Members of a San Diego County contingency speak out against Metropolitan Water District's proposed water rates and charges at a March 12, 2012 MWD Public Hearing.
NOTICE TO THE PUBLIC
BOARD OF DIRECTORS’ AND STANDING COMMITTEES’
REGULAR MEETING
MARCH 22, 2012
BOARD ROOM
WATER AUTHORITY HEADQUARTERS BUILDING
4677 OVERLAND AVENUE, SAN DIEGO, CALIFORNIA

1. **UNIFIED AGENDA:** This unified agenda provides a brief description of each item to be considered by the Board and its Administrative and Finance, Engineering and Operations, Imported Water, Legislation, Conservation and Outreach, and Water Planning Committees. For convenience, the agenda for each of the Committees and for the formal Board meeting are stated separately; however, all agendas shall be considered as a single agenda and any item listed on the agenda of any Committee may be acted upon by the Board. All items on the agenda of any Committee, including information items, may be deliberated and become subject to action by the Board.

2. **DOCUMENTS:** Staff reports and any other public information provided to the Board or Committee before the meeting relating to items on the agenda are available for public review at the San Diego County Water Authority 4677 Overland Avenue San Diego, CA 92123 during normal business hours. Additional documents may be distributed at the meeting. Copies of individual items, including the background information, are available through the Clerk of the Board at (858) 522-6614.

3. **MEETING TIMES:** The morning session of Standing Committees will commence at **9:00 a.m. on March 22, 2012** the afternoon session of Standing Committees will commence at **12:45 p.m.** Please see the meeting schedule. The full Board will convene in formal session at **3:00 p.m.** or as soon thereafter as the last Committee meeting is completed.

4. **ACTION AT COMMITTEE MEETINGS:** Committee meetings are also noticed as meetings of the Board because a quorum of the Board may be present. Members of the Board who are not members of the Committee may participate in the meeting, but only members of the Committee may make, second or vote on any motion or other action of the Committee unless the Board determines to convene for consideration of action on an item or items on the Committee agenda. If a quorum of the Board is present during a Committee meeting, upon approval of a motion by any Board member to convene for consideration of action on an item or items on the Committee agenda, the Board may take action on that item or items. If the Board takes action on an item during a Committee meeting, the matter will not be subject to further action at the Formal Board meeting unless a motion to reconsider is approved according to the provisions of the Water Authority Administrative Code. Persons interested in an item and wishing to hear the staff report, present oral or written comments and hear the deliberations should attend the Committee meeting. Closed Sessions also occur at Committee meetings and may not be repeated at the formal Board meeting.

5. **CONSENT CALENDAR:** The agenda contains items listed on a consent calendar which is for matters considered routine or otherwise not requiring further deliberation. A committee or 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. If a member of the public
wishes to talk about a consent calendar item, please notify the Chair before the calendar is called. Persons who wish to be heard on an item are encouraged to speak before the assigned committee.

6. **PUBLIC HEARINGS:** It is not necessary to notify the Chair if a member of the public wishes to speak on items listed on the agenda as public hearings. Public hearings will begin at the time stated in the notice, or as soon thereafter as the matter can be heard. When the Chair opens the hearing, upon invitation of the Chair, step to the podium and begin by giving your name and address for the record. Each speaker has 3 minutes to address the Board.

7. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA:** The agenda provides an opportunity for members of the public to address the Committees and Board on matters of interest within the jurisdiction of the Committee or Board that are not listed on the agenda. The Brown Act does not allow any discussion or action by the Board or staff on matters raised during public comment except: 1) to briefly respond to statements made or questions posed; 2) ask a question for clarification; 3) receive and file the matter; 4) if it is within staff's authority, refer it to them for a reply; or, 5) direct that it be placed on a future board agenda for a report or action.

A reasonable amount of time will be allocated by the Chair for public comment. Persons wishing to speak should notify the Chair before the meeting by filling out a "Speaker Request Form" and give it to the secretary. Individual speakers are requested to be as brief as possible and are encouraged to address the appropriate committee who is best able to respond. When the Chair calls, please immediately step to the podium and begin by giving your name and address for the record. Each speaker has 3 minutes to address the Board.

