

Transitional Special Agricultural Water Rate (TSAWR) Program Handbook - Calendar Year 2020



Top: City of Escondido TSAWR customer. Bottom: Vista Irrigation District TSAWR customer.

**Prepared by San Diego County Water Authority
Water Resources Department
July 25, 2019**

Transitional Special Agricultural Water Rate (TSAWR)
 Program Handbook - Calendar Year 2020
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Transitional Special Agricultural Water Rate (TSAWR) Program Handbook - Calendar Year 2020

1. Purpose of the TSAWR Program Handbook & Program History

The TSAWR Program Handbook (Handbook) was developed to provide stakeholders with information on procedures for administering the TSAWR program. This version updates the Handbook to administer the TSAWR for calendar year (CY) 2020.

On October 14, 2008, Metropolitan Water District (Metropolitan) approved a four-year phase-out of its Interim Agricultural Water Program (IAWP), with the program scheduled to terminate on December 31, 2012. On October 23, 2008, the Water Authority’s Board (Board) approved the TSAWR program, available to customers opting out of the IAWP during phase-out of the program. On April 26, 2012, the Board extended the TSAWR program for two additional years, to sunset on December 31, 2014.

On June 26, 2014, the Board adopted Ordinance No. 2014-02, extending the TSAWR program through the end of CY 2015. On June 25, 2015, as part of the Fiscal Sustainability Process, the Board approved a five-year extension of the TSAWR program, through December 31, 2020. Concurrently, the Board also approved a new Water Authority fixed charge, the Supply Reliability Charge (SRC), effective January 1, 2016.

With IAWP termination at the end of CY 2012, TSAWR is the sole wholesale agricultural program for the Water Authority’s stakeholders and the Water Authority has assumed full responsibility for program administration. Administrative procedures are based on and consistent with Board actions relating to the TSAWR program.

2. Description of TSAWR rates and cost benefit components for CY 2020

Table 1 summarizes the charges associated with the Water Authority CY 2020 “all-in” TSAWR rate:

Table 1 – CY 2020 “All-in” TSAWR Rate

Water Authority Rates	CY 2020 (\$/AF)
TSAWR Supply Rate (Metropolitan Full Service Untreated Volumetric Cost (Tier 1))	\$755
Melded Treatment Rate	\$280
Transportation	\$132
Customer Service*	\$64
Total Cost – TSAWR Treated Water	\$1,231
Total Cost – TSAWR Untreated Water	\$951

*Fixed charge converted to \$/AF using regional sales forecast

Cost benefits that accrue to member agencies participating in the TSAWR program consist of three components: the supply rate differential, Storage Charge exemption and Supply Reliability

Charge (SRC) exemption. The supply rate differential is an invoiced credit equal to the difference between the Water Authority’s melded supply rate and Metropolitan’s full service untreated volumetric rate. For both treated and untreated deliveries, the differential for CY 2020 is \$170/AF.

TSAWR customers also do not pay the Water Authority’s Storage or SRC charges. TSAWR deliveries are excluded from member agencies’ three- and five-year rolling-average deliveries, respectively, which are used to calculate agencies’ proportional shares of these charges. For CY 2020, the estimated regional storage charge exemption is approximately \$181/AF and the SRC exemption is approximately \$104/AF. An agency’s actual unit Storage and SRC charge exemptions will vary, depending on its proportional shares of these Water Authority charges for CY 2020 and its demands. A sample method to calculate a member agency’s TSAWR cost benefit is included in Section 3.c).

Table 2 summarizes the estimated cost benefits of the TSAWR program for CY 2020:

Table 2 – Components of Cost Benefit for CY 2020 TSAWR Program

TSAWR Cost Benefit	Estimated CY 2020 (\$/AF)
Supply Rate Differential	\$170
Estimated Storage Charge Exemption*	\$181
Estimated Reliability Charge Exemption*	\$104
Estimated Total Cost Benefit	\$455

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

Table 3 shows the historical TSAWR “all-in” rate and cost-benefit for each year since 2009, when the TSAWR program went into effect:

Table 3 – TSAWR “All-In” Rate by Water Type & Components of the TSAWR Cost-Benefit, Calendar Years 2009 - 2020
(Figures in dollars per acre-foot)

