.

4. Fund enhancements to water treatment, recycling, and potable reuse facilities to meet increased regulations.

5. Fund improvements to water treatment facilities that allow greater use of State Water Project water.

6. Provide funding for the preservation of cultural resources affected by construction or operation of water conveyance and storage facilities.

7. Provide funding for habitat preservation programs that address impacts resulting from construction or operation of water system facilities.

8. Provide funding for projects that enhance security against terrorist acts or other criminal threats to water operations, facilities, or supplies.

9. Provide funding for the control, prevention, or eradication of non-indigenous aquatic species, including dreissenid mussels.

10. Provide incentives that encourage the optimization, expansion, and cooperative use of existing surface reservoirs.

11. Provide funding for projects that improve the security of the facilities and operations of the Water Authority and its member agencies.

12. Provide funding to water agencies for the voluntary retrofit of facilities for on-site generation of chlorine.

13. Permit the use of grant funding for projects implemented under public-private partnerships where the grant provides funding for a public benefit.

13.14. Provide funding for water supplier asset management programs that involve the active monitoring, repair, or replacement of physical assets and infrastructure, which includes pipes, valves, facilities, equipment, and other infrastructure.

Public Safety Power Shutoffs
The Water Authority’s policy principles support initiatives that:

1. Provide for restrictions on price gouging during public safety power shutoff events and for at least 72 hours following restoration of power.
2. Provide that de-energization or public safety power shutoff events may be included as a condition constituting a state of emergency or local emergency.

3. Provide a tax exemption for the sale of, or the storage, use, or consumption of, a backup electrical resource, that is purchased for exclusive use by a city, county, special district, or other entity of local government during a de-energization or public safety power shutoff event.

4. State that the use of alternative power sources (such as generators) by essential public services during de-energization or public safety power shutoff events shall not be limited by any state or local regulations or rules.

The Water Authority’s policy principles oppose initiatives that:

1. Authorize air quality management districts or other regulatory bodies to adopt or maintain rules that would limit or prohibit a local government entity’s use of a state and/or federally compliant natural gas-powered generator during a de-energization or public safety power shutoff event.

Water System Operations

The Water Authority’s policy principles support initiatives that:

1. Recognize water agencies as emergency responders in the event of a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent and mitigate the loss or impairment of life, health, property or essential public services due to natural disasters (e.g., wildfires, earthquakes), power outages as well as terrorist and other criminal activities.

2. Authorize state and federal wildlife agencies to provide assistance to local water agencies in the control, prevention, and eradication of non-indigenous aquatic species, including dreissenid mussels.

3. Exempt owners and operators of water supply facilities from criminal and civil liabilities associated with dreissenid mussel infestations if due diligence requirements are being met.

4. Require mandatory inspections of boats for evidence of potential dreissenid mussel infestation before allowing boat launching in reservoirs.

The Water Authority’s policy principles oppose initiatives that:
1. Impose or mandate recreational activities on drinking water reservoirs and reservoir property where such activities have been determined to be inappropriate by the reservoirs’ owners and operators.

2. Impair the Water Authority’s and/or its member agencies’ ability to provide and operate the necessary facilities for a safe, reliable, and operationally flexible water system.

3. Restrict the Water Authority’s and/or its member agencies’ ability to respond swiftly and decisively to an emergency that threatens to disrupt water deliveries or restricts the draining of pipelines or other facilities in emergencies or for repairs or preventive maintenance.

4. Authorize state and federal wildlife agencies to control, prevent, or eradicate invasive species in a way that excessively interferes with the operations or water supplies of local water agencies.

5. Prohibit or in any way limit the ability of the Water Authority or its member agencies from making full beneficial use of any water, wastewater, or recycling facility and resource investments.

6. Establish prescriptive leak loss control requirements for the operation, maintenance, and asset management of water conveyance and distribution systems, that fail to consider full life-cycle costing.

7. Establish meter testing requirements for water meters that fail to consider industry standards and cost-effectiveness.

Workforce Development

The Water Authority’s policy principles support initiatives that:

1. Provide a pathway for military veterans to apply their advanced skills and experience toward state and industry-supplied certifications in the water and wastewater treatment and distribution operator fields.

2. Ensure advanced water treatment operators and distribution system operators of potable reuse and recycled water facilities have a career advancement path as certified water and/or wastewater treatment plant operators.
Water Planning

Policy Category: Climate Change
Funding
Local Planning

Policy Category: Integrated Regional Water Management Planning
San Diego County IRWM
Statewide IRWM

50
Funding

Policy Category:  Land Use and Water Management
   Local Conditions
   Use of Public Lands
   Water Supply Planning
Climate Change

The potential effects of climate change are an important concern in water management planning. The Water Authority generally supports initiatives that incorporate considerations of climate change into water management planning, as long as the climate change information is developed and provided by the state. The Water Authority also supports initiatives that allow water agencies to partner with energy providers to improve energy efficiency in the conveyance and use of water. The Water Authority supports initiatives that encourage innovation in developing responses to climate change, with maximum control at the local level.

The Water Authority generally opposes initiatives that do not allow local control over responses to climate change. The Water Authority also opposes initiatives that may prohibit water agencies from entering into the carbon credits market.

Funding

The Water Authority’s policy principles support initiatives that:

1. Incorporate state provided climate change information into statewide, regional, and local water management planning, and provide funding for projects that assist in adapting to effects of climate change on the water supply portfolios across the state.

2. Provide financial support to local projects designed to mitigate or adapt to potential negative impacts of climate change on water supply reliability.

3. Encourage water agencies to partner with energy providers to help fund water conservation and other programs that result in reduction of greenhouse gas emissions and/or provides opportunities and incentives for voluntary implementation of local water and renewable energy projects that directly or indirectly reduce greenhouse gas emissions.

4. Provides incentive, funding, and assistance to water agencies so that they can comply with AB 32 (2006) requirements, and updated statutory requirements imposed pursuant to SB 32 (2016) and SB 100 (2018).

5. Investigate and provides financial support to projects designed to mitigate potential negative impacts of climate change on water supply reliability.

The Water Authority’s policy principles oppose initiatives that:

1. Do not allow water agency participation in the carbon credits market.
Local Planning

The Water Authority’s policy principles support initiatives that:

1. Promote public-private partnerships, encourages innovation, and focuses on quantifiable performance goals as opposed to top-down, “one size fits all” mandates.

2. Promote continued development and deployment of more sophisticated and integrated hydrological, water quality, and meteorological water monitoring for the purpose of assessing water supply conditions resulting from climate change.

3. Promote the coordination and integration of local, state and federal climate change policies and practices to the greatest extent feasible.

The Water Authority’s policy principles oppose initiatives that:

1. Require incorporation of climate change considerations into regional and local water management planning that does not provide flexibility to the local and regional water agencies in determining the climate change impact and identification of adaptation and mitigation measures.

2. Impose top-down, “one size fits all” climate change mandates that fail to account for hydrological, meteorological, economic, and social variation across the state and/or that fail to incorporate local and regional planning and implementation priorities and protocols.

3. Establish a “loading order” for the development of local water supplies based on embedded energy or other factors.
Integrated Regional Water Management Planning

The Water Authority, along with the City of San Diego and the County of San Diego, developed the San Diego Integrated Regional Water Management Plan. The Water Authority generally supports initiatives that provide equitable funding for IRWM plans, based on population, and that allow the regions to set their own priorities for funding. The Water Authority also supports initiatives that allow for binational funding for projects along the border.

The Water Authority generally opposes initiatives that establish state criteria and mandate for IRWM plans. The Water Authority also opposes initiatives that exclude or reduce participation by water agencies in local IRWM plans.

San Diego County IRWM
The Water Authority’s policy principles support initiatives that:

1. Define the “San Diego sub-region” and “San Diego county watersheds” as “those portions of the westward-flowing watersheds of the South Coast hydrologic region situated within the boundaries of San Diego County.”

2. Allow for creation of sub-area plans that enhance, but do not duplicate or replace, a larger recognized integrated regional water management plan.

3. Require the state to rely on the local process for selection and ranking of projects included in an approved integrated regional water management plan.

Statewide IRWM
The Water Authority’s policy principles support initiatives that:

1. Require the state agencies responsible for preparing the integrated regional water management grant program guidelines to conduct a comprehensive public outreach process that ensures stakeholders have an opportunity to provide adequate input on preparation of the guidelines and that the state agencies consider and respond to comments received through the outreach process.

2. Establish a task force to provide recommendations to the state on improving the integrated regional water management planning process in California.

3. Ensure discretion for Regional Water Management Groups to determine the composition and structure of their organization, rather than through the imposition of a “one size fits all” mandated structure applied statewide.

The Water Authority’s policy principles oppose initiatives that:

1. Mandate a specific composition and management structure of the regional water management group that oversees integrated regional water management
planning efforts within a region.

2. Preclude water wholesalers from serving on a regional water management group.

3. Dilute public water agency participation on the regional water management group.

**Funding**

The Water Authority’s policy principles support initiatives that:

1. Provide for population-based distribution of funds to ensure adequate distribution of grant funding throughout the state.

2. Provide for the use of state grant funds for binational projects where the projects benefit water supply or water quality in the San Diego region.

3. Improve and streamline the state’s reimbursement process to ensure timely remittance of IRWM funds.

4. Promote the ability of the Regional Water Management Group to more directly administer state grant funds specifically identified for IRWM Programs.

The Water Authority’s policy principles oppose initiatives that:

1. Establish funding criteria that limits local discretion in project selection.
Land Use and Water Management Planning

The Water Authority generally supports initiatives that coordinate land use planning with water management planning. The Water Authority also supports initiatives that protect flood plains and water recharge basins.

The Water Authority generally opposes initiatives that interfere with the Water Authority's ability to forecast demand and plan for water management.

Local Conditions

The Water Authority’s policy principles support initiatives that:

1. Promote enhanced coordination and linkage of general plans and water management plans.

2. Recognize regional efforts to coordinate land use planning and water management planning in a manner consistent with the goals and objectives established by regional growth management strategies, affordable housing mandates, and local general plans.

3. Discourage piecemeal or uncoordinated land use and water management planning.

4. Require that projected population and other demographic factors utilized in forecasting future water demands in accordance with the Urban Water Management Planning Act, SB 610, and SB 221, be consistent with the regional growth management plans and general plans applicable to the territory within the service area of the supplier.

5. Provide funding for, or otherwise facilitate, development of groundwater management plans pursuant to AB 3030 and groundwater sustainability efforts under the Sustainable Groundwater Management Act.

6. Encourage consolidation of small non-viable and non-complying water systems without shifting the financial burden to the customers of the agency receiving the consolidation.

The Water Authority’s policy principles oppose initiatives that:

1. Restrict or limit the effectiveness of the Water Authority or its member agencies in their continuing efforts to meet their obligations under SANDAG’s Regional Comprehensive Plan and in their efforts to develop demand forecasts based on SANDAG regional growth forecasts and general plan information.

Use of Public Lands
The Water Authority’s policy principles support initiatives that:

1. Allow and fund land exchanges between local public agencies and federal or state agencies when mutually beneficial to all agencies and enhances water resources for the region.

2. Designate public lands that are tributary to drinking source water reservoirs as wilderness, habitat preserve, open space, or other protected status, provided such designation does not impede current or reasonable future use of those water resources.

3. Protect floodplains and lands over prime groundwater recharge zones for stormwater catchment and bioremediation.

The Water Authority’s policy principles oppose initiatives that:

1. Impose land use designations that preclude the use of such lands for public water infrastructure determined necessary to ensure a cost-effective, safe, and reliable water supply.

Water Supply Planning

The Water Authority’s policy principles support initiatives that:

1. Considers the multiple local variables and priorities that are associated with water supply planning and selection of water resources for implementation.

2. Preserve the local water agency’s ability to establish local priorities for water resources planning decisions.

The Water Authority’s policy principles oppose initiatives that:

1. Restrict the Water Authority’s or its member agencies’ ability to utilize a demand forecasting methodology that is best suited for the region.

2. Require the use of specific evaluation criteria in water supply planning and selection of potential water supply projects that fails to take into account or conflicts with existing local and regional planning policies and implementation priorities.

3. Impose mandates requiring specific water resources be developed by water agencies that fail to take into account local factors, such as water reliability, hydrologic and geographic characteristics, and the economic, political, public acceptance, and social environment, which can influence selection of resources and/or fails to take into account or conflicts with existing local and regional planning policies and implementation priorities.

4. Limit the local water agency’s ability to establish local priorities for water
resources planning decisions.

Water Quality Issues

Policy Category: Water Quality Issues
- Contaminants
- Funding
- Source Water Protection
Water Quality Issues

Water quality is a major concern of the Water Authority. The Water Authority generally supports initiatives that assist in providing high-quality water to the San Diego region through cleanup and remediation of contaminants and protection of water sources.

The Water Authority generally opposes initiatives that regulate the conveyance, storage, and distribution of water supplies under the Clean Water Act.

Contaminants

The Water Authority’s policy principles support initiatives that:

1. Assure cost-effective remediation and cleanup of contaminants of concern that have impacted groundwater and surface water.
2. Incorporate sound scientific principles in adopting drinking water standards for drinking water contaminants.
3. Exempt the conveyance, storage, or release of water supplies from regulation as a discharge under the Clean Water Act and other water quality control laws.
4. Revise NPDES standards and procedures to facilitate inland discharge and use of recycled water.
5. Establish appropriate quality standards, testing procedures, and treatment processes for emerging contaminants.
6. Alter the definition of “lead free” to reduce the permissible amount of lead in fixtures, plumbing, and pipe fittings to be installed for the delivery of drinking water.
7. Exempt purified wastewater from regulation as a discharge under the Clean Water Act.
8. Protect child public health by requiring schools to undertake lead testing in school drinking water systems.
9. Implement source control for management and prevention of contamination by constituents of emerging concern.

The Water Authority’s policy principles oppose initiatives that:

1. Regulate the conveyance, storage, or release of water supplies as a discharge under the Clean Water Act and other water quality control laws.
2. Make water suppliers financially and legally responsible for mitigation of pollution contamination by third parties.

3. Make water suppliers financially and legally responsible for testing or correction of any water quality-related issues associated with private property or on-site plumbing systems.

**Funding**

The Water Authority’s policy principles support initiatives that:

1. Provide the necessary funding for research on the occurrence, treatment, health effects, and environmental clean-up related to contamination of drinking water sources.

2. Implement and fund the San Diego Regional Water Quality Control Board’s triennial review of water quality standards.

3. Provide funding and support for Colorado River salinity control projects and other water quality management efforts.

**Source Water Protection**

The Water Authority’s policy principles support initiatives that:

1. Assist in achieving a year-round blend of imported water supplies from MWD that achieve Board-adopted water quality objectives to help member agencies comply with drinking water standards and to help the region maximize development of recycled water and reduce financial costs to the customer due to high levels of total dissolved solids in imported water supplies.

2. Provide for the protection of source water such as reservoirs and groundwater basins so that the waters can be beneficially used for consumptive purposes.

3. Appropriately protect drinking source water reservoirs as special-purpose, man-made water bodies different in character than natural waterways, rivers, lakes, and coastal waters, while allowing maximum flexibility for operations as part of a managed water supply system.

4. Exempt terminal reservoirs with no significant nexus to the watershed from regulation under the federal Clean Water Act.

5. Direct the state’s participation or assistance in water quality issues related to or threatening the Colorado River water source.
6. Provide for watershed planning, watershed signage, and actions to protect source water - including reservoirs - such as land acquisition around reservoirs, limited land use, and increased buffer areas.

7. Reduce the water quality impacts caused by runoff into local reservoirs using a watershed based approach.

8. Streamline permitting of facilities constructed for the purpose of improving water quality.

The Water Authority’s policy principles oppose initiatives that:

1. Contribute to the degradation of source water quality around reservoirs and groundwater basins.
Water Use Efficiency

Policy Category: Water Use Efficiency
- Fixtures
- Funding
- Irrigation
- Long-Term Water Use Efficiency
- Reporting
Water Use Efficiency

The Water Authority has been a statewide leader in sponsoring legislation to improve water use efficiency. The Water Authority championed statewide requirements for ultra-low-flow toilets, high-efficiency clothes washers, water meters, and sponsored legislation that created a statewide task force on outdoor landscape water use efficiency. The Water Authority's legacy as a leader in advancing statewide water use efficiency initiatives has continued through today, as the Water Authority has sponsored legislation in recent years to improve demand management measure reporting in urban water management plans, allow for installation of synthetic grass in common interest developments, and require the state to undertake regular updates of the model water efficient landscape ordinance.

The Water Authority generally supports water saving measures, such as graywater use, rainwater capture, submetering, plumbing retrofits, and others. The Water Authority has supported implementation and coordination of Best Management Practices as defined by the California Urban Water Conservation Council and Demand Management Measures under the Urban Water Management Planning Act.

The Water Authority generally opposes statewide requirements for conservation-based water rates that override the rate-setting authority of local agencies. The Water Authority also opposes the promulgation of conservation practices or standards that override the authority of local agencies.

Fixtures

The Water Authority's policy principles support initiatives that:

1. Encourage the use of graywater where it complies with local guidelines and regulations and is cost-effective.

2. Establish standards for the utilization of high-efficiency commercial coin-operated and residential clothes washers.

3. Require submetering connections to be built in new construction of multiple unit commercial or residential buildings.

4. Encourage plumbing fixture retrofit upon real property resale.

5. Restrict Property Owner Associations from forbidding retrofits of multiple unit facilities for the purpose of submetering, if feasible.

6. Ensure plumbing codes and standards that facilitate the installation and/or retrofit of water efficient devices.
The Water Authority’s policy principles oppose initiatives that:

1. Repeal cost-effective efficiency standards for water-using devices.

**Funding**

The Water Authority’s policy principles support initiatives that:

1. Provide loans and grants to fund incentives for water efficient devices, practices, and demonstration projects and studies.
2. Provide incentives, funding, and other assistance where needed to facilitate market transformation and gain wider implementation of water-efficient indoor and outdoor technologies and practices.
3. Provide incentives, funding, and assistance to water agencies so that they can meet the water demand management measure requirements in the Urban Water Management Planning Act.
4. Provide incentives, funding, and other assistance to facilitate water use efficiency partnerships with the energy efficiency sector.
5. Provide for federal tax exempt status for water use efficiency rebates, consistent with income tax treatment at the state level.

**Irrigation**

The Water Authority’s policy principles support initiatives that:

1. Encourage implementation of effective water management practices for urban landscape and agricultural irrigation.
2. Encourage stakeholders to implement statewide landscape water conservation standards and regulations.
3. Restrict Property Owner Associations from forbidding the use of California native plants, other low water use plants, or artificial turf in well-maintained landscapes.

**Long-Term Water Use Efficiency**

The Water Authority’s policy principles support initiatives that:

1. Recognize local control in determining water use efficiency criteria, such as impact of recycled water salinity on irrigation use and efficiency for the application of non-potable recycled water.
2. Recognize local control in determining how to meet an overall efficient water use goal, based on the combined efficient indoor use, outdoor use, and leak loss, as established under the criteria provided for in statute.
The Water Authority’s policy principles oppose initiatives that:

1. Create stranded assets by establishing long-term demand management water use efficiency and water supply requirements that are inconsistent with the Urban Water Management Planning Act.

2. Prescribe statewide mandatory urban and agricultural water use efficiency practices, including, but not limited to, methods, measures, programs, budget allocation, and designation of staff dedicated to water conservation programs, that override the authority of the boards of directors of local water agencies to adopt management practices that are most appropriate for the specific needs of their water agencies.

3. Mandate regulation of the CII Sector in a manner that is discriminatory, sets unachievable Best Management Practices or compliance targets, or would otherwise impair economic activity or the viability of the CII sector.

Reporting

The Water Authority’s policy principles support initiatives that:

1. Further the statewide goal of a 20 percent reduction in per capita water use by 2020 as set forth in SBX7-7, enacted in November 2009, and preserves water agency discretion and options for achieving this objective.

2. Ensure accurate and meaningful reporting of implementation of water conservation measures.

3. Encourage reasonable tracking of water use and improved efficiency in the Commercial, Industrial, and Institutional (CII) sector.


The Water Authority’s policy principles oppose initiatives that:

1. Mandate that water agencies include an embedded energy calculation for their water supply sources in the Urban Water Management Plan or any other water resource planning or master planning document.
October 14, 2020

Attention: Water Planning and Environmental Committee


Purpose
This presentation provides a summary of Contract Year 2019/2020 operational performance for the Claude “Bud” Lewis Carlsbad Desalination Plant (CDP).

Background
The CDP started commercial operations on December 23, 2015. The project is the result of a long-term Water Purchase Agreement (WPA) executed between the Water Authority and Poseidon that was approved by the Water Authority Board on November 29, 2012. Under the WPA, the Water Authority agreed to purchase the entire output of the CDP. The Water Authority’s water purchase payments compensate Poseidon for the fixed and variable costs of the CDP including debt and equity payments, as well as fixed and variable plant costs for electricity and operations and maintenance.

Discussion
Contract Year 2019/2020 was a unique and challenging year in terms of desalinated water deliveries and contract administration for the CDP. Some of these challenges included:

- Implementation of the interim operating period improvements (i.e., new fish-friendly dilution pumps) necessary for standalone operations
- Significant rain events, including unusually heavy late season rainfall in April
- On-going COVID pandemic, impacting plant personnel procedures and operations

These events required both parties to strategize on how to best optimize production at the plant, under difficult circumstances, over the course of the year. Both Poseidon and the Water Authority experienced supply and demand shortfalls as a result of the conditions listed above, along with others, which led to reduced production as compared to previous years. In summary, the plant produced 38,656 acre-feet during Contract Year 2019/2020 with deliveries into the aqueduct system meeting all federal and state drinking water standards.

The staff presentation will highlight key performance metrics related to water delivery, water quality, and costs. Staff will also review specific contract terms of the WPA that were triggered during the year.

Prepared by: Jeremy Crutchfield, Water Resources Manager
Reviewed by: Kelley Gage, Director of Water Resources
Approved by: Sandra L. Kerl, General Manager
October 14, 2020

Attention: Legislation and Public Outreach Committee

Quarterly report on Public Affairs activities (Information)

Background
From July through September 2020, the Public Affairs Department supported the Water Authority and member agency outreach programs and projects with several new tools to promote water supply reliability during the COVID-19 pandemic. Highlights of department activities during the quarter are listed below.

Local Outreach and Civic Engagement
Staff shared Water News Network stories featuring member agencies, including the Utility Hero of the Week features, with business chambers and associations. Many groups posted the stories on their social media and e-newsletters (Oceanside Chamber, San Diego North EDC, Santee Chamber, South County EDC, San Diego Regional EDC).

Trust the Tap Outreach:
- In July, the Water Authority partnered with the San Diego Food Bank to provide 2,500 reusable bags and Trust the Tap education cards (Spanish and English) as part of their regional distribution programs.
- In August, 1,500 reusable bags and Trust the Tap education cards were provided to South Bay Communities Services.
- In September, 2,500 reusable bags and Trust the Tap education cards were provided to Catholic Charities for their food distribution programs.

<table>
<thead>
<tr>
<th>Community Outreach</th>
<th>Events/Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Events attended by Board members</td>
<td>N/A</td>
</tr>
<tr>
<td>Monthly Meetings (Chambers, EDCs, civic orgs)</td>
<td>52</td>
</tr>
<tr>
<td>Events (State of the city, organization lunches, breakfasts, etc.)</td>
<td>12</td>
</tr>
<tr>
<td>Member agency meetings</td>
<td>51</td>
</tr>
<tr>
<td>1x1 Briefings (Elected staff, business orgs and staff, etc.)</td>
<td>10</td>
</tr>
<tr>
<td>Facility Tours</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Media Relations
The Water Authority distributed 11 news releases during the reporting period. The topics of these releases are listed in Exhibit 1. During the quarter, the coronavirus pandemic continued to dominate news coverage. Staff responded to more than 14 requests from local and national media queries on issues, including the Water Authority partnership with the Scripps Institution of Oceanography to optimize water management, strong Water Authority credit ratings and a bond sale saving ratepayers $67.4 million, and the LAFCO detachment process.

Education Programs
The Water Authority’s long-running and highly popular school assemblies transitioned to a virtual format this quarter to allow students to continue learning about water and science while
learning remotely. Since the start of the 2020-2021 school year, the assemblies have reached 1,493 students countywide. More than 21 assemblies were performed and several more are scheduled for upcoming weeks. The average assembly had 71 students in attendance, with more than half of the assemblies bringing in more than 100 students each. The highest number in one assembly was 200 students. Shows That Teach received 35 positive reviews from teachers.

A second-grade teacher in National City wrote, “It was an amazing virtual assembly, the students loved it. They could not stop dancing! And they learned about water. We loved the songs! Thank you.”

Water Authority staff also collaborated with the San Diego County Office of Education to promote the virtual assemblies regionwide and to help spread the word about other virtual water education opportunities. A representative of the Office of Education attended JPIC meetings in August and September to present on the virtual Splash Lab offerings with member agencies.

**Publications and Online Communications**

**Water News Network**

During this reporting period, the Water News Network was named “Best Website” among California public agencies for 2020 in the California Public Information Officers EPIC Awards competition. The WNN received praise from competition judges for keeping all stakeholders in mind when creating the website, and for its initiative in producing original story content and photos. The WNN’s success is possible because of the collaboration with the Water Authority’s 24 member agencies and the teamwork that is essential to creating compelling stories about the region’s most precious resource.

In collaboration with member agencies, staff posted more than 49 original stories during the quarter on a wide variety of topics, from the installation of new fish-friendly seawater intake pumps at the Carlsbad Desalination Plant, to the power reduction efforts of water agencies in assisting California when energy supplies were low during a prolonged heat wave. Stories about technology and infrastructure, along with stories about new funding sources for regional water supply projects (for the City of Escondido, East County AWP, City of San Diego, and Pure Water Oceanside) generated significant interest, as reflected in pageview numbers ranking those stories in the top 10 of all WNN content during the period.

During the reporting period, staff worked with member agencies on stories such the Vallecitos Water District’s use of technology to monitor water quality; the installation of a communication device on a Helix Water District water tank that improves communications for fire agencies; and a $69 million EPA loan to the City of Oceanside for the construction of Pure Water Oceanside. These stories, and other robust original content, translated into an average of 8,700 pageviews monthly during the quarter even though the pandemic continued to dominate the news.

WNN stories this quarter also showcased the variety and diversity of the website's content, driven by member agency stories: Stories from 10 member agencies showcased colorful art from poster contests and before-and-after photos of landscape makeovers, while seven stories highlighted national, state, or regional awards and recognition for member agencies or their
employees. Staff continues to seek stories, photos, and videos from member agencies, posting at least four original stories each week during the reporting period.

WNN stories are also used in social media, providing valuable content to nearly 23,000 followers on the Water Authority’s social media platforms, including Twitter, LinkedIn and Instagram. WNN continues to be a relevant source of regional water news statewide as news media and water industry websites aggregate, republish and share WNN stories/content. The stories are also shared on social media and draw the attention of water industry websites, such as BC WaterNews, Maven’s Notebook, and Aquafornia. Those outlets regularly share WNN stories on their websites and in daily email newsletters, including the California DWR daily email, which helps highlight member agency and Water Authority news to statewide, national and even international audiences.

**WaterSource E-Newsletter**
During this quarter, staff distributed six issues of WaterSource email newsletters, providing updates on key water-related issues to more than 5,900 subscribers.

**Social Media**
During this quarter, the Water Authority continued to coordinate with its member agencies to highlight essential workers on social media through its “Water Utility Hero of the Week” feature.

Similarly, the Water Authority coordinated with its member agencies to launch “Faces of the Water Industry,” a social media outreach campaign highlighting the diversity of people and careers in the region’s water and wastewater industry. Now in its fourth year, the program will feature photos and videos from 20 employees representing nine water agencies across the region, including the Water Authority.

The Water Authority also launched a LinkedIn group for alumni of the Citizens Water Academy to increase engagement through social media. The LinkedIn group’s purpose is to increase connections between CWA alumni, provide networking opportunities and information about job opportunities and share updates about key water issues with alumni, many of whom are industry and community leaders.

During this reporting period, the Water Authority gained 823 followers across its core social media platforms (Facebook, Twitter, Instagram, LinkedIn and YouTube). As of September 30, 2020, the Water Authority had 9,666 followers on Facebook; 5,530 followers on Twitter; 2,354 followers on Instagram; 5,229 followers on LinkedIn and 788 subscribers on YouTube. Posts on these social media platforms generated more than 32,447 engagements (likes, shares and comments).

**Member Agency Outreach Coordination**
The Water Authority hosted regular monthly Joint Public Information Council/Conservation Coordinators meetings in August. July was a dark month due to the Fourth of July holiday. Topics included: water quality and safety messaging outreach, Water Utility Hero of the Week outreach, Hispanic outreach pilot campaign, Faces of the Water Industry campaign, online education programming, state legislative session updates, new SDCWA.org website updates, water conservation legislation, MAAP funding, landscape makeover classes, WaterSmart
Contractor Incentive Program, Qualified Water Efficient Landscaper Program, and the new San Diego County Agriculture water rate. In addition to monthly meetings, and in response to member agency requests for greater regional coordination during the pandemic, the Water Authority hosted three additional JPIC meetings. These meetings were regularly attended by 40-50 staff members from member agencies.

In September, Water Authority staff worked closely with member agency employees to produce the Faces of the Water Industry social media campaign, which launched October 1. The campaign included nine member agencies and highlighted 20 employees across the region.

**CIP Projects**

**Northern First Aqueduct Structure and Liner Rehabilitation Project**
Staff responded to an inquiry from a neighbor at Portal 8 about work on their property and prepared updates to the project webpage.

**Mission Trails Flow Regulatory Structure II Project**
During the reporting period, staff engaged trail users in the park on multiple occasions and handed out a flyer about the importance of being safe and adhering to closed trail signage due to the increasing presence of concrete trucks on trails to access the FRS II work site. Staff also revised the trail closure map and posted new trail closure signs in the park. Staff provided a project update to the Tierrasanta Community Council on Aug. 19 and had previously responded to concerns from community members about overflow parking of vehicles on side streets due to limited parking on Clairemont Mesa Blvd. resulting from the city of San Diego’s parking and park use COVID-19 restrictions. Staff coordinated with city staff to remove restrictions on available parking spots to alleviate resident concerns. Staff also updated the project webpage and responded to an inquiry from a park user concerned about a trail closure. Staff also prepared posts for social media platforms to engage and update followers – particularly hikers, mountain bikers and trail users – about the project and trail closures.

**Vallecitos Water District 11/Vista Irrigation District 12 Flow Control Facility Rehabilitation**
Construction on this project and related outreach has ended. There will be no further updates provided in this report.

**San Diego 28 Flow Control Facility Rehabilitation Project**
Construction on this project and related outreach has ended. There will be no further updates provided in this report.

Prepared by: Mike Lee, Public Affairs Manager
Reviewed by: Denise Vedder, Director of Public Affairs
Approved by: Sandra L. Kerl, General Manager

Attachment: Exhibit 1 – Public Outreach and Conservation Activities
EXHIBIT 1
Public Outreach and Conservation Activities
July through September 2020

<table>
<thead>
<tr>
<th>NEWS RELEASES/STATEMENTS ISSUED</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Agricultural Water Rate Program Benefits San Diego County Growers</td>
</tr>
<tr>
<td>Gary Croucher Elected Board Chair of San Diego County Water Authority</td>
</tr>
<tr>
<td>Water Agencies Plan to Abandon Costs, Reduce Supply Reliability</td>
</tr>
<tr>
<td>Water Authority Seeks Rate Relief at MWD</td>
</tr>
<tr>
<td>Water Authority Joins Scripps Institution of Oceanography to Optimize Water Management</td>
</tr>
<tr>
<td>Carlsbad Desalination Plant Supports Statewide Energy Conservation Efforts</td>
</tr>
<tr>
<td>Final Judgment Entered in Favor of Water Authority in 2010-2012 Rate Litigation</td>
</tr>
<tr>
<td>New Seawater Intake Pumps Preserve Marine Environment, Enhance Climate-Resilient Water Supply</td>
</tr>
<tr>
<td>Water Agencies Warn of Threatening Calls by Scam Artists</td>
</tr>
<tr>
<td>Strong Water Authority Credit Saves $67.4 Million for Ratepayers</td>
</tr>
<tr>
<td>State Awards $15 Million for San Diego Regional Water Projects</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRESENTATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego Regional Chamber, Sustainability and Industry Committee 7/2/20 – Denise Vedder</td>
</tr>
<tr>
<td>San Diego Farm Bureau 7/9/20 – Sandy Kerl</td>
</tr>
<tr>
<td>San Diego Regional Chamber, Sustainability and Industry Committee 8/6/20 – Dan Denham</td>
</tr>
<tr>
<td>SoCoPow Virtual Luncheon 8/10/20 – Sandy Kerl</td>
</tr>
<tr>
<td>North County Chamber CEO Meeting 8/21/20 – Sandy Kerl</td>
</tr>
<tr>
<td>National City Council 9/1/20 – Denise Vedder</td>
</tr>
<tr>
<td>Downtown San Diego Partnership Board 9/22/20 – Sandy Kerl</td>
</tr>
<tr>
<td>Innovate 78, Economic Development Directors Meeting 9/28/20 – Denise Vedder</td>
</tr>
</tbody>
</table>
October 14, 2020

Attention: Legislation and Public Outreach Committee

Small Contractor Outreach and Opportunities Program (SCOOP) Annual Report (Presentation)

Background
The purpose of SCOOP is to maximize small business participation in the San Diego County Water Authority’s contracts and procurements. SCOOP provides small businesses with resources and information through training, networking, and technical assistance. This report provides a summary of SCOOP program metrics and activities from July 1, 2019 through June 30, 2020.

Discussion
Outreach Activities
During the fiscal year, Water Authority representatives participated in 17 events with business organizations and government agencies.

Outreach activities include participation in the Veterans in Business Conference in October 2019. The event brought more than 100 attendees to San Diego to learn about business opportunities at public agencies in Southern California. Other major activities that staff participated in were the California Construction Expo, Caltrans Procurement and Resource Fair, Asian Business Association’s Small Business Roundtable panel and the San Diego, Orange and Imperial Procurement Technical Assistance Center’s Diversifying Your Business panel. Staff continues to evaluate future procurements and potential program modifications to meet the changing procurement market and the current COVID situation.

Program Measurements
The overall SCOOP goal was 20 percent small business participation for Fiscal Year 2020. The Water Authority’s cumulative total of contract and purchase order awards in Fiscal Year 2020 was approximately $78 million. Small businesses received approximately $6.9 million, or 9 percent, of total dollars awarded. Small businesses received awards in several procurement sectors, with $2.2 million awarded in construction, $4 million awarded for professional services, and $747,000 awarded for purchase orders. Minority- and women-owned businesses received approximately $3.8 million. The number of companies receiving contracts or purchase order awards was 532. Of those, 112, or 21 percent, were small businesses. Thirty-nine, or 7 percent, were minority and women-owned businesses. The decline in the overall small business participation rate compared to the goal reflects an construction industry trend over the last two years toward consolidation of smaller firms through buy-outs by larger companies.

Further details are in the attached exhibits. Information on minority-owned and women-owned business participation is made available to the Board for statistical purposes only.