8. **PUBLIC COMMENT ON AGENDA ITEMS:** Persons wishing to speak to an item that is listed on the agenda should notify the Chair before the meeting by filling out a speaker request form and giving it to the secretary. Step to the lectern when asked to do so by the Chair and begin by giving your name and address for the record. Remarks should be limited to three minutes.

9. **INFORMATION ITEMS:** Items are listed on the agenda as information based on staff's judgment. Circumstances or the committee's or Board's judgments may require deliberation or, if necessary, action on these items. Any member of the public with an interest in one of these items should review the background material and request information on the possible action that could be taken.

10. **ASSISTANCE FOR THE DISABLED:** If you are disabled in any way and need accommodation to participate in the Board meeting, please call the Clerk of the Board at (858) 522-6614 for assistance at least three (3) working days prior to the meeting so the necessary arrangements can be made.

11. **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 on line at [www.sdcwa.org](http://www.sdcwa.org) or at the Water Authority Headquarters.
MEETING SCHEDULE

MARCH 22, 2012

MORNING SESSION
Water Planning
Engineering and Operations
Administrative and Finance

9:00 a.m. to 12:00 p.m.
Estimated time: 45 minutes
Estimated time: 30 minutes
Estimated time: 1 hour 30 minutes

LUNCHEON FOR DIRECTORS

12:00 p.m. – 12:45 p.m.

AFTERNOON SESSION
Imported Water
Legislation, Conservation, and Outreach

12:45 p.m. – 3:00 p.m.
Estimated time: 1 hour 25 minutes
Estimated time: 40 minutes

FORMAL BOARD MEETING

3:00 p.m.

* Time estimates are for convenience only and do not constitute part of the schedule. The first morning session will commence at 9:00 a.m., and the following morning sessions may start at any time after 9:00 a.m. The first afternoon session will commence at 12:45 p.m., and the following afternoon sessions may start at any time after 12:45 p.m. The Board meeting will start no earlier than 3:00 p.m., or following the conclusion of the last committee meeting.
WATER PLANNING COMMITTEE

AGENDA FOR

MARCH 22, 2012

Mitch Dion – Chair     Dennis Lamb
Hershell Price – Vice Chair     John Linden
Javier Saunders – Vice Chair     Bud Pocklington
Brian Boyle     Dennis Sanford
Lynne Heidel     Fern Steiner
Michael Hogan     Mark Watton
Jeremy Jungreis     Ken Williams

1. Roll call – determination of quorum.

2. Additions to agenda (Government Code Section 54954.2(b)).

3. Public comment – opportunities for members of the public to address the Committee on matters within the Committee’s jurisdiction.

4. Chair’s report.
   4-A Directors’ comments.

I. CONSENT CALENDAR

II. ACTION/DISCUSSION

1. Amendments to professional services contracts for the 2012 Regional Water Facilities Optimization and Master Plan Update.
   Staff recommendation:
   1. Approve an amendment to the professional services contract with CH2M Hill to provide additional planning services for preparation of the 2012 Regional Water Facilities Optimization and Master Plan Update for a not-to-exceed amount of $266,900.
   2. Approve an amendment to the professional services contract with HCG, LLC to provide additional environmental planning services for the preparation of the Program Environmental Impact Report for the 2012 Regional Water Facilities Optimization and Master Plan Update for a not-to-exceed amount of $45,000.
   3. Increase the current Capital Improvement Program 2-year appropriation and life budget for the 2012 Regional Water Facilities Optimization and Master Plan Update by $410,000. (Action)

III. INFORMATION

1. San Diego Foundation – Regional Vision, presented by Lori Holt Pfeiler, Associate Vice President, Regional Vision Initiative.


3. Presentation on Basin Plan update. Toby Roy

4. Update on water supply and demand conditions. Ken Weinberg


IV. CLOSED SESSION

V. ADJOURNMENT

Doria F. Lore
Clerk of the Board

NOTE: This meeting is called as an Water Planning Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Recodified). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.
March 14, 2012

Attention: Water Planning Committee

Amendments to Professional Services Contracts for the 2012 Regional Water Facilities Optimization and Master Plan Update. (Action)

Staff recommendation
1. Approve an amendment to the professional services contract with CH2M Hill to provide additional planning services for preparation of the 2012 Regional Water Facilities Optimization and Master Plan Update for a not-to-exceed amount of $266,900.