Calendar Year	TSAWR “All-In” Rate		TSAWR Cost-Benefit			
	Untreated	Treated	Supply	Reliability	Storage	Total
2009	\$503	\$671	\$51	--	\$44	\$95
2010	\$582	\$796	\$48	--	\$61	\$109
2011	\$658	\$873	\$70	--	\$123	\$193
2012	\$703	\$937	\$78	--	\$133	\$211
2013	\$745	\$999	\$121	--	\$139	\$260
2014	\$746	\$1,020	\$139	--	\$144	\$283
2015	\$737	\$1,015	\$182	--	\$140	\$322
2016	\$762	\$1,040	\$186	\$52	\$161	\$399
2017	\$837	\$1,127	\$189	\$63	\$167	\$419
2018	\$871	\$1,171	\$199	\$71	\$162	\$432
2019	\$912	\$1,188	\$178	\$80	\$171	\$429
2020	\$951	\$1,231	\$170	\$104	\$181	\$455

3. Key Administration Elements of the TSAWR Program

- a. *Eligibility.* In order to be eligible for participation in the TSAWR program, the program water must be used for the growing or raising – for commercial, trade or industrial purposes – of products of an agricultural, horticultural, or floricultural nature. At a minimum, an eligible parcel should be at least one (1) planted acre in area. The Water Authority recommends that the member agency periodically recertify customers remaining in the TSAWR program to ensure the customer meets the eligibility requirement.

In addition to meeting the eligibility requirement mentioned above, the customer meter accounts must also have been enrolled in Metropolitan’s IAWP at the end of calendar year 2008. That date represents the period prior to IAWP opt-outs that commenced January 1, 2009 and each year, thereafter, through CY 2012, when the program expired. This requirement is consistent with the 2008 Water Authority Board action originally approving the TSAWR.

Program eligibility is tied to retail customer meter accounts and not property ownership. For example, if a property owner who participated in IAWP opted out of the program in 2010 and then sold the property, the new owner would be eligible to enroll in the TSAWR program. Former IAWP accounts that opted out of either the IAWP or TSAWR programs since January 1, 2009 are also eligible to re-join the TSAWR program.

If a member agency determines a TSAWR customer no longer meets the eligibility requirements, that customer shall be deemed ineligible for the TSAWR cost benefit.

- b. *Monthly certifications.* Consistent with prior certification practices, TSAWR participation is tracked on the TSAWR certification form shown in **Appendix A** and credited on the member agency's water bill invoice from the Water Authority. All values input should be rounded to the nearest tenth of an acre-foot (0.1 AF). Monthly certifications should be submitted as soon as possible after the close of the reporting month. To receive the supply rate cost benefit for a given certification month on the member agency's next invoice, the certification should be submitted by the third business day of the following month. For example, if a TSAWR certification for January is received by the end of the third business day of February, it will be included on the January invoice, prepared in early February. If received any later, the January credit would be included on the next invoice.
- c. *Annual statement of verification.* Effective June 30, 2012, the Water Authority requires an annual statement of verification (Verification) from each agency participating in the TSAWR program. An example of the annual statement is shown in **Appendix B**. The purpose of the Verification is to ensure that the member agency is making a reasonable effort to ensure passthrough of the full cost benefits of the TSAWR program to its retail customers through its rate structure, fees, or charges, and to demonstrate the means and implementation procedures for any potential required service limitations.

Specific compliance information on the passthrough requirements of the TSAWR cost benefits and service limitations is described in the Water Authority's Ordinance No. 2011-05, attached as **Appendix C**.

A sample calculation was developed to provide agencies with an example method to quantify the TSAWR cost benefit. Table 4 illustrates this sample method for calculating a member agency's TSAWR cost benefit for CY 2020:

Table 4 – Sample Method to Calculate Member Agency CY 2020 TSAWR Cost Benefit

				Estimated CY 2020 Cost Benefit (\$/AF)
Storage				
Member Agency Annual Fixed Storage Charge	/	Member Agency Annual Projected M&I Sales (AF)	=	Unit cost paid only by M&I customers (TSAWR avoided cost)
\$1,740,000	/	10,000	=	\$174
SRC				
Member Agency Annual Fixed SRC Charge	/	Member Agency Annual Projected M&I Sales (AF)	=	Unit cost paid only by M&I customers (TSAWR avoided cost)
\$990,000	/	10,000	=	\$99
Supply				
Water Authority Melded Supply Rate	-	TSAWR Supply Rate (Metropolitan Full Service Volumetric Rate)	=	TSAWR avoided supply cost
\$925	-	\$755	=	\$170
Total Estimated Rate Differential (Cost Benefit)				\$443

- d. *Annual assessment.* At the end of the fiscal year (FY), the Water Authority shall conduct an annual assessment of monthly certifications for each agency participating in the TSAWR program during the year.