Prepared by: Craig Balben, APR, Public Affairs Representative II
Reviewed by: Denise Vedder, Director of Public Affairs
Approved by: Sandra L. Kerl, General Manager

Attachments
1. Exhibit A – SCOOP Program Measurements Summary
2. Exhibit B – SCOOP Measurements Detail
3. Exhibit C – SCOOP Outreach Activities

<table>
<thead>
<tr>
<th>Total Businesses</th>
<th>Small</th>
<th>% Small</th>
<th>FY 2020 YTD</th>
<th>Total</th>
<th>Small</th>
<th>% Small</th>
<th>FY 2019 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Number of small businesses registered in the Network.</td>
<td>1592</td>
<td>498</td>
<td>31%</td>
<td>1742</td>
<td>545</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>2. Number of businesses participating on Water Authority procurements (contracts and purchase orders)</td>
<td>532</td>
<td>112</td>
<td>21%</td>
<td>496</td>
<td>96</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>3. Number of contracting opportunities</td>
<td>241</td>
<td>28</td>
<td>12%</td>
<td>170</td>
<td>54</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>4. Amount committed to small businesses</td>
<td>$78,022,430</td>
<td>$6,930,682</td>
<td>9%</td>
<td>$87,961,586</td>
<td>$10,314,512</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Total Businesses</th>
<th>M/W</th>
<th>% M/W</th>
<th>FY 2020 YTD</th>
<th>Total</th>
<th>M/W</th>
<th>% M/W</th>
<th>FY 2019 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Number of M/W businesses registered in the Network.</td>
<td>1592</td>
<td>378</td>
<td>24%</td>
<td>1742</td>
<td>431</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>2. Number of businesses participating on Water Authority procurements (contracts and purchase orders)</td>
<td>532</td>
<td>39</td>
<td>7%</td>
<td>496</td>
<td>30</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>3. Number of contracting opportunities</td>
<td>241</td>
<td>12</td>
<td>5%</td>
<td>170</td>
<td>21</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>4. Amount committed to minority and women-owned businesses</td>
<td>$78,022,430</td>
<td>$3,817,864</td>
<td>5%</td>
<td>$87,961,586</td>
<td>$5,739,364</td>
<td>7%</td>
<td></td>
</tr>
</tbody>
</table>
EXHIBIT B
SCOOP Measurements Detail
July 1, 2019 – June 30, 2020

1. Number of businesses of businesses registered in the Network to bid on Water Authority projects.

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Number of registered businesses</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>1592</td>
<td>498</td>
<td>31%</td>
</tr>
<tr>
<td>Minority- or Women-owned</td>
<td>1592</td>
<td>378</td>
<td>24%</td>
</tr>
</tbody>
</table>

Information taken from The Network’s Business Classification and Minority Company Statistics as of 07/30/2020

2. Number of businesses participating on Water Authority procurements.

B-2. Number of businesses participating on Water Authority procurements (contracts and purchase orders)

<table>
<thead>
<tr>
<th></th>
<th>FY 2020 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td><strong>Design Build</strong></td>
<td></td>
</tr>
<tr>
<td>Primes</td>
<td>1</td>
</tr>
<tr>
<td>Subs</td>
<td>0</td>
</tr>
<tr>
<td><strong>Design Build Subtotal</strong></td>
<td>1</td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td></td>
</tr>
<tr>
<td>Primes</td>
<td>13</td>
</tr>
<tr>
<td>Subs</td>
<td>40</td>
</tr>
<tr>
<td><strong>Construction Subtotal</strong></td>
<td>53</td>
</tr>
<tr>
<td><strong>Professional Services</strong></td>
<td></td>
</tr>
<tr>
<td>Primes</td>
<td>138</td>
</tr>
<tr>
<td>Subs</td>
<td>31</td>
</tr>
<tr>
<td><strong>Prof. Services Subtotal</strong></td>
<td>169</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
</tr>
<tr>
<td>Primes</td>
<td>18</td>
</tr>
<tr>
<td>Subs</td>
<td>0</td>
</tr>
<tr>
<td><strong>Other Subtotal</strong></td>
<td>18</td>
</tr>
<tr>
<td><strong>Contracts</strong></td>
<td></td>
</tr>
<tr>
<td>Primes</td>
<td>170</td>
</tr>
<tr>
<td>Subs</td>
<td>71</td>
</tr>
<tr>
<td><strong>Contracts Subtotal</strong></td>
<td><strong>241</strong></td>
</tr>
<tr>
<td><em>(Design Build, Construction and Professional Services)</em></td>
<td></td>
</tr>
<tr>
<td>Vendors</td>
<td>291</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>532</strong></td>
</tr>
</tbody>
</table>
3. Number of contracting opportunities.

<table>
<thead>
<tr>
<th>FY 2020 YTD</th>
<th>Total Contracts</th>
<th>Small Primes</th>
<th>M/W Primes</th>
<th>% Small</th>
<th>% M/W</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-$10,000</td>
<td>121</td>
<td>11</td>
<td>2</td>
<td>9%</td>
<td>2%</td>
</tr>
<tr>
<td>$10,001-$150,000</td>
<td>70</td>
<td>12</td>
<td>4</td>
<td>17%</td>
<td>6%</td>
</tr>
<tr>
<td>$10,000-$50,000</td>
<td>28</td>
<td>7</td>
<td>3</td>
<td>25%</td>
<td>4%</td>
</tr>
<tr>
<td>$50,001-$150,000</td>
<td>42</td>
<td>5</td>
<td>1</td>
<td>12%</td>
<td>2%</td>
</tr>
<tr>
<td>$150,001-$250,000</td>
<td>14</td>
<td>0</td>
<td>3</td>
<td>0%</td>
<td>21%</td>
</tr>
<tr>
<td>$250,001 - $1,000,000</td>
<td>21</td>
<td>4</td>
<td>3</td>
<td>19%</td>
<td>14%</td>
</tr>
<tr>
<td>$1,000,001 - $50,000,000</td>
<td>15</td>
<td>1</td>
<td>0</td>
<td>7%</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>241</td>
<td>28</td>
<td>12</td>
<td>12%</td>
<td>5%</td>
</tr>
</tbody>
</table>
4. Amount committed to small businesses.

B-4. Amount committed to small and minority- and women-owned primes, subcontractors and vendors

<table>
<thead>
<tr>
<th>FY 2020 YTD</th>
<th>Total</th>
<th>Small</th>
<th>% Small</th>
<th>M/W</th>
<th>% M/W</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Design Build</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primes</td>
<td>$4,280,000</td>
<td>$0</td>
<td>0%</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Subs</td>
<td>$0</td>
<td>$0</td>
<td>0%</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Design Build Subtotal</strong></td>
<td>$4,280,000</td>
<td>$0</td>
<td>0%</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primes</td>
<td>$25,993,978</td>
<td>$53,372</td>
<td>&lt;1%</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Subs</td>
<td>$15,809,447</td>
<td>$2,153,958</td>
<td>14%</td>
<td>$2,010,763</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Construction Subtotal</strong></td>
<td>$41,803,425</td>
<td>$2,207,330</td>
<td>5%</td>
<td>$2,010,763</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Professional Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primes</td>
<td>$17,000,308</td>
<td>$3,889,399</td>
<td>23%</td>
<td>$1,668,075</td>
<td>10%</td>
</tr>
<tr>
<td>Subs</td>
<td>$87,428</td>
<td>$87,428</td>
<td>100%</td>
<td>$65,011</td>
<td>74%</td>
</tr>
<tr>
<td><strong>Prof. Services Subtotal</strong></td>
<td>$17,087,736</td>
<td>$3,976,820</td>
<td>23%</td>
<td>$1,733,086</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primes</td>
<td>$653,474</td>
<td>$0</td>
<td>0%</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Subs</td>
<td>$0</td>
<td>$0</td>
<td>0%</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Other Subtotal</strong></td>
<td>$653,474</td>
<td>$0</td>
<td>0%</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Contracts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primes</td>
<td>$47,927,760</td>
<td>$3,942,772</td>
<td>8%</td>
<td>$1,668,075</td>
<td>3%</td>
</tr>
<tr>
<td>Subs</td>
<td>$15,896,675</td>
<td>$2,241,379</td>
<td>14%</td>
<td>$2,075,774</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Contracts Subtotal (Design Build, Construction and Professional Services)</strong></td>
<td>$63,824,635</td>
<td>$6,184,151</td>
<td>10%</td>
<td>$3,743,849</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Vendors</strong></td>
<td>$14,197,795</td>
<td>$746,531</td>
<td>5%</td>
<td>$74,015</td>
<td>1%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$78,022,430</td>
<td>$6,930,682</td>
<td>9%</td>
<td>$3,817,864</td>
<td>5%</td>
</tr>
</tbody>
</table>
Water Authority staff attended 17 outreach events with small business, trade, and community organizations, as indicated in the following chart.

<table>
<thead>
<tr>
<th>ORGANIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian Business Association</td>
</tr>
<tr>
<td>Association of General Contractors</td>
</tr>
<tr>
<td>California Construction Expo</td>
</tr>
<tr>
<td>Caltrans</td>
</tr>
<tr>
<td>City of San Diego</td>
</tr>
<tr>
<td>Procurement Technical Assistance Center - San Diego, Orange and</td>
</tr>
<tr>
<td>Imperial Counties</td>
</tr>
<tr>
<td>Public Agency Consortium</td>
</tr>
<tr>
<td>Regional Construction Procurement Committee</td>
</tr>
<tr>
<td>SANDAG</td>
</tr>
<tr>
<td>San Diego Construction Network</td>
</tr>
<tr>
<td>Small Business Development Center – San Diego/Imperial Counties</td>
</tr>
<tr>
<td>Veterans in Business Network</td>
</tr>
</tbody>
</table>
October 14, 2020

Attention: Administrative and Finance Committee

Monthly Treasurer’s Report on Investments and Cash Flow

Purpose

The Treasurer’s Report provides monthly financial information to the Board of Directors.

Executive Summary

- The Water Authority’s overall portfolio of $258.8 million maintained a yield of 1.89% exceeding investment benchmark yield of 0.14%.
- Average Water Authority Portfolio term is 2.3 years.
- Water Authority portfolio is well diversified with investment holdings in Agencies, Treasuries and Corporate notes totaling 48.2% of the portfolio.

The Treasurer’s Report as of September 30, 2020 is attached for review by the Administrative and Finance Committee and the Board of Directors. The report provides documentation that the Water Authority has sufficient funds to meet its financial obligations for the next six months. A brief description of each report follows:

Portfolio Master Summary: A summary of the Water Authority’s cash and investments.

Chandler Portfolio Summary: A snapshot of the investment manager’s portfolio holdings and characteristics, account summary, top issuers, sector allocation, maturity distribution and credit quality.

Portfolio Details - Investments: A detailed listing of the cash and investments listed in the Portfolio Master Summary.

The Water Authority’s portfolio is diversified among investment types with a concentration toward short-term maturities. This concentration is the result of current cash flow needs. Approximately 80% of the portfolio is invested in high-quality AAA rated or AAA/AA+ split-rated securities.

In September 2020, the Water Authority’s overall portfolio purchase yield remained at 1.89%, exceeding the yield of the ICE Bank of America 1-3 Year US Treasury and Agency Index market yield of 0.14%. Market value information is provided by the Bank of New York Mellon and is as of the report date. The benchmark yield remained low due to continued demand for US Government securities and Fed purchases, which provided support for bond prices in September despite robust US Treasury issuance. The total return of the Water Authority’s portfolio was positive for the month.
All investments have been made in accordance with the Water Authority’s Annual Statement of Investment Policy, which was last adopted by the Board on November 21, 2019. The reports are completed in accordance with California Government Code Section 53607.

Lisa Marie Harris, Director of Finance/Treasurer
PORTFOLIO MASTER SUMMARY  
as of September 30, 2020

### PORTFOLIO PERCENTAGES

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Permitted By Board Policy</th>
<th>Portfolio Percentage</th>
<th>Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Agency Investment Fund (LAIF)</td>
<td>$75 Million</td>
<td>30.15%</td>
<td>$74,239,708</td>
</tr>
<tr>
<td>Banker's Acceptances</td>
<td>40%</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Treasury Securities*</td>
<td>100%</td>
<td>15.27%</td>
<td>37,605,004</td>
</tr>
<tr>
<td>Agency Securities*</td>
<td>100%</td>
<td>15.69%</td>
<td>38,635,932</td>
</tr>
<tr>
<td>Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations</td>
<td>20%</td>
<td>1.74%</td>
<td>4,288,247</td>
</tr>
<tr>
<td>Supranational Securities*</td>
<td>10%</td>
<td>3.16%</td>
<td>7,790,040</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>20%</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Reverse Repurchase Agreements</td>
<td>20%</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Certificates of Deposit (Placement, Negotiable &amp; Time Deposits)</td>
<td>30%</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>25%</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Medium Term Notes/Corporates*</td>
<td>30%</td>
<td>17.19%</td>
<td>42,328,375</td>
</tr>
<tr>
<td>Municipal Securities</td>
<td>30%</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>JPA Pools (CAMP)</td>
<td>25%</td>
<td>5.79%</td>
<td>14,259,890</td>
</tr>
<tr>
<td>Mutual Funds and Money Market Mutual Funds*</td>
<td>20%</td>
<td>10.99%</td>
<td>27,069,898</td>
</tr>
</tbody>
</table>

100.00% $246,217,094

Accrued Interest (unavailable for investing) | 469 |
Checking/Petty Cash/Available Funds (unavailable for investing) | 344,055 |

**Subtotal for Pooled Funds:** $246,561,618

### Debt Service Reserve (DSR) Funds Excluded from Portfolio Percentages:

- Trinity Plus - Reserve (GIC) - Series 1998A COPs | 12,240,775 |

**Subtotal for Debt Service Reserve Funds (unavailable for CIP expenditures):** $12,240,775

**Total Cash and Investments:** $258,802,393

### PORTFOLIO INFORMATION

<table>
<thead>
<tr>
<th>Pooled Funds **</th>
<th>Debt Service Reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Yield to Maturity - 365 Days</td>
<td>1.69%</td>
<td>5.55%</td>
</tr>
<tr>
<td>Average Term</td>
<td>901</td>
<td>1</td>
</tr>
<tr>
<td>Average Days to Maturity</td>
<td>522</td>
<td>1</td>
</tr>
</tbody>
</table>

* Some investments in these categories are managed by Chandler Asset Management.

** Pooled Funds include Operating, Pay Go, RSF, Equipment and Stored Water funds.
ACCOUNT SUMMARY
As of September 30, 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Beg. Values as of 8/31/20</th>
<th>End Values as of 9/30/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued Interest</td>
<td>732,455</td>
<td>610,074</td>
</tr>
<tr>
<td>Total Market Value</td>
<td>135,927,845</td>
<td>135,916,128</td>
</tr>
<tr>
<td>Income Earned</td>
<td>258,897</td>
<td>253,877</td>
</tr>
<tr>
<td>Cont/WD</td>
<td>-5,519</td>
<td></td>
</tr>
<tr>
<td>Par</td>
<td>128,077,853</td>
<td>128,448,594</td>
</tr>
<tr>
<td>Book Value</td>
<td>127,133,813</td>
<td>127,506,518</td>
</tr>
<tr>
<td>Cost Value</td>
<td>127,133,813</td>
<td>127,506,518</td>
</tr>
</tbody>
</table>

TOP ISSUERS

<table>
<thead>
<tr>
<th>Issuer</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government of United States</td>
<td>24.4%</td>
</tr>
<tr>
<td>Federal Home Loan Bank</td>
<td>18.5%</td>
</tr>
<tr>
<td>Federal National Mortgage Assoc</td>
<td>7.4%</td>
</tr>
<tr>
<td>Blackrock Liquidity Funds T-Fun</td>
<td>4.4%</td>
</tr>
<tr>
<td>Federal Home Loan Mortgage Corp</td>
<td>4.2%</td>
</tr>
<tr>
<td>Intl Bank Recon and Development</td>
<td>3.0%</td>
</tr>
<tr>
<td>Bank of America Corp</td>
<td>2.4%</td>
</tr>
<tr>
<td>Deere &amp; Company</td>
<td>2.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>66.7%</strong></td>
</tr>
</tbody>
</table>

SECTOR ALLOCATION

<table>
<thead>
<tr>
<th>Sector</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate</td>
<td>31.8%</td>
</tr>
<tr>
<td>Agency</td>
<td>30.1%</td>
</tr>
<tr>
<td>US Treasury</td>
<td>24.4%</td>
</tr>
<tr>
<td>Supras</td>
<td>6.1%</td>
</tr>
<tr>
<td>Money Mkt Fd</td>
<td>4.4%</td>
</tr>
<tr>
<td>A+</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

MATURITY DISTRIBUTION

<table>
<thead>
<tr>
<th>Maturity (Yrs)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 25</td>
<td>4.4%</td>
</tr>
<tr>
<td>25 - 50</td>
<td>1.7%</td>
</tr>
<tr>
<td>51 - 7.5</td>
<td>20.0%</td>
</tr>
<tr>
<td>7.5 - 1</td>
<td>42.7%</td>
</tr>
<tr>
<td>1 - 2</td>
<td>24.6%</td>
</tr>
<tr>
<td>3</td>
<td>65.5%</td>
</tr>
</tbody>
</table>

CREDIT QUALITY (S&P)

<table>
<thead>
<tr>
<th>Rating</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A+ (60.8%)</td>
<td></td>
</tr>
<tr>
<td>AAA (12.2%)</td>
<td></td>
</tr>
<tr>
<td>A (25.5%)</td>
<td></td>
</tr>
<tr>
<td>NR (1.6%)</td>
<td></td>
</tr>
</tbody>
</table>
### SDCWA - Fiscal Year 2021
### Portfolio Management
### Portfolio Summary
### September 30, 2020

<table>
<thead>
<tr>
<th>Investments</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>% of Portfolio</th>
<th>Term</th>
<th>Days to Maturity</th>
<th>YTM 360 Equiv.</th>
<th>YTM 365 Equiv.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managed Pool Accounts</td>
<td>114,092,791.07</td>
<td>114,092,791.07</td>
<td>114,092,791.07</td>
<td>46.62</td>
<td>1</td>
<td>1</td>
<td>1.051</td>
<td>1.065</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>42,500,000.00</td>
<td>45,007,485.00</td>
<td>42,328,375.00</td>
<td>17.30</td>
<td>1,698</td>
<td>902</td>
<td>2.967</td>
<td>3.009</td>
</tr>
<tr>
<td>Federal Agency - Coupon</td>
<td>38,250,000.00</td>
<td>40,754,198.75</td>
<td>38,636,401.25</td>
<td>15.79</td>
<td>1,628</td>
<td>1,096</td>
<td>2.258</td>
<td>2.289</td>
</tr>
<tr>
<td>Treasury Securities - Coupon</td>
<td>38,400,000.00</td>
<td>40,027,577.50</td>
<td>37,605,003.92</td>
<td>15.37</td>
<td>1,509</td>
<td>858</td>
<td>2.414</td>
<td>2.447</td>
</tr>
<tr>
<td>Supranationals</td>
<td>8,000,000.00</td>
<td>8,221,020.00</td>
<td>7,790,040.00</td>
<td>3.18</td>
<td>1,471</td>
<td>558</td>
<td>2.727</td>
<td>2.765</td>
</tr>
<tr>
<td>Asset Backed Securities</td>
<td>4,287,685.06</td>
<td>4,361,254.76</td>
<td>4,288,246.87</td>
<td>1.75</td>
<td>1,511</td>
<td>967</td>
<td>2.412</td>
<td>2.446</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td><strong>244,740,858.11</strong></td>
<td></td>
<td><strong>244,740,858.11</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>856</strong></td>
<td><strong>496</strong></td>
<td><strong>1.859</strong></td>
<td><strong>1.885</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>% of Portfolio</th>
<th>Term</th>
<th>Days to Maturity</th>
<th>YTM 360 Equiv.</th>
<th>YTM 365 Equiv.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passbook/Checking</td>
<td>14,061,535.26</td>
<td>14,061,535.26</td>
<td>14,061,535.26</td>
<td>1</td>
<td>1</td>
<td>0.010</td>
<td>0.010</td>
<td></td>
</tr>
<tr>
<td><strong>Cash</strong></td>
<td><strong>258,802,393.37</strong></td>
<td></td>
<td><strong>258,802,393.37</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>856</strong></td>
<td><strong>496</strong></td>
<td><strong>1.859</strong></td>
<td><strong>1.885</strong></td>
</tr>
</tbody>
</table>

### Total Earnings

<table>
<thead>
<tr>
<th>September 30</th>
<th>Month Ending</th>
<th>Fiscal Year To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Year</td>
<td>401,943.91</td>
<td>1,281,480.03</td>
</tr>
<tr>
<td>Average Daily Balance</td>
<td>266,814,574.19</td>
<td>262,600,161.42</td>
</tr>
<tr>
<td>Effective Rate of Return</td>
<td>1.83%</td>
<td>1.94%</td>
</tr>
</tbody>
</table>
### Managed Pool Accounts

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Investment #</th>
<th>Issuer</th>
<th>Average Balance</th>
<th>Purchase Date</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>Stated Rate</th>
<th>S&amp;P</th>
<th>YTM</th>
<th>Days to Maturity</th>
<th>Maturity Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH21</td>
<td>2200</td>
<td>Bank of New York Mellon Corp</td>
<td>13,117,779.97</td>
<td>04/03/2019</td>
<td>1,000,000.00</td>
<td>1,076,820.00</td>
<td>1,010,270.00</td>
<td>3.00</td>
<td>AA+</td>
<td>2.768</td>
<td>1,226</td>
<td>02/09/2024</td>
</tr>
<tr>
<td>CASH35</td>
<td>73</td>
<td>CAMP - OPERATING/POOLED</td>
<td>14,259,889.65</td>
<td>09/13/2016</td>
<td>2,000,000.00</td>
<td>2,122,980.00</td>
<td>2,000,000.00</td>
<td>3.30</td>
<td>AA+</td>
<td>2.647</td>
<td>1,226</td>
<td>02/09/2024</td>
</tr>
<tr>
<td>CASH11</td>
<td>0002</td>
<td>GOLDMAN - OPERATING/POOLED</td>
<td>234,637.88</td>
<td>06/27/2019</td>
<td>1,000,000.00</td>
<td>1,053,390.00</td>
<td>1,026,440.00</td>
<td>4.00</td>
<td>AA-</td>
<td>2.510</td>
<td>1,278</td>
<td>04/01/2024</td>
</tr>
<tr>
<td>CASH13</td>
<td>72</td>
<td>LAIF - OPERATING</td>
<td>74,239,708.57</td>
<td>03/21/2017</td>
<td>2,000,000.00</td>
<td>2,057,940.00</td>
<td>1,990,160.00</td>
<td>2.60</td>
<td>AA+</td>
<td>2.708</td>
<td>494</td>
<td>02/07/2022</td>
</tr>
<tr>
<td>CASH17</td>
<td>204</td>
<td>TRINITY PLUS - 1998A</td>
<td>12,240,775.00</td>
<td>02/04/2019</td>
<td>1,000,000.00</td>
<td>1,097,480.00</td>
<td>1,026,890.00</td>
<td>3.65</td>
<td>AA+</td>
<td>3.042</td>
<td>1,221</td>
<td>02/04/2024</td>
</tr>
<tr>
<td>CASH33</td>
<td>208</td>
<td>US BANK MONEY MARKET FUND</td>
<td>0.00</td>
<td>06/27/2018</td>
<td>2,000,000.00</td>
<td>2,010,340.00</td>
<td>1,935,580.00</td>
<td>2.70</td>
<td>AA+</td>
<td>3.446</td>
<td>893</td>
<td>03/13/2023</td>
</tr>
</tbody>
</table>

**Subtotal and Average**

<table>
<thead>
<tr>
<th>Average Balance</th>
<th>130,952,622.73</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Date</td>
<td>04/03/2019</td>
</tr>
<tr>
<td>Par Value</td>
<td>114,092,791.07</td>
</tr>
<tr>
<td>Market Value</td>
<td>114,092,791.07</td>
</tr>
<tr>
<td>Book Value</td>
<td>114,092,791.07</td>
</tr>
<tr>
<td>Stated Rate</td>
<td>3.00</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>AA+</td>
</tr>
<tr>
<td>YTM</td>
<td>2.768</td>
</tr>
<tr>
<td>Days to Maturity</td>
<td>1,226</td>
</tr>
<tr>
<td>Maturity Date</td>
<td>02/09/2024</td>
</tr>
</tbody>
</table>

### Medium Term Notes

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Investment #</th>
<th>Issuer</th>
<th>Average Balance</th>
<th>Purchase Date</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>Stated Rate</th>
<th>S&amp;P</th>
<th>YTM</th>
<th>Days to Maturity</th>
<th>Maturity Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>03783CCG3</td>
<td>21059</td>
<td>APPLE INC.</td>
<td>1,000,000.00</td>
<td>02/09/2019</td>
<td>2,000,000.00</td>
<td>2,062,480.00</td>
<td>2,017,440.00</td>
<td>2.35</td>
<td>AA-</td>
<td>2.154</td>
<td>591</td>
<td>05/15/2022</td>
</tr>
<tr>
<td>03783CCG3</td>
<td>21063</td>
<td>APPLE INC.</td>
<td>2,000,000.00</td>
<td>06/27/2019</td>
<td>1,000,000.00</td>
<td>1,053,390.00</td>
<td>985,150.00</td>
<td>2.75</td>
<td>AA-</td>
<td>3.136</td>
<td>893</td>
<td>03/15/2019</td>
</tr>
<tr>
<td>06051GEU9</td>
<td>21031</td>
<td>Bank of America Corp</td>
<td>2,000,000.00</td>
<td>03/21/2017</td>
<td>2,000,000.00</td>
<td>2,057,940.00</td>
<td>1,990,160.00</td>
<td>2.60</td>
<td>AA-</td>
<td>2.708</td>
<td>494</td>
<td>02/07/2022</td>
</tr>
<tr>
<td>06051GGF1</td>
<td>21067</td>
<td>Bank of America Corp</td>
<td>1,000,000.00</td>
<td>03/21/2017</td>
<td>1,000,000.00</td>
<td>1,097,480.00</td>
<td>1,026,890.00</td>
<td>3.65</td>
<td>AA+</td>
<td>3.042</td>
<td>1,221</td>
<td>02/04/2024</td>
</tr>
<tr>
<td>064670BR8</td>
<td>21053</td>
<td>BERKSHIRE HATHAWAY INC.</td>
<td>1,000,000.00</td>
<td>02/09/2019</td>
<td>2,000,000.00</td>
<td>2,010,340.00</td>
<td>1,935,580.00</td>
<td>2.70</td>
<td>AA+</td>
<td>3.446</td>
<td>893</td>
<td>03/13/2023</td>
</tr>
<tr>
<td>06406RAA5</td>
<td>20015</td>
<td>Bank of New York Mellon Corp</td>
<td>1,000,000.00</td>
<td>06/27/2018</td>
<td>2,000,000.00</td>
<td>2,062,480.00</td>
<td>2,017,440.00</td>
<td>2.35</td>
<td>AA-</td>
<td>2.154</td>
<td>591</td>
<td>05/15/2022</td>
</tr>
<tr>
<td>06406HCS6</td>
<td>21057</td>
<td>Bank of New York Mellon Corp</td>
<td>1,000,000.00</td>
<td>06/27/2018</td>
<td>2,000,000.00</td>
<td>2,062,480.00</td>
<td>2,017,440.00</td>
<td>2.35</td>
<td>AA-</td>
<td>2.154</td>
<td>591</td>
<td>05/15/2022</td>
</tr>
</tbody>
</table>

**Subtotal and Average**

<table>
<thead>
<tr>
<th>Average Balance</th>
<th>130,952,622.73</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Date</td>
<td>02/09/2019</td>
</tr>
<tr>
<td>Par Value</td>
<td>114,092,791.07</td>
</tr>
<tr>
<td>Market Value</td>
<td>114,092,791.07</td>
</tr>
<tr>
<td>Book Value</td>
<td>114,092,791.07</td>
</tr>
<tr>
<td>Stated Rate</td>
<td>3.00</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>AA+</td>
</tr>
<tr>
<td>YTM</td>
<td>2.768</td>
</tr>
<tr>
<td>Days to Maturity</td>
<td>1,226</td>
</tr>
<tr>
<td>Maturity Date</td>
<td>02/09/2024</td>
</tr>
<tr>
<td>CUSIP</td>
<td>Investment #</td>
</tr>
<tr>
<td>----------</td>
<td>--------------</td>
</tr>
<tr>
<td>92826CAC6</td>
<td>21032</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal and Average**

<table>
<thead>
<tr>
<th>Medium Term Notes</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Federal Agency - Coupon**

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Investment #</th>
<th>Issuer</th>
<th>Average Balance</th>
<th>Purchase Date</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>Stated Rate</th>
<th>Market Value</th>
<th>Maturity Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>3130AEAM1</td>
<td>21013</td>
<td>FEDERAL HOME LOAN BANK</td>
<td>07/20/2018</td>
<td>2,000,000.00</td>
<td>2,088,080.00</td>
<td>1,994,260.00</td>
<td>2.750</td>
<td>AA+</td>
<td>2.827</td>
<td>617</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>06/10/2022</td>
<td></td>
</tr>
<tr>
<td>313383QR5</td>
<td>21020</td>
<td>FEDERAL HOME LOAN BANK</td>
<td>08/27/2018</td>
<td>2,500,000.00</td>
<td>2,701,125.00</td>
<td>2,547,450.00</td>
<td>3.250</td>
<td>AA+</td>
<td>2.822</td>
<td>981</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>06/09/2023</td>
<td></td>
</tr>
<tr>
<td>313383YJ4</td>
<td>21042</td>
<td>FEDERAL HOME LOAN BANK</td>
<td>11/30/2018</td>
<td>5,000,000.00</td>
<td>5,457,500.00</td>
<td>5,083,100.00</td>
<td>3.375</td>
<td>AA+</td>
<td>2.998</td>
<td>1027</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>09/08/2023</td>
<td></td>
</tr>
<tr>
<td>3130A0F70</td>
<td>21046</td>
<td>FEDERAL HOME LOAN BANK</td>
<td>12/18/2018</td>
<td>2,250,000.00</td>
<td>2,471,400.00</td>
<td>2,300,760.00</td>
<td>3.375</td>
<td>AA+</td>
<td>2.885</td>
<td>1163</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12/08/2023</td>
<td></td>
</tr>
<tr>
<td>3130A0F70</td>
<td>21055</td>
<td>FEDERAL HOME LOAN BANK</td>
<td>02/14/2019</td>
<td>1,250,000.00</td>
<td>1,373,000.00</td>
<td>1,290,575.00</td>
<td>3.375</td>
<td>AA+</td>
<td>2.652</td>
<td>1163</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12/08/2023</td>
<td></td>
</tr>
<tr>
<td>3130A1XJ2</td>
<td>21066</td>
<td>FEDERAL HOME LOAN BANK</td>
<td>06/19/2019</td>
<td>1,250,000.00</td>
<td>1,370,950.00</td>
<td>1,304,037.50</td>
<td>2.875</td>
<td>AA+</td>
<td>2.121</td>
<td>1325</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>06/14/2024</td>
<td></td>
</tr>
<tr>
<td>313380GJ0</td>
<td>21072</td>
<td>FEDERAL HOME LOAN BANK</td>
<td>10/16/2019</td>
<td>3,000,000.00</td>
<td>3,108,540.00</td>
<td>3,030,090.00</td>
<td>2.000</td>
<td>AA-</td>
<td>1.644</td>
<td>708</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>09/09/2022</td>
<td></td>
</tr>
<tr>
<td>313380W4</td>
<td>21076</td>
<td>FEDERAL HOME LOAN BANK</td>
<td>10/31/2019</td>
<td>3,000,000.00</td>
<td>3,316,770.00</td>
<td>3,159,420.00</td>
<td>2.875</td>
<td>AA+</td>
<td>1.731</td>
<td>1433</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>09/14/2023</td>
<td></td>
</tr>
<tr>
<td>313380GJ0</td>
<td>21078</td>
<td>FEDERAL HOME LOAN BANK</td>
<td>11/05/2019</td>
<td>3,000,000.00</td>
<td>3,108,540.00</td>
<td>3,030,480.00</td>
<td>2.000</td>
<td>AA+</td>
<td>1.633</td>
<td>708</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>09/09/2022</td>
<td></td>
</tr>
<tr>
<td>3137EAE5N</td>
<td>21028</td>
<td>FEDERAL HOME LOAN MORTGAGE</td>
<td>09/11/2018</td>
<td>3,000,000.00</td>
<td>3,202,800.00</td>
<td>2,981,820.00</td>
<td>2.750</td>
<td>AA+</td>
<td>2.886</td>
<td>991</td>
</tr>
<tr>
<td></td>
<td></td>
<td>MORTGAGE COR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>06/19/2023</td>
<td></td>
</tr>
<tr>
<td>3137EAEU9</td>
<td>21082</td>
<td>FEDERAL HOME LOAN MORTGAGE</td>
<td>08/11/2020</td>
<td>2,500,000.00</td>
<td>2,500,686.75</td>
<td>2,500,643.75</td>
<td>0.375</td>
<td>AA-</td>
<td>0.373</td>
<td>1,754</td>
</tr>
<tr>
<td></td>
<td></td>
<td>MORTGAGE COR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>07/21/2025</td>
<td></td>
</tr>
<tr>
<td>3135G79T4</td>
<td>21030</td>
<td>FEDERAL NATION MORTAGE ASSOC.</td>
<td>09/11/2018</td>
<td>3,000,000.00</td>
<td>3,147,150.00</td>
<td>2,939,520.00</td>
<td>2.375</td>
<td>AA+</td>
<td>2.870</td>
<td>840</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ASSOC.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>01/19/2023</td>
<td></td>
</tr>
<tr>
<td>3135GOUJ3</td>
<td>21043</td>
<td>FEDERAL NATION MORTAGE ASSOC.</td>
<td>11/30/2018</td>
<td>2,500,000.00</td>
<td>2,649,475.00</td>
<td>2,489,925.00</td>
<td>2.875</td>
<td>AA+</td>
<td>2.965</td>
<td>1076</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ASSOC.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>09/12/2023</td>
<td></td>
</tr>
<tr>
<td>3135GW6</td>
<td>21077</td>
<td>FEDERAL NATION MORTAGE ASSOC.</td>
<td>10/31/2018</td>
<td>4,000,000.00</td>
<td>4,213,000.00</td>
<td>3,984,320.00</td>
<td>1.625</td>
<td>AA+</td>
<td>1.708</td>
<td>1,475</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ASSOC.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10/15/2024</td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal and Average**

<table>
<thead>
<tr>
<th>Treasury Securities - Coupon</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Portfolio Details - Investments**

**September 30, 2020**
### Treasury Securities - Coupon

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Investment #</th>
<th>Issuer</th>
<th>Purchase Date</th>
<th>Average Balance</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>Stated Rate</th>
<th>S&amp;P 365</th>
<th>YTM</th>
<th>Days to Maturity</th>
<th>Maturity Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>9128282Y5</td>
<td>21071</td>
<td>UNITED STATES TREASURY</td>
<td>10/16/2019</td>
<td>$2,000,000.00</td>
<td>$2,152,660.00</td>
<td>$2,048,203.12</td>
<td>$2.125</td>
<td>AA+</td>
<td>1.617</td>
<td>1,460</td>
<td>09/30/2024</td>
<td></td>
</tr>
<tr>
<td>9128284G2</td>
<td>21081</td>
<td>UNITED STATES TREASURY</td>
<td>01/23/2020</td>
<td>$2,500,000.00</td>
<td>$2,530,575.00</td>
<td>$2,524,511.72</td>
<td>$2.375</td>
<td>AA+</td>
<td>1.568</td>
<td>196</td>
<td>04/15/2021</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal and Average</strong></td>
<td></td>
<td></td>
<td></td>
<td>$42,424,177.09</td>
<td>$40,027,577.50</td>
<td>$37,605,000.92</td>
<td>$2.447</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Supranationals

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Investment #</th>
<th>Issuer</th>
<th>Purchase Date</th>
<th>Average Balance</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>Stated Rate</th>
<th>S&amp;P 365</th>
<th>YTM</th>
<th>Days to Maturity</th>
<th>Maturity Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>4581X0CZ9</td>
<td>21002</td>
<td>Inter-American Devel. Bank</td>
<td>02/22/2018</td>
<td>$2,000,000.00</td>
<td>$2,059,240.00</td>
<td>$1,910,420.00</td>
<td>$1.750</td>
<td>AAA</td>
<td>2.803</td>
<td>713</td>
<td>09/14/2022</td>
<td></td>
</tr>
<tr>
<td>459058FY4</td>
<td>21006</td>
<td>Intl Bank Recon &amp; Develop</td>
<td>02/22/2018</td>
<td>$2,000,000.00</td>
<td>$2,046,860.00</td>
<td>$1,947,560.00</td>
<td>$2.000</td>
<td>AAA</td>
<td>2.708</td>
<td>482</td>
<td>01/26/2022</td>
<td></td>
</tr>
<tr>
<td>459058GH0</td>
<td>21018</td>
<td>Intl Bank Recon &amp; Develop</td>
<td>07/25/2018</td>
<td>$2,000,000.00</td>
<td>$2,041,200.00</td>
<td>$1,996,700.00</td>
<td>$2.750</td>
<td>AAA</td>
<td>2.808</td>
<td>295</td>
<td>07/23/2022</td>
<td></td>
</tr>
<tr>
<td>45950VLH7</td>
<td>21001</td>
<td>International Finance Corp</td>
<td>02/21/2018</td>
<td>$2,000,000.00</td>
<td>$2,073,720.00</td>
<td>$1,935,360.00</td>
<td>$2.000</td>
<td>AAA</td>
<td>2.741</td>
<td>753</td>
<td>10/24/2022</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal and Average</strong></td>
<td></td>
<td></td>
<td></td>
<td>$7,790,040.00</td>
<td>$8,021,020.00</td>
<td>$7,790,040.00</td>
<td>$2.765</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Asset Backed Securities

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Investment #</th>
<th>Issuer</th>
<th>Purchase Date</th>
<th>Average Balance</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>Stated Rate</th>
<th>S&amp;P 365</th>
<th>YTM</th>
<th>Days to Maturity</th>
<th>Maturity Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>43814PAC4</td>
<td>21037</td>
<td>HONDA AUTO RECEIVABLES LLC</td>
<td>11/28/2018</td>
<td>$207,701.37</td>
<td>$208,050.37</td>
<td>$204,748.12</td>
<td>$1.790</td>
<td>AAA</td>
<td>2.778</td>
<td>354</td>
<td>09/20/2021</td>
<td></td>
</tr>
<tr>
<td>43814PAC4</td>
<td>21052</td>
<td>HONDA AUTO RECEIVABLES LLC</td>
<td>01/17/2019</td>
<td>$103,860.71</td>
<td>$104,025.21</td>
<td>$102,662.11</td>
<td>$1.790</td>
<td>AAA</td>
<td>2.633</td>
<td>354</td>
<td>09/20/2021</td>
<td></td>
</tr>
<tr>
<td>43815AAC6</td>
<td>21056</td>
<td>HONDA AUTO RECEIVABLES LLC</td>
<td>03/18/2019</td>
<td>$796,904.17</td>
<td>$812,531.14</td>
<td>$803,254.50</td>
<td>$3.160</td>
<td>AAA</td>
<td>2.861</td>
<td>838</td>
<td>01/17/2023</td>
<td></td>
</tr>
<tr>
<td>47788BAD6</td>
<td>21034</td>
<td>John Deere Owner Trust</td>
<td>11/16/2018</td>
<td>$57,185.83</td>
<td>$57,217.20</td>
<td>$56,397.29</td>
<td>$1.820</td>
<td>AAA</td>
<td>2.813</td>
<td>379</td>
<td>10/15/2021</td>
<td></td>
</tr>
<tr>
<td>66479JAD5</td>
<td>21074</td>
<td>Nissan Auto Receivables</td>
<td>10/23/2019</td>
<td>$1,665,000.00</td>
<td>$1,706,121.17</td>
<td>$1,664,912.09</td>
<td>$1.930</td>
<td>AAA</td>
<td>1.940</td>
<td>1,383</td>
<td>07/15/2024</td>
<td></td>
</tr>
<tr>
<td>89238TAD5</td>
<td>21027</td>
<td>Toyota Auto Receivables</td>
<td>09/11/2018</td>
<td>$1,288,362.13</td>
<td>$1,304,256.27</td>
<td>$1,287,607.23</td>
<td>$2.960</td>
<td>AAA</td>
<td>2.898</td>
<td>714</td>
<td>09/15/2022</td>
<td></td>
</tr>
<tr>
<td>89239AAB9</td>
<td>21054</td>
<td>Toyota Auto Receivables</td>
<td>02/13/2019</td>
<td>$168,680.85</td>
<td>$169,053.40</td>
<td>$168,665.53</td>
<td>$2.830</td>
<td>AAA</td>
<td>1.361</td>
<td>714</td>
<td>09/15/2022</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal and Average</strong></td>
<td></td>
<td></td>
<td></td>
<td>$4,514,265.42</td>
<td>$4,361,254.76</td>
<td>$4,288,246.87</td>
<td>$2.446</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Total and Average

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Investment #</th>
<th>Issuer</th>
<th>Purchase Date</th>
<th>Average Balance</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>Stated Rate</th>
<th>S&amp;P 365</th>
<th>YTM</th>
<th>Days to Maturity</th>
<th>Maturity Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$266,814,574.19</td>
<td>$245,530,476.13</td>
<td>$252,464,327.08</td>
<td>$244,740,858.11</td>
<td>$1.885</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Run Date: 10/05/2020
## Portfolio Details - Cash
### September 30, 2020

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Investment #</th>
<th>Issuer</th>
<th>Average Balance</th>
<th>Purchase Date</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>Stated Rate</th>
<th>YTM 365</th>
<th>Days to Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Passbook/Checking Accounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASH01</td>
<td>48</td>
<td>PETTY CASH</td>
<td>07/01/2020</td>
<td>2,500.00</td>
<td>2,500.00</td>
<td>2,500.00</td>
<td>0.000</td>
<td>0.000</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>CASH02</td>
<td>1000</td>
<td>WELLS FARGO - OPERATING/POOLED</td>
<td>07/01/2020</td>
<td>247,500.00</td>
<td>247,500.00</td>
<td>247,500.00</td>
<td>0.001</td>
<td>0.001</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>CASH03</td>
<td>1001</td>
<td>WELLS FARGO - PAYROLL ZBA</td>
<td>07/01/2020</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.000</td>
<td>0.000</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Managed Pool Accounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASH05</td>
<td>1003</td>
<td>WELLS FARGO - MEDI/FSA</td>
<td>07/01/2020</td>
<td>94,054.86</td>
<td>94,054.86</td>
<td>94,054.86</td>
<td>0.000</td>
<td>0.000</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>CASH04</td>
<td>1002</td>
<td>WELLS FARGO - OPER/SWEEP</td>
<td></td>
<td>13,717,480.40</td>
<td>13,717,480.40</td>
<td>13,717,480.40</td>
<td>0.010</td>
<td>0.010</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Average Balance</td>
<td>0.00</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cash and Investments</td>
<td>266,814,574.19</td>
<td>259,592,011.39</td>
<td>266,525,862.34</td>
<td>258,802,393.37</td>
<td>1.885</td>
<td>496</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

|          |          |          |          |          |          |          |          |          |          |          |
|          |          |          |          |          |          |          |          |          |          |          |
|          |          |          |          |          |          |          |          |          |          |          |
|          |          |          |          |          |          |          |          |          |          |          |
October 14, 2020

**Attention: Administrative and Finance Committee**

**Establish 2021 Board meeting dates. (Action)**

**Staff recommendation**
Combine the November and December Board meeting dates to November 18, 2021 and approve the 2021 Board meeting dates calendar.