2. Approve an amendment to the professional services contract with HCG, LLC to provide additional environmental planning services for the preparation of the Program Environmental Impact Report for the 2012 Regional Water Facilities Optimization and Master Plan Update for a not-to-exceed amount of $45,000.

3. Increase the current Capital Improvement Program (CIP) 2-year appropriation and life budget for the 2012 Regional Water Facilities Optimization and Master Plan Update by $410,000.

Alternatives
Do not approve the amendments to the professional service contracts and direct staff to re-negotiate with the consultants.

Fiscal Impact
Approval of the staff recommendations will increase the project budget by $410,000, from $4.425 million to $4.835 million. The project budget increase provides a $311,900 increase to the two consultant contracts and a $98,100 increase for staff labor. The related rate categories are customer service, storage and transportation.

Background
In December 2010 and August 2011, the Water Authority’s Board of Directors awarded professional services contracts, respectively, to CH2MHill to prepare the 2012 Regional Water Facilities Optimization and Master Plan Update (Master Plan Update) and to HCG, LLC to prepare a Program Environmental Impact Report (PEIR) and Climate Action Plan (CAP). The purpose of the Master Plan Update is to evaluate projected regional water supplies and demands, existing regional and local treatment, conveyance, and storage facilities to develop a cost effective and reliable plan for new infrastructure capable of meeting member agency demands for untreated and treated water service through the year 2035 planning horizon. Preparation of a PEIR and CAP, in conjunction with the Master Plan Update, allows for greater flexibility to comprehensively address environmental and cumulative impacts in compliance with the California Environmental Quality Act (CEQA) and the California Global Warming Solutions Act of 2006 (AB32).
Discussion
The Master Plan Update is intended to guide future Water Authority investments in new facilities in consideration of projected local supply development, water resources management, water conservation, operational management, and asset management needs. As discussed at the February 9, 2012, Special Meeting of the Water Planning Committee, the consultant teams, in collaboration with Water Authority staff, have made significant progress to establish a sound basis for the evaluation of new facilities and supply alternatives to meet the member agency demands through the year 2035. The work performed to date has included:

- An assessment of individual member agency treated and untreated water demands based on historical use patterns and projections for future needs consistent with the 2010 Urban Water Management Plan
- The development of regional planning scenarios that consider local supply variability, hydrologic patterns, and climate impacts
- An assessment of alternative facility implementation strategies that would optimize existing infrastructure, maximize imported water supplies, maximize seawater desalination supplies, and/or optimize use of regional storage
- Development of alternative evaluation metrics to assess system capacity, system reliability, cost of service, environmental impacts, energy use, water quality, and supply diversification goals
- An evaluation of treated water demands and the effects of desalination supplies on regional and local water treatment plants and conveyance, including the ability to expand the Twin Oaks Water Treatment Plant service area
- An assessment of a strategic long-range plan for surface water storage prepared in cooperation with member agencies
- A system vulnerability assessment and an evaluation of system operating risks
- An evaluation of renewable energy opportunities and greenhouse gas emissions related to new infrastructure development

The alternative facility implementation strategies have essentially focused on new facilities that would (1) increase imported water supplies, and (2) integrate proposed seawater desalination supplies. The projects being considered to increase imported water supplies include the existing Pipeline 6 project, or an alternative project that would swap treated and untreated deliveries between Pipelines 3 and 4, resulting in an increase in untreated water import capability through the Metropolitan Water District of Southern California (Metropolitan). The seawater desalination alternative includes assessing plants sizes and conveyance needs to integrate up to 150 MGD of new supplies from a proposed desalination plant located in Camp Pendleton.

At the February 9, 2012, Special Meeting of the Water Planning Committee, a request was made to include a third infrastructure alternative in the Master Plan Update that would evaluate a new conveyance facility, independent of the Metropolitan system, to import the full allotment of Colorado River supplies from the IID transfer and canal lining projects. This new Master Plan Update alternative would be based on previous studies of alternative pipeline and tunnel
conveyance systems that would extend from the westerly terminus of the All American Canal to
the San Vicente Reservoir. The evaluation of this new alternative would, in general, include
confirming the viability of previously identified conveyance corridors (focusing on corridors
north of the U.S. border), evaluating the integration of Colorado River supplies introduced at the
San Vicente Reservoir, additional regional conveyance needs, updating capital costs, and
updating operating costs including energy costs and opportunities for energy recovery. In
addition, this new alternative would require additional evaluation of its environmental impacts in
the PEIR and greenhouse gas emissions impacts in the CAP.