The annual assessment is a mutual reconciliation effort with member agencies to ensure: 1) accurate computation of TSAWR credits for each certification month; 2) passthrough of the reconciled credit to the agency; and 3) customer eligibility. The annual assessment procedures for FY 2019 are shown in **Appendix D**.

- e. *TSAWR delivery cutbacks during supply shortages.* In exchange for the cost benefits associated with the supply rate differential and exemptions from the Storage Charge and SRC, TSAWR customers are subject to higher cutbacks compared to M&I customers in the event of supply shortage actions from Metropolitan. The cutback level is tied to the cost benefit.
- *Supply rate differential – Service limitations.* In exchange for receiving the supply rate differential, TSAWR customers face a cutback percentage rate that is equal to the rate set by Metropolitan under a shortage action. TSAWR customers would be subject to the cutback over the period imposed by Metropolitan. For example, a 10% cutback rate from Metropolitan for 18 months would result in a 10% cutback

rate to TSAWR customers for 18 months. The TSAWR customer cutback level is tied to Metropolitan's cutback level because the customer pays just the Metropolitan supply rate and is ineligible to receive Water Authority supplies, which have a higher level of reliability. M&I customers would benefit from the availability of Water Authority QSA deliveries and supplies from the Carlsbad Desalination Project during such a shortage action, effectively reducing their cutback to below the TSAWR cutback.

Per the SAWR Workgroup's Recommendations approved by the Water Authority Board on March 25, 2010, a minimum 5 percent differential between the Water Authority's M&I cutback level and TSAWR customers was established.

The base period used to calculate an agency's allocation would be based on the most recently completed fiscal year, for which data are available, and should represent a period in which allocations had not previously occurred.

Member agencies have discretion over allowing their TSAWR-eligible customers to "opt out or opt in" to the TSAWR program during an allocation period when carryover supplies are not being used. However, once a TSAWR allocation is established for a given member agency for a given period, the member agency is responsible for achieving its allocation, irrespective of retail customers opting in or out. As long as the TSAWR customer account demand is included in the base period, that demand is subject to cutback.

If Metropolitan were to levy a penalty on the Water Authority for exceeding its M&I allocation during a shortage allocation, the same penalty rate would be passed through to those agencies exceeding the TSAWR allocation. The penalty amount paid by each agency would be calculated by multiplying the total penalty amount from Metropolitan by the agency's proportional share of the total volumetric overage. If M&I allocations are also in place, the Water Authority total overage would be jointly shared on a pro rata basis by those agencies exceeding their TSAWR and/or M&I allocations.

Metropolitan's December 9, 2014 board letter addressing adjustments to its allocation plan explains the basis for its current penalty charge. As stated, Metropolitan's penalty is based on its estimated per-acre-foot current cost of turf removal programs, with any collected penalties to be used to fund future turf removal programs. The following table shows the range on which any such penalties are to be assessed:

Water Use Between 100% and 115% of Supply Allocation	\$1,480/AF
Water Use Greater than 115% of Supply Allocation	\$2,960/AF

- *Storage charge exemption – Service limitations.* In exchange for receiving the storage charge exemption, TSAWR customers forfeit some, and potentially all, of certain designated Water Authority storage supplies:
 - *Emergency storage.* Should Emergency Storage Project (ESP) supplies be utilized, the cutback rate for TSAWR customers would be twice the rate imposed on Water Authority M&I customers, up to a 90% cutback. Reductions in deliveries that arise from such a cutback would be reallocated to commercial and industrial customers. For example, if the regional cutback level is 25%, TSAWR customers would take a 50% cutback, with the water “freed up” for allocation to C&I customers.
 - *Carryover storage.* Based on the Water Authority’s March 25, 2010 Board action, no Carryover Storage Program (CSP) supplies are available to TSAWR customers. A summary of the methodology used to ensure CSP supplies are delivered solely to M&I customers during a shortage is included in Table 5:

Table 5 – Summary of Methodology to Ensure Carryover Storage Supplies are Allocated Solely to M&I Customers*

Potential Scenario	Proposed Method
Metropolitan allocating supplies (cutback minimal) Water Authority avoids M&I shortage through use of CSP supplies	Establish TSAWR allocation based on Water Authority cutback from Metropolitan without utilization of CSP supplies
Metropolitan and Water Authority are allocating supplies Water Authority lessens M&I shortage through use of CSP supplies	For M&I customers, establish allocation of CSP supplies Agency’s total M&I wholesale allocation equal to supply allocation (Metropolitan and Water Authority supplies) + CSP allocation TSAWR receives only supply allocation

*Methodology approved by Board on April 26, 2012.