**Alternative**
The Board may choose alternative dates for the November and December 2021 regular Board meeting date(s).

**Discussion**
Section 2.00.080 of the Administrative Code (Recodified) establishes the fourth Thursday of each month as the regular Board meeting date. It also provides that the regular meeting date for November and December be determined by formal Board action annually.

Each calendar year the Board approves a calendar for Water Authority Board meeting dates. The approval for 2021 includes combining the November meeting date and the December meeting date to November 18, 2021 in order to accommodate the Thanksgiving holiday, the Association of California Water Agencies conference, the Colorado River Water Users Association conference, and the December holidays.

Prepared by: Melinda Nelson, Clerk of the Board
Approved by: Sandra L. Kerl, General Manager

Attachment: 2021 Meeting dates calendar
2021 MEETING DATES CALENDAR

<table>
<thead>
<tr>
<th>MONTH</th>
<th>SPECIAL BOARD MEETING 2nd Thursday, if needed, 1:30 p.m.</th>
<th>BOARD MEETING 4th Thursday 9:00 a.m. Committees 2:30 p.m. Formal Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>JANUARY</td>
<td>14</td>
<td>28</td>
</tr>
<tr>
<td>FEBRUARY</td>
<td>11</td>
<td>25</td>
</tr>
<tr>
<td>MARCH</td>
<td>11</td>
<td>25</td>
</tr>
<tr>
<td>APRIL</td>
<td>08</td>
<td>22</td>
</tr>
<tr>
<td>MAY</td>
<td>13</td>
<td>27</td>
</tr>
<tr>
<td>JUNE</td>
<td>10</td>
<td>24</td>
</tr>
<tr>
<td>JULY</td>
<td>08</td>
<td>22</td>
</tr>
<tr>
<td>AUGUST</td>
<td>12</td>
<td>26</td>
</tr>
<tr>
<td>SEPTEMBER</td>
<td>09</td>
<td>23</td>
</tr>
<tr>
<td>OCTOBER</td>
<td>14</td>
<td>28</td>
</tr>
<tr>
<td>NOVEMBER / DECEMBER</td>
<td>November 11</td>
<td>November 18</td>
</tr>
</tbody>
</table>

The combined meeting date for November and December is scheduled for November 18, 2021.
October 14, 2020

Attention: Engineering and Operations Committee

Abandonment of easements along El Paseo Road. (Action)

Staff recommendation
Authorize General Manager/General Counsel to file documentation with the San Diego County Recorder’s Office to abandon Water Authority easements along El Paseo Road.

Alternative
Retain the easements along El Paseo Road and continue the maintenance responsibilities.

Fiscal Impact
There is no fiscal impact with the recommended action.

Executive Summary
- The easements along El Paseo Road were acquired in 1960. In exchange for compensation, the Water Authority agreed to keep the road in “good condition for travel by ordinary motor vehicles.”
- Access along this private road to the Second Aqueduct is no longer needed.
- This past spring, $27,000 was spent to repair road damage from erosion from heavy rains.
- Abandonment of these easements will avoid future maintenance costs.
- Approval of the recommendation will authorize the filing of documentation to abandon the easements along El Paseo Road with the San Diego County Recorder’s Office.

Background
Easements along El Paseo Road were acquired by the Water Authority in 1960 to install and maintain pipelines within the Second Aqueduct system. Figure 1 shows the location of these easements. Attachments 1 and 2 are copies of the original easement documents. The easement documents require that in exchange for compensation to acquire the easements on this private road, the Water Authority agreed to maintain the road in “good condition for travel by ordinary motor vehicles.” The Water Authority has honored this agreement and this past spring, the Water Authority spent over $27,000 repairing damage resulting from heavy winter rains.

Discussion
The Water Authority has not used this private road since 2015 and staff has determined that it is no longer required for access and maintenance of the Second Aqueduct. Based on this assessment, the General Manager finds the abandonment of the easements to be in the best interest of the Water Authority and recommends that the easements be abandoned, thereby, ending the Water Authority’s maintenance responsibilities and any future expense for the road. Once the easements are abandoned, El Paseo Road would remain a private road, and the Water Authority’s ability to use it for access to the Second Aqueduct would also end.
Since 1960 the original two properties along El Paseo Road have been split into several ownerships. These property owners have all received written notice of this proposed action. If the Board approves this recommendation, staff will notify the property owners and work with General Counsel to develop the appropriate documentation to abandon the Water Authority’s easements along El Paseo Road and file them with the San Diego County Recorder’s Office.

Prepared by:  John Kross, Right of Way Manager
Reviewed by:  Jerry Reed, Director of Engineering
Approved by:  Sandra L. Kerl, General Manager

Attachments:

Figure 1 – Location Map
Attachment 1 – El Paseo Road Easement 33-A
Attachment 2 – El Paseo Road Easement 34-A
ABANDONMENT OF EL PASEO ROAD EASEMENTS

FIGURE 1

WATER AUTHORITY PIPELINES

EASEMENT

ACCESS EASEMENTS TO ABANDON
AGREEMENT FOR ACCESS ROADWAY

THIS AGREEMENT made this 24th day of June 5, 1960, by and between Dr. Glenn L. and Susan Rarnum

hereinafter referred to as the "Owners", and the San Diego County Water Authority, a state agency of the State of California, hereinafter referred to as the "Authority":

WITNESSETH

THAT WHEREAS, the Owners are the owners of certain real property

All that portion of Section 2, Township 11-S, Range 3-W, S.B.B. & M.

Right-of-way Plat No. SR-8-AR-1, Parcel 33-A. More particularly described on boundary descriptions and maps attached hereto.

in San Diego County, California, through which is constructed the San Diego Aqueduct;

WHEREAS, the Authority is the operator of said aqueduct and obligated for its maintenance; and

WHEREAS, for the purpose of inspection, maintenance, repair, and enlargement, the Authority desires an access roadway over, across, and along the real property of the owners;

PURSUANT TO THE FOREGOING PREMISES and in consideration of the covenants and promises herein recited, the Owners hereby grant to the Authority an easement or right of way in perpetuity for road purposes, more particularly described as follows, to wit:
RIGHT-OF-WAY DRAWING SR-8-8E-1
Parcel 33-A - G.L. and Susan Barmum
Parcel 3b-A - M.J. O'Connor
Section 2, Township 11-8, Range 3-W, S.B.B. & M.

As a Permanent Easement
(Barmum Access Road No. 1)

All that portion of section 2, township 11-8, range 3-W, S.B.B. & M., between engineer's station 0400, point 'A' and engineer's station 31488.62, point 'C', included within a strip of land 20 feet wide, 10 feet on each side of the hereinafter described centerline.

Starting at the N,1/4 corner of section 2, township 11-8 range 3-W

thence S 02° 20' 57" W, 1164.54 feet, more or less to a point on the centerline of Gopher Canyon Road, a 100 feet wide County Road (as shown on Road Survey No. 1093). Said point being station 2154' 52.18 of said Road Survey.

thence, along said centerline of Road Survey No. 1093, N 71° 05' 12" E (N 70° 26' 00" E, County Road Record Bearing), 196.36 feet to engineer's station 21748.54 of said Road Survey No. 1093 to the true point of beginning, point 'A' and engineer's station 0400 of the hereinafter described access road centerline.

Parcel 33-A

From point 'A' the true point of beginning, thence S 14° 35' 48" E, 28.53 feet.

thence, along a regular curve to the left, having a radius of 60,000 feet, a distance of 69.90 feet, when measured along the true arc of the curve.

thence S 81° 20' 24" E, 39.37 feet.

thence along a regular curve, to the left, having a radius of 220,000 feet, a distance of 109,47 feet when measured along the true arc of the curve.

thence N 70° 08' 42" E, 123.53 feet.

thence, along a regular curve, to the right, having a radius of 40,000 feet, a distance of 111.47 feet, when measured along the true arc of the curve.

thence S 19° 43' 12" W, 65.13 feet.

thence, along a regular curve, to the left, having a radius of 120,000 feet, a distance of 98.38 feet when measured along the true arc of the curve.

thence S 02° 50' 12" W, 155.32 feet

Sheet 1 of 3
RIGHT-OF-WAY DRAWING SE-8-AR-1
Parcel 33-A - G.L. and Susan Barnum
Parcel 34-A - M.J. O'Connor
Section 2, Township 11-6, Range 3-W, S.B.B. & M.

As a Permanent Easement
(Barnum Access Road No. 1)

thence S 18° 35' 12" W, 241.52 feet

thence S 03° 00' 18" E, 50.21 feet

thence along a regular curve, to the right, having a radius of 75.00 feet, a distance of 104.63 feet, when measured along the true arc of the curve.

thence S 76° 55' 42" W, 15.25 feet.

thence, along a regular curve, to the left, having a radius of 80.00 feet, a distance of 57.40 feet when measured along the true arc of the curve.

thence S 35° 49' 12" W, 219.68 feet.

thence, along a regular curve, to the left, having a radius of 160.00 feet, a distance of 234.25 feet, when measured along the true arc of the curve.

thence S 40° 03' 78" E, 85.07 feet.

thence S 30° 24' 18" E, 89.68 feet.

thence along a regular curve, to the right, having a radius of 85.00 feet, a distance of 99.22 feet, when measured along the true arc of the curve.

thence S 28° 28' 42" W, 53.68 feet.

thence, along a regular curve, to the right, having a radius of 115.00 feet, a distance of 69.30 feet, when measured along the true arc of the curve.

thence S 72° 58' 12" W, 95.57 feet.

thence, along a regular curve, to the left, having a radius of 165.00 feet, a distance of 87.57 feet when measured along the true arc of the curve.

thence S 42° 31' 47" W, 7.84 feet.

thence along a regular curve, to the right, having a radius of 90.00 feet, a distance of 39.40 feet when measured along the true arc of the curve, to a point on said curve. Said point being point 'B', engineer's station 24555.93 and a point on the property line between
Parcel 33-A and 34-A. Said property line having a bearing of N 15° 23' 17" E.

Parcel 34-A

Thence, from point 'B', and continuing along a regular curve, to the right, having a radius of 90.00 feet, a distance of 59.68 feet when measured along the true arc of the curve.

Thence, along the centerline of an existing 20 feet wide access road easement, N 76° 31' 38" W (N 76° 55' 30" W Rec.), 653.01 feet to point 'C', engineer's station 31/68.62 and the end point of the above described access road centerline.

The end point 'C' is further located as follows:

From point 'C', thence S 01° 53' 07" W, 67.79 feet to a point on the centerline of survey of the Second San Diego Aqueduct. Said point being engineer's station 2479.1560 of said Second San Diego Aqueduct.

Thence, and along said Second San Diego Aqueduct, S 01° 53' 07" W, 980.59 feet to a point on the south line of the N.E. 1/4 of the S.W. 1/4 of section 2, township 11-S, range 3-W. Said point being distant thence S 89° 21' 13" E, 593.62 feet from the S.W. corner of the N. E. 1/4 of the S.W. 1/4 of said section 2.

Excepting therefrom all that portion of the above described 20 feet wide Access Road easement within the right-of-way of County Road, R.S. 1093 (Gopher Canyon Road). And excepting therefrom all that portion of the above described 20 feet wide access road easement within the permanent right-of-way of the Second San Diego Aqueduct, said Second San Diego Aqueduct Permanent right-of-way as shown on Drawing SR-8 of the survey of right-of-way of the Second San Diego Aqueduct and all as shown on Drawing SR-8-AE-1 of the survey of right-of-way for the above described 20 feet wide access road easement.
In consideration for the granting of the right of way above described, the Authority agrees with the Owners, their successors in interest and assigns, to keep and maintain the above described roadway in good condition for travel by ordinary motor vehicles, and to repair any damage thereto resulting from the use of said roadway by the Authority. The Authority further agrees that should the Owners desire to fence the right of way or close the access thereto by fence and gates, the Authority will provide locks for such purpose and furnish to the Owners duplicate keys so that access by the general public to the roadway can be restricted.

IN WITNESS WHEREOF, the Owners have each executed this Agreement as of the day and year first above written, and the Authority has caused the same to be executed for and on its behalf by its General Manager and Chief Engineer pursuant to authority conferred by the Authority's Board of Directors.

WITNESS ______ hand, this 24th day of June, 1960.

[Signature]

Witness

[Signature]

Witness

[Signature]
GENERAL FORM

STATE OF CALIFORNIA } ss.
COUNTY OF SAN DIEGO } ss.

On this 24th day of June A.D., 1960 before me, I, [Name], a Notary Public in and for the said County and State, residing therein, duly commissioned and sworn, personally appeared [Name], personally known to me to be the person whose name are subscribed to the within Instrument, and duly acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Signature]
Notary Public in and for said County and State

My Commission Expires June 18, 1962

CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the interest in real property conveyed by the deed or grant dated June 24, 1960, from Dr. Glenn L. Barnum and Susan G. Barnum to the San Diego County Water Authority, a political corporation and/or governmental agency, is hereby accepted by the order of the Board of Directors of said San Diego County Water Authority on June 28, 1960, and the grantee consents to recordation thereof by its duly authorized officer.

DATED: June 28, 1960.

(Signed) [Signature]
AGREEMENT FOR ACCESS ROADWAY

THIS AGREEMENT made this 27th day of June 1960, by

and between M. J. O'Connor

hereinafter referred to as the "Owners", and the San Diego County Water Authority, a state agency of the State of California, hereinafter referred to as the "Authority":

WITNESSETH

THAT WHEREAS, the Owners are the owners of certain real property

All that portion of Section 2, Township 11-S., Range 3-W.,

S.B.B. & M., more particularly described on boundary description

and map attached hereto.

in San Diego County, California, through which is constructed the San Diego Aqueduct;

WHEREAS, the Authority is the operator of said aqueduct and obligated for its maintenance; and

WHEREAS, for the purpose of inspection, maintenance, repair, and enlargement, the Authority desires an access roadway over, across, and along the real property of the owners;

PURSUANT TO THE FOREGOING PREMISES and in consideration of the covenants and promises herein recited, the Owners hereby grant to the Authority an easement or right of way in perpetuity for road purposes, more particularly described as follows, to wit:

Attachment 2
RIGHT-OF-WAY DRAWING SR-8-AR-1
Parcel 33-A - L.J. and Susan Barnum
Parcel 34-A - M.J. O'Conner
Section 2, Township 11-S, Range 3-W, S.B.E. & W.

As a Permanent Easement
(Barnum Access Road No. 1)

All that portion of section 2, township 11-S, range 3-W, S.B.E. & W., between engineer's station 0/00, point 'A' and engineer's station 31-68.62, point 'C', included within a strip of land 20 feet wide, 10 feet on each side of the hereinafter described centerline.

Starting at the N.1/4 corner of section 2, township 11-S range 3-W

thence S 02° 20' 57" W, 1164.54 feet, more or less to a point on the centerline of Gopher Canyon Road, a 100 feet wide County Road (as shown on Road Survey No. 1093). Said point being station 215452.18 of said Road Survey.

thence, along said centerline of Road Survey No. 1093, N 71° 05' 12" E (N 70° 26' 00" E, County Road Record Bearing), 196.36 feet to engineer's station 2174-18.54 of said Road Survey No. 1093 to the true point of beginning, point 'A' and engineer's station 0/00 of the hereinafter described access road centerline.

Parcel 33-A

From point 'A' the true point of beginning, thence S 14° 35' 48" E, 28.53 feet.

thence, along a regular curve to the left, having a radius of 60.00 feet, a distance of 69.90 feet, when measured along the true arc of the curve.

thence S 81° 20' 18" E, 39.37 feet.

thence along a regular curve, to the left, having a radius of 220.00 feet, a distance of 109.47 feet when measured along the true arc of the curve.

thence N 70° 08' 12" E, 123.53 feet.

thence, along a regular curve, to the right, having a radius of 40.00 feet, a distance of 111.47 feet, when measured along the true arc of the curve.

thence S 49° 48' 12" W, 65.13 feet.

thence, along a regular curve, to the left, having a radius of 120.00 feet, a distance of 98.36 feet when measured along the true arc of the curve.

thence S 02° 50' 12" W, 155.32 feet
RIGHT-OF-WAY DRAWING SR-8-AR-1
Parcel 33-A - L.L. and Susan Barnum
Parcel 34-A - M.J. O'Connor
Section 2, Township 11-S, Range 3-W, S.B.B. & M.

As a Permanent Easement
(Barnum Access Road No. 1)

thence S 18° 35' 12" W, 241.52 feet

thence S 03° 00' 18" E, 50.21 feet

thence along a regular curve, to the right, having a radius of 75.00 feet, a distance of 104.63 feet, when measured along the true arc of the curve.

thence S 76° 55' 42" W, 15.25 feet.

thence, along a regular curve, to the left, having a radius of 80.00 feet, a distance of 57.40 feet when measured along the true arc of the curve.

thence S 35° 49' 12" W, 219.68 feet.

thence, along a regular curve, to the left, having a radius of 160.00 feet, a distance of 234.25 feet, when measured along the true arc of the curve.

thence S 48° 03' 48" E, 85.07 feet.

thence S 36° 24' 18" E, 89.68 feet.

thence along a regular curve, to the right, having a radius of 85.00 feet, a distance of 99.22 feet, when measured along the true arc of the curve.

thence S 28° 28' 42" W, 53.48 feet.

thence, along a regular curve, to the right, having a radius of 115.00 feet, a distance of 89.30 feet, when measured along the true arc of the curve.

thence S 72° 58' 12" W, 95.57 feet.

thence, along a regular curve, to the left, having a radius of 165.00 feet, a distance of 87.57 feet when measured along the true arc of the curve.

thence S 42° 33' 47" W, 7.84 feet.

thence along a regular curve, to the right, having a radius of 90.00 feet, a distance of 39.40 feet when measured along the true arc of the curve, to a point on said curve. Said point being point 'B', engineer's station 2455.93 and a point on the property line between
RIGHT-OF-WAY DRAWING SR-8-AR-1
Parcel 33-A - L.L. and Susan Barnum
Parcel 34-A - M.J. O'Connor
Section 2, Township 11-S, Range 3-W, S.B.E. & W.

As a Permanent Easement
(Barnum Access Road No. 1)

Parcel 33-A and 34-A. Said property line having a bearing of
N 15° 23' 17" E.

Parcel 34-A

thence, from point 'B', and continuing along a regular curve, to the
right, having a radius of 90.00 feet, a distance of 59.68 feet when
measured along the true arc of the curve.

thence, along the centerline of an existing 20 feet wide access road
easement, N 74° 31' 38" W (N 74° 55' 30" W Rec.), 653.01 feet to
point 'C', engineer's station 31468.62 and the end point of the above
described access road centerline.

The end point 'C' is further located as follows:

From point 'C', thence S 01° 55' 42" W, 67.79 feet to a point on the
centerline of survey of the Second San Diego Aqueduct. Said point
being engineer's station 2479415.60 of said Second San Diego Aqueduct.

thence, and along said Second San Diego Aqueduct, S 01° 53' 07" W,
980.59 feet to a point on the south line of the N.E. 1/4 of the S.W.
1/4 of section 2, township 11-S, range 3-W. Said point being distant
thereon S 89° 21' 13" E, 593.61 feet from the S.W. corner of the N. E.
1/4 of the S.W. 1/4 of said section 2.

Excepting therefrom all that portion of the above described 20 feet wide Access
Road easement within the right-of-way of County Road, R.S. 1093 (Gopher Canyon
Road). And excepting therefrom all that portion of the above described 20 feet
wide access road easement within the permanent right-of-way of the Second San Diego
Aqueduct, said Second San Diego Aqueduct permanent right-of-way as shown on Drawing
SR-8 of the survey of right-of-way of the Second San Diego Aqueduct and all as
shown on Drawing SR-8-AR-1 of the survey of right-of-way for the above described
20 feet wide access road easement.
<table>
<thead>
<tr>
<th>Parcel No.</th>
<th>Course</th>
<th>Length</th>
<th>R. and T. Trail</th>
<th>Δ R. or L. Trail</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>S 14° 35' 48&quot; E</td>
<td>28.53</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>69.90</td>
<td>60</td>
<td>39.53</td>
<td>62.4.20.24</td>
</tr>
<tr>
<td>3</td>
<td>S 19° 20' 49&quot; E</td>
<td>39.37</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>109.47</td>
<td>220</td>
<td>55.89</td>
<td>28.3.50.20.2</td>
</tr>
<tr>
<td>5</td>
<td>N 70° 08' 42&quot; E</td>
<td>123.53</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>111.47</td>
<td>40</td>
<td>233.05</td>
<td>189.50.00.20</td>
</tr>
<tr>
<td>7</td>
<td>S 49° 48' 42&quot; W</td>
<td>65.13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>98.38</td>
<td>120</td>
<td>50.15</td>
<td>46.5.93.20.2</td>
</tr>
<tr>
<td>9</td>
<td>S 02° 55' 12&quot; W</td>
<td>185.36</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>S 18° 35' 12&quot; W</td>
<td>241.52</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>S 09° 00' 18&quot; E</td>
<td>50.21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>104.64</td>
<td>75</td>
<td>62.86</td>
<td>70.5.60.00.2</td>
</tr>
<tr>
<td>13</td>
<td>S 76° 55' 42&quot; E</td>
<td>15.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>57.40</td>
<td>80</td>
<td>30.00</td>
<td>41.0.56.00.2</td>
</tr>
<tr>
<td>15</td>
<td>S 38° 49' 16&quot; W</td>
<td>219.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>254.25</td>
<td>160</td>
<td>143.73</td>
<td>87.5.31.00.2</td>
</tr>
<tr>
<td>17</td>
<td>S 48° 02' 48&quot; E</td>
<td>65.07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>S 38° 24' 10&quot; E</td>
<td>69.68</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>99.21</td>
<td>85</td>
<td>56.14</td>
<td>66.5.30.00.2</td>
</tr>
<tr>
<td>20</td>
<td>S 26° 16' 42&quot; W</td>
<td>53.48</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>89.36</td>
<td>115</td>
<td>47.04</td>
<td>44.2.93.20.2</td>
</tr>
<tr>
<td>22</td>
<td>S 26° 58' 12&quot; W</td>
<td>95.97</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>87.87</td>
<td>145</td>
<td>44.84</td>
<td>30.4.25.25.2</td>
</tr>
<tr>
<td>24</td>
<td>S 42° 33' 47&quot; E</td>
<td>7.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>99.00</td>
<td>90</td>
<td>58.28</td>
<td>62.9.43.28.2</td>
</tr>
<tr>
<td>26</td>
<td>N 74° 21' 30&quot; W</td>
<td>65.01</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**KEY MAP**
Section 2, T.11.S.R.3 W, S.B.B. E.M.

**Scale 1" = 200'**

**NOTES**
1. For Aqueduct data, Refer to S.D.C.W.A. dwg 3-18
2. For Co Rd data, Refer to San Diego Co. dwg. R.S. 1053 Reloc

<table>
<thead>
<tr>
<th>Parcel No.</th>
<th>Owner</th>
<th>ROW Acreage</th>
<th>Perm Temp</th>
</tr>
</thead>
<tbody>
<tr>
<td>33-A</td>
<td>L.L. &amp; Susan Barnett</td>
<td>1.15</td>
<td>0.00</td>
</tr>
<tr>
<td>34-A</td>
<td>M.J. O'Connor</td>
<td>0.32</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**LANDS AND RIGHTS OF WAY**
San Diego County Water Authority
San Diego, California

**SECOND SAN DIEGO AQUEDUCT**
Barbara O'Connor, Attorney for the County of San Diego

**14 June 2000**
Unit 3 & 4
Item 5040
SR 890-4-36
Page 142 of 225
In consideration for the granting of the right of way above described, the Authority agrees with the Owners, their successors in interest and assigns, to keep and maintain the above described roadway in good condition for travel by ordinary motor vehicles, and to repair any damage thereto resulting from the use of said roadway by the Authority. The Authority further agrees that should the Owners desire to fence the right of way or close the access thereto by fence and gates, the Authority will provide locks for such purpose and furnish to the Owners duplicate keys so that access by the general public to the roadway can be restricted.

IN WITNESS WHEREOF, the Owners have each executed this Agreement as of the day and year first above written, and the Authority has caused the same to be executed for and on its behalf by its General Manager and Chief Engineer pursuant to authority conferred by the Authority's Board of Directors.

WITNESS __my hand__ this 27th day of __June__, 1960.

Owner

Witness

Witness
WITNESS FORM

STATE OF CALIFORNIA  ) ss.
COUNTY OF SAN DIEGO  ) ss.

On this 28 day of June A.D., 1960, before me, ________________________

DOROTHY D. MILLER, a Notary Public in and for the said
County and State, residing therein, duly commissioned and sworn, personally
appeared ALLEN H. JONES and CASSIE M. PETTRY,

______________________________

known to me to be the person(s) whose name(s) are subscribed to the within
Instrument, as a subscribing Witness thereto, who being by me duly sworn,
depose and say: That they reside in the said County of San Diego,
State of California, and that they were present and saw

______________________________

M. J. O'CONNOR,

______________________________

personally known to me to be the same person described in and whose name is subscribed to the
within and annexed Instrument, sign, execute and deliver the same, and he acknowledged to said affiant that he executed the same; and that said
affiant(s) subscribed their name(s) thereto as witnesses.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official
seal the day and year in this certificate first above written.

______________________________

Notary Public in and for said County and State (Dorothy D. Miller)

(NOTARIES: Please use the General Form for individual signers, the Witness Form only for witnesses)

My Commission Expires Oct. 16, 1960
GENERAL FORM

STATE OF CALIFORNIA ) ss.
COUNTY OF SAN DIEGO )

On this ___ day of ________ A.D., 19__ before me, _____________________________, a Notary Public in and for the said County and State, residing therein, duly commissioned and sworn, personally appeared _____________________________ personally known to me to be the person whose name ______ subscribed to the within Instrument, and duly acknowledged to me that ___he___ executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

________________________________________
Notary Public in and for said County and State

CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the interest in real property conveyed by the deed or grant dated ________ June 27 ________ 1960, from _____________________________

M. J. O'Connor

to the San Diego County Water Authority, a political corporation and/or governmental agency, is hereby accepted by the order of the Board of Directors of said San Diego County Water Authority on ________ June 27 ________, 1960, and the grantee consents to recordation thereof by its duly authorized officer.

DATED: ________ June 27 ________, 1960 ________

(Signed) _____________________________
October 14, 2020

Attention: Engineering and Operations Committee

Agreement for the Storage or Sale of Local Water to the San Diego County Water Authority by the Santa Fe Irrigation District and San Dieguito Water District. (Action)

Staff recommendations
1) Approve the agreement between the Water Authority and Santa Fe Irrigation District and San Dieguito Water District for the storage or sale of local water.
2) Authorize the General Manager to purchase local water per the terms of the agreement.

Alternative
Do not approve the agreement and direct staff to renegotiate the terms.

Fiscal Impacts
The Water Authority would receive a payment equal to the transportation rate in effect at the time of transfer, along with pumping and storage costs, multiplied by the volume of local water transferred from Lake Hodges and stored in Olivenhain Reservoir from the Districts. The Water Authority may purchase local water offered for sale by the Districts at the Metropolitan Water District Full Service Untreated Tier 1 Rate, in effect at the time of the sale, less total cost to pump Local Water from Lake Hodges to the Water Authority aqueduct.

Executive Summary
- Lake Hodges is currently operating under a state mandated level restriction which limits the ability to store water within the reservoir.
- The Water Authority has a Local Supply Conveyance and Exchange Policy (amended 2011) that allows for the wheeling of member agency local water through the Water Authority system.
- SFID and SDWD have requested an agreement with the Water Authority for the storage or sale of Local Water from Lake Hodges.
- The term of the agreement shall be until June 1, 2035, or until the DSOD allowable storage level is returned to full capacity of elevation 315, whichever occurs first.

Background
On May 28, 2009, the Water Authority approved the “Local Supply Conveyance and Exchange Policy”, and amended the policy in 2011. The policy allows and establishes guidelines for member agencies to wheel local water supplies using excess capacity in the Water Authority system. Under this policy, a separate agreement for exchanges or wheeling between the individual member agency and the Water Authority is required to be brought to the Board for consideration.

Previous Board actions:
On June 23, 2011, the Board approved guiding principles for member agency purchases of potential Water Authority-owned local water supplies from the Carlsbad Desalination Project and corresponding revisions to the Local Supply Conveyance and Exchange Policy.

On May 28, 2009, the Board approved policies pertaining to the use of Water Authority facilities for conveyance and exchange of local supplies.

Discussion
Santa Fe Irrigation Districts (SFID), San Dieguito Water District (SDWD) (together known as “Districts”) and the City of San Diego (City) capture and store local water in Lake Hodges for future use. In addition, the Water Authority stores imported water in Lake Hodges as part of the Emergency Storage Program (ESP) and operates the Lake Hodges Pumped Storage facility. The four agencies collaboratively operate and managed Lake Hodges to maximize the benefits of each agency. In August 2019, the State Division of Safety of Dams issued a level restriction for Lake Hodges Dam limiting the amount of water that can be stored.

Under the current level restriction for the Lake Hodges Dam, the ability to capture and maximize the use of local water by the Districts and the City is potentially limited. As part of the ESP agreements, the City has terms and conditions for moving their local water through the Water Authority’s system; however, the Districts do not currently have an agreement for the transfer or storage of water within the Water Authority’s system. The Districts are considering principles which maximize the capture and use of local water from Lake Hodges. These principles are the basis of the agreement which provides the terms and conditions on how to move and store local water from Lake Hodges which is owned by the Districts. Utilization of the Water Authority’s Lake Hodges/Olivenhain Reservoir facilities will provide the ability to move and store water for the Districts. This water may be stored in Olivenhain Reservoir and returned back into Lake Hodges or delivered to the District service connections, as requested.

To accommodate this movement of Local Water, staff worked with the Districts to develop a draft agreement as Attachment 1. This agreement would allow the Districts to request the Water Authority to move and store local water in Olivenhain Reservoir per the terms outlined. In addition, the agreement outlines terms for the Water Authority to purchase Local Water from the Districts, if offered. SDWD’s Board approved the agreement at its August 27, 2020 meeting, and SFID’s Board approved the agreement at its September 16, 2020 meeting. The agreement will become effective pending Water Authority Board approval. The term of the agreement shall be until June 1, 2035, or until the Lake Hodges Dam is repaired and the DSOD allowable storage level is returned to full capacity of elevation 315, whichever occurs first.

Prepared by: Chris Castaing, Operations and Maintenance Manager
Reviewed by: James E. Fisher, Director of Operations and Maintenance
Approved by: Sandra L. Kerl, General Manager

Attachments:

Attachment 1 – Agreement for the Storage of Sale of Local Water to the San Diego County Water Authority by the Santa Fe Irrigation District and San Dieguito Water District
AGREEMENT FOR THE STORAGE OR SALE OF LOCAL WATER TO
THE SAN DIEGO COUNTY WATER AUTHORITY BY
THE SANTA FE IRRIGATION DISTRICT AND SAN DIEGUITO WATER DISTRICT

This agreement ("Agreement") memorializes provisions for the potential storage or purchase of local water supply, owned by the Santa Fe Irrigation District ("SFID") and San Dieguito Water District ("SDWD"), by the San Diego County Water Authority ("Water Authority"). Collectively, the foregoing agencies are at times herein referenced as the “Parties,” and SFID and SDWD are collectively referenced as the “Districts”.

RECITALS

A. This Agreement is based on considering principles which maximize the capture and use of local water, while maintaining efficient pumped storage and aqueduct operations, ensuring no financial or operational harm to the Water Authority, and ensuring compliance with dam safety requirements.