The addition of a new Master Plan Update alternative will have impacts on the project budget
and schedule and require amendments to the Professional Service Agreements for CH2M Hill
and HCG, LLC. Staff has negotiated the amendments to the consultant agreements to complete
the necessary planning studies to include the third infrastructure alternative at an equal level of
analysis into the Master Plan Update document and the PEIR and CAP. Adding this new
alternative will also require additional staff reviews resulting in an increase to in-house labor
costs and an extension of the project completion date by an estimated four to six months. Staff
still anticipates that information from the Master Plan Update can be used for preparation of the
Fiscal Years 2014-2015 CIP Budget. The project budget increase is summarized in the following
table and includes the consultant fees and additional staff costs to evaluate the new alternative
and extend the project schedule.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CH2M Hill – Revision to Master Plan Update</td>
<td>$266,900</td>
</tr>
<tr>
<td>HCG, LLC – Revisions to PEIR and CAP</td>
<td>$45,000</td>
</tr>
<tr>
<td>Staff labor</td>
<td>$98,100</td>
</tr>
<tr>
<td>Project Budget Increase</td>
<td>$410,000</td>
</tr>
</tbody>
</table>

The small business participation for these contracts is 21 percent. The minority and women-
owned business participation for this project is 3 percent. This information is provided for
statistical purposes.

Prepared by:  Dave Chamberlain, Principal Engineer
Reviewed by:  Ken Weinberg, Director of Water Resources
Approved by:  Sandra L. Kerl, Deputy General Manager
March 14, 2012

Attention: Water Planning Committee

Status Report on the Draft Water Purchase Agreement for the Carlsbad Desalination Project (Discussion)

Purpose
The purpose of this report is to provide an update on activities related to the Board approved Term Sheet between the Water Authority and Poseidon Resources (Channelside L.P.) regarding the development of a draft Water Purchase Agreement (WPA) with Poseidon Resources.

Background
At its July 22, 2010, meeting, the Board approved a Term Sheet between the Water Authority and Poseidon Resources regarding the preparation of a WPA for 56,000 acre-feet per year from the Carlsbad Seawater Desalination Project. Since that time, Water Authority staff and Poseidon have worked on meeting certain conditions precedent to negotiation and consideration of a WPA as well as conducting the required financial, technical and corporate due diligence activities. All conditions precedent to negotiation of a WPA were fulfilled in September 2011 and Water Authority staff provided Poseidon a draft WPA in November 2011. There have been three face-to-face negotiating sessions between the parties since that time and several iterations of the draft WPA have been developed.

Concurrently with development of a draft WPA and associated due diligence activities, Water Authority staff and Poseidon have continued to refine the facilities requirements needed to connect the proposed desalinated water conveyance pipeline to existing Water Authority facilities for introduction into the regional aqueduct system. The extent and cost of any modifications to existing Water Authority facilities will be known prior to Board consideration of a WPA with Poseidon.

Technical studies defining these physical modifications to the Water Authority’s facilities are being paid for by Poseidon as part of the risk transfer of project development.

Implementation of the Carlsbad Desalination Project by Poseidon, a 50 million gallon per day Seawater Reverse Osmosis project, involves three project agreements between Poseidon and its contractors. There are separate agreements between Poseidon and the joint venture of Kiewit Infrastructure West Co. and JF Shea Construction (Kiewit-Shea) for the design and construction of the plant and desalinated water conveyance pipeline. Poseidon has also selected Israel Desalination Engineers (IDE) as the plant operator through a separate contract. IDE is also sub-contractor to Kiewit-Shea for the design and equipment procurement of the advanced water treatment processes at the Plant.