If the Water Authority Board of Directors were to activate the Water Authority’s Water Shortage Contingency Plan and withdraw carryover storage supplies to

meet M&I demands, TSAWR customers are not allowed to leave the program for the duration either stage is implemented or for three years, whichever is a shorter period.

On December 8, 2016, the Water Authority Board of Directors (Board) approved policy guidelines for managing carryover storage supplies based on Metropolitan's cutback levels during both normal and shortage periods. A policy is included in the guidelines that restates the Board's previous action that no CSP supplies are available to TSAWR customers.

- *Supply Reliability Charge exemption – Service limitations.* In exchange for receiving the SRC exemption, TSAWR customers forfeit an additional reliability benefit of QSA and Carlsbad Desalination Project supplies.

4. Applicable ordinances and Water Authority Board actions

For reference, the following list is a summary of Board actions regarding the TSAWR program:

- a. December 18, 2008 Board action, including Ordinance No. 2008-08, approving a two-year Transitional SAWR program for customers opting out of Metropolitan's Interim Agricultural Water Program (IAWP).
- b. March 25, 2010 Board action approving TSAWR Board workgroup recommendations on the revised TSAWR program, which included continuing of TSAWR for two additional years.
- c. December 8, 2011 Board action, including Ordinance No. 2011-05, requiring agencies participating in the TSAWR program to verify that they are making a reasonable effort to pass through the cost benefits and associated service limitations (i.e., risk of higher cutback rates should a shortage occur) of the program to retail customers, through the member agencies' rate structures, fees or charges.
- d. April 26, 2012 Board action extending TSAWR for two years to December 31, 2014. The Board action included extending both the supply rate differential and the storage charge exemption.
- e. May 22, 2014 Board action approving Rates and Charges Option 2B, which included continuation of the TSAWR program through CY 2015.
- f. June 26, 2014 Board action, including adoption of Ordinance No. 2014-02, extending the TSAWR program through CY 2015.
- g. March 26, 2015 Board action approving the addition of the Supply Reliability Charge (SRC), as defined in the A&N Technical Service, Inc. memorandum, to the Water

Authority's rate and charge structure; and approving an extension of the Transitional Special Agricultural Water Rate (TSAWR) program through CY 2020.

- h. June 25, 2015 Board action, including adoption of Ordinance No. 2015-03, approving the SRC effective January 1, 2016, and extending the TSAWR program through CY 2020.
- i. December 8, 2016 Board action approving Policy Guidelines for Managing Carryover Storage Supplies and Revisions to the Stored Water Fund Policy.

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Appendix A

**Certification Form – Transitional Special Agricultural Water Rate
program**

CERTIFICATION FORM - TRANSITIONAL SPECIAL AGRICULTURAL WATER RATE (TSAWR) PROGRAM Calendar Year 2019

(Figures in AF and rounded to nearest 0.1 AF)

Member Agency: _____

Certification Month/Year: January-19

I. Water Production & Sales:

(1) Full service purchased from County Water Authority (Net Deliveries)		1,000.4	
(2) Change in water system storage (+ for withdrawals, - for storage)		900.5	
(3) Total full service supply to system	(1) + (2) =	1,900.9	
(4) Local production of other sources		1,400.3	
(5) Total water supplied to system	(3) + (4) =	3,301.2	
(6) Total sales		12,000.0	

II. Water Used for Agricultural Purposes (Complete for SAWR accounts only):

(7) Agricultural use only		16.3	
(8) Agriculture with incidental domestic use			

Metered Quantity	No. of Single Family Dwellings		Metered Quantity - (No. of Single Family Dwellings * .06) =
0	0		0.0

(9) Total agricultural use	(7) + (8) =	16.3	
(10) SAWR water used for agriculture	(9) * [(3) / (5)] =	9.4	