B. The Lake Hodges Dam is currently operating under a level restriction of elevation 295 ft, which potentially limits the ability of the Districts to capture and maximize the use of local water. Each year, there is a potential ability for the reservoir to capture local water in excess of elevation 295 ft. Local water captured above elevation 295 ft must be removed in accordance with Division of Safety of Dams ("DSOD") enforced water level restrictions and approved operating plan. In an effort to maximize the capture and use of local supplies during the time Lake Hodges is under level restrictions, the Districts may jointly desire to store local water in the Olivenhain Reservoir for later use by the Districts, or sell their local water collected in Lake Hodges to the Water Authority for use in meeting that agency’s regional supply and storage needs. The Water Authority has periodic need for water to fill its regional storage pools and to maintain adequate levels in Lake Hodges for the operation of the Lake Hodges Pumped Storage Facility. The Water Authority also has facilities which may have capacity or space from time-to-time that potentially could be utilized by the Districts to move and store local water from Lake Hodges while Lake Hodges is operated under level restrictions. This Agreement is intended to set out agreed parameters for all such matters.

C. The Parties are each aware of the terms of the Amendment to and Restatement of March 17, 1998 Agreement between City of San Diego, Santa Fe Irrigation District and San Dieguito Water District Regarding Lake Hodges, dated April 10, 2014 ("2014 Lake Hodges Agreement"), including provisions therein regarding access to the facilities at Lake Hodges necessary to transfer water between Lake Hodges and Olivenhain Reservoir. The terms of this Agreement are not intended to displace or otherwise affect the terms of the 2014 Lake Hodges Agreement.
AGREEMENT

The foregoing Recitals are incorporated here. The following terms and conditions shall all apply to the potential storage and/or purchase by the Water Authority of Lake Hodges local water supplies from the Districts (“Local Water”), should such storage and/or purchase ever occur:

1. The Districts may request that the Water Authority move Local Water owned by one or both Districts in Lake Hodges using the Lake Hodges Pumped Storage Facility so as to be stored in Olivenhain Reservoir. The Water Authority may, in its sole and absolute discretion, choose to move and store such Local Water under this Agreement or not. Under no circumstances is the Water Authority required under this Agreement to move and store this Local Water, even if requested. However, should the Water Authority choose to honor the request by the Districts, the movement and storage of the Local Water shall be on the terms stated in this Agreement.

2. The Districts shall be responsible, at their own cost, for compliance with any and all applicable environmental and other legal requirements related to the sale and movement of Local Water in Lake Hodges to the Water Authority or Water Authority facilities to the extent not previously addressed, contemplated and/or covered by the Water Authority for its Emergency Storage Project, including but not limited to the Water Authority’s Final EIR/EIS for the Emergency Storage Project.

3. Requests to move and store Local Water by the Districts shall be made in writing to the Water Authority’s Director of Operations & Maintenance, and shall include the requested time period and water volume of the proposed move/storage. Any volume of Local Water the Water Authority elects to move and store at the request of the Districts shall remain in storage in Olivenhain Reservoir until the Districts request such water to be returned to Lake Hodges or delivered to SD/SF4&5. The Water Authority will provide a written response to all requests to move and store Local Water within 10 business days of receipt. If the Water Authority does not respond within the 10 business days, it shall be deemed a rejection of the request. The Water Authority will confer with the Districts at the time of each request to determine the District’s preferred operational scheme to transfer the Local Water and to determine if it results in the loss of availability under the Master Power Purchase & Sale Agreement between SDG&E and the Water Authority.

4. The Districts shall be responsible for coordinating the sale and movement of Local Water supplies in accordance with the applicable provisions of the 2014 Lake Hodges Agreement.

5. If requested by the Districts and the City, the Water Authority shall consider lowering Lake Hodges below the minimum 290 ft elevation operating level of the Lake Hodges Hydroelectric prior to forecasted large rain events but the Water Authority is not required to honor such requests.
6. Should the Water Authority move Local Water through the Lake Hodges Pumped Storage Facility at the request of the Districts, the Water Authority shall maintain water inventory and accounting records in detail sufficient to conform to the provisions of the Lake Hodges Reservoir Regulating Manual (“RRM”). The Water Authority shall use reliable methods, including measurement where possible, and shall maintain daily records when available to measure the quantity of water withdrawn from the Lake Hodges by Water Authority pipelines. Daily information will be aggregated to determine total water sales/purchase volumes on a monthly basis. The Water Authority shall make available, at its offices, at reasonable times, such as water inventory and accounting records and other evidence for inspection and audit by the Districts.

Local Water Storage

7. Any District use of storage volume in Olivenhain Reservoir would be subject to Emergency Storage Project contractual obligations, Water Authority contractual supply obligations (i.e., QSA deliveries), regional water demands, available storage capacity, and available pumping capacity.

8. The Water Authority, should it agree to move and store Local Water as requested by the Districts, will transfer and store the Local Water under this Agreement at the time of its withdrawal from Lake Hodges. The Water Authority shall have no obligations for the Districts’ Local Water while it is in Lake Hodges even if it is identified for storage in Olivenhain Reservoir by the Water Authority. The price to move and store Local Water in Olivenhain Reservoir is agreed to include: (a) the Water Authority’s transportation rate in effect at the time of the water moving out of Lake Hodges, (b) the Water Authority’s total cost to pump the Local Water into Olivenhain Reservoir; and (c) a monthly storage charge of $2.35 per AF per month (use of portion of a given month counts as the entire month), plus any increases in that standard Water Authority storage rate over the term of this Agreement. If the transfer of Local Water results in the loss of revenue for the availability of the Lake Hodges Hydroelectric Facility, as defined in the Master Power Purchase & Sale Agreement between SDG&E and the Water Authority, the Districts agree to pay for the revenue loss in addition to the costs outlined above. Loss of availability may occur during either pumping or generation operations of the Lake Hodges Hydroelectric Facility. The Water Authority will provide an estimate of any potential availability loss prior to the transfer of any water.

Exhibit A provides an example of Local Water storage in Olivenhain Reservoir pricing calculations.

9. All the Local Water stored in Olivenhain Reservoir is subject to evaporation losses based on actual evaporation rates and the maximum Local Water stored volume each month. The Water Authority will provide a full and total water inventory and accounting report to the Districts within 90 days of each Local Water withdrawal from the Lake Hodges by Water Authority pipelines.
(a) The Districts may request delivery of Local Water stored in Olivenhain Reservoir to SD/SF4&5 or a return of Local Water to Lake Hodges if allowed under Lake Hodges water level restrictions. If delivery is requested to SD/SF4&5, then rate of delivery will be contingent upon water quality and aqueduct hydraulics as determined by the Water Authority in its sole discretion. If delivery to SD/SF4&5 requires the use of the Olivenhain Pump Station, then Districts shall be responsible for all pumping costs as described below. No additional transportation charges will be applied to deliver the water to SD/SF4&5.

(b) If delivery of the Local Water stored in Olivenhain Reservoir is requested for release to Lake Hodges and such occurs, then the Districts shall be refunded the cost to pump the Local Water into Olivenhain Reservoir based on a “first-in-last-out” “mega-watt to mega-watt” approach as outlined in the Master Power Purchase & Sale Agreement between SDG&E and the Water Authority. The amount of the refund shall be based on the actual costs to pump and in no case shall the amount of refund exceed the cost to pump on annual basis. Costs resulting from the loss of facility availability shall not be included in the amount of refund. No additional transportation charges will be applied to deliver the water back to Lake Hodges. The Water Authority shall have no obligations for the Local Water returned to Lake Hodges after it is removed from storage in Olivenhain Reservoir by the Water Authority.

10. The Districts will submit payment for all charges for transfer and storage of Local Water under this Agreement within 90 days of the end of each month that Local Water is moved from Lake Hodges to Olivenhain Reservoir by Water Authority facilities. The Water Authority will provide an invoice to the Districts reflecting the applicable charges.

11. The Water Authority will refund the cost to pump the Local Water into Olivenhain Reservoir, as described in section 9(b) above, for all Local Water released from Olivenhain Reservoir to Lake Hodges under this Agreement within 90 days of the completion of the annual energy banking reconciliation process required under the Lake Hodges Master Power Purchase & Sale Agreement, which normally occurs during the first quarter of the calendar year.

Sales of Local Water to Water Authority

12. Any Water Authority purchase of Local Water supplies, if offered for sale by the Districts, would be at the Water Authority’s sole and unilateral discretion. The Water Authority shall not be required to acquire such Local Water supplies, even if offered and available.

13. Any Water Authority purchase of Local Water would be subject to the Water Authority’s acceptance of the water quality and related considerations, including impacts to downstream water treatment plants, and the Water Authority will be deemed to have accepted the water quality at the time of sale and delivery.
14. Any Water Authority purchase volume would be subject to Emergency Storage Project contractual obligations, Water Authority contractual supply obligations (i.e., QSA deliveries), regional water demands, available storage capacity in San Vicente Reservoir or in other available storage, and available pumping capacity.

15. The Water Authority, should it decide to purchase offered Local Water, will take possession of Local Water under this Agreement at the time of sale of Local Water or at the time of the Water Authority’s withdrawal of the water from Lake Hodges, whichever is sooner. The Water Authority shall have no obligations for Districts’ water in Lake Hodges which is identified for possible sale to the Water Authority until such time as the Water Authority actually purchases it. The agreed purchase price for Local Water shall be the Metropolitan Water District Full Service Untreated Tier 1 Rate, in effect at the time of the sale, less total cost to pump Local Water from Lake Hodges to the Water Authority aqueduct, which transfer cost shall be as follows:

   a. Lake Hodges to Olivenhain Reservoir pumping cost
   b. Olivenhain Reservoir to Water Authority aqueduct pumping cost

   Exhibit B provides an example of a Local Water purchase pricing calculation.

16. The Water Authority will submit payment for all purchased Local Water under this Agreement within 90 days of the last Local Water withdrawal from the Lake Hodges by Water Authority pipelines.

17. Requests to sell water to the Water Authority shall be made in writing to the Water Authority’s Director of Operations & Maintenance. The Water Authority will have 15 business days to provide a written response to all offers to sell Local Water. If the Water Authority does not respond within the 15 business days, it shall be deemed a rejection of the request.

General Provisions

18. The term of the agreement shall be until June 1, 2035, or until the Lake Hodges Dam is repaired and the DSOD allowable storage level is returned to full capacity of elevation 315, whichever occurs first.

19. Any acceptance by the Water Authority of any offer to purchase Local Water under this Agreement is subject to, and conditioned upon, the approval by the Water Authority Board of Directors, and will not be effective until such approval is acquired. Provided, however, that the Water Authority Board of Directors may authorize the Water Authority General Manager to engage in Local Water purchases in his or her reasonable discretion, as the Water Authority Board of Directors may deem advisable.
20. This Agreement may be signed in counterparts and by e-mail or facsimile, each of which shall be considered an original.

21. This Agreement shall be governed by the laws of the State of California, and any disputes pertaining to this Agreement shall be brought in the San Diego Superior Court. In any such dispute all Parties shall bear their own fees and costs.

22. This Agreement has been drafted by all Parties, and no construction shall be made against any Party as the drafting party.

The individuals entering this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

San Diego County Water Authority

By: ________________________________ ________________________________
    Sandra L. Kerl
    General Manager
    Date

Santa Fe Irrigation District

By: ________________________________ ________________________________
    Al Lau
    General Manager
    Date

San Dieguito Water District

By: ________________________________ ________________________________
    Carl Quiram
    General Manager
    Date
Exhibit A - Hypothetical Local Water Storage Cost Calculations

Storage price for Local Water moved into Olivenhain Reservoir = Transfer Price + Storage Price – Refunded Pumping Cost

Transfer Price = Water Authority Transportation Cost + Hodges Pumping Cost + Olivenhain Pumping Cost (if applicable) + Monthly Storage Charge – Hodges Pumping Cost Refund (if applicable)

Note: Timing of water transfer to or from Hodges may affect facility availability revenue under the Master Power Agreement. Any loss of revenue shall be included in the Hodges pumping cost. Costs resulting from the loss of facility availability shall not be refunded. SFID/SDWD can request water transfer during times to avoid revenue loss due to loss of availability.

Example Calculation

Quantity of water to be stored by SFID/SDWD in Olivenhain - 5,000 AF
Pumping cost: Lake Hodges to Olivenhain Reservoir - $40/AF
Pumping cost: Olivenhain Reservoir to Aqueduct - $30/AF
Duration of Storage - 6 Months

Local Water Returned to Hodges:
Transfer Price: ($132/AF + $40/AF + $30/AF) x 5,000 AF = $860,000
Storage Price: 5,000 AF x $2.35/AF/MO x 6 MO = $70,500
Refunded Pumping Cost: (5,000 AF - (5,000 AF x 0.0025/MO x 6 MO)) x $40/AF = $197,000
Total net cost to store 5,000 AF for 6 Months and returned to Hodges: $860,000 + $70,500 - $197,000 = $733,500

Note: Only 4,925 AF returned to Hodges due to evaporation loss

Local Water Delivered to SD/SF4&5:
Transfer Price: ($132/AF + $40/AF + $30/AF) x 5,000 AF = $1,010,000
Storage Price: 5,000 AF x $2.35/AF/MO x 6 MO = $70,500
Total net cost to store 5,000 AF for 6 Months and delivered to SD/SF4&5: $1,010,000 + $70,500 = $1,080,500

Note: Only 4,925 AF delivered to SD/SF4&5 due to evaporation loss
Exhibit B - Hypothetical Local Water Purchase Price Calculations

Purchase price for Local Water moved out of Lake Hodges = MWD Full Service Untreated Tier 1 Rate – total pumping costs to move Hodges water to SDCWA aqueduct = MWD Full Service Untreated Tier 1 Rate - (Hodges Pumping Cost + Olivenhain Pumping Cost)

**Example Calculation**

Quantity of Local Water to be sold by SFID/SDWD to SDCWA - 5,000 AF  
MWD Tier 1 rate - $755/AF  
Pumping cost: Lake Hodges to Olivenhain Reservoir - $40/AF  
Pumping cost: Olivenhain Reservoir to SDCWA aqueduct - $30/AF

Purchase price = $755/AF - $40/AF - $30/AF = $685/AF

Total net cost for 5,000 AF: 5000 AF x $685/AF = $3,425,000
October 14, 2020

Attention: Water Planning and Environmental Committee

Approve memorandum of understanding with City of San Diego and County of San Diego for implementation of Integrated Regional Water Management Program activities. (Action)

Purpose
This action item seeks Board approval of a memorandum of understanding (MOU) between the Water Authority, the City of San Diego (City) and the County of San Diego (County) for Integrated Regional Water Management (IRWM) planning and implementation activities that span Fiscal Years (FY) 2021 through FY 2026 (January 1, 2021 through December 31, 2025). The MOU supersedes a previous MOU agreement and two amendments between the Water Authority, the City and the County.

Staff recommendation
Approve the MOU with the City and the County for IRWM activities.

Alternatives
Do not approve the MOU with the City and the County and recommend changes to the MOU that staff should make prior to returning this item to the Board for further consideration.

Fiscal Impact
There are sufficient funds in the adopted Water Resources Fiscal Year 2021 Operating Budget to support the Water Authority’s one-third share of the cost commitment established in the MOU for FY 2021. Future funding will depend on Board approval of proposed Operating Budgets for subsequent years.
**Executive Summary**

- The MOU establishing the San Diego IRWM Program expires December 31, 2020. The San Diego Regional Water Management Group (RWMG) has written a new MOU to cover the period between January 1, 2021 and December 31, 2025.
- The new MOU commits the three RWMG partners to provide equal shares of an amount that will not exceed $2,861,572 (or $953,857 per agency) over the next five fiscal years to implement the IRWM Program.
- The San Diego RWMG has operated under successive MOUs since its inception in 2005. Each MOU has established the working relationship between the three RWMG partners (the Water Authority, the City and the County) and their funding obligations to achieve the IRWM Program goals.
- The most significant accomplishments achieved by the RWMG under previous MOUs have been the development of the first San Diego IRWM Plan and two plan updates, and the awarding of nine grants worth $111.7 million.
- The new MOU covers five major areas: development of grant applications, IRWM plan updates, grant administration, the role of the Regional Advisory Committee (RAC) and program funding.

**Background**

IRWM planning is an innovative, inclusive way to increase reliable water supplies, improve water quality and protect natural resources through cooperation among public agencies with different jurisdictions and non-profit public interest organizations. The state has established IRWM planning as a high-priority initiative through three statewide bond measures, three gubernatorial administrations and four State Water Plan updates. IRWM has become a key tool in California to both ensure bond funds are awarded to the most beneficial and cost-effective projects and provide a vehicle for regional and watershed cooperation and shared problem solving.

There are 48 active IRWM planning regions in California. To create an IRWM planning region and become eligible to apply for IRWM grant funding, parties in an area must define the boundaries of their region and establish an RWMG that complies with state guidelines. The San Diego IRWM Planning Region originated in 2005, when the Water Authority, the City and the County came together to define the region and form an RWMG. The Board approved participation by the Water Authority in the MOU with the City and the County to create the RWMG, write the first San Diego IRWM Plan and apply for IRWM implementation grant funding offered by the state.

The RWMG agencies wrote additional MOUs in 2008 and 2011, each of which was approved by the Board and superseded its predecessor. Each MOU was amended one or more times. Each committed the three partners to provide funding to hire a consultant to assist in achieving the IRWM Program goals. The MOUs also established the RAC, which today comprises 31 voting members and eight non-voting members representing the diversity of public and non-profit stakeholders interested in water management in the San Diego region.
As authorized by these MOUs, the Water Authority, the City and the County have spent $3,904,095 since FY 2005 to carry out IRWM activities and achieve program objectives. The one-third share contributed by each agency to date is $1,301,365.

With the funding that has been provided by the RWMG agencies, the San Diego IRWM Program has realized several important accomplishments. The first San Diego IRWM Plan was approved in 2007 by the Water Authority Board, the San Diego City Council and the County Board of Supervisors. The RWMG completed Plan updates in 2013 and 2019. Both updates were approved by the same three policy boards. The RAC provided valuable support during development of the first San Diego IRWM Plan in 2007 and the updates in 2013 and 2019.

The program has also been awarded seven implementation grants worth $110.45 million and two planning grants totaling $1.25 million from the Department of Water Resources. These funds have supported 72 high-priority water management projects throughout the Region and two IRWM Plan updates. Some $69.5 million of the funding is directed to 10 projects sponsored by the Water Authority and 30 by Water Authority member agencies. The funded projects have helped to achieve goals established in the IRWM Plan as well as the Water Authority’s goals for conservation, recycled water, seawater desalination, local surface water and groundwater. Staff brings all grant applications to the Board for approval before they are submitted to the funding agency.

Previous Board actions:
- In March 2005, the Board authorized the Water Authority to enter into an MOU with the City of San Diego and the County to conduct IRWM-related activities.
- In December 2008, the Board approved a new San Diego IRWM MOU between the Water Authority, the City of San Diego and the County to continue conducting IRWM-related activities.
- In September 2011, the Board approved a new San Diego IRWM MOU between the Water Authority, the City of San Diego and the County to continue conducting IRWM-related activities.

Discussion
The San Diego IRWM Program MOU expires December 31, 2020. The San Diego RWMG has written a new MOU to cover the period between January 1, 2021 and December 31, 2025. The MOU has five major components:

General Grant Obligations
The MOU reaffirms that the Water Authority, the City and the County are equal partners in the development and submission of IRWM grant applications. The MOU also reconfirms that a Water Authority staff member will serve as IRWM program manager.

San Diego IRWM Plan updates
The MOU reiterates that the three RWMG members are equal partners in the update of the Plan and Plan updates.
IRWM Grant Contracts Administration

The MOU reaffirms that the Water Authority, acting on behalf of the RWMG, will administer and manage IRWM grant agreements and establish and administer contracts with the sponsors of local projects that receive IRWM funding. The Water Authority also will communicate project and agreement progress to the RWMG, RAC and funding agency.

The role of the RAC

The MOU reiterates that the RWMG governing bodies will give primary consideration to the RAC’s recommendations regarding adoption of updated San Diego IRWM Plans, criteria for prioritizing projects for funding opportunities and approval and submittal of IRWM grant applications.

Funding

The MOU commits the three RWMG partners to provide equal shares of an amount that will not exceed $2,861,572 (or $953,857 per agency) over the next five fiscal years to implement the IRWM Program. Some 86% of the funding under the agreement will be used to obtain consultant support for the plan update, grant applications, RWMG and RAC activities and outreach and education activities. The remaining funding (up to $397,572) will pay for 30% of the salary and benefits of the program manager. Each RWMG partner will provide an equal share of this amount, or up to $132,524 per agency.

The new MOU commits the Water Authority, the City and the County to provide a level of funding estimated to cover the projected costs of running the program over the life of the MOU. It will enable the three RWMG partners to apply for additional IRWM funding from DWR – staff anticipates that the region is in line for approximately $16 million more from DWR’s Proposition 1 funding program – and to seek out and evaluate potential new funding sources. The MOU reaffirms the roles and responsibilities of the RWMG agencies regarding such activities as plan updates and grant applications. In addition, it highlights the role of the RAC, which gives stakeholders from public agencies, non-profit organizations, tribes and educational institutions a voice in IRWM activities.

San Diego City staff has approved the City’s continuing participation in the MOU. County staff is scheduled to take the MOU to the Board of Supervisors for approval this month. Staff recommends that the Board approve the new IRWM MOU with the City and the County.

Prepared by:  Mark Stadler, Principal Water Resources Specialist
Reviewed by:  Kelley Gage, Director of Water Resources
Approved by:  Sandra L. Kerl, General Manager

Attachment:  Memorandum of Understanding Between the City of San Diego, County of San Diego and the San Diego County Water Authority for the Integrated Regional Water Management Grant Program during fiscal years 2021 through 2026
MEMORANDUM OF UNDERSTANDING
BETWEEN CITY OF SAN DIEGO
COUNTY OF SAN DIEGO, and SAN DIEGO COUNTY WATER AUTHORITY
for the
SAN DIEGO INTEGRATED REGIONAL WATER MANAGEMENT PLAN
AND GRANT PROGRAM
For FY 2021-2026

This Memorandum of Understanding (MOU) between the San Diego County Water Authority (Water Authority); the City of San Diego, a municipal agency (City); and the County of San Diego, a political subdivision of the State of California (County) sets forth the respective roles of the Water Authority, City and County in regard to the Integrated Regional Water Management (IRWM) Plan and Grant Program. Water Authority, City and County are sometimes referred to in this MOU collectively as the “Parties” and individually as “Party.”

This MOU replaces the Memorandum of Understanding (September 21, 2011) and its First and Second Amendments, between City, County and Water Authority for Fiscal Years 2011-2016 for the San Diego IRWM Grant Program.

RECITALS:

1. The California Legislature enacted SBX2 1 (Perata, Chapter 1 Statutes of 2008), the Integrated Regional Water Management Planning Act, which repealed and re-enacted Part 2.2 of Division 6 of the Water Code relating to integrated regional water management plans. SBX2 1 provides that a regional water management group (RWMG) may prepare and adopt an integrated regional water management (IRWM) plan.

2. In November 2002, Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act, authorized the Legislature to appropriate funding for competitive grants for IRWM projects.

3. In November 2006, Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act, authorized the Legislature to appropriate funding for competitive grants for IRWM projects.

4. In November 2014, Proposition 1, the Water Quality, Supply and Infrastructure Improvement Act, authorized the Legislature to appropriate funding for competitive grants for IRWM projects.

5. The intent of the IRWM Grant Program, established in accordance with the Integrated Regional Water Management Planning Act approved by the State Legislature, is to encourage integrated regional planning for management of sustainable water resources and to provide funding, through competitive grants, for projects that protect communities from drought, maintain and improve water quality, promote environmental stewardship, enhance the resiliency of local water resources to climate change and improve local water security by reducing dependence on imported water.
6. To qualify as a RWMG and comply with the IRWM Grant Program Guidelines established under Proposition 1, at least three agencies must participate in the group and two of the agencies must have statutory authority over water management that may include water supply, water quality, flood control, or stormwater management.

7. In 2005, the Parties established a RWMG that consists of the Water Authority and City, both of which have statutory authority over water management, and County, which has statutory authority over water quality and flood control in the unincorporated area.

8. The Parties understand that only through a collaborative effort with the many stakeholders involved in water management planning can the IRWM planning process be successful in the San Diego region.

9. As part of the public outreach and stakeholder involvement effort, the Parties established the Regional Advisory Committee (RAC), which comprises up to 32 voting and eight non-voting representatives appointed by the Parties from the water management areas of water supply, water quality, and natural resources and watershed management; representatives of disadvantaged and other under-represented communities, tribes, businesses and academia; and other interested members of the public. The purpose of the RAC is to make recommendations to the Parties on key issues related to IRWM planning and grant applications.

10. The Parties, acting with support and positive recommendations from the RAC, completed the first San Diego IRWM Plan in 2007. Subsequently, the Parties revised and updated the Plan in 2013 and 2019, again with support and positive recommendations from the RAC.

11. The Parties have received eight grant funding awards for planning and implementation of projects from the State of California Department of Water Resources (DWR). Additional funds will be available to the San Diego IRWM Program from the Proposition 1 grant program. To qualify for IRWM funding from Proposition 1, a planning region must have an IRWM Plan that is consistent with Water Code Section 10530 et seq and has been approved by DWR. The 2019 San Diego IRWM Plan has met those requirements.

12. A local project sponsor (LPS) is a proponent of an individual project that has been funded by an IRWM Program grant from DWR or another funding agency. An LPS may be a public agency, non-profit organization or tribe.

13. This MOU consists of five major components: general grant obligations, San Diego IRWM Plan updates, grant contract administration, the role of the RAC and funding.

Now, therefore, in consideration of the above incorporated recitals and mutual obligations of the Parties herein expressed, the Parties agree as follows:
1. General grant obligations

a. The Parties are equal partners in the development and submittal of grant applications. All Parties shall provide timely reviews and approvals before grant applications are submitted.

b. The Water Authority shall submit the grant applications to the appropriate funding agency on behalf of the Parties.

c. To expedite the grant application process, the Water Authority shall provide initial funding for a consultant to develop the applications. The cost of the consultant and applications shall be shared by the Parties consistent with Section 5 of this MOU.

d. The funding commitment by the Parties under Section 5 of this MOU assumes that the Parties will continue to pay or provide in-kind services as allowed for the entire cost of grant applications for the IRWM Program. The Parties agree to study the concept of obtaining funding from other sources to fully or partially defray the cost of grant applications.

e. The Water Authority shall be responsible for administering funding for projects that are receiving IRWM Program grant funding, to include but not be limited to submitting invoices and quarterly reports to the funding agency, distributing funding to LPS, and processing contract amendments as applicable.

f. The Parties shall share equally in any and all contractual liability, regardless of nature or type, that arises out of or results from an LPS’s performance of services under its agreement with the Water Authority. The Parties shall share equally in any of the default provisions listed in the grant agreements received by the Parties. The Water Authority also agrees to pursue contractual remedies.

g. Each Party shall procure and maintain during the period of this MOU insurance from insurance companies admitted to do business in the State of California or shall self-insure to cover any contractual liability resulting from the conditions referenced in Section 1f.

h. The Parties have authorized a Water Authority staff member as Program Manager (Manager). In addition to being a member of the RWMG, the Manager will manage the Program consultant and budget, serve as the RWMG’s primary point of public contact, and perform other duties as assigned. The Manager also will represent the RWMG to the DWR, to statewide and regional groups involved with IRWM or other integrated water efforts and as otherwise required.
2. San Diego IRWM Plan updates

a. The Parties are equal partners in all updates of the Plan. The Water Authority shall contract with a consultant to update the Plan in compliance with the guidelines and schedule established by DWR and submit the updated Plan to DWR.

b. Updates of the Plan shall be contingent upon receipt of additional funding.

3. Grant contract administration

a. The Water Authority shall administer and manage active grant agreements, administer the LPS contracts, develop and maintain a reporting and invoicing program and communicate project and agreement progress to the RWMG, RAC and funding agency.

b. An LPS that has satisfied all invoicing requirements for a grant shall invoice the Water Authority, which shall in turn invoice the funding agency. The Water Authority shall, within 45 days of receipt of funds from the funding agency, disburse the funds to the LPS.

c. The Water Authority shall appropriate a percentage of the grant money allocated to each LPS project to fund administration of the IRWM grants. The Parties shall agree mutually to the percentage of the grant money that is to be appropriated for this purpose. To the extent that costs exceed the amount in this fund, and that the Parties mutually agree to the additional cost, the Parties shall equally share the additional costs in accordance with Section 5a.

d. Where a labor compliance requirement has been established by the granting agency, the Water Authority shall report to the funding agency the compliance status of LPS, as reported by LPS, with applicable public works laws.

4. Role of Regional Advisory Committee (RAC)

The RAC shall be considered the IRWM Program advisory committee. The Parties are committed to a cooperative relationship with the RAC and will incorporate the RAC’s consensus recommendations in draft documents prepared for presentation to the Parties’ governing bodies. The RWMG will give primary consideration to the recommendations of the RAC as part of any decision related to the following:


b. Criteria for prioritizing projects for funding by grant programs.

c. Approval and submittal of grant applications.
d. Reevaluation of all projects submitted for grant funding if a funding agency funds the Program at a level lower than the requested grant amount and does not provide direction on which projects to fund. Parties shall fund the projects based on consultation with the RAC and the criteria for project prioritization (Section 4b).

5. Funding

a. Funding for the period between January 1, 2021 and December 31, 2025 shall not exceed $2,861,572. Each Party shall provide an equal share of this funding in an amount not to exceed $953,857. The total funding amount includes the amount listed in Section 5b.

b. Each Party shall provide funding to help pay for the cost of the Manager. The total amount of this obligation shall not exceed $397,572 over the life of the MOU, or $132,524 per agency. Each Party shall provide an equal share of this funding. This cost shall be 30 percent of the Manager’s annual salary and benefits and shall be adjusted each year to reflect any changes to the Manager’s annual salary and benefits (not to exceed the annual cost of living adjustment determined as part of the Consolidated Memorandum of Understanding between the Water Authority and its employee bargaining groups and any annual merit increase awarded to the Manager). For FY 2021, 30 percent of the Manager’s salary and benefits from the Water Authority will not exceed $35,982. Each Party’s equal share of $35,982 is $11,994. The funding obligation will be pro-rated in FY 2021 to reflect that this MOU takes effect on January 1, 2021.

c. The funding commitment described in Section 5a shall not include expenditures to administer the grants.

d. The Water Authority shall invoice the City and County on a quarterly basis along with supporting documentation of expenses. City and County shall remit payment within 30 days of receipt of invoice.

6. Assignment

Parties shall not assign or transfer this MOU or any rights under or interest in this MOU without written consent of all other Parties, such consent to be granted in the sole discretion of each Party.

7. Defense and Indemnity

Water Authority, City, and County each agree to mutually indemnify, defend at its own expense, including attorneys' fees, and hold each other harmless from and against all claims, costs, penalties, causes of action, demands, losses and liability of any nature whatsoever, including but not limited to liability for bodily injury, sickness, disease or death, property damage (including loss of use) or violation of law, caused by or arising out of or related to any negligent act, error or omission of that
Party, its officers or employees, or any other agent acting pursuant to its control and performing under this Agreement.

Nothing in the foregoing shall be construed to require any Party to indemnify another for any claim arising from the sole negligence or willful act or omission of the Party to be indemnified.

8. Document Review

Water Authority, City and County each shall make available for inspection to the other Parties, upon reasonable advance notice, all records, books and other documents relating to the Plan and the Program, unless privileged.

9. Term

The term of this MOU shall begin on January 1, 2021, and expire on December 31, 2025, expressly contingent upon funding by Water Authority, City and County. The term may be extended by written agreement of all Parties. The Parties shall continue to participate in the planning, development and coordination of the Grants to the maximum extent possible. The Parties agree to notify one another in the event that their agency’s future budget appropriations impact Program funding continuity. If appropriations are different than anticipated, the MOU and Program funding shall be adjusted based on actual funding.

10. Notice

Any notice, payment, credit or instrument required or permitted to be given hereunder will be deemed received upon personal delivery or 24 hours after deposit in any United States mail depository, first class postage prepaid, and addressed to the Party for whom intended as follows:

If to the Water Authority: San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123
Attn: Mark Stadler

If to the City:
City of San Diego
Public Utilities Department
9192 Topaz Way
San Diego, CA 92123 MS 901
Attn: Karina Danek

If to the County
County of San Diego
5510 Overland Ave., Suite 410
San Diego, CA 92123
Attn: Stephanie Gaines
Any Party may change such address or contact by notice given to the other Parties as provided herein.

11. Amendments

The MOU may only be amended as circumstances necessitate by written agreement executed by all Parties.

12. Severability

The partial or total invalidity of one or more parts of this MOU will not affect the intent or validity of the remainder of this MOU.

13. Governing Law

This MOU shall be deemed a contract under the laws of the State of California and for all purposes shall be interpreted in accordance with such laws. Any action brought shall be in San Diego County, California.

14. Obligations

Nothing in this agreement shall create additional obligations with respect to the Plan or Program.

15. Termination of MOU

This MOU may be terminated by any Party hereto for any reason 30 days after notice in writing to the other Parties.

16. Signatures

The individuals executing this MOU represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities. This MOU may be signed in counterparts by the Parties.
IN WITNESS WHEREOF, the Parties have executed this MOU as of the latest date below.

San Diego County
Water Authority

By: __________________________
   Kelley Gage
   Director, Water Resources Department

Date: __________________________

City of San Diego

By: __________________________
   Kristina Peralta
   Director, Purchasing and Contracting

Date: __________________________

County of San Diego

By: __________________________
   Jeff Moneda
   Director, Department of Public Works

Date: __________________________

APPROVED AS TO FORM:

San Diego County
Water Authority

By: __________________________
   Mark Hattam
   General Counsel

Date: __________________________

City of San Diego

By: __________________________
   Raymond C. Palmucci
   Deputy City Attorney

Date: __________________________

County of San Diego

By: __________________________
   Thomas Deak
   Senior Deputy County Counsel

Date: __________________________
October 14, 2020

Attention: Administrative and Finance Committee

Controller’s Report on Monthly Financial Activity. (Information)

Purpose
The purpose of the Controller’s Report is to provide summarized financial information on a monthly basis to the Board of Directors.

Financial Information
Attached for review by the Administrative and Finance Committee and the Board of Directors are the following financial documents comprising the Controller’s Report:

1. Water Sales Volumes, in acre-feet
2. Water Sales Revenues, in millions
3. Water Purchases and Treatment Costs, in millions
4. Budget Status Report
5. Schedule of Cash and Investments

The Multi-Year Budget Status Report compares actual revenues and expenses on a budgetary basis to the period-to-date budget. This report includes the mid-term budget amendments approved by the Board in June 2020. A summary of the Fiscal Years 2020 and 2021 Budget Status Report (in millions) for the fourteen-month period of July 1, 2019 through August 31, 2020 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>FY 2020 &amp; 2021 Amended Budget</th>
<th>14 Months Budget</th>
<th>14 Months Actual</th>
<th>$ Variance Positive/ (Negative)</th>
<th>% Budget Above/ (Below)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Sales</td>
<td>$ 1,306.9</td>
<td>$ 777.6</td>
<td>$ 680.3</td>
<td>$ (97.3)</td>
<td>-13%</td>
</tr>
<tr>
<td>Water Purchases &amp; Treatment</td>
<td>$ 1,075.5</td>
<td>$ 641.1</td>
<td>$ 533.9</td>
<td>$ 107.2</td>
<td>-17%</td>
</tr>
<tr>
<td>Net Water Sales Revenue</td>
<td>231.4</td>
<td>136.5</td>
<td>146.4</td>
<td>9.9</td>
<td>7%</td>
</tr>
<tr>
<td>Revenues &amp; Other Income</td>
<td>237.1</td>
<td>131.7</td>
<td>127.5</td>
<td>(4.2)</td>
<td>-3%</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>468.5</td>
<td>268.2</td>
<td>273.9</td>
<td>5.7</td>
<td>2%</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>449.9</td>
<td>256.8</td>
<td>233.2</td>
<td>23.6</td>
<td>-9%</td>
</tr>
<tr>
<td>Net Revenues Before CIP</td>
<td>18.6</td>
<td>11.4</td>
<td>40.7</td>
<td>29.3</td>
<td>257%</td>
</tr>
<tr>
<td>CIP Expenses</td>
<td>162.2</td>
<td>103.0</td>
<td>69.6</td>
<td>33.4</td>
<td>-32%</td>
</tr>
<tr>
<td>Net Fund Withdraws</td>
<td>$ (143.6)</td>
<td>$ (91.6)</td>
<td>$ (28.9)</td>
<td>$ 62.7</td>
<td>-68%</td>
</tr>
</tbody>
</table>

Summary
The Water Authority was fourteen months into the two-year budget and has a favorable variance of $62.7 million for the period ending August 31, 2020. The fourteen-month budget provided for a withdrawal from fund balance of $91.6 million, but the actual amount required from fund balance was a withdrawal of $28.9 million. Water sales are below budget by 13 percent and water purchases and treatment costs are off by a similar amount as can be seen in the summary table. The net result is that actual net water sales revenue of $146.4 million is greater than the fourteen-month budgeted amount of $136.5 million by $9.9 million. As of August 2020, other
revenues are $4.2 million below budget, and other expenses and CIP are $23.6 million and $33.4 million, respectively, below budget, resulting in a significantly lower draw from fund balance than projected through August. Additional details on these variances follow.