Discussion
Status of the Draft Water Purchase Agreement
The Water Authority negotiating team provided Poseidon a third draft of the WPA along with several key technical appendices on March 9, 2012. This third draft WPA responded to issues and
comments raised during previous negotiations with Poseidon. The technical appendices are important documents critical to aligning the Water Authority’s expectations regarding project construction and operation with the contractual arrangements between Poseidon and its contractors, Kiewit-Shea and IDE. A two-day negotiating session is to be held with Poseidon on March 20 and 21, 2012, which will result in a fourth iteration of the draft WPA to be prepared by the Water Authority and provided to Poseidon by the second week of April 2012.

Water Authority Distribution System Improvements

The proposed 10 mile long desalinated water conveyance pipeline will connect to the Water Authority’s second aqueduct in the vicinity of the existing Vallecitos 9 Flow Control Facility in San Marcos. The desalinated seawater will be introduced into the Water Authority’s existing Pipeline 3, which will be reoperated to deliver water north to the Twin Oaks Valley Water Treatment Plant (WTP).

Pipeline 3 is a 50+ year-old steel and rubber gasket pipeline that, in a condition assessment conducted in 1997, was found to have construction defects that limited its ultimate usable life absent repair or rehabilitation. Introduction of desalinated water into Pipeline 3 and reoperation to send water north to the Twin Oaks WTP requires the pipe to structurally withstand higher pressures than were designed into the pipeline under its originally conceived gravity flow operation. Work began on the current condition assessment of Pipeline 3 during December 2011 and was completed in February 2012. Staff has initially determined that approximately half the pipeline will require relining in order to operate under the higher pressures and meet Water Authority pipeline design standards. Staff and its specialized consultants are currently evaluating the need to reline portions of the remaining segment of Pipeline 3 and identify any other additional repairs needed to operate the pipeline for delivery of desalinated water to Twin Oaks WTP. Staff expects to return to the Board in April 2012 with a final evaluation of the extent of the repair and rehabilitation of Pipeline 3 along with a capital cost estimate. The cost of the technical studies to conduct this assessment has been paid for by Poseidon as part of the risk transfer of project development.

Due Diligence Activities

Technical workshops between Water Authority staff and its consultants and Poseidon and its contractors were held over the last month to discuss in detail the plant operations and maintenance agreement and the proposed design for the desalinated water conveyance pipeline between the plant and the Water Authority’s second aqueduct. Comments from the Water Authority on the proposed design of the pipeline were provided to Poseidon, and staff is awaiting responses from Poseidon and its contractors. Additionally, the Water Authority provided comments to Poseidon on the O&M agreement and is awaiting Poseidon’s response. Technical due diligence on the construction of the desalination plant has been completed and Poseidon has satisfactorily answered the comments provided by the Water Authority. A technical opinion on the efficacy of the plant to produce water in the amounts and quality proposed by Poseidon will be completed and the results reported to the Board at a future meeting. Staff’s focus is now turning to completing financial due diligence activities regarding the appropriateness of desalinated water pricing, energy pricing and the documents and process for bond and equity financing.
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March 14, 2012  
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Water Demand Outlook

The adoption of the 2010 Urban Water Management Plan (UWMP) by the Board in June 2011 marked the conclusion of an extensive planning effort to anticipate the water demands and availability of sufficient supply through 2035. The UWMP recognized the dramatically different future for water demand than previously anticipated. Additionally, preparations have begun for the development of the 2012 Regional Water Facilities Optimization and Master Plan Update. Staff will be evaluating information prepared by the consultant on how the addition of the water from the Carlsbad Plant will be integrated into the system and what will be the impacts on the Twin Oaks Plant operations. This information, along with the results of the 2010 UWMP, will be considered by the staff before a recommendation is made to the Board on how much desalinated water is appropriate for the Water Authority to accept on a 30 year contractual basis. Any impacts the addition of desalinated water will have on the usage and optimization of Twin Oaks will be considered a cost of the project and reflected in the overall financial impact of the project to the Water Authority.