III. Gain, Loss and Differences Due to Timing of Meter Readings Calculation:

(11) Total gains/losses & timing differences (losses are negative)	(6) - (5) =	8,698.8	
(12) Agricultural gains/losses & timing differences	(9) * [(11) / (6)] =	11.8	
(13) Gains/losses & timing differences	(12) * [(3) / (5)] =	6.8	

IV. Total Agricultural Credit:

(14) Total agricultural credit (losses increase, gains decrease credit)	(10) - (13) =	2.6	
(15) Qualifying credit	Lesser of (3) or (14) =	2.6	

V. Signature:

Member Agency	Name	Title	Date
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Appendix B

Sample Written Statement

[SAMPLE WRITTEN STATEMENT]

[Date]

Melinda Nelson
Clerk of the Board
San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123

Dear Ms. Nelson,

Per San Diego County Water Authority Ordinance No. 2011-05, this letter serves as a written statement confirming that [AGENCY] is reasonably allocating the cost benefits of the Water Authority's Transitional Special Agricultural Water Rate (TSAWR) to its participating agricultural water users through [AGENCY'S] water rates and charges. The cost benefits allocated by [AGENCY] include the supply rate differential provided by the Water Authority along with the cost benefits associated with TSAWR deliveries not being included in the calculation of [AGENCY'S] proportional share of the Water Authority's fixed storage and supply reliability charges.

This letter also serves as written statement that [AGENCY] has a method in place to pass through the TSAWR service limitations, imposed on [AGENCY] by the Water Authority to its participating agricultural water users.

Pursuant to Ordinance No. 2011-05, the following attached documentation demonstrates compliance with the ordinance:

[THE TYPE OF DOCUMENTS TO BE SUBMITTED INCLUDE: THE WATER AUTHORITY'S SUMMARY COMPLIANCE FORM; CURRENT ADOPTED RATE SCHEDULE DEMONSTRATING COST BENEFIT; SAMPLE CUSTOMER BILLING STATEMENT DEMONSTRATING RATE DIFFERENTIAL FOR TSAWR CUSTOMERS; AND COPY OF RESOLUTION OR AGRICULTURAL REDUCTION PLAN SECTION DOCUMENTING HOW TSAWR SERVICE LIMITATIONS ARE IMPOSED. REFER TO ORDINANCE 2011-05 FOR COMPLETE LIST OF POTENTIAL DOCUMENTS THAT CAN BE SUBMITTED]

Please contact _____ at _____ should you have any questions or need additional information.

Sincerely,

[General Manager or Water Utility Department Head]

Attachments

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Appendix C

Water Authority Ordinance No. 2011-05

ORDINANCE NO. 2011-05

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY AMENDING THE TRANSITIONAL SPECIAL AGRICULTURAL WATER RATE PROGRAM

A. Ordinance No. 2008-08 adopted the transitional special agricultural water rate program in response to the decision of the Metropolitan Water District of Southern California to terminate its Interim Agricultural Water Program (IAWP). Ordinance No. 2009-07 amended the program for calendar year 2010 as set forth in the Updated 2010 Two-Year Transitional Special Agricultural Water Rate Program Report attached to that ordinance. On March 25, 2010 the board of directors approved the Special Agricultural Water Rate Board Workgroup recommendations for modification and extension of the program as set forth in the memorandum dated March 17, 2010 and included in the agenda packet for the March 25, 2010 meetings of the Administrative and Finance Committee and board of directors. Together these ordinances and actions comprise and are referred to in this ordinance as the Transitional SAWR.

B. The Transitional SAWR consists of two components summarily described in the March 17, 2010 board memo as follows:

“1) Agricultural customers pay a special supply rate and in return take deeper cuts during shortage periods. The current rate is equal to MWD’s M&I Rate. Deliveries are exempt from the Water Authority’s melded supply rate. The supply reduction is equal to MWD’s M&I cutback levels and the customers do not receive any Water Authority QSA supplies or dry year supplies such as spot water transfers or carryover storage water.

“2) Agricultural deliveries are not included in the calculation of member agencies’ proportional share of the fixed Storage Charge. The Storage Charge consists of costs associated with both the Emergency Storage Project (ESP) and Carryover Storage Project (CSP). In return for the storage discount, agricultural customers participating in the program would be required to take a reduction in delivery of ESP supplies at double the system-wide reduction, up to 90 percent, with the commercial and industrial customers receiving the additional water. Agricultural customers participating in the program would also have limited or no access to CSP supplies. The specific allocation methodology for CSP supplies would be developed over the coming year.”