**Net Water Sales Revenue**

Net Water Sales Revenue is the Water Authority’s principal source of revenue and is the difference between the sale of water and the cost of that water. Sales include revenues from variable commodity charges for supply, treatment and transportation, as well as from fixed charges for customer service, storage, infrastructure access charge, and supply reliability. Cost of water includes payments to the following water suppliers: Metropolitan Water District (MWD), Imperial Irrigation District (IID), and Poseidon Resources (Channelside) LP.

Net Water Sales Revenue for the fourteen-month period ended August 31, 2020 was $146.4 million, or 7 percent more than the budgeted amount of $136.5 million. Actual Water Purchase and Treatment Costs were lower than budgeted by 17 percent due to lower than projected water sales of 13 percent. Detailed information relating to Net Water Sales Revenue is described below and shown on Attachments 1, 2, and 3.

Total acre-feet (AF) of water sold was budgeted at 507,774 AF. Actual water sales volume was 427,642 AF or 16 percent less than budgeted due to lower demand (Attachment 1). Total Water Sales Revenue was $680.3 million or 13 percent lower than the budget of $777.6 million (Attachment 2). Reduced water sales continued through this reporting period and cumulatively are lower due to (1) member agencies using more local surface water supplies than anticipated, and (2) the demand dampening effects of significant local rainstorms experienced over the November, December and April months.

Total Water Purchases and Treatment costs were budgeted at $641.1 million. Actual costs were $533.9 million or 17 percent lower than budgeted (Attachment 3). This cost category included $140.1 million for 209,164 AF of water purchased from IID, $145.8 million for MWD’s conveyance charges related to IID, Coachella Canal and All-American Canal water, and $132.1 million of water purchased from Poseidon Resources (Channelside) LP.

**Revenues and Other Income**

As shown in Attachment 4, total Revenues and Other Income were budgeted at $131.7 million for the fourteen-month period ended August 31, 2020. Actual revenues were $127.5 million or 3 percent lower than budget.

Actual revenues materially lower than the fourteen-month budget include the following:

- **Grant Reimbursements:** $12.7 million lower than budgeted primarily due to construction and implementation delays for the IRWM projects and to a lesser extent timing of reimbursements from the state of California’s Department of Water Resources.
- **Hydroelectric Revenue:** $0.5 million lower than budgeted due to reduced water demands and an unplanned 3-month outage on one of two generating units at the Lake Hodges Hydroelectric facility in Fiscal Year 2020.
Actual revenues materially higher than the fourteen-month budget include the following:

- **Other Income**: $2.1 million higher than budgeted due to contracted shortfall payment revenues due from Poseidon for the months of May through July, and due to other miscellaneous revenue reimbursements
- **Contributions in Aid of CIP**: $1.9 million higher than budgeted due to a capital grant received relating to the DWR Prop 50 Desal Relining Project K0304
- **Capacity Charges**: $1.9 million higher than anticipated due to an increase in the number of building permits issued for water services throughout the county
- **Property Taxes**: $1.6 million higher than anticipated due to increased property values
- **Investment Income**: $1.4 million higher than budgeted due to higher yield on investments

**Expenses**

As shown in Attachment 4, total Expenses were budgeted at $256.8 million for the fourteen-month period ended August 31, 2020. Actual expenses were $233.2 million or 9 percent lower than budget, with these continued savings offsetting reduced revenues.

Actual expenses materially lower than the fourteen-month budget include the following:

- **Grant Expenses**: $13.4 million lower than budget similar to the reduction in grant revenues because of construction and implementation delays for the IRWM projects. There have also been more advance funded grants thereby increasing revenues without the matching expenses being received until later dates.
- **Debt Service**: $9.7 million lower than budget due to commercial paper program savings and cash flow savings from a bond refunding transaction
- **Equipment Replacement**: $1.5 million lower than budget due to the deferral of purchases; it is anticipated that this same amount of savings will carry through Fiscal Year 2021

Actual Other Expenses exceeded the period-to-date budget by $2.2 million primarily due to engineering and construction project costs related to the MWD Skinner bypass line which will be completed in Fiscal Year 2021.

Operating Department budgets include contributions for pension and OPEB benefits, but these expenses can vary significantly once actuarial reports are received based on updated assumptions and experience studies. The $4.1 million amount shown will be paid through increased contributions in future years.

**CIP Expenses**

Attachment 4 shows CIP Expenses were budgeted at $103.0 million for the fourteen-month period ended August 31, 2020. Actual expenses were $69.6 million or $33.4 million lower than budget due to the deferral of projects; it is projected that CIP expenses for both years will approximate $132 million resulting in about $32 million in savings.

**Cash and Investments**

As of August 31, 2020, the Water Authority’s cash and investments balance was $289.1 million, approximately 83 percent unrestricted funds with the remaining 17 percent of funds restricted for specific purposes (Attachment 5). The Water Authority Treasurer pools the cash of the Pay-As-You-Go Fund with total unrestricted funds to maximize investment returns.
As of August 31, 2020, the Rate Stabilization Fund was funded at $121.2 million. The current balance in the fund represents approximately 163 percent of the targeted value of $74.3 million and 115 percent of the maximum balance of $105.2 million.

The Equipment Replacement Fund balance increase reflects the budgeted transfer in from the Operating Fund to pay for scheduled equipment replacement costs occurring in Fiscal Year 2021.

The Canal Maintenance Fund is a new reserve effective for CY20 and the reserve will grow by approximately $16 thousand on a monthly basis to pay for periodic maintenance costs of the All-American and Coachella Canals.

Prepared by: Jocelyn Matsuo, Senior Accountant
Reviewed by: Geena Xiaoqing Balistrieri, CPA, Accounting Supervisor
Approved by: Christopher Woidzik, CPA, Controller

Attachments:
Attachment 1 – Water Sales Volumes
Attachment 2 – Water Sales Revenues
Attachment 3 – Water Purchases and Treatment Costs
Attachment 4 – Budget Status Report
Attachment 5 – Schedule of Cash and Investments
Budgeted amounts are based on the Adopted Multi-Year Budget for Fiscal Years 2020 and 2021.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>*Budget (a)</td>
<td>47,103</td>
<td>95,717</td>
<td>138,285</td>
<td>177,013</td>
<td>213,249</td>
<td>243,725</td>
<td>261,414</td>
<td>280,533</td>
<td>300,877</td>
<td>335,479</td>
<td>370,081</td>
<td>408,524</td>
</tr>
<tr>
<td>Actual</td>
<td>35,833</td>
<td>77,374</td>
<td>116,148</td>
<td>155,148</td>
<td>184,280</td>
<td>201,341</td>
<td>222,340</td>
<td>245,178</td>
<td>266,012</td>
<td>286,277</td>
<td>318,292</td>
<td>354,007</td>
</tr>
<tr>
<td>AF Difference (b)</td>
<td>(11,270)</td>
<td>(18,343)</td>
<td>(22,137)</td>
<td>(21,865)</td>
<td>(28,969)</td>
<td>(42,384)</td>
<td>(39,074)</td>
<td>(35,355)</td>
<td>(34,865)</td>
<td>(49,202)</td>
<td>(51,789)</td>
<td>(54,517)</td>
</tr>
<tr>
<td>Cum. Actual AF</td>
<td>-24%</td>
<td>-19%</td>
<td>-16%</td>
<td>-12%</td>
<td>-14%</td>
<td>-17%</td>
<td>-15%</td>
<td>-13%</td>
<td>-12%</td>
<td>-15%</td>
<td>-14%</td>
<td>-13%</td>
</tr>
</tbody>
</table>

Fiscal Year 2021 Cumulative Water Sales (AF)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>*Budget (a)</td>
<td>48,841</td>
<td>99,250</td>
<td>143,391</td>
<td>183,548</td>
<td>221,122</td>
<td>252,723</td>
<td>271,065</td>
<td>290,891</td>
<td>311,986</td>
<td>347,865</td>
<td>383,744</td>
<td>423,465</td>
</tr>
<tr>
<td>Actual</td>
<td>33,361</td>
<td>73,635</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AF Difference (b)</td>
<td>(15,480)</td>
<td>(25,615)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cum. Actual AF</td>
<td>-32%</td>
<td>-26%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY20</th>
<th>FY21 through Aug-20</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>408,524</td>
<td>99,250</td>
</tr>
<tr>
<td>Actual</td>
<td>354,007</td>
<td>73,635</td>
</tr>
<tr>
<td>Difference</td>
<td>(54,517)</td>
<td>(25,615)</td>
</tr>
<tr>
<td>% Difference</td>
<td>-13%</td>
<td>-26%</td>
</tr>
</tbody>
</table>
*Budgeted amounts are based on the Adopted Multi-Year Budget for Fiscal Years 2020 and 2021.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>*Budget (a)</td>
<td>67.4</td>
<td>$136.3</td>
<td>$198.0</td>
<td>$255.5</td>
<td>$310.0</td>
<td>$357.7</td>
<td>$392.1</td>
<td>$428.0</td>
<td>$465.4</td>
<td>$519.4</td>
<td>$573.7</td>
<td>$632.6</td>
</tr>
<tr>
<td>Actual</td>
<td>54.2</td>
<td>114.5</td>
<td>171.3</td>
<td>228.2</td>
<td>274.1</td>
<td>306.7</td>
<td>345.2</td>
<td>385.5</td>
<td>423.0</td>
<td>460.9</td>
<td>512.0</td>
<td>565.8</td>
</tr>
<tr>
<td>Difference (b)</td>
<td>(13.2)</td>
<td>$21.8</td>
<td>$26.7</td>
<td>(27.3)</td>
<td>$35.9</td>
<td>$51.0</td>
<td>$46.9</td>
<td>$42.5</td>
<td>$58.5</td>
<td>$61.7</td>
<td>$66.8</td>
<td></td>
</tr>
<tr>
<td>Cum. Actual</td>
<td>-20%</td>
<td>-16%</td>
<td>-13%</td>
<td>-11%</td>
<td>-12%</td>
<td>-14%</td>
<td>-12%</td>
<td>-10%</td>
<td>-9%</td>
<td>-11%</td>
<td>-11%</td>
<td>-11%</td>
</tr>
</tbody>
</table>

Fiscal Year 2021 Cumulative Water Sales (in millions $)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>*Budget (a)</td>
<td>71.7</td>
<td>$145.0</td>
<td>$210.5</td>
<td>$271.5</td>
<td>$329.2</td>
<td>$379.8</td>
<td>$416.3</td>
<td>$454.6</td>
<td>$494.3</td>
<td>$552.5</td>
<td>$610.8</td>
<td>$674.3</td>
</tr>
<tr>
<td>Actual</td>
<td>53.6</td>
<td>114.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Difference (b)</td>
<td>(18.1)</td>
<td>$30.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cum. Actual</td>
<td>-25%</td>
<td>-21%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
*Budgeted amounts are based on the Adopted Multi-Year Budget for Fiscal Years 2020 and 2021.

Fiscal Year 2020 Cumulative Cost of Water Purchases and Treatment (in millions $)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>*Budget (a)</td>
<td>$55.4</td>
<td>$111.6</td>
<td>$161.3</td>
<td>$207.7</td>
<td>$250.9</td>
<td>$288.0</td>
<td>$316.0</td>
<td>$345.3</td>
<td>$375.9</td>
<td>$421.4</td>
<td>$467.2</td>
<td>$518.5</td>
</tr>
<tr>
<td>Actual</td>
<td>$43.6</td>
<td>92.0</td>
<td>137.5</td>
<td>183.4</td>
<td>220.0</td>
<td>250.8</td>
<td>286.6</td>
<td>312.7</td>
<td>339.8</td>
<td>367.5</td>
<td>397.4</td>
<td>449.8</td>
</tr>
<tr>
<td>Difference (b)</td>
<td>$(11.8)</td>
<td>$(19.6)</td>
<td>$(23.8)</td>
<td>$(30.9)</td>
<td>$(37.2)</td>
<td>$(29.4)</td>
<td>$(32.6)</td>
<td>$(36.1)</td>
<td>$(36.1)</td>
<td>$(43.9)</td>
<td>$(59.8)</td>
<td>$(68.7)</td>
</tr>
<tr>
<td>Cum. Actual</td>
<td>$-21%</td>
<td>-18%</td>
<td>-15%</td>
<td>-12%</td>
<td>-12%</td>
<td>-13%</td>
<td>-9%</td>
<td>-9%</td>
<td>-10%</td>
<td>-13%</td>
<td>-15%</td>
<td>-13%</td>
</tr>
</tbody>
</table>

Fiscal Year 2021 Cumulative Cost of Water Purchases and Treatment (in millions $)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>*Budget (a)</td>
<td>$60.4</td>
<td>$122.6</td>
<td>$177.4</td>
<td>$228.3</td>
<td>$275.8</td>
<td>$316.9</td>
<td>$345.8</td>
<td>$376.3</td>
<td>$408.0</td>
<td>$455.9</td>
<td>$504.0</td>
<td>$557.0</td>
</tr>
<tr>
<td>Actual</td>
<td>38.2</td>
<td>84.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Difference (b)</td>
<td>$(22.2)</td>
<td>$(38.5)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cum. Actual</td>
<td>-37%</td>
<td>-31%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Budgeted amounts are based on the Adopted Multi-Year Budget for Fiscal Years 2020 and 2021.

Fiscal Year 2020 Cumulative Cost of Water Purchases and Treatment (in millions $)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>*Budget (a)</td>
<td>$55.4</td>
<td>$111.6</td>
<td>$161.3</td>
<td>$207.7</td>
<td>$250.9</td>
<td>$288.0</td>
<td>$316.0</td>
<td>$345.3</td>
<td>$375.9</td>
<td>$421.4</td>
<td>$467.2</td>
<td>$518.5</td>
</tr>
<tr>
<td>Actual</td>
<td>$43.6</td>
<td>92.0</td>
<td>137.5</td>
<td>183.4</td>
<td>220.0</td>
<td>250.8</td>
<td>286.6</td>
<td>312.7</td>
<td>339.8</td>
<td>367.5</td>
<td>397.4</td>
<td>449.8</td>
</tr>
<tr>
<td>Difference (b)</td>
<td>$(11.8)</td>
<td>$(19.6)</td>
<td>$(23.8)</td>
<td>$(30.9)</td>
<td>$(37.2)</td>
<td>$(29.4)</td>
<td>$(32.6)</td>
<td>$(36.1)</td>
<td>$(36.1)</td>
<td>$(43.9)</td>
<td>$(59.8)</td>
<td>$(68.7)</td>
</tr>
<tr>
<td>Cum. Actual</td>
<td>$-21%</td>
<td>-18%</td>
<td>-15%</td>
<td>-12%</td>
<td>-12%</td>
<td>-13%</td>
<td>-9%</td>
<td>-9%</td>
<td>-10%</td>
<td>-13%</td>
<td>-15%</td>
<td>-13%</td>
</tr>
</tbody>
</table>

Fiscal Year 2021 Cumulative Cost of Water Purchases and Treatment (in millions $)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>*Budget (a)</td>
<td>$60.4</td>
<td>$122.6</td>
<td>$177.4</td>
<td>$228.3</td>
<td>$275.8</td>
<td>$316.9</td>
<td>$345.8</td>
<td>$376.3</td>
<td>$408.0</td>
<td>$455.9</td>
<td>$504.0</td>
<td>$557.0</td>
</tr>
<tr>
<td>Actual</td>
<td>38.2</td>
<td>84.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Difference (b)</td>
<td>$(22.2)</td>
<td>$(38.5)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cum. Actual</td>
<td>-37%</td>
<td>-31%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
San Diego County Water Authority
Fiscal Years 2020 and 2021 Budget Status Report
For the 14 Months Ended August 31, 2020
Unaudited

<table>
<thead>
<tr>
<th></th>
<th>FY 2020 &amp; 2021 Amended Budget</th>
<th>14 Months Period-to-Date Amended Budget (a)</th>
<th>14 Months Period-to-Date Actual</th>
<th>Variance Positive (Negative)</th>
<th>Actual to FY 2020 &amp; 2021 Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Water Sales Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Sales</td>
<td>$1,306,910,000</td>
<td>$777,575,617 (b)</td>
<td>$680,312,819</td>
<td>$97,262,798</td>
<td>52%</td>
</tr>
<tr>
<td>Water Purchases &amp; Treatment</td>
<td>1,075,463,402</td>
<td>641,128,305 (b)</td>
<td>533,856,760</td>
<td>107,271,545</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Total Net Water Sales Revenue</strong></td>
<td>231,455,598</td>
<td>136,447,312</td>
<td>146,456,059</td>
<td>10,008,747</td>
<td>63%</td>
</tr>
</tbody>
</table>

**Revenues and Other Income**

<table>
<thead>
<tr>
<th>Revenues and Other Income</th>
<th>FY 2020 &amp; 2021 Amended Budget</th>
<th>14 Months Period-to-Date Amended Budget (a)</th>
<th>14 Months Period-to-Date Actual</th>
<th>Variance Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure Access Charges</td>
<td>81,666,000</td>
<td>43,600,603</td>
<td>43,713,510</td>
<td>112,907</td>
</tr>
<tr>
<td>Property Taxes and In-Lieu Charges</td>
<td>28,304,000</td>
<td>14,726,682 (n)</td>
<td>16,350,384</td>
<td>1,623,702</td>
</tr>
<tr>
<td>Investment Income</td>
<td>11,501,000</td>
<td>6,409,911 (n)</td>
<td>7,765,886</td>
<td>1,355,976</td>
</tr>
<tr>
<td>Hydroelectric Revenue</td>
<td>7,350,000</td>
<td>4,287,500</td>
<td>3,744,974</td>
<td>(542,526)</td>
</tr>
<tr>
<td>Grant Reimbursements</td>
<td>27,327,000</td>
<td>19,673,629 (n)</td>
<td>6,981,828</td>
<td>(12,691,801)</td>
</tr>
<tr>
<td>Build America Bonds Subsidy</td>
<td>21,104,000</td>
<td>12,321,617 (l)</td>
<td>12,397,459</td>
<td>75,842</td>
</tr>
<tr>
<td>Other Income</td>
<td>2,528,000</td>
<td>2,264,000</td>
<td>4,319,447</td>
<td>2,055,447</td>
</tr>
</tbody>
</table>

**Capital Contributions:**

| Capacity Charges                                         | 33,220,000                    | 16,462,636 (n)                           | 18,367,259                      | 1,904,623                      | 59%                                       |
| Water Standby Availability Charges                       | 22,221,000                    | 11,109,981 (n)                           | 11,175,123                      | 65,142                         | 50%                                       |

**Contributions in Aid of Capital Improvement Program (CIP):**

| Contributions in Aid of Capital Improvement Program (CIP) | 1,855,000 (h) | 800,000 (n) | 2,725,500 | 1,925,500 | 147% |

**Total Revenues and Other Income**

| Total Revenues and Other Income                         | 237,066,000 | 131,656,559 | 127,541,370 | (4,115,189) | 54% |

**Total Revenues**

| Total Revenues                                         | 468,521,598 | 268,103,871 | 273,997,429 | 5,893,558 | 58% |

**Expenses**

<table>
<thead>
<tr>
<th>Expenses</th>
<th>FY 2020 &amp; 2021 Amended Budget</th>
<th>14 Months Period-to-Date Amended Budget (a)</th>
<th>14 Months Period-to-Date Actual</th>
<th>Variance Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service</td>
<td>297,432,000</td>
<td>164,968,770 (n)</td>
<td>155,242,158</td>
<td>9,726,612</td>
</tr>
<tr>
<td>QSA Mitigation</td>
<td>4,711,000</td>
<td>3,660,053 (n)</td>
<td>3,660,053</td>
<td>-</td>
</tr>
<tr>
<td>Equipment Replacement</td>
<td>6,024,000</td>
<td>3,231,217</td>
<td>1,743,618</td>
<td>1,487,599</td>
</tr>
<tr>
<td>Grant Expenses</td>
<td>297,432,000</td>
<td>18,788,169 (n)</td>
<td>5,388,613</td>
<td>13,399,556</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>3,888,000</td>
<td>2,518,000</td>
<td>4,724,417</td>
<td>(2,206,417)</td>
</tr>
<tr>
<td>Operating Departments (see below)</td>
<td>111,503,285</td>
<td>63,647,845</td>
<td>62,486,473</td>
<td>1,161,372</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>449,881,285</td>
<td>256,814,054</td>
<td>233,245,332</td>
<td>23,568,722</td>
</tr>
</tbody>
</table>

**Net Revenues Before CIP**

| Net Revenues Before CIP                                 | $18,640,313 | $11,289,817 | $40,752,097 | $29,462,280 | 219% |

**CIP Expenses**

| CIP Expenses                                            | $162,222,000 | $103,037,110 (n) | $69,644,236 | $33,392,874 | 43% |

**Net Fund Withdraws**

| Net Fund Withdraws                                      | $(143,581,687) (m) | $(91,747,293) | $(28,892,139) | $62,855,154 | 20% |

*(CIP Expenses are all funded by Pay-As-You-Go Fund)*

**Operating Departments Detail**

<table>
<thead>
<tr>
<th>Administrative Services</th>
<th>$13,611,163</th>
<th>$7,691,808</th>
<th>$7,784,474</th>
<th>(92,666)</th>
<th>57%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado River Program</td>
<td>3,458,721</td>
<td>1,981,459</td>
<td>1,601,003</td>
<td>380,456</td>
<td>46%</td>
</tr>
<tr>
<td>Engineering</td>
<td>8,007,603</td>
<td>4,577,771</td>
<td>4,679,646</td>
<td>(101,875)</td>
<td>58%</td>
</tr>
<tr>
<td>Finance</td>
<td>5,480,705</td>
<td>3,073,931</td>
<td>2,964,859</td>
<td>109,072</td>
<td>54%</td>
</tr>
<tr>
<td>General Counsel</td>
<td>6,689,550</td>
<td>4,463,410</td>
<td>3,288,256</td>
<td>1,715,544</td>
<td>49%</td>
</tr>
<tr>
<td>General Manager &amp; Board of Directors</td>
<td>6,816,751</td>
<td>4,795,913</td>
<td>4,627,875</td>
<td>168,038</td>
<td>68%</td>
</tr>
<tr>
<td>Government Relations</td>
<td>1,551,617</td>
<td>225,264</td>
<td>127,520</td>
<td>97,744</td>
<td>9%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>1,455,617</td>
<td>285,803</td>
<td>165,605</td>
<td>99,998</td>
<td>1%</td>
</tr>
<tr>
<td>MWD Program</td>
<td>4,045,097</td>
<td>2,325,937</td>
<td>1,996,824</td>
<td>359,113</td>
<td>49%</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>42,710,716</td>
<td>24,552,938</td>
<td>22,299,567</td>
<td>2,253,371</td>
<td>52%</td>
</tr>
<tr>
<td>Public Affairs</td>
<td>7,270,725</td>
<td>4,261,143</td>
<td>3,994,367</td>
<td>266,776</td>
<td>55%</td>
</tr>
<tr>
<td>Water Resources</td>
<td>10,509,056</td>
<td>5,439,669</td>
<td>4,861,640</td>
<td>578,029</td>
<td>46%</td>
</tr>
<tr>
<td>Actuarial amounts related to Pensions/OPEB</td>
<td>---</td>
<td>---</td>
<td>4,123,837</td>
<td>(4,123,837)</td>
<td>---</td>
</tr>
<tr>
<td><strong>Total Operating Departments</strong></td>
<td>$111,503,285</td>
<td>$63,647,845</td>
<td>$62,486,473</td>
<td>$1,161,372</td>
<td>56%</td>
</tr>
</tbody>
</table>
Notes to the Budget Status Report:

a) Period-to-date budgeted amounts are 14/24ths (58%) of Fiscal Years 2020 and 2021 amended budget unless noted.
b) Water sales and water purchases period-to-date budgeted amounts are based on projected acre-feet calculated per month.
c) Property taxes are primarily received in December and April. In-lieu charges in the amount of $625,709 for Fiscal Year 2020 and $642,733 for Fiscal Year 2021 are received quarterly from the City of San Diego.
d) Investment income excludes unrealized gains/losses, which are non-cash transactions.
e) Hydroelectric revenue budget amount includes Rancho Penasquitos Hydro-generation and Pressure Control Facility (Rancho Hydro) and Lake Hodges Pumped Storage Facility (Hodges Hydro).
f) Capacity charges are primarily received in July, October, January and April, after the quarterly period ends, and accrued revenue are recorded for the quarter ending June.
g) Water standby availability charges are primarily received in January and May.
h) Contributions in aid of capital improvement program include planned reimbursements for miscellaneous projects.
i) Bonds and Certificates of Participation debt service payments are due semi-annually on November 1 and May 1. Pipeline Bonds, Series 2019 debt service payments are due semi-annually on July 1 and January 1. Debt Service includes principal, interest expense, and debt service fees. Amortization expense relating to long-term debt, such as discounts, premiums, and deferred gain/loss on refunding are excluded because they are non-cash transactions. Short-term debt for Commercial Paper are paid monthly.
j) QSA Mitigation includes: 1) Fiscal Year 2020 contributions of $1,750,000 due July 1 and $1,060,053 due December 31; and 2) Fiscal Year 2021 contributions of $850,000 due July 1 and $1,050,836 due December 31.
k) Amounts include capital equipment purchases included in the project budget.
l) The semi-annual subsidy payments from the United States Treasury equal to 35 percent of the interest payable on the Series 2010B Bonds were reduced under Congressionally-mandated sequestration.
m) Represents withdraws from fund balances.
n) Period-to-date budgeted amounts adjusted based on items occurring on a periodic basis.
San Diego County Water Authority
Schedule of Cash and Investments
As of August 31, and July 31, 2020
Unaudited

<table>
<thead>
<tr>
<th></th>
<th>August</th>
<th>July</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Fund</td>
<td>$115,622,844</td>
<td>$96,849,925</td>
<td>$81,900,000</td>
</tr>
<tr>
<td>Equipment Replacement Fund</td>
<td>2,701,492</td>
<td>9,012</td>
<td></td>
</tr>
<tr>
<td>Canal Maintenance Fund</td>
<td>94,369</td>
<td>94,236</td>
<td></td>
</tr>
<tr>
<td>Rate Stabilization Fund</td>
<td>121,205,203</td>
<td>121,034,026</td>
<td>$74,300,000</td>
</tr>
<tr>
<td><strong>Total Unrestricted Funds (1)</strong></td>
<td>83%</td>
<td>239,623,908</td>
<td>80%</td>
</tr>
<tr>
<td>Pay-As-You-Go Fund (1)</td>
<td>27,241,682</td>
<td>31,875,634</td>
<td></td>
</tr>
<tr>
<td>Debt Service Reserve Funds</td>
<td>22,216,037</td>
<td>22,214,775</td>
<td></td>
</tr>
<tr>
<td><strong>Total Restricted Funds</strong></td>
<td>17%</td>
<td>49,457,719</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Total Cash and Investments</strong></td>
<td>$289,081,627</td>
<td>$272,077,608</td>
<td></td>
</tr>
</tbody>
</table>

Note:
(1) Total Unrestricted Funds and the Pay-As-You-Go Fund represent the Pooled Funds in the Treasurer's Report.

Reserve Fund Categories

**Operating Fund**: The Water Authority’s working capital and emergency operating reserve. The Operating Fund’s policy requires 45 days of average annual operating expenses to be kept in reserves as assessed on an annual basis.

**Stored Water Fund (SWF)**: This fund provides working capital to purchase water inventory necessary to fully utilize the Water Authority's storage facilities. A 70,000 acre-feet target was established for Carryover Storage inventory along with a maximum of 100,000 acre-feet, which is the storage capacity. The SWF is to only hold a cash position if the cost to replace the target amount is below the current value of water inventory in the fund.

**Equipment Replacement Fund (ERF)**: The ERF is funded by transfers from the Operating Fund for capital equipment purchases such as computers, vehicles, and SCADA systems and is used to replace equipment which has reached the end of its effective useful life.

**Canal Maintenance Fund**: This fund provides for the large periodic maintenance expenses of the All-American and Coachella Canals that is estimated to occur every five to eight years.

**Rate Stabilization Fund (RSF)**: The RSF holds the water revenues greater than expenditures in years of strong water sales. Funds can then be used to mitigate “rate shock” in years of weak water sales and/or to manage debt service coverage. The RSF target balance is equal to the financial impact of 2.5 years of wet weather or mandatory restrictions and the maximum fund balance is equal to the financial impact of 3.5 years of wet weather or mandatory restrictions. The current balance in this fund represents approximately 163% of the targeted value of $74.3 million and 115% of the maximum balance of $105.2 million.

**Pay-As-You-Go Fund (PAYGO)**: The PAYGO fund collects Capacity Charges and Water Standby Availability Charges to be used to pay for the cash portion of the CIP. The funds are dedicated for construction outlays as well as debt service.

**Debt Service Reserve Fund**: This fund contains the required legal reserve for Water Authority debt issues. Such reserves are held for the purpose of making an issue’s annual debt service payments in the event the Water Authority should be unable to make such payments. The funds are held by trustees and interest earned is transferred into the Operating Fund and is not restricted.
NOVEMBER 2020

- **04**  MWD Delegates meeting at 11:00 a.m.
- **12**  Special Water Planning and Environmental Committee Meeting re: 2020 Urban Water Management Plan – 1:30 p.m.
- **19**  Combined November & December Board Meeting
  Committees begin at 9:00 a.m.
  Formal Board meeting begins at 2:30 p.m.

DECEMBER 2020

- **02**  MWD Delegates meeting at 11:00 a.m.
- **10**  Tentative Special Board Meeting
- **24**  No Formal Board Meeting

JANUARY 2021

- **06**  MWD Delegates meeting at 11:00 a.m.
- **14**  Special Board Meeting – 1:30 p.m.
- **28**  Committees begin at 9:00 a.m.
  Formal Board meeting begins at 2:30 p.m.
October 14, 2020

**Attention: Legislation and Public Outreach Committee**

**Government Relations Update. (Information)**

**Purpose**
This report is an update of the Water Authority’s government relations program.

**Discussion**

**Legislative Session**
On September 30, the Governor completed action on all legislation sent to him by the Legislature during the final weeks of the 2020 legislative session. At this time, there is no extraordinary (special) session of the Legislature planned between now and November 30. However, there have been calls for the Governor to convene a special session to address any variety of issues, including wildfires, grid reliability and rolling power outages, and post-COVID economic recovery. It is unclear whether the Governor will convene a special session during the Fall. Barring any special session prior to November 30, 2020, the new 2021-2022 legislative session is scheduled to begin on December 7 with an organizational meeting of each house to swear-in legislators, elect officers, and begin the introduction of legislation.

The Governor considered 428 bills passed by the Legislature during 2020. Of those measures, the Governor signed 372 bills into law and vetoed 56 bills, reflecting a veto rate of 13.1 percent. The 428 measures sent to the Governor during 2020 reflects the impact of COVID-19 on the 2020 legislative session and represents the fewest number of bills considered by a Governor in many years:

- 2011: 870 bills sent to Governor
- 2012: 996 bills sent to Governor
- 2013: 896 bills sent to Governor
- 2014: 1,074 bills sent to Governor
- 2015: 941 bills sent to Governor
- 2016: 1,059 bills sent to Governor
- 2017: 977 bills sent to Governor
- 2018: 1,217 bills sent to Governor
- 2019: 1,042 bills sent to Governor
- 2020: 428 bills sent to Governor

The following represents the gubernatorial veto rates over the past 10 years:
Sponsored Legislation
- SB 1386 (Moorlach), which the Water Authority co-sponsored with the Irvine Ranch Water District, passed the Legislature, and was signed into law by Governor Newsom on September 28, 2020 (Chapter 240, Statutes of 2020).

Status Report on Legislation and Legislative Positions
Water Authority staff actively reviewed and monitored more than 80 bills that were introduced through the 2019-2020 legislative session for potential impact on the organization and its member agencies. Staff routinely monitors hundreds of bills during each legislative session as they proceed through the legislative process or are amended. Only those measures that warrant a closer review are analyzed comprehensively and considered for advancement to the Water Authority Board for possible adoption of a position. The Water Authority’s staff and legislative advocates review each bill in the context of the adopted 2020 Legislative Policy Guidelines. The Legislative Policy Guidelines provide direction to staff and the Water Authority’s legislative advocates to communicate support of, or opposition to legislation and amendments. Bills for which staff recommends a position are brought before the Legislation and Public Outreach Committee and the Board for consideration of a Water Authority position. Attached is a list of legislation that was under review by Water Authority staff as of the close of the 2019-2020 legislative session on August 31, 2020.
Lobbyist Activities
Steve Cruz of Cruz Strategies reports that he performed the following lobbying activities on behalf of the Water Authority over the past month:

- Provided strategic advice and information regarding the Water Authority’s legislative interests.
- Participated in briefings via video conference and teleconference regarding pumped hydropower storage, sponsored legislation, and the Water Authority’s legislative priorities.
- Coordinated with Water Authority staff on various legislative issues of importance to the Water Authority.

Audra Hartmann of Smith, Watts & Hartmann reports that she performed the following regulatory advocacy activities on behalf of the Water Authority over the past month:

- Participated in SWRCB meetings regarding emerging regulatory issues of interest to the Water Authority.
- Provided strategic advice and information regarding the Water Authority’s regulatory interests.
- Coordinated with Water Authority staff on various regulatory issues of interest to the Water Authority.

Washington, D.C.
Ken Carpi of Carpi & Clay will provide a separate written report, and an in-person virtual report of the firm’s monthly activities in Washington, D.C.

Prepared by: Ivy Ridderbusch, Legislative Analyst
Glenn A. Farrel, Director of Government Relations
Approved by: Dan Denham, Deputy General Manager

Attachment: Substantive Bill List – October 2020
Substantive State Legislation Under Review by Water Authority Staff
October 14, 2020

**AB 56**  (Garcia, Eduardo D)  Electricity: procurement by the California Alternative Energy and Advanced Transportation Financing Authority.
Introduced: 12/3/2018
Status: 8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. 2 YEAR on 9/15/2019)
Summary: Would require the Public Utilities Commission to empower the California Alternative Energy and Advanced Transportation Financing Authority to undertake backstop procurement of electricity that would otherwise be performed by an electrical corporation to meet the state resource adequacy, integrated resource planning, and renewable portfolio standard goals not satisfied by retail sellers or load-serving entities. The bill would authorize the authority to undertake backstop procurement consistent with specified objectives and to manage the resale of electricity for its contracted resources. The bill would require the commission to periodically review the need for, and the benefits of, continuing to empower the authority to undertake backstop procurement responsibilities.

**AB 134**  (Bloom D)  Safe Drinking Water Restoration.
Current Text: Amended: 5/20/2019  html  pdf
Introduced: 12/5/2018
Status: 8/18/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was E.Q. on 6/12/2019)
Summary: Would require the State Water Resources Control Board to report to the Legislature by July 1, 2025, on its progress in restoring safe drinking water to all California communities and to create an internet website that provides data transparency for all of the board’s activities described in this measure. The bill would require the board to develop metrics to measure the efficacy of the fund in ensuring safe and affordable drinking water for all Californians.

**AB 223**  (Stone, Mark D)  California Safe Drinking Water Act: microplastics.
Current Text: Introduced: 1/16/2019  html  pdf
Introduced: 1/16/2019
Status: 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.
Summary: The California Safe Drinking Water Act requires the State Water Resources Control Board to administer provisions related to the regulation of drinking water to protect public health. Current law requires the state board, on or before July 1, 2020, to adopt a definition of microplastics in drinking water and, on or before July 1, 2021, to adopt a standard methodology to be used in the testing of drinking water for microplastics and requirements for 4 years of testing and reporting of microplastics in drinking water, including public disclosure of those results. This bill would require the state board, to the extent possible, and where feasible and cost effective, to work with the State Department of Public Health in complying with those requirements.

**AB 292**  (Quirk D)  Recycled water: raw water and groundwater augmentation.
Introduced: 1/28/2019
Status: 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. 2 YEAR on 9/15/2019)
Summary: Current law requires the State Water Resources Control Board, on or before December 31, 2023, to adopt uniform water recycling criteria for direct potable reuse through raw water augmentation, as specified. Current law defines “direct potable reuse” and “indirect potable reuse for groundwater recharge” for these purposes. This bill would eliminate the definition of “direct potable reuse” and instead would substitute the term “groundwater augmentation” for “indirect potable reuse for groundwater recharge” in these definitions. The bill would revise the definition of “treated drinking water augmentation.”