Adding Carlsbad Desalination Project into Water Authority Rates and Charges

The long term fiscal sustainability of the Water Authority is a primary focus and concern in consideration of any new long term commitment of funds for the future. Before the Board of Directors makes a decision on the WPA, it is critical that a means to pay for the project which is fixed for the term of the contract be established. As you are aware, entering into a WPA with Poseidon would result in a 30 year financial commitment by the Water Authority and its member agencies to purchase 56,000 acre-feet annually if the water was delivered and met water quality requirements. It would also signify a long term commitment to purchase a highly reliable supply at a significantly higher price than currently existing Water Authority supplies. Given the significance of this commitment, the reduced water demand environment, and the financial health of the organization, it cannot be entered into without thoughtful and deliberate decisions being made on how to pay for it through the term of the agreement.

Adding the Carlsbad Desalination Project into the Water Authority’s rate and charge structure will continue to follow cost of service principles used in rate setting practices. This requires that the cost of the project and the manner in which revenues are collected reflect a fair and equitable approach to allocating costs to beneficiaries to pay for the cost of water for the duration of the Water Purchase Agreement.

As a Water Authority supply, the Carlsbad Desalination project would be a unique part of the regional water portfolio. This unique aspect was first addressed when the Board approved desalinated seawater as the next increment of regional supply in the 2004 Regional Water Facilities’ Master Plan. Because desalinated seawater is a new supply that has the added benefit of producing water that meets all drinking water regulations, it was necessary to separately identify the supply cost and the treatment cost. This was done so that an untreated water customer was not paying for the treatment that benefited only treated water customers. After lengthy discussions with the member agencies through the Member Agency Rate Impact Review Committee (MARIRC) and with the Board, it was determined that the value of the treatment benefit would be the cost of the
Water Planning Committee  
March 14, 2012  
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Water Authority’s melded treatment surcharge. It was believed that the melded treatment surcharge was the best indicator of value because that is what treated water customers will pay for the water that meets drinking water standards and it is the amount that untreated customers are not charged when purchasing raw water supplies.

Subsequent to approval of the 2004 Facilities Master Plan and conclusion of the MARIRC process, staff, working with a member agency advisory committee, conducted a Fixed Revenue Study. One of the recommendations of the 2005 Fixed Revenue Study was the creation of a New Supply Development Charge to reflect growth’s fair share of future capital costs related to regional desalination or other new capital intensive water supplies developed by the Water Authority. In adopting the Fixed Revenue Study recommendations, the Board directed staff to create a New Supply Development Charge in the event that seawater desalination is implemented. Because a project had not been implemented, the Charge has not yet been imposed.

Since that time, staff has identified enhanced emergency storage as an additional benefit of the seawater desalination project. When the Board adopted policies in 2009 to address member agency wheeling of local supplies through Water Authority facilities, it recognized that highly reliable new supplies such as desalinated seawater reduced the need for service from the Emergency Storage Project (ESP) during a catastrophic emergency. That recognition resulted in a specific Board policy acknowledging that highly reliable supplies enhanced the level of service from the ESP to all remaining customers. Because of that benefit, member agencies wheeling these highly reliable supplies through the Water Authority's aqueduct system would be credited for payment of the Water Authority's storage charge. Staff believes the same enhanced level of service to the region results from the addition of Carlsbad Desalination to the Water Authority supply portfolio.

Evaluating the service categories benefitting from the Carlsbad Desalination Project (treatment, growth’s fair share and emergency storage) is a first step in the process to determine how the costs of the project should be allocated to various rate categories. Staff will be working through the Board’s Carlsbad Desalination Project Advisory Group as well as talking with the Member Agencies General Managers’ about options and return to the Board in April.

Schedule of Future Activities

At the February 23, 2012, meeting of the Water Planning Committee, staff reviewed a detailed schedule of the many tasks leading up to Board consideration of a final draft WPA in the June-July 2012 timeframe. Staff is currently reviewing the progress of the schedule and will be meeting with Poseidon on March 20 and 21, 2012, for WPA negotiations and to reassess the schedule. Staff will report out at the March 2012 Water Planning Committee on the status of the schedule and whether any modifications will be made.

Prepared and Reviewed by: Ken Weinberg, Director of Water Resources  
Reviewed by: Sandra L. Kerl, Deputy General Manager  
Reviewed by: Maureen A. Stapleton, General Manager
March 14, 2012

Attention: Water Planning Committee

Presentation on the Integrated Regional Water Management Plan (Information)

Purpose
This report provides information on the activities that will take place over the next two years to update the 2007 San Diego Integrated Regional Water Management (IRWM) Plan, including the first San Diego IRWM Summit and workgroups and meetings that will facilitate public involvement in the plan update.