C. By its action of March 25, 2010, the board of directors extended both components of the Transitional SAWR to January 1, 2013, to coincide with the termination of the IAWP. The board of directors also directed that commencing January 1, 2013 agricultural customers receiving the Transitional SAWR service will pay the Water Authority’s melded supply rate, but agricultural deliveries would continue to be exempt from the calculation of the fixed storage charge and subject to reduced ESP and CSP deliveries. The board also established January 1, 2016 as a deadline for a comprehensive review of the SAWR program.

D. The IAWP consists of a direct pass-through by the Water Authority to a participating member agency of the IAWP water rate. Further IAWP deliveries are not included

in the calculation of a member agency's proportional share of the Storage Charge. The IAWP program requires certification to the Metropolitan Water District of the pass-through to the retail agricultural water users.

E. The ordinances and reports that establish the Transitional SAWR establish service limitations on participating agricultural water users that correspond to the lower rates imposed for that level of service, and further evidence the intention of the board of directors that the cost benefits and associated service limitations will be reasonably allocated to agricultural water users through the water rates and charges of the Water Authority's member agencies for agricultural deliveries within their respective service territories.

F. The Water Authority currently requires monthly certification by its member agencies of the amount of SAWR water delivered to participating agricultural water users within the member agency. This information is used to determine the amount of member agency water subject to the limited service and cutback restrictions of the SAWR as well as the storage component of the Water Authority's rate structure. However, Water Authority member agencies have historically established and imposed local rates and charges on their respective participating agricultural water users that reflect the lower rates imposed by the Water Authority under the SAWR program, as well as the lower rates imposed under the IAWP. In consequence, the Water Authority had not found it necessary to establish a specific enforcement method to assure its intended benefit to participating agricultural water users within its territory.

Therefore, the Board of Directors of the San Diego County Water Authority does ordain as follows:

1. The Transitional SAWR is ratified. The programs available to agricultural water users are as set forth in Ordinances Nos. 2008-08, 2009-07, and this ordinance and include the IAWP and the Transitional SAWR.

2. On or before June 30, 2012, and on or before June 30 each year thereafter, a Water Authority member agency participating in the Transitional SAWR or the IAWP will provide to the Clerk of the Board a written statement signed by the member agency's general manager or water utility department head confirming that the cost benefits and associated service limitations of the Transitional SAWR or the IAWP are reasonably allocated by the member agency to its participating agricultural water users through the member agency's water rates, fees, or charges. The written statement shall include:

- a description of the member agency's method for allocating the cost benefits and associated service limitations to participating agricultural water users;
- a copy of the member agency's applicable ordinance, resolution, or schedule of rates, charges, or fees;
- a sample billing statement or statements that demonstrates the differential in rate, fees, or charges for participating agricultural water users.

The member agency may include additional information demonstrating compliance with this ordinance.

3. A member agency participating in the IAWP may satisfy the reporting requirements of section 2 of this ordinance by providing copies of the verification documents it provides to the Metropolitan Water District under the IAWP program and a statement demonstrating its reasonable allocation to agricultural water users of the benefits of the exclusion of agricultural water deliveries from the calculation of the Storage Charge paid by the member agency.

4. If a member agency fails to submit a written statement or, upon recommendation of the general manager, if the board of directors after a public meeting determines that the written statement is false or fails to demonstrate compliance with this ordinance, the member agency will be deemed to have received full service and will pay the Water Authority the difference between the full water rate and the amount paid under the applicable agricultural water supply program for the time period that the board determines the agency failed to comply with the requirements of this ordinance. In addition, the member agency will pay to the Water Authority the reasonable costs of enforcement of this ordinance in an amount determined by the board of directors. If a member agency is deemed to have received full service under this section, the member agency will be eligible to participate in the Transitional SAWR commencing January 1 of the next calendar year subject to compliance with this ordinance. This paragraph 4 becomes operative on June 30, 2012.

5. This ordinance shall be effective upon adoption.

6. The Clerk of the Board shall publish this ordinance or a summary prepared by the General Counsel pursuant to Section 1.00.040 of the Administrative Code.