**AB 315**  (Garcia, Cristina D)  Local government: lobbying associations: expenditure of public funds.
Current Text: Amended: 1/6/2020  html  pdf
Introduced: 1/30/2019
Status: 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.
Summary: Current law authorizes the legislative body of a local agency, defined as a county, city, or city and county, or a district, defined broadly to include other political subdivisions or public corporations in the state other than the state or a county, city and county, or city, to attend the Legislature and the Congress of the United States, and any committees thereof, and to present information regarding legislation that the legislative body or the district deems to be beneficial or detrimental to the local agency or the district. Current law also authorizes the legislative body of a local agency or a district to enter into an association for these purposes and specifies that the cost and expense incident to the legislative body's or district's membership in the association and the activities of the association are proper charges against the local agencies or districts comprising the
association. This bill, with respect to moneys paid to or otherwise received by an association from a local agency or district member of the association, would prohibit an association of local agencies or districts from expending those moneys for any purpose other than the above-described activities and educational activities.

**AB 352**  
_(Garcia, Eduardo D)_  
**Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.**  
**Current Text:** Amended: 8/14/2019  html, pdf  
**Introduced:** 2/4/2019  
**Status:** 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18).  
**Summary:** Would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of $3,920,000,000 pursuant to the State General Obligation Bond Law to finance a wildlife prevention, safe drinking water, drought preparation, and flood protection program. The bill would provide for the submission of these provisions to the voters at the November 3, 2020, statewide general election. The bill would provide that its provisions are severable.

**AB 402**  
_(Quirk D)_  
**State Water Resources Control Board: local primacy delegation: funding stabilization program.**  
**Current Text:** Amended: 6/18/2019  html, pdf  
**Introduced:** 2/6/2019  
**Status:** 8/21/2020-Failed Deadline pursuant to Rule 61(b)(15).  
**Summary:** The California Safe Drinking Water Act requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, adopting implementing regulations, and conducting studies and investigations to assess the quality of water in private domestic water supplies. This bill would authorize the state board to delegate partial responsibility for the act's administration and enforcement by means of a local primacy delegation agreement. The bill would authorize the state board, for counties that have not been delegated primary responsibility as of January 1, 2020, to offer an opportunity for the county to apply for partial or primary responsibility if the state board determines that it needs assistance in performing administrative and enforcement activities, as specified.

**AB 405**  
_(Rubio, Blanca D)_  
**Sales and use taxes: exemption: water treatment.**  
**Current Text:** Amended: 4/25/2019  html, pdf  
**Introduced:** 2/7/2019  
**Status:** 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18).  
**Summary:** Would, on and after January 1, 2020, and before January 1, 2025, exempt from that Sales and Use Tax the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, chemicals used by a city, county, public utility, and sanitation district to treat water, recycled water, or wastewater regardless of whether those chemicals or other agents become a component part thereof and regardless of whether the treatment takes place before or after the delivery to consumers.

**AB 441**  
_(Eggman D)_  
**Water: underground storage.**  
**Current Text:** Amended: 3/27/2019  html, pdf  
**Introduced:** 2/11/2019  
**Status:** 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.  
**Summary:** Under current law, the right to water or to the use of water is limited to that amount of water that may be reasonably required for the beneficial use to be served. Current law provides for the reversion of water rights to which a person is entitled when the person fails to beneficially use the water for a period of 5 years. Current law declares that the storing of water underground, and related diversions for that purpose, constitute a beneficial use of water if the stored water is thereafter applied to the beneficial purposes for which the appropriation for storage was made. This bill would instead provide that any diversion of water to underground storage constitutes a diversion of water for beneficial use for which an appropriation may be made if the diverted water is put to beneficial use, as specified.

**AB 456**  
_(Chiu D)_  
**Public contracts: claim resolution.**  
**Current Text:** Chaptered: 10/3/2019  html, pdf  
**Introduced:** 2/11/2019  
**Status:** 10/3/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 489, Statutes of 2019.  
**Summary:** Current law prescribes various requirements regarding the formation, content, and
enforcement of state and local public contracts. Current law establishes, until January 1, 2020, for contracts entered into on or after January 1, 2017, a claim resolution process applicable to any claim by a contractor in connection with a public works project against a public entity, as defined. Current law defines a claim for these purposes as a separate demand by the contractor for one or more of the following: a time extension for relief from damages or penalties for delay, payment of money or damages arising from work done pursuant to the contract for a public work, or payment of an amount disputed by the public entity, as specified. This bill would extend the operation of this claim resolution process until January 1, 2027.

**AB 510**  
(Cooley D)  
**Local government records: destruction of records.**  
Current Text: Introduced: 2/13/2019  
Introduced: 2/13/2019  
Status: 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.  
Summary: Current law authorizes the head of a department of a county or city, or the head of a special district to destroy recordings of telephone and radio communications maintained by that county, city, or special district after 100 days if that person receives approval from the legislative body and the written consent of the agency attorney. This bill would exempt the head of a department of a county or city, or the head of a special district from these recording retention requirements if the county, city, or special district adopts a records retention policy governing recordings of routine video monitoring and recordings of telephone and radio communications.

**AB 533**  
(Holden D)  
**Income taxes: exclusion: turf removal water conservation program.**  
Introduced: 2/13/2019  
Status: 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. DEAD on 1/31/2020)  
Summary: Current law, for taxable years beginning on or after January 1, 2014, and before January 1, 2019, excludes from gross income under both laws any amount received as a rebate, voucher, or other financial incentive issued by a local water agency or supplier for participation in a turf removal water conservation program. Current law limits the collection and use of taxpayer information and provides that any unauthorized use of this information is punishable as a misdemeanor. This bill would extend the operative date of the provisions excluding from gross income specified amounts received in a turf removal water conservation program to taxable years beginning before January 1, 2024.

**AB 557**  
(Wood D)  
**Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program.**  
Current Text: Introduced: 2/13/2019  
Introduced: 2/13/2019  
Status: 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. DEAD on 1/31/2020)  
Summary: Would appropriate $9,250,000 from the General Fund to the Department of Water Resources in the 2019–20 fiscal year to operate the Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program.

**AB 600**  
(Chu D)  
**Local government: organization: disadvantaged unincorporated communities.**  
Current Text: Chaptered: 10/8/2019  
Introduced: 2/14/2019  
Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Existing law prohibits a local agency formation commission from approving an annexation to a city of any territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community that is contiguous to the area of proposed annexation, unless an application to annex the disadvantaged unincorporated community into the subject city has been filed. This bill would clarify that the prohibition on approving an annexation involving a disadvantaged unincorporated community, as described above, applies to the annexation of territory greater than 10 acres, or smaller as determined by commission policy. The bill would also provide that the existing approval prohibition and the exemptions to the application requirement apply to the annexation of two or more contiguous areas that take place within 5 years of each other and that are individually less than 10 acres but cumulatively more than 10 acres.

**AB 637**  
(Gray D)  
**State Water Resources Control Board: disadvantaged communities: drinking water.**  
Current Text: Amended: 4/11/2019  
Introduced: 2/15/2019  
Status: 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.  
Summary: Would require the State Water Resources Control Board, before taking an action that significantly impacts drinking water, to use existing information to identify impacted disadvantaged
communities and to seek to reduce impacts to those communities to the greatest extent practicable. The bill would also require the board to ensure that disadvantaged communities are provided an opportunity to participate in the public process for a decision that significantly impacts drinking water by holding a public hearing in or near an impacted community.

**AB 638**  
(Gray D) Department of Water Resources: water storage: climate change impacts.  
**Current Text:** Vetoed: 10/13/2019  
**Introduced:** 2/15/2019  
**Status:** 2/20/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.  
**Summary:** Current law requires the Department of Water Resources to gather and correlate information and data pertinent to an annual forecast of seasonal water crop, as specified. Current law also requires the department to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as the California Water Plan. This bill would require the department, as part of the update to the California Water Plan every 5 years, to identify water storage facilities vulnerable to climate change impacts and the mitigation strategies for anticipated adverse impacts, as provided.

**AB 654**  
(Rubio, Blanca D) Public records: utility customers: disclosure of personal information.  
**Current Text:** Introduced: 2/15/2019  
**Introduced:** 2/15/2019  
**Status:** 9/30/2020-Approved by the Governor. Chaptered by Secretary of State - Chapter 372, Statutes of 2020.  
**Summary:** Would authorize a local agency to disclose the name, utility usage data, and home address of utility customers to an officer or employee of another governmental agency when the disclosure is not necessary for the performance of the other governmental agency's official duties but is to be used for scientific, educational, or research purposes, and the requesting agency receiving the disclosed material agrees to maintain it as confidential in accordance with specified criteria.

**AB 756**  
(Garcia, Cristina D) Public water systems: perfluoroalkyl substances and polyfluoroalkyl substances.  
**Current Text:** Chaptered: 7/31/2019  
**Introduced:** 2/19/2019  
**Status:** 7/31/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 162, Statutes of 2019.  
**Summary:** Would authorize the State Water Resources Control Board to order a public water system to monitor for perfluoroalkyl substances and polyfluoroalkyl substances. The bill would require a community water system or a nontransient noncommunity water system, upon a detection of these substances, to report that detection, as specified. The bill would require a community water system or a nontransient noncommunity water system where a detected level of these substances exceeds the response level to take a water source where the detected levels exceed the response level out of use or provide a prescribed public notification.

**AB 782**  
**Current Text:** Chaptered: 8/30/2019  
**Introduced:** 2/19/2019  
**Status:** 8/30/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 181, Statutes of 2019.  
**Summary:** CEQA requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill could exempt from CEQA the acquisition, sale, or other transfer of interest in land by a public agency for certain purposes, or the granting or acceptance of funding by a public agency for those purposes.

**AB 841**  
**Current Text:** Chaptered: 9/30/2020  
**Introduced:** 2/20/2019  
**Status:** 9/30/2020-Approved by the Governor. Chaptered by Secretary of State - Chapter 372, Statutes of 2020.  
**Summary:** Current law requires the PUC, in consultation with the State Energy Resources Conservation and Development Commission and the State Air Resources Board, to direct electrical corporations to file applications for programs and investments to accelerate widespread transportation electrification to reduce dependence on petroleum, meet air quality standards, achieve the goals set forth in the Charge Ahead California Initiative, and reduce emissions of greenhouse gases to 40% below 1990 levels by 2030 and to 80% below 1990 levels by 2050. That law requires that the programs proposed by electrical corporations seek to minimize overall costs and maximize overall benefits. The PUC is required to approve, or modify and approve, programs and investments in transportation electrification, including those that deploy charging infrastructure, through a reasonable
<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Sponsor</th>
<th>Bill Title</th>
<th>Current Status</th>
<th>Introduced</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB 854</td>
<td>Mayes I</td>
<td>Imperial Irrigation District: retail electric service.</td>
<td>Introduced: 2/20/2019</td>
<td>2/20/2019</td>
<td>Would require the membership of the board of directors of the Imperial Irrigation District to increase from 5 to 11 members, with the 6 additional directors meeting certain qualifications, including that each be a resident of and qualified as eligible to vote in the County of Riverside. The bill would provide for the election of the additional directors at the 2020 general district election. The bill would authorize the district board to adopt a resolution decreasing the number of directors and the divisions from which they are elected from 11 to 5 if a public utility district is formed that provides electricity outside the territory of the Imperial Irrigation District and consists of a board of directors with a majority of seats representing the County of Riverside.</td>
</tr>
<tr>
<td>AB 868</td>
<td>Bigelow R</td>
<td>Electrical corporations: wildfire mitigation plans.</td>
<td>Amended: 4/9/2019</td>
<td>2/20/2019</td>
<td>Would require each electrical corporation that deenergizes portions of the distribution grid as a wildfire mitigation measure to adopt protocols for when deenergization will be undertaken and for providing notice and other steps to be taken to minimize any adverse effects from deenergization, as specified. The bill would require that the electrical corporation, in developing the protocols, consult with persons and institutions that are reasonably likely to be affected by a deenergization, including local schools, water suppliers, wastewater agencies, disability rights advocates, consumer groups, fire departments, law enforcement agencies, local government officials, local elected officials, hospitals, and communications providers.</td>
</tr>
<tr>
<td>AB 915</td>
<td>Mayes I</td>
<td>California Renewables Portfolio Standards Program.</td>
<td>Introduced: 2/20/2019</td>
<td>2/20/2019</td>
<td>Would require that retail sellers and local publicly owned electric utilities procure a minimum quantity of electricity products from eligible renewable energy resources so that the total kilowatthours of those products sold to their retail end-use customers achieve 68% of retail sales by December 31, 2033, 76% by December 31, 2036, and 80% by December 31, 2038. The bill would revise the definition of “eligible renewable resource” for purposes of the program to include on and after January 1, 2026, an electrical generation facility that has a specified point source emission level of carbon dioxide equivalent at, or below, a specified level, if the marginal increase in the cost of procurement from other eligible renewable energy resources exceeds a specified level.</td>
</tr>
<tr>
<td>AB 933</td>
<td>Petrie-Norris D</td>
<td>Ecosystem resilience: watershed protection: watershed coordinators.</td>
<td>Amended: 7/11/2019</td>
<td>2/20/2019</td>
<td>Would authorize the Department of Conservation, to the extent funds are available, to establish and administer the Ecosystem Resilience Program to fund watershed coordinator positions, as provided, and other necessary costs, throughout the state for the purpose of achieving specified goals, including the goal to develop and implement watershed improvement plans, and other plans to enhance the natural functions of a watershed, aligned with multiple statewide and regional objectives across distinct bioregions. The bill would require the department to develop performance measures and accountability controls to track progress and outcomes of all watershed coordinator grants.</td>
</tr>
<tr>
<td>AB 939</td>
<td>Frazier D</td>
<td>Administrative Procedure Act: major regulations.</td>
<td>Amended: 4/22/2019</td>
<td>2/20/2019</td>
<td>Current law requires a state agency proposing to adopt, amend, or repeal a major regulation to also prepare a standardized regulatory impact analysis, and defines a “major regulation” as a regulation that the state agency estimates will have an economic impact on California business enterprises and individuals in an amount exceeding $50,000,000. This bill would instead define “major regulation” to be a regulation that the state agency estimates will have an economic impact on California business enterprises and individuals in an amount exceeding $30,000,000.</td>
</tr>
</tbody>
</table>
**AB 945** (McCarty D) Local government: financial affairs: surplus funds.
Current Text: Chaptered: 10/8/2019 [html] [pdf]
Introduced: 2/20/2019
Summary: Current law prescribes the instruments and criteria by which a local agency, as defined, may invest and deposit its funds, including its surplus funds. This bill would instead, commencing January 1, 2020, authorize a local agency to invest and deposit the agency’s surplus funds in deposits at specified types of financial institutions whether those investments are in certificates of deposit or another form. The bill, from January 1, 2020, until January 1, 2026, would also increase to 50% the percentage of funds that can be so invested by a city, district, or other local agency that does not pool money in deposits or investments with other local agencies with a different governing body.

**AB 968** (Garcia, Cristina D) Community colleges: naturalist workforce model curriculum.
Current Text: Amended: 1/15/2020 [html] [pdf]
Introduced: 2/21/2019
Status: 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.
Summary: Would require the chancellor’s office to establish a naturalist workforce model curriculum and related vocational programs on or before July 31, 2022, for the 2022–23 academic year. The bill would require the chancellor’s office to consult with specified entities in developing the curriculum, and would require the Academic Senate for California Community Colleges to approve, modify, or reject the curriculum. The bill would require the chancellor to submit a report to the Governor and Legislature on or about March 1 of each year providing assessments on the curriculum and related vocational programs.

**AB 1180** (Friedman D) Water: recycled water.
Current Text: Chaptered: 10/2/2019 [html] [pdf]
Introduced: 2/21/2019
Summary: The California Safe Drinking Water Act requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Current law requires, on or before January 1, 2020, the state board to adopt standards for backflow protection and cross-connection control through the adoption of a policy handbook, as specified. This bill would require that handbook to include provisions for the use of a swivel or changeover device to supply potable water to a dual-plumbed system during an interruption in recycled water service.

**AB 1184** (Gloria D) Public records: writing transmitted by electronic mail: retention.
Current Text: Vetoed: 10/13/2019 [html] [pdf]
Introduced: 2/21/2019
Status: 1/21/2020-Consideration of Governor's veto stricken from file.
Summary: Would, unless a longer retention period is required by statute or regulation, or established by the Secretary of State pursuant to the State Records Management Act, require a public agency, for purposes of the California Public Records Act, to retain and preserve for at least 2 years every public record, as defined, that is transmitted by electronic mail.

**AB 1220** (Garcia, Cristina D) Metropolitan water districts.
Current Text: Chaptered: 7/10/2019 [html] [pdf]
Introduced: 2/21/2019
Summary: Under the Metropolitan Water District Act, the board of a metropolitan water district is required to consist of at least one representative from each member public agency, as prescribed. The act authorizes each member public agency to appoint additional representatives not exceeding one additional representative for each 5% of the assessed valuation of property taxable for district purposes within the entire district that is within the boundaries of that member public agency. This bill would prohibit a member public agency from having fewer than the number of representatives it had as of January 1, 2019.

**AB 1486** (Ting D) Surplus land.
Current Text: Chaptered: 10/9/2019 [html] [pdf]
Introduced: 2/22/2019
Summary: Current law prescribes requirements for the disposal of surplus land by a local agency. Current law defines "local agency" for these purposes as every city, county, city and county, and district, including school districts of any kind or class, empowered to acquire and hold real property.
This bill would expand the definition of “local agency” to include sewer, water, utility, and local and regional park districts, joint powers authorities, successor agencies to former redevelopment agencies, housing authorities, and other political subdivisions of this state and any instrumentality thereof that is empowered to acquire and hold real property, thereby requiring these entities to comply with these requirements for the disposal of surplus land. The bill would specify that the term “district” includes all districts within the state, and that this change is declaratory of existing law.

**AB 1588**  (Gloria D)  Drinking water and wastewater operator certification programs.
- **Current Text:** Chaptered: 10/11/2019  html, pdf
- **Introduced:** 2/2/2019
- **Status:** 10/11/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 760, Statutes of 2019.
- **Summary:** Current law requires the State Water Resources Control Board to issue a water treatment operator certificate and water distribution operator certificate by reciprocity to any person holding a valid, unexpired, comparable certification issued by another state, the United States, prescribed territories or tribal governments, or a unit of any of these. Current law requires the board to classify types of wastewater treatment plants for the purpose of determining the levels of competence necessary to operate them. This bill would require the board to evaluate opportunities to issue a water treatment operator certificate or water distribution operator certificate by reciprocity, or a wastewater certificate by examination waiver, to persons who performed duties comparable to those duties while serving in the United States military, as specified.

- **Current Text:** Chaptered: 9/29/2020  html, pdf
- **Introduced:** 2/2/2019
- **Status:** 9/29/2020-Approved by the Governor. Chaptered by Secretary of State - Chapter 271, Statutes of 2020.
- **Summary:** Would require, on or before March 1, 2021, the State Energy Resources Conservation and Development Commission to establish, as provided, and convene the Blue Ribbon Commission on Lithium Extraction in California, with specified members appointed as prescribed. The bill would require the Blue Ribbon Commission to review, investigate, and analyze certain issues and potential incentives, as described, regarding lithium extraction and use in California, and to consult, if feasible, with the United States Environmental Protection Agency and the United States Department of Energy in performing these tasks. The bill would require the Blue Ribbon Commission to submit, on or before October 1, 2022, a report to the Legislature documenting its findings and recommendations, as specified.

**AB 1672**  (Bloom D)  Solid waste: premoistened nonwoven disposable wipes.
- **Current Text:** Amended: 7/9/2020  html, pdf
- **Introduced:** 2/2/2019
- **Status:** 8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. APPR. SUSPENSE FILE on 8/20/2020)
- **Summary:** The California Integrated Waste Management Act of 1989, administered by the Department of Resources Recycling and Recovery, generally regulates the disposal, management, and recycling of solid waste. This bill would require except as provided, certain premoistened nonwoven disposal wipes manufactured on or after January 1, 2022 to be labeled clearly and conspicuously to communicate that they should not be flushed, as specified. The bill would prohibit a covered entity, as defined, from making a representation about the flushable attributes, benefits, performance, or efficacy of those nonwoven disposable products, as provided.

**AB 2060**  (Holden D)  Drinking water: pipes and fittings: lead content.
- **Current Text:** Amended: 8/3/2020  html, pdf
- **Introduced:** 2/4/2020
- **Status:** 8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. APPR. SUSPENSE FILE on 8/20/2020)
- **Summary:** Would, commencing January 1, 2024, additionally define “lead free,” for purposes of conveying or dispensing water for human consumption, to mean does not leach more than one microgram of lead under certain tests and meeting a specified certification when used with respect to certain endpoint devices, as defined. The bill would, notwithstanding that commencement date, impose a progressively increasing minimum percentage for a manufacturer that sells or offers for sale in the state products subject to that definition of “lead free” to comply with that definition, commencing January 1, 2021, with 100% compliance on January 1, 2024, as compared to the total number of those product models sold or offered for sale in the state by that manufacturer on July 1, 2019.

**AB 2089**  (Rivas, Luz D)  Resilient Economies and Community Health Pilot Program.
- **Current Text:** Amended: 3/9/2020  html, pdf
- **Introduced:** 2/5/2020
**AB 2093 (Gloria D)**  
Public records: writing transmitted by electronic mail: retention.  
**Current Text:** Introduced: 2/5/2020  
Introduced: 2/5/2020  
**Status:** 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 2/14/2020)  
**Summary:** Would establish the Resilient Economies and Community Health Pilot Program from January 1, 2021, through December 31, 2025, and would have the program be administered by the Strategic Growth Council as a grant pilot program for eligible community-based organizations, as defined, to provide a comprehensive suite of coordinated incentives and services to disadvantaged communities, as defined, at the resident household level to provide economic savings, reduce greenhouse gas emissions and air pollution, and improve resiliency to the impacts of climate change. The bill would require the council to submit specified reports to the Legislature on the program no later than January 1, 2025.

---

**AB 2178 (Levine D)**  
Emergency services.  
**Current Text:** Amended: 7/8/2020  
Introduced: 2/11/2020  
**Status:** 6/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. G.O. on 6/23/2020)  
**Summary:** Current law defines the terms “state of emergency” and “local emergency” to mean a duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by, among other things, fire, storm, or riot. This bill would additionally include a deemergent, defined as a planned public safety power shutoff, as specified, within those conditions constituting a state of emergency and a local emergency.

---

**AB 2182 (Rubio, Blanca D)**  
Emergency backup generators: water and wastewater facilities: exemption.  
**Current Text:** Introduced: 2/11/2020  
Introduced: 2/11/2020  
**Status:** 6/5/2020-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. U. & E. on 3/2/2020)  
**Summary:** Would exempt the operation of an alternative power source, as defined, to provide power to a critical facility, as defined, from any local, regional, or state regulation regarding the operation of that source. The bill would authorize providers of essential public services, in lieu of compliance with applicable legal requirements, to comply with the maintenance and testing procedure set forth in the National Fire Protection Association Standard for Emergency and Standby Power System, NFPA 110, for alternative power sources designated by the providers for the support of critical facilities.

---

**AB 2296 (Quirk D)**  
State Water Resources Control Board: local primacy delegation: funding stabilization program.  
**Current Text:** Vetoed: 9/29/2020  
Introduced: 2/14/2020  
**Status:** 9/29/2020-Vetoed by Governor.  
**Summary:** Would authorize the State Water Resources Control Board to delegate partial responsibility for the California Safe Drinking Water Act’s administration and enforcement by means of a local primacy delegation agreement. The bill would authorize the state board, for counties that have not been delegated primary responsibility as of January 1, 2021, to offer an opportunity for the county to apply for partial or primary responsibility if the state board determines that it needs assistance in performing administrative and enforcement activities, as specified. The bill would authorize the state board to approve the application for delegation if the state board determines that the local health officer is able to sufficiently perform the administrative and enforcement activities and would specify that a local primacy agency has all of the authority over designated public water systems as is granted to the state board by the act.

---

**AB 2322 (Friedman D)**  
Small water suppliers and rural communities: drought and water shortage planning: repeal.  
**Current Text:** Introduced: 2/14/2020  
Introduced: 2/14/2020  
**Status:** 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was PRINT on 2/14/2020)  
**Summary:** Current law makes legislative findings and declarations regarding drought planning for small water suppliers and rural communities, and requires the Department of Water Resources, in consultation with the State Water Resources Control Board and other relevant state and local agencies and stakeholders, to use available data to identify, no later than January 1, 2020, small water suppliers and rural communities that may be at risk of drought and water shortage vulnerability.
and notify counties and groundwater sustainability agencies of those suppliers or communities. Current law requires the department, in consultation with the state board, to propose to the Governor and the Legislature, by January 1, 2020, recommendations and guidance relating to the development and implementation of countywide drought and water shortage contingency plans to address the planning needs of small water suppliers and rural communities, as provided. This bill would repeal these provisions.

**AB 2324**  
**Friedman D** Accessory dwelling units: prohibition of rent or lease.  
**Current Text:** Amended: 5/4/2020  
**Introduced:** 2/14/2020  
**Status:** 6/5/2020-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. H. & C.D. on 4/24/2020)  
**Summary:** The Planning and Zoning Law authorizes a local agency to provide, by ordinance, for the creation of accessory dwelling units in single-family and multifamily dwelling residential zones and requires a local agency that has not adopted an ordinance to ministerially approve an application for an accessory dwelling unit. Current law also authorizes a local agency to allow, by ordinance, for the sale or conveyance of an accessory dwelling unit separate from the primary residence to a qualified buyer, as defined, upon meeting specified conditions. This bill would prohibit a person, as defined, from renting or leasing more than 15 of the person’s accessory dwelling units, as defined, in the state.

**AB 2570**  
**Stone, Mark D** False Claims Act.  
**Current Text:** Amended: 7/2/2020  
**Introduced:** 2/20/2020  
**Status:** 8/18/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was S. JUD. on 7/1/2020)  
**Summary:** The False Claims Act requires a complaint filed by a qui tam plaintiff to be filed in superior court in camera and allows the complaint to remain under seal for up to 60 days to allow for the Attorney General or prosecuting attorney to elect to intervene and proceed with the action or to decline to proceed, as specified. The act prohibits service to be made on the defendant until after the complaint is unsealed. This bill, with respect to whether a false record or statement is material, would require that the materiality test focus on the potential effect of the false record or statement when it is made. This bill would specify that the amount of damages, as described above, include consequential damages. The bill would state that these changes are declaratory of existing law.

**AB 2619**  
**Stone, Mark D** Coastal resources: Program for Coastal Resilience, Adaptation, and Access.  
**Current Text:** Introduced: 2/20/2020  
**Introduced:** 2/20/2020  
**Status:** 6/5/2020-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. APPR. SUSPENSE FILE on 6/2/2020)  
**Summary:** Would establish the Program for Coastal Resilience, Adaptation, and Access for the purpose of funding specified activities intended to help the state prepare, plan, and implement actions to address and adapt to sea level rise and coastal climate change. The bill would create the Coastal Resilience, Adaptation, and Access Fund in the State Treasury, and would authorize the California Coastal Commission and specified state agencies to expend moneys in the fund, upon appropriation in the annual Budget Act, to take actions, based upon the best scientific information, that are designed to address and adapt to sea level rise and coastal climate change, as prescribed.

**AB 2629**  
**Mayes I** Imperial Irrigation District: retail electric service.  
**Current Text:** Amended: 5/4/2020  
**Introduced:** 2/20/2020  
**Status:** 6/5/2020-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. L. GOV. on 4/24/2020)  
**Summary:** Would require the State Energy Resources Conservation and Development Commission, the Imperial County Local Agency Formation Commission, and the Riverside County Local Agency Formation Commission to meet to determine the sphere of influence of the Imperial Irrigation District and options for electrical service to the energy service area of the Imperial Irrigation District at the end of a certain lease of electrical rights and to evaluate related issues of the water rights of the Imperial Irrigation District and would, on or before June 30, 2021, require the Imperial Irrigation District to submit any requested documents and information to the Energy Commission for these purposes. The bill would require the Energy Commission to study options to extend representation on the board of directors of the Imperial Irrigation District, for a specified time, to residents within the energy service area of the Imperial Irrigation District but outside its jurisdictional boundaries.

**AB 2659**  
**Chen R** Public agencies: information practices.  
**Current Text:** Introduced: 2/20/2020  
**Introduced:** 2/20/2020  
**Status:** 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was P. & C.P. on 3/12/2020)  
**Summary:** The Information Practices Act of 1977 prescribes a set of requirements, prohibitions, and
remedies applicable to public agencies, as defined, with regard to their collection, storage, and disclosure of personal information. The act specifically requires an agency to establish rules of conduct for persons involved in the design, development, operation, disclosure, or maintenance of records containing personal information and to instruct these people with respect to the rules and the requirements of the act. This bill would require that the above-described rules of conduct include security awareness and training policies and procedures.

**AB 2676**  
**Current Text:** Introduced: 2/20/2020  
**Introduced:** 2/20/2020  
**Status:** 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was JUD. on 3/2/2020)  
**Summary:** Current law exempts from disclosure critical infrastructure information, as defined, that is voluntarily submitted to the Office of Emergency Services for use by that office, including the identity of the person who or entity that voluntarily submitted the information. Current law defines "voluntarily submitted" for that purpose. This bill would remove the restriction that the submission be voluntary, thereby expanding that exemption.

**AB 2748**  
**(Fong R)** Consumer credit reports: security freezes: protected consumers.  
**Current Text:** Amended: 5/4/2020  
**Introduced:** 2/20/2020  
**Status:** 6/5/2020-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. P. & C.P. on 3/12/2020)  
**Summary:** Current law requires a consumer credit reporting agency to place a security freeze for a protected consumer, defined as an individual who is under 16 years of age at the time a request for the placement of a security freeze is made, an incapacitated person or a protected individual for whom a guardian or conservator has been appointed, or a person under the jurisdiction of a county welfare department or county probation department who has been placed in a foster care setting and is under 16 years of age at the time a request for a security freeze is made, upon that consumer’s representative’s request and compliance with certain requirements. This bill instead would include in the definition of protected consumer an individual who is under the jurisdiction of a county probation department, has been placed in a foster care setting, and is under 19 years of age at the time of the request for placement of a security freeze is made.

**AB 2789**  
**Current Text:** Amended: 3/16/2020  
**Introduced:** 2/20/2020  
**Status:** 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was U. & E. on 3/2/2020)  
**Summary:** Current law establishes the State Energy Resources Conservation and Development Commission and sets forth its powers and duties. Current law requires the commission, at least every 2 years, to conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices. This bill would require the commission to make specified determinations relating to distributed energy resources and the electric transmission and distribution systems by January 1, 2022.

**AB 2839**  
**Current Text:** Introduced: 2/20/2020  
**Introduced:** 2/20/2020  
**Status:** 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 3/2/2020)  
**Summary:** Would establish the California Deserts Conservancy in the agency to undertake various conservation activities, as prescribed, related to the California deserts region, as defined, to protect, conserve, and restore that region’s natural, cultural, archaeological, historical, and physical resources, among other functions. The bill would require the conservancy to be governed by a 13-member board of directors, as prescribed, with up to 3 additional nonvoting board members, as specified.

**AB 3147**  
**(Gabriel D)** Fees for development projects.  
**Current Text:** Introduced: 2/21/2020  
**Introduced:** 2/21/2020  
**Status:** 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was L. GOV. on 3/9/2020)  
**Summary:** Would require a judicial action or proceeding to be conducted in accordance with other procedures that, among other things, require a protest to be filed within 90 days after the imposition of the fees and an action to attack, review, set aside, void, or annul the imposition of the fees to be filed within 180 days after delivery of a specified notice by the local agency. The bill would require revenues in excess of actual cost to be used to reimburse the payor of the fee or service charge.

**AB 3256**  
*Current Text:* Vetoed: 9/27/2019  [html](#)  [pdf](#)
*Introduced:* 12/3/2018
*Status:* 1/13/2020-Stricken from file. Veto sustained.
*Summary:* Current state law regulates the discharge of air pollutants into the atmosphere. The Porter-Cologne Water Quality Control Act regulates the discharge of pollutants into the waters of the state. The California Safe Drinking Water Act establishes standards for drinking water and regulates drinking water systems. The California Endangered Species Act requires the Fish and Game Commission to establish a list of endangered species and a list of threatened species, and generally prohibits the taking of those species. This bill would, until January 20, 2025, require specified agencies to take prescribed actions regarding certain federal requirements and standards pertaining to air, water, and protected species, as specified. By imposing new duties on local agencies, this bill would impose a state-mandated local program.

*Current Text:* Amended: 1/23/2020  [html](#)  [pdf](#)
*Introduced:* 12/3/2018
*Status:* 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. DESK on 1/29/2020)
*Summary:* Would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of $5,510,000,000 pursuant to the State General Obligation Bond Law to finance projects for a wildfire prevention, safe drinking water, drought preparation, and flood protection program.

**SB 134** (Hertzberg D) Water conservation: water losses: enforcement.
*Current Text:* Chaptered: 8/30/2019  [html](#)  [pdf](#)
*Introduced:* 1/15/2019
*Summary:* Current law requires the State Water Resources Control Board, no earlier than January 1, 2019, and no later than July 1, 2020, to adopt rules requiring urban retail water suppliers to meet performance standards for the volume of water losses. This bill would prohibit the board from issuing an information order, written notice, or conservation order to an urban retail water supplier that does not meet its urban water use objective if the board determines the urban retail water supplier is not meeting its urban water use objective solely because the volume of water loss exceeds the urban retail water supplier's standard for water loss and the board is taking enforcement action against the urban retail water supplier for not meeting the performance standards for the volume of water losses.
SB 166 (Wiener D) Process water treatment systems: breweries.
Introduced: 1/28/2019
Status: 8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was A. 2 YEAR on 8/30/2019)
Summary: Current law requires, on or before December 1, 2022, the State Water Resources Control Board, in consultation with specified state agencies, to adopt regulations for risk-based water quality standards for the onsite treatment and reuse of nonpotable water, as provided. Current law requires that a local jurisdiction establish a program for onsite treated nonpotable water systems before any such systems are installed. This bill would require the state board, on or before December 1, 2025, in consultation with the State Department of Public Health, Food and Drug Branch, to adopt regulations for microbiological, chemical, and physical water quality and treatment requirements for voluntary onsite treatment and reuse of process water in breweries, as specified.

SB 241 (Moorlach R) Personal Income Tax: California Voluntary Contribution Program.
Introduced: 2/11/2019
Status: 2/3/2020-Returned to Secretary of Senate pursuant to Joint Rule 56.
Summary: Current law contains administrative provisions generally applicable to a new or extended voluntary tax contribution. Current law provides for various voluntary contribution funds to be listed on the personal income tax return, including the California Firefighters’ Memorial Fund and the California Peace Officer Memorial Foundation Fund, which are both repealed on January 1, 2021, except as otherwise provided. This bill would remove the repeal dates for the California Firefighters’ Memorial Fund and the California Peace Officer Memorial Foundation Fund, thereby allowing those voluntary contribution funds to be listed on the personal income tax return indefinitely.

SB 255 (Bradford D) Women, minority, disabled veteran, and LGBT business enterprise procurement: electric service providers: energy storage system companies: community choice aggregators.
Current Text: Chaptered: 10/2/2019 html pdf
Introduced: 2/12/2019
Summary: Current law directs the Public Utilities Commission to require every electrical corporation, gas corporation, water corporation, wireless telecommunications service provider, and telephone corporation with annual gross revenues exceeding $25,000,000, and their regulated subsidiaries and affiliates, to annually submit a detailed and verifiable plan for increasing procurement from women, minority, disabled veteran, and LGBT business enterprises in all categories, including renewable energy, wireless telecommunications, broadband, smart grid, and rail projects. This bill would change the $25,000,000 annual gross revenue threshold above which these requirements become applicable to $25,000,000 in gross annual California revenues, and would extend these requirements to electric service providers, as specified.

SB 307 (Roth D) Water conveyance: use of facility with unused capacity.
Current Text: Chaptered: 7/31/2019 html pdf
Introduced: 2/15/2019
Summary: Current law prohibits the state or a regional or local public agency from denying a bona fide transferor of water from using a water conveyance facility that has unused capacity for the period of time for which that capacity is available, if fair compensation is paid for that use and other requirements are met. This bill would, notwithstanding that provision, prohibit a transferor of water from using a water conveyance facility that has unused capacity to transfer water from a groundwater basin underlying desert lands, as defined, that is in the vicinity of specified federal lands or state lands to outside of the groundwater basin unless the State Lands Commission, in consultation with the Department of Fish and Wildlife and the Department of Water Resources, finds that the transfer of the water will not adversely affect the natural or cultural resources of those federal or state lands, as provided.