Background
The San Diego Regional Water Management Group (RWMG), which comprises the Water Authority, the city of San Diego (City) and the county of San Diego (County), developed the first San Diego IRWM Plan in 2007. The Water Authority Board of Directors, San Diego City Council and San Diego County Board of Supervisors approved the plan in the same year. The Water Authority was designated the lead agency for purposes of applying for grants, administering grant funding and representing the RWMG to funding agencies such as the Department of Water Resources (DWR). In 2009, DWR formally accepted the San Diego plan, a step that made the San Diego IRWM planning region eligible to apply for IRWM grant funding from the state.

The 2007 San Diego IRWM Plan is the foundation of long-term IRWM activities in the San Diego planning region, which is defined as the 11 hydrologic units with the county that flow west to the ocean. The plan establishes regional goals and objectives aimed at improving the reliability of local water supplies and protecting and enhancing water quality and natural resources. The plan’s guiding principles and priorities provide direction toward implementation of IRWM activities within the region. In addition, as the IRWM program provides financial support for projects that expand the region’s reliable local water supplies, it helps to achieve the goals established in the Water Authority’s 2010 Urban Water Management Plan.

Since the IRWM plan was written, DWR has awarded the region three IRWM grants. Two implementation grants, totaling $32.9 million, support 30 water-related projects by public agencies and non-profits in the San Diego region, including five sponsored by the Water Authority and eleven by Water Authority member agencies. In addition, a $1 million Proposition 84 planning grant will cover most of the costs of updating the plan. The region is eligible to receive approximately $56 million in additional grant funding approved by the voters in 2006 as part of Proposition 84.

Discussion
DWR last year issued new guidelines for the contents of IRWM plans. When the San Diego RWMG received the Proposition 84 planning grant, it committed itself to updating the plan in conformance to the new state requirements by Oct. 31, 2013. DWR’s plan standards ensure that
IRWM plans throughout the state include specific content, but individual planning regions retain flexibility in how the issues are addressed. For example, in addition to complying with the new requirements, the San Diego RWMG decided to include discussions of the relationship between water management and land use planning and partnership opportunities with the San Diego Regional Water Quality Control Board to improve water quality and regulatory certainty. The 2013 plan also will examine potential expansion of funding sources for the San Diego IRWM program, establish program priorities and develop a list of metrics to measure progress toward achieving those priorities.

The RWMG commemorated the plan update process by holding the first San Diego IRWM Summit on February 29 at the Valencia Park/Malcolm X Library in San Diego. The purposes of the summit were to:

- Gain input from stakeholders on how the IRWM program may enhance water management in the region.
- Discuss how to resolve conflicts and challenges in local watersheds through integrated planning.
- Discuss the vision, objectives and priorities for IRWM planning in the region.
- Raise awareness of the San Diego IRWM Program.

Some common themes emerged during the day. Many attendees mentioned the impact of regulations on water supply and water quality and the need to improve regulatory certainty. There was dialogue about the importance of collaboration between public agencies and non-governmental organizations to enhance water management. Another common theme involved improving general public knowledge of IRWM and ensuring that stakeholders from all interested parties are represented in the process.

More than 80 people attended the summit. They heard from an array of speakers that included San Diego Mayor Jerry Sanders and State Water Resources Control Board Vice-Chair Frances Spivy-Weber. Kathleen Flannery of the County of San Diego, who chairs the IRWM Regional Advisory Committee, spoke about the RWMG’s vision for sustainable water management. Jeremy Jungreis of the Pendleton Military Reservation and a Water Authority Board member, teamed with Richard Williamson of Rancho California Water District to present a case study of how integrated water management is facilitating planning in the Santa Margarita River watershed.

The statewide perspective on IRWM was presented by David Gibson of the San Diego Regional Water Quality Control Board, Sean Sterchi of the State Department of Public Health, Joe Yun of DWR and Ms. Spivy-Weber. This panel discussed a variety of funding opportunities, the need for better collaboration to avoid conflicting projects, and the ability to use both the IRWM and regulatory influence to develop better solutions to ongoing challenges. The Regional Water Board and the Department of Public Health both expressed support for potable reuse projects.