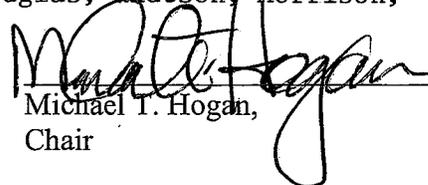
PASSED, APPROVED AND ADOPTED, this 8th day of December, 2011.

AYES: Unless noted below all Directors voted aye.

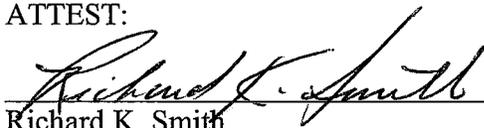
NOES: None

ABSTAIN: None

ABSENT: Boyle, Croucher (p), Douglas, Knutson, Morrison,
Mudd, and Steiner


Michael T. Hogan,
Chair

ATTEST:


Richard K. Smith,
Secretary

I, Doria F. Lore, Clerk of the Board of the San Diego County Water Authority, certify that the vote shown above is correct and this Ordinance No. 2011- 05 was duly adopted at the meeting of the Board of Directors on the date stated above.

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by 'F. Lore' in a cursive script.

Doria F. Lore,
Clerk of the Board

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Transitional SAWR Annual Assessment Procedures (FY 2019)

CY 2020 Transitional SAWR Handbook
Appendix D

Transitional SAWR Annual Assessment Procedures (FY 2019)

Background

The purpose of this document is to provide information on the procedures and member agency data collection required for the Water Authority's annual assessment of the Transitional Special Agricultural Water Rate (TSAWR) program.

An annual assessment for the TSAWR program shall be conducted at the end of each fiscal year and coincide, approximately, with efforts to complete the annual reconciliation process performed each year between the Water Authority and member agencies on total deliveries and water use. Linking TSAWR assessment with the annual reconciliation will streamline member agency reporting requirements.

The objective of the TSAWR annual assessment is to confirm agencies' computations and source documents. Monthly back-up documentation obtained from agencies is used to verify line-item calculations listed on each agency's monthly TSAWR certifications. The procedure draws heavily from Metropolitan's previous Interim Agricultural Water Program (IAWP) annual assessment.

Any reconciled variances of five (5) acre-feet or more for any line item on the TSAWR certification form relating to a calculated credit (Appendix A) shall require a revision for that month. Any variance smaller than five acre-feet shall be noted, and may not be adjusted, based on immateriality.

Data Collection

In addition to the standard annual reconciliation data, the Water Authority shall request back-up operational data from those agencies participating in the TSAWR program at the end of each fiscal year. This operational data shall include the following data sets for each month of the assessment period:

1. Total monthly retail sales report (to validate Line 6 of the TSAWR certification form)
2. For TSAWR accounts only, total monthly retail sales to dedicated agriculture meters and total monthly retail sales to agriculture-with-incidental-domestic-use meters (to validate Lines 7 and 8 of the TSAWR certification form).

Site Visits

As part of the annual assessment, the Water Authority will select a subset of participating TSAWR member agencies to conduct site visits. Water Authority staff will then work with member agency staff to coordinate selection of a sample set of TSAWR customer accounts for annual site visits. Selection of potential TSAWR accounts shall be done through random sampling of a cross-section of large and small scale growers and include a minimum of three (3) sample accounts per agency. Additional documentation for selected accounts may be required

(such as verification of acreage in production or retail customer TSAWR enrollment documentation).

Site visits would be closely coordinated with the member agency staff and would be conducted on the identified accounts to confirm compliance with the TSAWR participation requirements after review of the TSAWR assessment documentation.

Final TSAWR Deliveries

Once the certification review process is complete and all revisions are confirmed with member agency staff, the Water Authority will send a final reconciliation letter to each participating TSAWR agency that will attest to the final certified volume for each month of the fiscal year. The letter shall include a summary explanation of any revisions, together with tables showing initial and final monthly TSAWR delivery volumes for the assessment period.

FY 2019 Annual Assessment Timeline

To facilitate timely completion of the assessment process, the Water Authority has established the following approximate timeline to implement the TSAWR fiscal year 2019 annual assessment:

Activity	Target completion month
Data request for supporting TSAWR documentation	August 2019
TSAWR data request due date	September 2019
TSAWR site visits	December 2019
TSAWR certification assessment	December 2019
Final TSAWR assessment letter	December 2019

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