SB 332 (Hertzberg D) Wastewater treatment: recycled water.
Current Text: Amended: 4/30/2019 html pdf
Introduced: 2/19/2019
Status: 2/3/2020-Returned to Secretary of Senate pursuant to Joint Rule 56.
Summary: Would declare, except in compliance with the bill’s provisions, that the discharge of treated wastewater from ocean outfalls is a waste and unreasonable use of water. The bill would require each wastewater treatment facility that discharges through an ocean outfall and affiliated water suppliers to reduce the facility’s annual flow as compared to the average annual wastewater discharge baseline volume, as prescribed, by at least 50% on or before January 1, 2030, and by at least 95% on or before January 1, 2040. The bill would subject the owner or operator of a wastewater treatment facility, as
well as the affiliated water suppliers, to a civil penalty of $2,000 per acre-foot of water above the required reduction in overall volume discharge for the failure to meet these deadlines.

**SB 378**  
(Wiener D)  
**Probation: eligibility:** crimes relating to controlled substances.  
**Current Text:** Amended: 7/27/2020  
**Introduced:** 2/20/2019  
**Status:** 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. RLS. on 7/27/2020)  
**Summary:** Current law prohibits granting probation or suspending a sentence for persons convicted of specified crimes relating to controlled substances, including possessing or agreeing to sell or transport opiates or opium derivatives, possessing or transporting cannabis, planting or cultivating peyote, and various crimes relating to forging or altering prescriptions, among other crimes, if the person has previously been convicted of any one of specified felony offenses relating to controlled substances. Current law also prohibits granting probation or suspending a sentence for persons convicted of specified crimes relating to controlled substances, including possessing for sale or selling 14.25 grams or more of a substance containing heroin and possessing for sale 14.25 grams or more of any salt or solution of phencyclidine or its analogs, among other crimes. This bill would delete various crimes relating to controlled substances, including, but not limited to, the crimes described above, from those prohibitions against granting probation or a suspended sentence.

**SB 386**  
(Caballero D)  
**California Renewables Portfolio Standard Program: irrigation districts.**  
**Current Text:** Amended: 5/29/2019  
**Introduced:** 2/20/2019  
**Status:** 2/3/2020-Returned to Secretary of Senate pursuant to Joint Rule 56.  
**Summary:** Would authorize a local publicly owned electric utility that is an irrigation district to elect to credit its share of the total electricity generated by the Don Pedro Hydroelectric Project, commensurate with its ownership share of that project, as meeting its renewables portfolio standard procurement requirements. The bill would require that an election by an irrigation district to apply its proportionate share of the electricity generated by the Don Pedro Hydroelectric Project to meet its renewables portfolio standard procurement requirements would be for all of its proportionate share of the generation, including any portion of the electricity that is an eligible renewable energy resource because it results from efficiency improvements at the project.

**SB 414**  
(Caballero D)  
**Small System Water Authority Act of 2019.**  
**Current Text:** Amended: 6/25/2019  
**Introduced:** 2/20/2019  
**Status:** 8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was A. APPR. SUSPENSE FILE on 8/18/2020)  
**Summary:** Would create the Small System Water Authority Act of 2019 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2020, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance, for the period from July 1, 2018, through December 31, 2019, with one or more state or federal primary drinking water standard maximum contaminant levels, as specified.

**SB 487**  
(Caballero D)  
**Department of Water Resources: aerial snow survey.**  
**Current Text:** Vetoed: 10/13/2019  
**Introduced:** 2/21/2019  
**Status:** 1/13/2020-Stricken from file. Veto sustained.  
**Summary:** Current law requires the Department of Water Resources to gather and correlate information and data pertinent to an annual forecast of seasonal water crop, including the making of snow surveys, either independently or in cooperation with any person or any county, state, federal, or other agency. This bill would require, to the extent an appropriation is made for these purposes, the department's California snow survey program to conduct aerial surveys of the snowpack and conduct supporting forecasts of runoff volume and timing for the watersheds of the Sierra Nevada and Cascade Range and the Klamath-Trinity Mountains, including areas that drain or supply water to major reservoirs and lakes.

**SB 513**  
(Hurtado D)  
**State Water Resources Control Board: grants: interim relief: private water wells.**  
**Current Text:** Chaptered: 9/27/2019  
**Introduced:** 2/21/2019  
**Status:** 9/27/2019-Approved by the Governor. Chaptered by Secretary of State. Chapter 373, Statutes of 2019.  
**Summary:** Would authorize the State Water Resources Control Board to provide grants to eligible applicants to be used to provide interim relief, as specified, to households in which a private water well has gone dry, or has been destroyed, due to drought, wildfire, or other natural disaster, subject to
appropriation of funds for that purpose by the Legislature. The bill would authorize the board to provide up to 10% of the funds appropriated for these purposes to eligible applicants for planning related to permanent solutions for private water wells that have gone dry, or have been destroyed, due to drought, wildfire, or other natural disaster.

**SB 625**  
*(Bradford D)*  
**Central Basin Municipal Water District: receivership.**  
**Current Text:** Amended: 6/8/2020  
**Introduced:** 2/22/2019  
**Status:** 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. RLS. on 6/18/2020)  
**Summary:** Would dissolve the board of directors of the Central Basin Municipal Water District (CBMWD) and provide that the November 3, 2020, election for directors of CBMWD shall not occur. The bill would require the Water Replenishment District of Southern California (WRD) to act as the receiver for CBMWD, would vest WRD with all necessary powers under the Municipal Water District Law of 1911 to take control of CBMWD, and would transfer all powers vested in the board of directors of CBMWD to the board of directors of WRD, except as specified. The bill would require CBMWD’s board of directors to surrender all control of CBMWD and its resources to WRD.

**SB 785**  
*(Committee on Natural Resources and Water)*  
**Public resources: parklands, freshwater resources, and coastal resources: off-highway motor vehicles: public lands.**  
**Current Text:** Chaptered: 10/2/2019  
**Introduced:** 3/11/2019  
**Status:** 10/2/2019-Approved by the Governor. Chaptered by Secretary of State. Chapter 469, Statutes of 2019.  
**Summary:** Current law, until January 1, 2020, generally prohibits a person from possessing, importing, shipping, or transporting in the state, or from placing, planting, or causing to be placed or planted in any water within the state, dreissenid mussels, and authorizes the Director of Fish and Wildlife or the director’s designee to engage in various enforcement activities with regard to dreissenid mussels. Among those activities, current law authorizes the director to conduct inspections of waters of the state and facilities located within waters of the state that may contain dreissenid mussels and, if those mussels are detected or may be present, order the closure of the affected waters or facilities to conveyances or otherwise restrict access to the affected waters or facilities, with the concurrence of the Secretary of the Natural Resources Agency. This bill would extend to January 1, 2030, the repeal date of those provisions.

**SB 865**  
*(Hill D)*  
**Excavations: subsurface installations.**  
**Current Text:** Chaptered: 9/29/2020  
**Introduced:** 1/17/2020  
**Status:** 9/29/2020-Approved by the Governor. Chaptered by Secretary of State. Chapter 307, Statutes of 2020.  
**Summary:** Would provide that the California Underground Facilities Safe Excavation Board is also known as the “Dig Safe Board” and would make conforming changes to references in the act. The bill would require the board, on and after January 1, 2022, to be within the Office of Energy Infrastructure Safety within the Natural Resources Agency, as established pursuant to the California Energy Infrastructure Safety Act. The bill would require policy committee review at least once every 3 years.

**SB 931**  
*(Wieckowski D)*  
**Local government meetings: agenda and documents.**  
**Current Text:** Amended: 4/2/2020  
**Introduced:** 2/5/2020  
**Status:** 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was GOV. & F. on 2/12/2020)  
**Summary:** The Ralph M. Brown Act requires meetings of the legislative body of a local agency to be open and public and also requires regular and special meetings of the legislative body to be held within the boundaries of the territory over which the local agency exercises jurisdiction, with specified exceptions. Current law authorizes a person to request that a copy of an agenda, or a copy of all the documents constituting the agenda packet, of any meeting of a legislative body be mailed to that person. This bill would require, if the local agency has an internet website, a legislative body or its designee to email a copy of, or website link to, the agenda or a copy of all the documents constituting the agenda packet if the person requests that the items be delivered by email. The bill would require, where the local agency determines it is technologically infeasible to send a copy of all documents constituting the agenda packet or a website link containing the documents by electronic mail or by other electronic means, the legislative body or its designee to send by electronic mail a copy of the agenda or a website link to the agenda and mail a copy of all other documents constituting the agenda packet in accordance with the mailing requirements.

**SB 952**  
*(Nielsen R)*  
**Sales and use taxes: exemption: backup electrical generators: deenergization events.**  
**Current Text:** Amended: 5/29/2020
**SB 996**

*Portantino D*  
**State Water Resources Control Board: Constituents of Emerging Concern Program.**  
*Current Text: Amended: 4/1/2020*  
*Introduced: 2/13/2020*  
*Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was E.Q. on 3/5/2020)*  
*Summary: Would require the State Water Resources Control Board to establish, maintain, and direct an ongoing, dedicated program called the Constituents of Emerging Concern Program to assess the state of information and recommend areas for further study on constituents of emerging concern in drinking water that may pose risks to public health. The bill would require the state board to establish the Stakeholder Advisory Group and, by an unspecified date, the Science Advisory Panel, both as prescribed, to assist in the gathering and development of information for the program, among other functions. The bill would require the program to provide opportunities for public participation, including conducting stakeholder meetings and workshops to solicit relevant information and feedback for development and implementation of the program.*

**SB 1044**

*Allen D*  
**Firefighting equipment and foam: PFAS chemicals.**  
*Current Text: Chaptered: 9/29/2020*  
*Introduced: 2/18/2020*  
*Summary: Would, commencing January 1, 2022, require any person, as defined, including a manufacturer, as defined, that sells firefighter personal protective equipment to any person to provide a written notice to the purchaser at the time of sale if the firefighter personal protective equipment contains intentionally added perfluoroalkyl and polyfluoroalkyl substances (PFAS). The bill would require the seller and the purchaser to retain a copy of the written notice on file for at least 3 years and to furnish the notice and associated sales documentation the Attorney General, a city attorney, a county counsel, or a district attorney within 60 days upon request, as provided. The bill would authorize the Attorney General, a city attorney, a county counsel, or a district attorney to request from a manufacturer, and the bill would require the manufacturer to provide, a certificate of compliance that certifies that the manufacturer is in compliance with these provisions.*

**SB 1173**

*Durazo D*  
**Public employment: labor relations: employee information.**  
*Current Text: Amended: 8/24/2020*  
*Introduced: 2/20/2020*  
*Status: 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. INACTIVE FILE on 9/1/2020)*  
*Summary: Current law, including the Meyers-Milias-Brown Act, the Ralph C. Dills Act, the Trial Court Employment Protection and Governance Act, the Trial Court Interpreter Employment and Labor Relations Act, and the Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act, provisions commonly referred to as the Educational Employment Relations Act, and the Higher Education Employer-Employee Relations Act, among others, regulates the labor relations of the state, the courts, and specified local public agencies and their employees. Current law requires these public employers to provide certain labor representatives with the names and home addresses of newly hired employees, as well as their job titles, departments, work locations, telephone numbers, and personal email addresses, within 30 days of hire or by the first pay period of the month following hire. Current law also requires the public employers to provide this information for all employees in a bargaining unit at least every 120 days, except as specified. This bill, beginning on July 1, 2021, would generally authorize an exclusive representative to file a charge of an unfair labor practice with the Public Employment Relations Board, as specified, alleging a violation of the above-described requirements.*

**SB 1185**

*Moorlach R*  
**Emergency backup generators: operation during deenergization events.**  
*Current Text: Amended: 7/27/2020*  
*Introduced: 2/20/2020*  
*Status: 8/14/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was A. NAT. RES. on*
**SB 1188**  (Stern D) The California Water Plan.

**Current Text:** Amended: 4/8/2020  [html](#)  [pdf](#)

**Introduced:** 2/20/2020  

**Status:** 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was N.R. & W. on 3/5/2020)

**Summary:** Current law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as The California Water Plan. Current law requires the department to include a discussion of various strategies in the plan update, including, but not limited to, strategies relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, water transfers, and alternative pricing policies that may be pursued in order to meet the future needs of the state. This bill would require the department to include in the plan update, instead of a discussion of various strategies, a discussion of various strategies for increasing regional water resilience, as defined.

**SB 1215**  (Stern D) Electricity: microgrids.

**Current Text:** Amended: 7/27/2020  [html](#)  [pdf](#)

**Introduced:** 2/20/2020  

**Status:** 8/14/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was A. U. & E. on 6/29/2020)

**Summary:** Would require the Public Utilities Commission, in consultation with the Office of Emergency Services, to create a database of critical facilities and critical infrastructure, and related critical circuits that are located in tier 2 or tier 3 high fire-threat districts served by electrical corporations, and identify with respect to each whether it serves low-income households or low-income communities, as defined. The bill would require an electrical corporation, upon request, to collaborate with local governments or community choice aggregators within its service area to identify critical circuits and microgrid projects.

**SB 1217**  (Dahle R) Urban water use targets: indoor residential water use: standards: studies and investigations: reports.

**Current Text:** Amended: 3/26/2020  [html](#)  [pdf](#)

**Introduced:** 2/20/2020  

**Status:** 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was N.R. & W. on 3/5/2020)

**Summary:** Current law requires an urban retail water supplier to adopt one of specified methods for determining its urban water use target, including estimating the per capita daily water use using the sum of 55 gallons per capita daily for indoor residential water use and a specified water efficiency standard for landscape irrigation use. This bill would revise that method of estimating the per capita daily water use to require an urban retail water supplier to use, instead of 55 gallons per capita daily for indoor residential water use, a standard that complies with the urban retail water supplier’s own criteria for indoor residential water use.

**SB 1301**  (Hueso D) Tijuana River Valley: watershed action plan.

**Current Text:** Chaptered: 9/30/2020  [html](#)  [pdf](#)

**Introduced:** 2/21/2020  

**Status:** 9/30/2020-Approved by the Governor. Chaptered by Secretary of State. Chapter 368, Statutes of 2020.

**Summary:** Would require, upon an appropriation by the Legislature, the California Environmental Protection Agency and the Natural Resources Agency to collaborate to create a Tijuana River Valley Watershed Action Plan, to be reviewed and updated on a 3-year cycle. The bill would require the plan to contain specified information. The bill would require, upon completion of the plan, the California Environmental Protection Agency and the Natural Resources Agency to consult with specified governmental entities to develop a common watershed action plan to address issues in the Tijuana River and its entire watershed, as provided.

**SB 1386**  (Moorlach R) Local government: assessments, fees, and charges: water: hydrants.

**Current Text:** Chaptered: 9/29/2020  [html](#)  [pdf](#)

**Introduced:** 2/21/2020  

**Status:** 9/28/2020-Approved by the Governor. Chaptered by Secretary of State. Chapter 240, Statutes of 2020.

**Summary:** Current law, known as the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with these requirements and, among other things, authorizes an agency providing water, wastewater, sewer, or refuse collection services to adopt
a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water, sewage treatment, or wastewater treatment or adjustments for inflation under certain circumstances. Current law defines, among other terms, the term “water” for these purposes to mean any system of public improvements intended to provide for the production, storage, supply, treatment, or distribution of water from any source. This bill would specify that hydrants, as defined, are part of the system of public improvements included in the definition of “water” for purposes of the Proposition 218 Omnibus Implementation Act.

**Total Measures: 81**

**Total Tracking Forms: 34**
October 14, 2020

Attention: Legislation and Public Outreach Committee

Final Status Report on State Legislation and Legislative Positions. (Information)

Purpose
This report identifies the final disposition of legislative measures that were reviewed and considered for position by the Water Authority Board of Directors during the 2019-2020 two-year legislative session, including the Governor’s final action on each measure, if applicable.

Discussion
The following represents an at-a-glance “scorecard” summary of the Water Authority position bills during the 2019-2020 legislative session.

All measures will become effective on January 1, 2021.

<table>
<thead>
<tr>
<th>Water Authority Board Position</th>
<th># of Bills</th>
<th>Amendments Taken?</th>
<th>Chaptered</th>
<th>Vetoed</th>
<th>Failed Passage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsor/Co-Sponsor</td>
<td>2</td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Support</td>
<td>21</td>
<td></td>
<td>4</td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>Support and Seek Amendments</td>
<td>3</td>
<td></td>
<td>1</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Support if Amended</td>
<td>7</td>
<td></td>
<td>1</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Oppose</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Oppose Unless Amended</td>
<td>4</td>
<td></td>
<td>2</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>TOTAL</td>
<td>39</td>
<td></td>
<td>5</td>
<td></td>
<td>34</td>
</tr>
</tbody>
</table>

**ASSEMBLY BILLS**

**AB 100 (Committee on Budget) – DRINKING WATER STATE GOVERNMENT**
Status: Chapter 20, Statutes of 2020
Water Authority Position: SUPPORT NO POSITION

As originally considered by the Board, AB 100 would have established the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and the long terms.

During the legislative session, AB 100 was substantially amended to completely remove the contents related to safe and affordable drinking water, and instead relates to the Alfred E. Alquist Seismic Safety Commission. As amended, the measure is no longer of interest to the Water Authority.
AB 217 (Burke) – INCOME TAXATION: CREDITS: EXCLUSION: FEDERAL CONFORMITY
Status: Failed Passage
Water Authority Position: OPPOSE UNLESS AMENDED NO POSITION

As originally considered by the Board, AB 217 (originally authored by Assemblymember Eduardo Garcia) would have enacted the Safe Drinking Water for All Act and would have established the Safe and Affordable Drinking Water Fund in the State Treasury. Among other things, AB 217 would have imposed a water tax as a revenue source to implement the state’s safe drinking water program.

The Water Authority proposed substantial amendments to AB 217, including the removal of the water tax provisions and statutorily linking several legislative measures to ensure robust funding through the Safe Drinking Water Trust Fund, financial contribution to the remedies from the production agricultural industry, and structural solutions as a complete package to comprehensively address safe drinking water in California.

During the legislative session, AB 217 was substantially amended to completely remove the contents related to safe and affordable drinking water, and instead relates to income taxation and federal conformity. As amended, the measure is no longer of interest to the Water Authority.

AB 291 (Chu) – LOCAL EMERGENCY PREPAREDNESS AND HAZARD MITIGATION FUND
Status: Failed Passage
Water Authority Position: SUPPORT

AB 291 would have established a Local Emergency Preparedness and Hazard Mitigation Fund to, upon appropriation by the Legislature, support staffing, planning, and other emergency mitigation priorities to help local governments meet emergency management, preparedness, readiness, and resilience goals. AB 291 would have also required the Office of Emergency Services to create the Local Emergency Preparedness and Hazard Mitigation Fund Committee and would require the Committee to adopt guidelines identifying eligible uses of the funds distributed for mitigation, prevention, preparedness, response, and recovery phases of emergency management that supports the development of a resilient community.

AB 292 (Quirk) – RECYCLED WATER: RAW WATER AND GROUNDWATER AUGMENTATION
Status: Failed Passage
Water Authority Position: SUPPORT

AB 292 would have eliminated the definition of “direct potable reuse” and instead would have substituted the term “groundwater augmentation” for “indirect potable reuse for groundwater recharge” and would have revised the definition of “treated drinking water augmentation.” AB 292 would have also required, on or before December 31, 2023, the State Water Resources
Control Board to adopt uniform water recycling criteria for raw water augmentation and would make conforming changes in other areas relating to potable reuse.

**AB 402 (Quirk) – STATE WATER RESOURCES CONTROL BOARD: LOCAL PRIMACY DELEGATION: FUNDING STABILIZATION PROGRAM**

Status: Failed Passage  
Water Authority Position: **OPPOSE UNLESS AMENDED NO POSITION**

As originally considered by the Board, AB 402 would have authorized the State Water Resources Control Board to fund oversight of small public drinking water systems in local primacy agency (LPA) counties by increasing fees paid by all public water systems, including those that are not within LPA counties or subject to LPA oversight.

The Water Authority worked closely with industry associations and other water agencies through a coalition effort to propose amendments to AB 402 that would have required LPAs to:

- Identify systems that are candidates for consolidation (thereby reducing costs)
- Establish a process in which only LPAs without sufficient funding would be able to participate
- Clarify the program would not fund the oversight of private wells
- Ensure the bill does not conflict or overlap with SB 200 (Monning)
- Add language indicating the source of funding for the program could come from the General Fund or other appropriate sources

The author accepted the coalition's proposed amendments, allowing the Water Authority to remove its opposition to the measure.

**AB 533 (Holden) – INCOME TAXES: EXCLUSION: TURF REMOVAL WATER CONSERVATION PROGRAM**

Status: Failed Passage  
Water Authority Position: **SUPPORT**

AB 533 would have extended, from January 1, 2019, to January 1, 2024, the sunset date for a gross income exclusion for amounts received from a local water agency or supplier as part of a turf removal water conservation program.

**AB 557 (Wood) – ATMOSPHERIC RIVERS: RESEARCH, MITIGATION AND CLIMATE FORECASTING PROGRAM**

Status: Failed Passage  
Water Authority Position: **SUPPORT**

AB 557 would have appropriated $9.25 million from the General Fund to the Department of Water Resources (DWR) in the 2019-20 fiscal year to operate the Atmospheric Rivers: Research, Mitigation and Climate Forecasting Program.
As originally considered by the Board, AB 841 would have required the Office of Environmental Health Hazard Assessment (OEHHA) to annually assess perfluoroalkyl and polyfluoroalkyl (PFAS) substances in drinking water, and would have required the following specific actions by OEHHA relative to PFAS:

- Adopt and complete a work plan by January 1, 2021 to assess which PFAS should be identified as a potential risk to human health.
- Consider which substances have the potential to be detected in California waters based on the prevalence of use of PFAS in California and which substances are technically feasible to detect based on current detection methodologies.
- Provide the Legislature with an update on the assessment.
- Assess PFAS annually as new information, scientific research, and detection methodologies become available.
- Coordinate with the State Water Resources Control Board (SWRCB) to collect water monitoring data on PFAS, as provided by the federal Unregulated Contaminant Monitoring Rule, established by the U.S. Environmental Protection Agency or the SWRCB’s investigative order authority.

During the legislative session, AB 841 was substantially amended to completely remove the contents related to PFAS, and instead relates to energy efficiency. As amended, the measure is no longer of interest to the Water Authority.

AB 854 would have required the membership of the board of directors of the Imperial Irrigation District (IID) to increase from 5 to 11 members, with the 6 additional directors meeting certain qualifications, including that each be a resident of and qualified as eligible to vote in the County of Riverside. AB 854 would have also provided for the election of the additional directors at the 2020 general district election. In addition, AB 854 would have authorized the IID board to adopt a resolution decreasing the number of directors and the divisions from which they are elected from 11 to 5 if a public utility district is formed that provides electricity outside the territory of
the IID and consists of a board of directors with a majority of seats representing the County of Riverside.

**AB 868 (Bigelow) – ELECTRICAL CORPORATIONS: WILDFIRE MITIGATION PLANS**
Status: Failed Passage
Water Authority Position: SUPPORT

AB 868 would have required each electrical corporation that deenergizes portions of the distribution grid as a wildfire mitigation measure to adopt protocols for when deenergization will be undertaken and for providing notice and other steps to be taken to minimize any adverse effects from deenergization, as specified. In addition, AB 868 would have required that the electrical corporation, in developing the protocols, consult with persons and institutions that are reasonably likely to be affected by a deenergization, including local schools, water suppliers, wastewater agencies, disability rights advocates, consumer groups, fire departments, law enforcement agencies, local government officials, local elected officials, hospitals, and communications providers.

**AB 1657 (Garcia) – SALTON SEA: OFFICE OF THE SALTON SEA: SALTON SEA OVERSIGHT COMMITTEE STATE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION: BLUE RIBBON COMMISSION ON LITHIUM EXTRACTION IN CALIFORNIA: REPORT.**
Status: Chapter 271, Statutes of 2020
Water Authority Position: SUPPORT NO POSITION

As originally considered by the Board, AB 1657 would have established the Office of the Salton Sea within the California Natural Resources Agency and requires the Secretary of Natural Resources to establish a Salton Sea Oversight Committee.

During the legislative session, AB 1657 was substantially amended to completely remove the contents related to the Salton Sea, and instead relates to energy resources. As amended, the measure is no longer of interest to the Water Authority.

**AB 1720 (Carrillo) – ENERGY: LONG-DURATION ENERGY STORAGE: PROCUREMENT**
Status: Failed Passage
Water Authority Position: WATCH

AB 1720 would have required the California Public Utilities Commission, by January 4, 2021, to report to the Governor, the Independent System Operator, the Department of Water Resources, and the State Energy Resources Conservation and Development Commission on the specific types and amount of long-duration energy storage and in-service dates of that storage included in the integrated resource plans submitted by load-serving entities.
AB 1936 (Rodriguez) – PRICE GOUGING: PUBLIC SAFETY POWER SHUTOFFS
Status: Failed Passage
Water Authority Position: SUPPORT IF AMENDED

AB 1936 would have applied price gouging prohibitions and penalties upon an announcement of a public safety power shutoff event by an official, board, or other governing body authorized to make that announcement in any county, city, or city and county.

The Water Authority proposed an amendment to AB 1936 to include generator rentals and generator parts and repairs in the list of services that would be covered under the price gouging statute to ensure that water agencies are not inappropriately charged when renting generators or seeking parts or repairs during a PSPS event. However, the measure failed passage prior to the author’s consideration of the Water Authority’s proposed amendments.

AB 2089 (Rivas) – RESILIENT ECONOMIES AND COMMUNITY HEALTH PILOT PROGRAM
Status: Failed Passage
Water Authority Position: SUPPORT

AB 2089 would have established the Resilient Economies and Community Health Pilot Program (to be known as the “outREACH” Program) from January 1, 2021, through December 31, 2025, and would have the program be administered by the Strategic Growth Council as a grant pilot program for eligible community-based organizations to provide a comprehensive suite of coordinated incentives and services to disadvantaged communities at the resident household level to provide economic savings, reduce greenhouse gas emissions and air pollution, and improve resiliency to the impacts of climate change.

AB 2178 (Levine) – EMERGENCY SERVICES
Status: Failed Passage
Water Authority Position: SUPPORT

Existing law – the California Emergency Services Act – authorizes the Governor to proclaim a state of emergency, and local officials and local governments to proclaim a local emergency, when conditions of disaster or extreme peril to the safety of persons and property exist, and authorizes the Governor or the appropriate local government to exercise certain powers in response to that emergency. Existing law also defines the terms “state of emergency” and “local emergency” to mean a duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by, among other things, fire, storm, or riot.

AB 2178 would have additionally included a de-energization, defined as a PSPS event, as a condition constituting a state of emergency or local emergency.
AB 2182 (Rubio) – EMERGENCY BACKUP GENERATORS: WATER AND WASTEWATER FACILITIES: EXEMPTION
Status: Failed Passage
Water Authority Position: SUPPORT AND SEEK AMENDMENTS

AB 2182, which was sponsored by the Association of California Water Agencies, would have stated that the use of alternative power sources by essential public services during de-energization events shall not be limited by any state or local regulations or rules. AB 2182 would also have allowed alternative power sources designated for use for de-energization events to follow the testing and maintenance standards set by the National Fire Protection Association, notwithstanding state or local laws.

The Water Authority joined the sponsors in requesting amendments to include clarification that the regulatory exemption would only apply to run time limits and testing maintenance limits for PSPS events, but still would have ensured that entities continued to be subjected to accountability and transparency standards in the reporting of data and information related to use of generators, and would have added language to define PSPS events as an emergency use of generators.

The measure failed passage prior to the author’s consideration of the Water Authority’s proposed amendments.

AB 2619 (Stone) – COASTAL RESOURCES: PROGRAM FOR COASTAL RESILIENCE, ADAPTATION, AND ACCESS
Status: Failed Passage
Water Authority Position: SUPPORT

AB 2619 would have established the Program for Coastal Resilience, Adaptation, and Access for the purpose of funding activities intended to help the state prepare, plan, and implement actions to address and adapt to sea level rise and coastal climate change, and would have:

- Created the Coastal Resilience, Adaptation, and Access Fund in the State Treasury
- Authorized the California Coastal Commission and certain state agencies to expend moneys in the fund, upon appropriation in the annual Budget Act, based upon the best scientific information to address and adapt to sea level rise and coastal climate change
- Required the Natural Resources Agency to make available information regarding any activity funded under the program on a publicly accessible internet website on an annual basis
- Required the Director of State Planning and Research to consider the program in its administration of the Integrated Climate Adaptation and Resiliency Program
• Required, for the 2021–22 fiscal year and for each fiscal year thereafter, at least 30 percent of the funds received by the Commission and required to be deposited into the General Fund, to be transferred to the Coastal Resilience, Adaptation, and Access Fund and made available, upon appropriation in the annual Budget Act, for expenditure for purposes of the Program for Coastal Resilience, Adaptation, and Access

AB 2789 (Kamlager) – STATE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION: DISTRIBUTED ENERGY RESOURCES: STUDY
Status: Failed Passage
Water Authority Position: SUPPORT IF AMENDED

AB 2789 would have required the State Energy Resources Conservation and Development Commission to determine all of the following related to distributed energy resources and the electric transmission and distribution systems by January 1, 2022:

• The potential to rely on distributed energy resources to maintain electric service for circuits or substations at risk of a public safety power shutoff

• The net cost or savings of relying on distributed energy resources instead of traditional upgrades to the transmission and distribution systems to mitigate the risk of igniting wildfires, while maintaining reliable service

• Using grid planning modeling tools, the total value of electric transmission and distribution infrastructure that is not necessary because of installed capacity of behind-the-meter distributed energy resources in existence at the time of the study

• Using grid planning modeling tools, the estimated value of electric transmission and distribution infrastructure that may not be necessary because of behind-the-meter distributed energy resources, battery energy storage systems, and demand response technologies between 2020 and 2040 under various transportation and building end-use electrification scenarios

• For an electrical corporation serving more than five million electrical service customer accounts that is also a gas corporation, a grid needs assessment that considers transmission and distribution system upgrade needs for the following five years

The Water Authority proposed amendments to integrate an evaluation and assessment, using grid planning modeling tools, of bulk energy storage opportunities, including pumped hydropower energy storage, into the overall study related to managing electrical distribution and transmission systems during power outages.

The measure failed passage prior to the author’s consideration of the Water Authority’s proposed amendments.
AB 2839 (E. Garcia) – CALIFORNIA DESERTS CONSERVANCY: ESTABLISHMENT
Status: Failed Passage
Water Authority Position: SUPPORT

AB 2839 would have established the California Deserts Conservancy within the Natural Resources Agency, and would authorize the newly-created conservancy to undertake various conservation activities related to the California deserts region to protect, conserve, and restore that region’s natural, cultural, archaeological, historical, and physical resources. AB 2839 would have also required the conservancy to be governed by a 13-member board of directors, with up to three additional non-voting board members. AB 2839 would have authorized the conservancy to adopt guidelines setting priorities and criteria for projects and programs throughout the California deserts region, and authorize the conservancy to make grants and loans to local public agencies, nonprofit organizations, and tribal organizations to carry out the purposes of AB 2839. The measure would have also created the California Deserts Conservancy Fund within the State Treasury and make moneys in the fund available, upon appropriation by the Legislature, for the purposes of implementing AB 2839.

AB 2991 (Santiago) – ENVIRONMENTAL QUALITY: JOBS AND ECONOMIC IMPROVEMENT THROUGH ENVIRONMENTAL LEADERSHIP ACT OF 2011: LEADERSHIP PROJECT CERTIFICATION
Status: Failed Passage
Water Authority Position: SUPPORT IF AMENDED

AB 2991 would have extended the sunset of the Jobs and Economic Improvement Through Environmental Leadership Act to January 1, 2023, thereby extending for two years the expedited CEQA judicial review procedures established pursuant to the Act. AB 2991 would have also modified, and added to, the specific requirements a project must satisfy to be eligible for streamlining benefits under the leadership act, including that the project does not result in any net additional emissions of greenhouse gases, as prescribed, and achieves a 20% reduction in vehicle miles traveled per capita compared to existing development, calculated as specified. AB 2991 would have also provided that an environmental leadership development project is subject to the rules and regulations of the leadership act that are in place on the date the Governor certified the project.

The Water Authority proposed an amendment to expand the scope of projects eligible to be considered as “environmental leadership projects” including infrastructure projects that result in improvements to regional water supply resiliency, provide multiple-benefits within a region of the state, improve interconnectedness of water system facilities and infrastructure within a region, and assist in fulfilling objectives outlined in the Governor’s Water Resilience Portfolio and bulk energy storage projects that assist in achieving California’s renewable energy portfolio and zero-carbon emission requirements and objectives.

The measure failed passage prior to the author’s consideration of the Water Authority’s proposed amendments.
AB 3147 (Gabriel) – FEES FOR DEVELOPMENT PROJECTS
Status: Failed Passage
Water Authority Position: OPPOSE

AB 3147 would have deleted the provisions of existing law requiring a judicial action or proceeding to attack, review, set aside, void, or annul an ordinance within 120 days of the effective date of the ordinance or increase, and would instead require a judicial action or proceeding to be conducted in accordance with other procedures that require a protest to be filed within 90 days after the imposition of the fees and an action to attack, review, set aside, void, or annul the imposition of the fees to be filed within 180 days after delivery of a notice by a local agency. AB 3147 would have also required revenues in excess of actual cost to be used to reimburse the payor of the fee or service charge.

AB 3256 (E. Garcia) – WILDFIRE PREVENTION, SAFE DRINKING WATER, CLIMATE RESILIENCE, DROUGHT PREPARATION, AND FLOOD PROTECTION BOND ACT OF 2020
Status: Failed Passage
Water Authority Position: SUPPORT IF AMENDED

AB 3256 would have authorized the issuance of $6.98 billion in general obligation bonds, if approved by voters at the November 2020 statewide general election, for a wildfire prevention, safe drinking water, climate resilience, drought preparation, and flood protection program.

The Water Authority proposed substantial amendments to reflect core components of the San Diego region’s needs in a water-resources general obligation bond measure. The measure failed passage prior to the author’s consideration of the Water Authority’s proposed amendments.

ACR 179 (Voepel) – SPECIAL DISTRICTS WEEK
Status: Failed Passage
Water Authority Position: SUPPORT

ACR 179 would have established Special Districts Week from May 17 to May 23, 2020 in the state of California.

SB 45 (Allen) – WILDFIRE PREVENTION, SAFE DRINKING WATER, DROUGHT PREPARATION, AND FLOOD PROTECTION BOND ACT OF 2020
Status: Failed Passage
Water Authority Position: SUPPORT IF AMENDED

SB 45 would have enacted the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters during the 2020 general election, would have authorized the issuance of $5.510 billion in state general obligation bonds to finance projects to restore fire damaged areas, reduce wildfire risk, create healthy forests and watersheds, reduce climate impacts on urban areas and vulnerable populations, protect water supply and water quality, protect rivers, lakes, and streams, reduce flood risk,
protect fish and wildlife from climate impacts, improve climate resilience of agricultural lands, and protect coastal lands and resources.

The Water Authority proposed substantial amendments to reflect core components of the San Diego region’s needs in a water-resources general obligation bond measure. The measure failed passage prior to the author’s consideration of the Water Authority’s proposed amendments.

**SB 204 (Dodd) – STATE WATER PROJECTS: CONTRACTS**  
**Status: Failed Passage**  
**Water Authority Position: SUPPORT AND SEEK AMENDMENTS**

SB 204 would have required the Department of Water Resources (DWR) to provide at least 10 days’ notice to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature before holding public sessions to negotiate any potential amendment of a long-term water supply contract that is of project-wide significance with substantially similar terms intended to be offered to all contractors. SB 204 would have also required DWR, before the execution of a specified proposed amendment to a long-term water supply contract and at least 60 days before final approval of such an amendment, to submit to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature certain information regarding the terms and conditions of a proposed amendment of a long-term water supply contract and to submit a copy of the long-term contract as it is proposed to be amended.

The Water Authority proposed amendments to strengthen provisions relating to ensuring cost allocation information is estimated down to the level of a State Water Project contractors’ wholesale and retail member agencies and requiring conveyance facility costs to be allocated consistent with the original contractual approach, as conservation or supply costs. The author accepted the Water Authority’s proposed amendments.

**SB 332 (Hertzberg) – WASTEWATER TREATMENT: RECYCLED WATER**  
**Status: Failed Passage**  
**Water Authority Position: OPPOSE UNLESS AMENDED**

SB 332 would have declared that the discharge of treated wastewater from ocean outfalls is a waste and unreasonable use of water. SB 332 would have also required each wastewater treatment facility that discharges through an ocean outfall and affiliated water suppliers to reduce the facility’s annual flow as compared to the average annual wastewater discharge baseline volume by at least 50% on or before January 1, 2030, and by at least 95% on or before January 1, 2040. Additionally, SB 332 would have subjected the owner or operator of a wastewater treatment facility, as well as the affiliated water suppliers, to a civil penalty of $2,000 per acre-foot of water above the required reduction in overall volume discharge for the failure to meet these deadlines.

The Water Authority, working within a broad coalition of interests, proposed a series of amendments to SB 332. The measure failed passage prior to the author’s consideration of the Water Authority’s proposed amendments.
SB 414 (Caballero) – SMALL SYSTEM WATER AUTHORITY ACT OF 2019
Status: Failed Passage
Water Authority Position: SUPPORT

SB 414 would have created the Small System Water Authority Act of 2019 and would have authorized the creation of small system water authorities that would have powers to absorb, improve, and competently operate noncompliant public water systems. SB 414 would have required the State Water Resources Control Board, no later than March 1, 2020, to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance, for the period from July 1, 2018, through December 31, 2019, with one or more state or federal primary drinking water standard maximum contaminant levels.

SB 597 (Hueso) – PUMPED HYDROPOWER SYSTEM: PILOT PROJECT
Status: Failed Passage
Water Authority Position: SPONSOR

SB 597 would have provided for a California Public Utilities Commission-directed procurement of 500 MW of pumped hydropower energy storage from a large-scale energy storage project meeting very narrowly-defined attributes.

SB 669 (Caballero) – WATER QUALITY: SAFE DRINKING WATER FUND
Status: Failed Passage
Water Authority Position: SUPPORT

SB 669 would have established the Safe Drinking Water Fund in the State Treasury and would have provided that moneys in the fund are continuously appropriated to the SWRCB. SB 669 would have also required the State Water Resources Control Board to administer the fund to assist community water systems in disadvantaged communities that are chronically noncompliant relative to the federal and state drinking water standards and do not have the financial capacity to pay for operation and maintenance costs to comply with those standards.

SB 772 (Bradford) – LONG DURATION BULK ENERGY STORAGE: PROCUREMENT
Status: Failed Passage
Water Authority Position: SUPPORT

SB 772 would have required the California Independent System Operator (ISO), on or before June 30, 2022, to complete a competitive solicitation process for the procurement of one or more long duration energy storage projects that in aggregate have at least 2,000 megawatts capacity, but not more than 2,400 megawatts, as provided. Additionally, SB 772 would have required the ISO, after December 31, 2030, and only if found to be necessary, to complete an additional competitive solicitation process for additional long duration bulk energy storage projects that in aggregate have up to 2,000 megawatts capacity and have targeted commercial operation dates of no later than January 1, 2045.
SB 952 (Nielsen) – SALES AND USE TAXES: EXEMPTION: BACKUP ELECTRICAL GENERATORS: DE-ENERGIZATION EVENTS
Status: Failed Passage
Water Authority Position: SUPPORT

SB 952 would have, beginning on January 1, 2021, and before January 1, 2026, provided a tax exemption for the sale of, or the storage, use, or consumption of, a backup electrical generator, if that backup electrical generator was purchased for use exclusively in powering a critical facility, as defined, by a city, county, city and county, special district, or other political subdivision during deenergization events, and the purchaser provides to the seller a written statement with regard to these facts.

SB 996 (Portantino) – STATE WATER RESOURCES CONTROL BOARD: CONSTITUENTS OF EMERGING CONCERN PROGRAM
Status: Failed Passage
Water Authority Position: SUPPORT IF AMENDED

SB 996 would have required the State Water Resources Control Board (SWRCB) to establish, maintain, and direct an ongoing program called the Constituents of Emerging Concern (CEC) Program to assess the state of information and recommend areas for further study on constituents of emerging concern in drinking water that may pose risks to public health. SB 996 would have also required the SWRCB to establish the Stakeholder Advisory Group and the Science Advisory Panel to assist in the gathering and development of information for the program, and would require the program to provide opportunities for public participation, including conducting stakeholder meetings and workshops to solicit relevant information and feedback for development and implementation of the program. SB 996 would have established the CEC Action Fund which, upon appropriation by the Legislature, would have been administered by the SWRCB to support and pay the costs associated with the establishment and implementation of the program.

The Water Authority proposed amendments to include a definitive funding source that is satisfactory for addressing the cost needs of the newly-created CEC Program, and which does not place pressure on revisiting water surcharges or drinking water fee structures to fund the new Program.

The measure failed passage prior to the author’s consideration of the Water Authority’s proposed amendments.

SB 1099 (Dodd) – EMERGENCY BACKUP GENERATORS: CRITICAL FACILITIES: EXEMPTIONS
Status: Failed Passage
Water Authority Position: SUPPORT

As originally considered by the Board, SB 1099, which was co-sponsored by the California Municipal Utilities Association (CMUA) and the Las Virgenes Municipal Water District, would
have, consistent with federal law, required air quality management districts to adopt a rule, or revise its existing rules, to allow critical facilities with a permitted emergency backup generator to use that emergency backup generator during a de-energization event or other loss of power, and to test and maintain that emergency backup generator, without having that usage, testing, or maintenance count toward that emergency backup generator’s time limitation on actual usage and routine testing and maintenance. SB 1099 would have also prohibited air districts from imposing a fee on the issuance or renewal of a permit issued for those critical facility emergency backup generators.

While the measure failed to pass out of fiscal committee by the appropriate deadline, the introduction of SB 1099 and the continual discussions with opponents through the legislative process resulted in productive negotiations with South Coast Air Quality Management District (SCAQMD), the district that has the most onerous restrictions on emergency backup generator testing and maintenance and runtime hours. SCAQMD proposed to advance administrative amendments to both its runtime rule and its testing and maintenance rule to provide additional flexibility to critical facilities to both run and maintain their backup electric power.

SB 1100 (Atkins) – COASTAL RESOURCES: SEA LEVEL RISE
Status: Failed Passage
Water Authority Position: SUPPORT

SB 1100 would have included, as part of the procedures the California Coastal Commission is required to adopt for the preparation, submission, approval, appeal, certification, and amendment of a local coastal program, recommendations and guidelines for the identification, assessment, minimization, and mitigation of sea level rise within each local coastal program, and would require the Commission to take into account the effects of sea level rise in coastal resource planning and management policies and activities. SB 1100 would have also required state and local agencies to identify, assess, minimize, and mitigate the impacts of sea level rise, and would create the California Sea Level Rise State and Regional Support Collaborative to provide state and regional information to the public and support to local, regional, and other state agencies for the identification, assessment, and mitigation of seal level rise. SB 1100 would have – upon appropriation in the State Budget – authorized the Collaborative to spend up to $100 million annually from appropriate bond funds and other sources for the purpose of making grants to local agencies to update local and regional land use plans to take into account sea level rise and for directly-related investments to implement those plans.

SB 1185 (Moorlach) – EMERGENCY BACKUP GENERATORS: OPERATION DURING DE-ENERGIZATION EVENTS
Status: Failed Passage
Water Authority Position: SUPPORT

As originally considered by the Board, SB 1185 would have prohibited an air quality management district from adopting or maintaining a rule that would limit or prohibit any person from using a federally compliant natural gas powered generator during a de-energization event and would require that any usage during a de-energization event not count toward any time
limitation on actual usage and routine testing and maintenance included as a condition for issuance of any permit for that generator. SB 1185 would have also prohibited the California Air Resources Board (CARB) from adopting or maintaining a rule that would limit or prohibit any person from using a federally compliant natural gas powered generator during a de-energization event. If an electrical corporation, electrical cooperative, or local publicly owned electric utility has undertaken a de-energization event during a calendar year, SB 1185 would have required the electrical corporation, electrical cooperative, or local publicly owned electric utility, by January 30 of the following calendar year, to submit a report to each air quality management district affected by the de-energization event, and to the CARB.

SB 1185 was later amended to include language that would have given air districts the option to implement new rules to provide flexibility for natural gas generators during de-energization events. While the amended version of SB 1185 would not have likely had a large impact given its permissive nature, it would have set a precedent that flexibility should be considered for de-energization events.

SB 1188 (Stern) – THE CALIFORNIA WATER PLAN
Status: Failed Passage
Water Authority Position: SUPPORT AND SEEK AMENDMENTS

SB 1188 would have required the Department of Water Resources to include in the California Water Plan update a discussion of the context in which various water supply strategies provided for in existing law increase regional water resilience.

The Water Authority proposed an amendment to specifically include “water system interconnection projects” among those strategies within the California Water Plan update that should receive priority attention and focus for improving regional resiliency. However, the measure failed passage prior to the author’s consideration of the Water Authority’s proposed amendments.

SB 1215 (Stern) – ELECTRICITY: MICROGRIDS: GRANT PROGRAM
Status: Failed Passage
Water Authority Position: SUPPORT IF AMENDED

SB 1215 would have required the California Public Utilities Commission, in consultation with the Office of Emergency Services, to create a database of critical facilities and critical infrastructure, and related critical circuits that are located in tier 2 or tier 3 high fire-threat districts served by electrical corporations, and identify with respect to each whether it serves a low-income households or low-income communities. SB 1215 would have required an electrical corporation, upon request, to collaborate with local governments or community choice aggregators within its service area to identify critical circuits and microgrid projects. SB 1215 would have also authorized the above listed entities and local publicly owned electric utilities to use capacity resulting from a microgrid project to satisfy specified resource adequacy requirements. SB 1215 would have required electrical corporations to provide local governments, tribal governments, and community choice aggregators with electrical distribution
equipment data, transmission and distribution circuit data, grid hardening plans, and other information requested by those entities to ensure that they are able to plan and develop microgrid projects collaboratively with the electrical corporations. SB 1215 would have authorized the electrical corporations to require the use of a commission-approved nondisclosure agreement before providing the requested information.

The Water Authority requested an amendment to remove the provision to make publicly accessible a statewide database of critical facilities and critical infrastructure, and related critical circuits to ensure that vulnerable water and wastewater facilities are protected from any outside attack. Amendments to SB 1215 to authorize electrical corporations to require the use of a CPUC-approved nondisclosure agreement prior to providing information related to critical facilities and infrastructure satisfied the Water Authority’s proposed amendment.

**SB 1301 (Hueso) – TIJUANA RIVER VALLEY: WATERSHED ACTION PLAN**
Status: Chapter 368, Statutes of 2020
Water Authority Position: SUPPORT

SB 1301 requires, upon an appropriation by the Legislature, the California Environmental Protection Agency and the Natural Resources Agency to collaborate to create a Tijuana River Valley Watershed Action Plan, to be reviewed and updated on a three-year cycle. SB 1301 also requires, upon completion of the plan, the California Environmental Protection Agency and the Natural Resources Agency to consult with bi-national stakeholders to develop a common watershed action plan to address issues in the Tijuana River and its entire watershed.

**SB 1386 (Moorlach) – LOCAL GOVERNMENT: ASSESSMENTS, FEES, AND CHARGES: WATER: HYDRANTS**
Status: Chapter 240, Statutes of 2020
Water Authority Position: SPONSOR

SB 1386 specifies that water hydrants are part of the system of public improvements included in the definition of “water” for purposes of the Proposition 218 Omnibus Implementation Act. SB 1386 also specifies that the fees or charges for property-related water service imposed or increased may include the costs to construct, maintain, repair, or replace hydrants as needed or consistent with fire codes and industry standards, and may include the cost of water distributed through hydrants. SB 1386 also authorizes the fees or charges for the aspects of water service related to hydrants and the water distributed through them to be fixed and collected as a separate fee or charge, or included in the other water rates and charges fixed and collected by a public agency.

Prepared by: Ivy Ridderbusch, Legislative Analyst
Glenn Farrel, Director of Government Relations
Approved by: Dan Denham, Deputy General Manager
October 14, 2020

Attention: Water Planning and Environmental Committee

Water Resources Report

Purpose
This report includes the following:

- Water Year 2020 Rainfall Totals
- Fiscal Year 2021 Monthly Water Authority Sales to Member Agencies
- Monthly Member Agency Water Use for September 2020 (Exhibit A)
- Monthly Reservoir Storage Levels for September 2020 (Exhibit B)

**Water Year 2020 Rainfall Totals* (Inches)**

<table>
<thead>
<tr>
<th>Location</th>
<th>Actual</th>
<th>Normal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ramona</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Henshaw</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cuyamaca</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lindbergh Field</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


**Fiscal Year 2021 Monthly Water Authority Sales to Member Agencies (Acre-Feet)**

[Bar chart showing sales data for different months in FY 2020 and FY 2021]
## Estimated Member Agency Water Use (AF)
### September 2020

<table>
<thead>
<tr>
<th>Member Agency</th>
<th>QSA/Seawater Desal/MWD</th>
<th>Surface Water</th>
<th>Groundwater</th>
<th>Recycled Water</th>
<th>San Luis Rey Water Transfers</th>
<th>Seawater Desalination</th>
<th>Agency Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad M.W.D.</td>
<td>1,218</td>
<td>-</td>
<td>-</td>
<td>538</td>
<td>-</td>
<td>208</td>
<td>1,964</td>
</tr>
<tr>
<td>Del Mar, City of</td>
<td>99</td>
<td>-</td>
<td>-</td>
<td>15</td>
<td>-</td>
<td>-</td>
<td>114</td>
</tr>
<tr>
<td>Escondido, City of</td>
<td>2,269</td>
<td>-</td>
<td>-</td>
<td>65</td>
<td>1</td>
<td>-</td>
<td>2,335</td>
</tr>
<tr>
<td>Fallbrook P.U.D.</td>
<td>1,059</td>
<td>-</td>
<td>8</td>
<td>70</td>
<td>-</td>
<td>-</td>
<td>1,138</td>
</tr>
<tr>
<td>Helix W.D.</td>
<td>2,806</td>
<td>235</td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,051</td>
</tr>
<tr>
<td>Lakeside W.D.</td>
<td>370</td>
<td>-</td>
<td>19</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>388</td>
</tr>
<tr>
<td>National City, City of</td>
<td>45</td>
<td>125</td>
<td>364</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>534</td>
</tr>
<tr>
<td>Oceanside, City of</td>
<td>2,188</td>
<td>-</td>
<td>185</td>
<td>59</td>
<td>-</td>
<td>-</td>
<td>2,432</td>
</tr>
<tr>
<td>Olivenhain M.W.D.</td>
<td>2,013</td>
<td>-</td>
<td>-</td>
<td>N/R</td>
<td>-</td>
<td>-</td>
<td>2,013</td>
</tr>
<tr>
<td>Otay W.D.</td>
<td>2,855</td>
<td>-</td>
<td>-</td>
<td>481</td>
<td>-</td>
<td>-</td>
<td>3,336</td>
</tr>
<tr>
<td>Padre Dam M.W.D.</td>
<td>1,056</td>
<td>-</td>
<td>-</td>
<td>109</td>
<td>-</td>
<td>-</td>
<td>1,165</td>
</tr>
<tr>
<td>Pendleton M. R.</td>
<td>N/R</td>
<td>-</td>
<td>N/R</td>
<td>N/R</td>
<td>-</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Poway, City of</td>
<td>1,042</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,042</td>
</tr>
<tr>
<td>Rainbow M.W.D.</td>
<td>2,076</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,076</td>
</tr>
<tr>
<td>Ramona M.W.D.</td>
<td>485</td>
<td>-</td>
<td>-</td>
<td>91</td>
<td>-</td>
<td>-</td>
<td>576</td>
</tr>
<tr>
<td>Rincon Del Diablo M.W.D.</td>
<td>545</td>
<td>-</td>
<td>-</td>
<td>299</td>
<td>-</td>
<td>-</td>
<td>844</td>
</tr>
<tr>
<td>San Diego, City of</td>
<td>N/R</td>
<td>N/R</td>
<td>N/R</td>
<td>N/R</td>
<td>-</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>San Dieguito W.D.</td>
<td>340</td>
<td>237</td>
<td>83</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>660</td>
</tr>
<tr>
<td>Santa Fe I.D.</td>
<td>757</td>
<td>318</td>
<td>59</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,134</td>
</tr>
<tr>
<td>South Bay I.D.</td>
<td>175</td>
<td>485</td>
<td>464.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,125</td>
</tr>
<tr>
<td>Vallecitos W.D.</td>
<td>1,267</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>292</td>
<td>-</td>
<td>1,559</td>
</tr>
<tr>
<td>Valley Center M.W.D.</td>
<td>2,395</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,395</td>
</tr>
<tr>
<td>Vista I.D.</td>
<td>N/R</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Yuima M.W.D.</td>
<td>757</td>
<td>-</td>
<td>727</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,483</td>
</tr>
</tbody>
</table>

**Total** 25,817 1,399 1,777 1,869 2 500 31,365

---

1. SLR water transfers were added as local supply sources beginning in December 2017, for Escondido and Vista I.D. only; Valley Center began in September 2019.
2. De Luz figures included in Fallbrook P.U.D. totals.
3. Brackish groundwater figures are included in groundwater figures.
4. Pendleton M.C.B. imported use includes South Coast Water District deliveries.
5. Poway’s recycled use is reported quarterly.
6. "N/R" = Not Reported
### Reservoir Storage (AF)
**September 2020**

<table>
<thead>
<tr>
<th>Member Agency</th>
<th>Reservoir</th>
<th>Capacity</th>
<th>Storage</th>
<th>% of Capacity</th>
<th>Change From Previous Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad M.W.D.</td>
<td>Maerkle</td>
<td>600</td>
<td>216</td>
<td>36%</td>
<td>186</td>
</tr>
<tr>
<td>Escondido, City of 1,2</td>
<td>Dixon</td>
<td>2,606</td>
<td>2,495</td>
<td>96%</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Wohlford</td>
<td>2,783</td>
<td>2,090</td>
<td>75%</td>
<td>(84)</td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td><strong>5,389</strong></td>
<td><strong>4,585</strong></td>
<td><strong>85%</strong></td>
<td><strong>(70)</strong></td>
</tr>
<tr>
<td>Fallbrook P.U.D.</td>
<td>Red Mountain</td>
<td>1,335</td>
<td>515</td>
<td>39%</td>
<td>69</td>
</tr>
<tr>
<td>Helix W.D.</td>
<td>Cuyamaca</td>
<td>8,195</td>
<td>598</td>
<td>7%</td>
<td>(48)</td>
</tr>
<tr>
<td></td>
<td>Jennings</td>
<td>9,790</td>
<td>7,824</td>
<td>80%</td>
<td>(193)</td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td><strong>17,985</strong></td>
<td><strong>8,421</strong></td>
<td><strong>47%</strong></td>
<td><strong>(241)</strong></td>
</tr>
<tr>
<td>Poway, City of</td>
<td>Poway</td>
<td>3,432</td>
<td>2,865</td>
<td>83%</td>
<td>222</td>
</tr>
<tr>
<td>Rainbow M.W.D.</td>
<td>Morro Hill</td>
<td>465</td>
<td>398</td>
<td>86%</td>
<td>317</td>
</tr>
<tr>
<td>Ramona M.W.D.</td>
<td>12,000</td>
<td>1,693</td>
<td>14%</td>
<td>(141)</td>
<td></td>
</tr>
<tr>
<td>San Diego, City of 3,4</td>
<td>Barrett</td>
<td>34,806</td>
<td>20,639</td>
<td>59%</td>
<td>(252)</td>
</tr>
<tr>
<td></td>
<td>El Capitan</td>
<td>112,087</td>
<td>44,999</td>
<td>40%</td>
<td>(2,003)</td>
</tr>
<tr>
<td></td>
<td>Hodges</td>
<td>4,652</td>
<td>2,596</td>
<td>56%</td>
<td>(1,554)</td>
</tr>
<tr>
<td></td>
<td>Lower Otay</td>
<td>47,067</td>
<td>35,741</td>
<td>76%</td>
<td>(519)</td>
</tr>
<tr>
<td></td>
<td>Miramar</td>
<td>6,682</td>
<td>5,521</td>
<td>83%</td>
<td>(57)</td>
</tr>
<tr>
<td></td>
<td>Morena</td>
<td>50,694</td>
<td>5,222</td>
<td>10%</td>
<td>(616)</td>
</tr>
<tr>
<td></td>
<td>Murray</td>
<td>4,684</td>
<td>4,044</td>
<td>86%</td>
<td>(100)</td>
</tr>
<tr>
<td></td>
<td>San Vicente</td>
<td>91,695</td>
<td>60,832</td>
<td>66%</td>
<td>(1,990)</td>
</tr>
<tr>
<td></td>
<td>Sutherland</td>
<td>29,508</td>
<td>10,751</td>
<td>36%</td>
<td>(205)</td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td><strong>381,875</strong></td>
<td><strong>190,345</strong></td>
<td><strong>50%</strong></td>
<td><strong>(7,296)</strong></td>
</tr>
<tr>
<td>San Dieguito WD / Santa Fe I.D</td>
<td>San Dieguito</td>
<td>883</td>
<td>298</td>
<td>34%</td>
<td>(414)</td>
</tr>
<tr>
<td>Sweetwater Authority</td>
<td>Loveland</td>
<td>25,400</td>
<td>18,256</td>
<td>72%</td>
<td>(197)</td>
</tr>
<tr>
<td></td>
<td>Sweetwater</td>
<td>28,079</td>
<td>6,510</td>
<td>23%</td>
<td>(642)</td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td><strong>53,479</strong></td>
<td><strong>24,766</strong></td>
<td><strong>46%</strong></td>
<td><strong>(839)</strong></td>
</tr>
<tr>
<td>Valley Center M.W.D.</td>
<td>Turner</td>
<td>1,612</td>
<td>1,475</td>
<td>92%</td>
<td>(32)</td>
</tr>
<tr>
<td>Vista I.D. 5</td>
<td>Henshaw</td>
<td>51,774</td>
<td>5,799</td>
<td>11%</td>
<td>(337)</td>
</tr>
<tr>
<td><strong>Member Agency Totals</strong></td>
<td></td>
<td><strong>530,829</strong></td>
<td><strong>241,377</strong></td>
<td><strong>45%</strong></td>
<td><strong>(8,576)</strong></td>
</tr>
<tr>
<td>Water Authority 3,6,7</td>
<td>Olivenhain</td>
<td>24,774</td>
<td>16,704</td>
<td>(2,376)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hedges</td>
<td>8,749</td>
<td>N/R</td>
<td>N/R</td>
<td></td>
</tr>
<tr>
<td></td>
<td>San Vicente - Comprised of:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>San Vicente Emergency</td>
<td>157,663</td>
<td>N/R</td>
<td>N/R</td>
<td></td>
</tr>
<tr>
<td></td>
<td>San Vicente Carryover</td>
<td>N/R</td>
<td>N/R</td>
<td>N/R</td>
<td></td>
</tr>
<tr>
<td></td>
<td>San Vicente Operating</td>
<td>N/R</td>
<td>N/R</td>
<td>N/R</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td><strong>191,186</strong></td>
<td><strong>16,704</strong></td>
<td><strong>9%</strong></td>
<td><strong>(2,376)</strong></td>
</tr>
<tr>
<td>Water Authority Storage Accounts 3,8</td>
<td>El Capitan</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lower Otay</td>
<td>N/R</td>
<td>N/R</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sweetwater (Temporary)</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Water Authority Totals</strong></td>
<td></td>
<td><strong>191,186</strong></td>
<td><strong>16,704</strong></td>
<td><strong>9%</strong></td>
<td><strong>(2,376)</strong></td>
</tr>
<tr>
<td><strong>Total Water in Storage</strong></td>
<td></td>
<td><strong>722,015</strong></td>
<td><strong>258,081</strong></td>
<td><strong>36%</strong></td>
<td><strong>(10,952)</strong></td>
</tr>
<tr>
<td>Metropolitan Water District</td>
<td>Skinner</td>
<td>44,264</td>
<td>39,243</td>
<td>89%</td>
<td>239</td>
</tr>
<tr>
<td>State Water Project</td>
<td>Diamond Valley</td>
<td>810,000</td>
<td>708,423</td>
<td>87%</td>
<td>(1,436)</td>
</tr>
<tr>
<td></td>
<td>Oroville</td>
<td>3,537,577</td>
<td>1,631,548</td>
<td>46%</td>
<td>(73,867)</td>
</tr>
<tr>
<td><strong>Total Other Water in Storage</strong></td>
<td></td>
<td><strong>4,391,841</strong></td>
<td><strong>2,379,214</strong></td>
<td><strong>54%</strong></td>
<td><strong>(75,064)</strong></td>
</tr>
</tbody>
</table>

---

1 Excludes storage allocated to Escondido Mutual Water Co. or its rights to a portion of the unallocated water in Lake Henshaw.
2 Revised capacity volume accounts for lowered reservoir level at Lake Wohlford due to DWR Division of Safety of Dams safety issues.
3 Revised capacity volume accounts for lowered reservoir level at Lake Hodges due to DWR Division of Safety of Dams safety issues and are in accordance with the 1998 Emergency Storage Project Agreement for the Joint Use of Lake Hodges Dam and Reservoir.
4 Includes City of San Diego’s supply and storage obligations to California American Mutual (Cal-Am) Water Company and San Dieguito W.D./Santa Fe I.D.
5 Includes allocated and unallocated water in Lake Henshaw.
6 Water Authority carryover, emergency, and operating pools in San Vicente Reservoir were established in June 2015. City of San Diego presently states total capacity in San Vicente Vicente at 249,358 AF, with the Water Authority portion being 157,863 AF and the remaining capacity, 91,695 AF, allocable to the City of San Diego.
7 N/R= Not Reported; values being reconciled by the City of San Diego.
8 No defined capacities for storage accounts in El Capitan, Lower Otay and Sweetwater Authority reservoirs.
October 14, 2020

Attention: Board of Directors

General Counsel’s Report – September/October 2020

Purpose
This report discusses certain meaningful legal matters receiving attention during the months of September/October 2020.

Significant Developments in Pending Litigation

MWD Rate Cases

2010/2012 Rate Cases: On October 24, 2017, the Court of Appeal remanded these consolidated cases to the trial court in San Francisco. After MWD exercised its right to strike Judge Karnow, the cases were then assigned to the other Complex Division judge in San Francisco Superior Court, Judge Mary Wiss. In September 2019, the cases were reassigned to Judge Anne-Christine Massullo.

On August 12, 2020, the Court issued the final judgment and writ of mandate. The judgment included breach of contract damages and interest in favor of the Water Authority of $44,373,872.29. The issued writ of mandate bars MWD from setting unlawful rates, and from including demand management costs in charges to the Exchange Agreement. On September 11, 2020, MWD filed a notice of appeal in the 2010/2012 Cases, appealing from “each and every part” of the judgment and writ of mandate.

As the prevailing party in the litigation, the Water Authority filed a memorandum of costs on August 28, seeking recovery of $326,000 in litigation costs. MWD contends it prevailed and has filed a memorandum of costs seeking about $500,000 in litigation costs. The Water Authority and MWD have filed cross motions to strike and tax costs, which are currently set for hearing on January 12, 2021.

The Court set a briefing and hearing schedule on the question of which agency is the “prevailing party” under the Exchange Agreement, or whether there was no prevailing party. The Court will hold a hearing on the issue on November 12. If the Water Authority is deemed the prevailing party, the Water Authority will be entitled to recovery of its attorneys’ fees. Attorneys’ fees and costs are the final issues to be decided by the trial court in the 2010/2012 Cases.

2014 Rate Case: The case filed on May 30, 2014 challenging MWD’s rates adopted in 2014 for 2015 and 2016, and alleging breach of contract, was transferred to San Francisco Superior Court and is presently assigned to Judge Massullo. The case had been stayed for the last six years. On July 14, 2020, the Water Authority moved to lift the stay and amend its complaint to dismiss without prejudice certain claims. MWD opposed that motion, arguing that the case should
remain stayed. On August 27, 2020, the Court granted the Water Authority’s motion and lifted the stay. At a Case Management Conference Judge Massullo indicated her desire to “move these cases along” and “get them done.”

On August 28, 2020, the Water Authority filed its First Amended Complaint. On September 28, 2020, MWD filed a demurrer and motion to strike challenging the Water Authority’s offsetting benefits claim. The Water Authority will oppose MWD’s demurrer and motion to strike, and a hearing on the motion is scheduled for February 10, 2021 at 9:15 a.m. A case management conference is set for November 12, 2020, at 2:00 p.m.

2016 Rate Case: The case filed on April 13, 2016 challenging MWD’s rates adopted in 2016 for 2017 and 2018, and alleging breach of contract, was transferred to San Francisco Superior Court and has also been reassigned to Judge Massullo. The case had been stayed for the last four years. On July 14, 2020, the Water Authority moved to lift the stay and amend its complaint to dismiss without prejudice certain claims. MWD opposed that motion, arguing that the case should remain stayed. On August 27, 2020, the Court granted the Water Authority’s motion and lifted the stay.

On August 28, 2020, the Water Authority filed its Second Amended Complaint. On September 28, 2020, MWD filed a demurrer and motion to strike challenging the Water Authority’s offsetting benefits claim and cause of action seeking a declaration that MWD may not charge the Water Authority for its contract damages, interest, attorneys’ fees or costs under the Exchange Agreement. The Water Authority will oppose MWD’s demurrer and motion to strike, and a hearing on the motion is scheduled for February 10, 2021 at 9:15 a.m. A case management conference is set for November 12, 2020, at 2:00 p.m.

2018 Rate Case: This case was filed in Los Angeles Superior Court on June 8, 2018, following MWD’s April 2018 approval of its rates and charges for 2019 and 2020. The case was transferred to San Francisco Superior Court on November 2, 2018, and is pending assignment to Judge Massullo. The Water Authority intends to move to lift the stay so that it may amend its complaint to dismiss without prejudice certain claims, consolidate the case with the other pending cases, and obtain a trial date on the issues on which the Water Authority plans to proceed.

Food & Water Watch and Center for Food Safety v. Metropolitan Water District of Southern California and All Persons Interested

On November 26 the Water Authority filed a Demurrer to the Complaint by Food and Water Watch, challenging the Complaint’s Proposition 26 claim against MWD. MWD also demurred, and Plaintiffs filed an amended Complaint. The Water Authority and MWD again filed demurrers, which were heard on March 15, 2019. The Water Authority and MWD’s pleading challenges were granted, and the case was dismissed without leave to amend. The decisions have been appealed.

The appellate briefing has been concluded. The case will be set for oral argument.
City of San Diego and SDCWA v. CA State Water Resources Control Board

This is a longstanding dispute over annual regulatory fees paid to the SWRCB for our pending potential San Vicente pumped storage project, which fees are split by the Water Authority and the City of San Diego. To date $864,000 has been paid under protest by the agencies. The case is in Sacramento Superior Court and is in the discovery phase. Legal costs are split by the Water Authority and the City of San Diego.

Bonnie Kessner et al v. City of Santa Clara et al

This Proposition 218 case was filed as a class action against numerous public agencies, including the Water Authority and some of its member agencies. The assertion against the Water Authority pertains to the lower water rate the Water Authority provides to certain agricultural customers for a lower level of water service. The Court has instructed all defendants to not respond to the Complaint until the Court can address case management issues.

However, Plaintiffs filed a motion to coordinate this case with certain other Proposition 218 cases, which the Water Authority and the other agency parties opposed. The case was assigned to Santa Cruz County Superior Court to have an assigned judge hear the coordination petition. That Court issued a tentative opinion denying coordination, with a hearing on October 16, 2020.

Vallecitos Water District v. San Diego County Water Authority

Vallecitos Water District, which had earlier filed a claim against the Water Authority, has now sued in Superior Court in Vista on that claim. Vallecitos asserts damages of over $6 million for alleged breach of a treated water delivery contract, and seeks to cancel that contract. The Water Authority disputes the allegations and will respond to the Complaint.

Amicus Issues

No new issues to report.

Requests Pursuant to the Public Records Act (Between September 11 – October 9)

<table>
<thead>
<tr>
<th>Requestor</th>
<th>Documents Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rainbow Municipal Water District</td>
<td>E-mail list of all persons who were sent a Chair e-mail on 9/18/2020</td>
</tr>
</tbody>
</table>

Prepared by: Mark J. Hattam, General Counsel

Attachment: Special Counsel Expenditure Report
On-going Litigation

<table>
<thead>
<tr>
<th>Special Counsel</th>
<th>Project</th>
<th>Total $ Expended for Sept/Oct 2020 (Fees &amp; Costs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daley &amp; Heft</td>
<td>Chula Vista v. Bosley</td>
<td>Privileged 1</td>
</tr>
<tr>
<td></td>
<td>Kessner</td>
<td></td>
</tr>
<tr>
<td></td>
<td>San Diego Office of Education Matter</td>
<td>Privileged</td>
</tr>
<tr>
<td>Keker Van Nest &amp; Peters</td>
<td>Metropolitan Rates</td>
<td>Privileged</td>
</tr>
<tr>
<td>Liebert Cassidy Whitmore</td>
<td>Williams Case</td>
<td>Privileged</td>
</tr>
<tr>
<td>Procopio Cory Hargreaves &amp; Savitch</td>
<td>F&amp;WW Validation Matter</td>
<td>Privileged</td>
</tr>
</tbody>
</table>

Non-Litigation

<table>
<thead>
<tr>
<th>Special Counsel</th>
<th>Project</th>
<th>Total $ Expended for Sept/Oct 2020 (Fees &amp; Costs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allen Matkins</td>
<td>General Legal Services</td>
<td>$305.10 (OP)</td>
</tr>
<tr>
<td></td>
<td>Water Issues</td>
<td>$80.55 (OP)</td>
</tr>
<tr>
<td>Daley &amp; Heft</td>
<td>Eminent Domain Matter</td>
<td>$1,237.50 (CIP)</td>
</tr>
<tr>
<td></td>
<td>General Legal Services</td>
<td>$7,260.00 (CIP)</td>
</tr>
<tr>
<td></td>
<td>San Vicente Dock Issue</td>
<td>$3,685.45 (CIP)</td>
</tr>
<tr>
<td>Duncan &amp; Allen</td>
<td>Power Issues</td>
<td>$1,105.00 (OP)</td>
</tr>
<tr>
<td>Hanson Bridgett LLP</td>
<td>LAFCO Issues</td>
<td>$35,904.77 (OP)</td>
</tr>
<tr>
<td>Liebert Cassidy Whitmore</td>
<td>Personnel Issues</td>
<td>$1,577.00 (OP)</td>
</tr>
<tr>
<td>Polsinelli</td>
<td>Bond Counsel Services</td>
<td>$20,414.83 (OP)</td>
</tr>
</tbody>
</table>

1 The California Supreme Court has held that the amounts of monthly legal bills for ongoing litigation have privileged status, as they may disclose litigation strategy. *Los Angeles County Bd. of Supervisors v. Superior Court*, (2016) 2 Cal. 5th 282, 286.
October 14, 2020

Attention: Board of Directors

CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)

Name of Case: SDCWA v. Metropolitan Water District of Southern California;
San Francisco Superior Court Case Nos. CPF-10-510830; CPF-12-512466;
CPF-14-514004; CPF-16-515282; CPF-16-515391; CGC-17-563350;
CPF-18-516389; California Court of Appeal (1st District) Case Nos.
A146901; A148266; A154325; California Supreme Court Case Nos.
S243500; and S251025

Purpose
This memorandum is to recommend a closed session, pursuant to Government Code
§54956.9(d)(1), to discuss the above-referenced matter at the October 22, 2020 meeting.

Prepared by: Mark J. Hattam, General Counsel
October 14, 2020

Attention: Board of Directors

CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Name of Case: Food & Water Watch and Center for Food Safety v. Metropolitan Water District of Southern California and All Persons Interested in the Matter; Los Angeles Superior Court Case No. BC 720692; California Court of Appeal (2nd District) Case No. B297553

Purpose
This memorandum is to recommend a closed session, pursuant to Government Code §54956.9(d)(1), to discuss the above-referenced matter at the October 22, 2020 meeting.

Prepared by: Mark J. Hattam, General Counsel
October 14, 2020

Attention: Board of Directors

CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Name of Case: Bonnie Kessner et al v. City of Santa Clara et al;
Santa Clara Superior Court Case No. 20CV364054;
and Santa Cruz County Superior Court JCCP No. 5103

Purpose
This memorandum is to recommend a closed session, pursuant to Government Code §54956.9(d)(1), to discuss the above-referenced matter at the October 22, 2020 meeting.

Prepared by: Mark J. Hattam, General Counsel
October 14, 2020

Attention: Board of Directors

CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Name of Case: Vallecitos Water District v. San Diego County Water Authority;
San Diego County Superior Court Case No. 37-2020-00034563-CU-BC-NC

Purpose
This memorandum is to recommend a closed session, pursuant to Government Code §54956.9(d)(1), to discuss the above-referenced matter at the October 22, 2020 meeting.

Prepared by: Mark J. Hattam, General Counsel
October 14, 2020

Attention: Board of Directors

CLOSED SESSION:
Conference with Legal Counsel – Anticipated Litigation
Government Code §54956.9(d)(2)
Two Cases

Purpose
This memorandum is to recommend a closed session, pursuant to Government Code §54956.9(d)(2), to discuss the above-referenced matter at the October 22, 2020 meeting.

Prepared by: Mark J. Hattam, General Counsel