After the presentations, attendees were organized into four breakout groups to discuss two topics: challenges to successful integrated water management and the San Diego program’s objectives. Each group compiled a list of challenges facing IRWM in San Diego – the challenges ranged
widely and included such things as balancing water supply, water quality and habitat restoration needs; funding delays; and expanding public involvement in the program. The groups also discussed the San Diego IRWM Program’s objectives; attendees were asked to assess each objective in terms of the triple bottom line of sustainability – economic, environmental and social impacts. In addition, the groups were given a chance to add objectives and revise those already in existence. The objectives presented at the summit are included in an attachment that also includes the San Diego IRWM Program’s mission, vision and goals. These items may be revised as the 2007 plan is updated. Some additional recommended objectives from the summit included keeping the focus on local water supply, efficient and effective allocation of resources, increasing public education and outreach and collaboration with regulatory agencies to develop better solutions.

Input from the summit will be given to one of the stakeholder workgroups that have been established to assist in development of the 2013 IRWM Plan. The workgroups will help develop information and review written material in six areas: long-term program governance and financing, program priorities and plan metrics, regulatory issues, land use planning and water management, integrated flood management and climate change. Material developed by the workgroups will feed directly into the plan update and, in several cases, form appendices to the plan. The feedback from summit attendees about program objectives and challenges will be presented to the program priorities and plan metrics workgroup.

Each workgroup comprises representatives of the RWMG agencies, Water Authority member agencies and other public entities, RAC members and people from non-profit organizations and other stakeholders. Water Authority staff members from the Water Resources Department are taking a lead role in each of the workgroups except integrated flood management, which is outside the Water Authority’s area of expertise. As of this time, five Water Resources staff members are involved in the plan update as part of their work duties.

Along with the summit, the RWMG will hold numerous other events to distribute information about the plan update and solicit input from stakeholders and the public. Workshops will be held in several of the region’s watersheds to gather information on local conditions and discuss issues, conflicts, objectives and priorities in the watersheds. As drafts of plan update chapters are completed, the RWMG will hold workshops as part of the bi-monthly RAC meetings to present the new material and get feedback. The public review draft of the updated plan is scheduled to be released for review and comment in June 2013. The final draft will be released in August 2013 and presented for adoption by the RWMG governing bodies, the Water Authority Board of Directors, the San Diego City Council and the San Diego County Board of Supervisors. (A table presenting the IRWM Plan Update schedule is attached.)

Prepared by: Mark Stadler, Principal Water Resources Specialist
Reviewed by: Ken Weinberg, Director of Water Resources

Attachments:
1. 2013 San Diego IRWM Plan Update schedule
2. San Diego IRWM Vision, Mission, Goals and Objectives
## 2013 San Diego IRWM Plan Update schedule

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<td>Public workshop on final draft</td>
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San Diego IRWM Vision, Mission, Goals and Objectives (from 2007 IRWM Plan)

Vision
An integrated, balanced and consensus-based approach to ensuring the long-term sustainability of the Region’s water supply, water quality and natural resources.

Mission
To develop and implement an integrated strategy to guide the San Diego Region toward protecting, managing, and developing reliable and sustainable water resources. Through a stakeholder-driven process and adaptive process, the Region can develop solutions to water-related issues and conflicts that are economically and environmentally preferable, and that provide equitable resource protection for the entire Region.

San Diego IRWM Program Goals (adapted from 2007 San Diego IRWM Plan)
- Improve the reliability and sustainability of local water supplies.
- Protect and enhance water quality.
- Protect and enhance our natural resources.
- Promote and support integrated water resource management.

San Diego IRWM Program Objectives (adapted from 2007 San Diego IRWM Plan)
- Develop and maintain a diverse mix of water resources.
- Construct, operate, and maintain a reliable infrastructure system.
- Reduce the negative effects on waterways and watershed health caused by hydromodification and flooding.
- Effectively reduce sources of pollutants and environmental stressors.
- Protect, restore, and maintain habitat and open space.
- Optimize water-based recreational opportunities.
**March 14, 2012**

**Attention: Water Planning Committee**

**Basin Plan Update (Information)**

**Purpose**
To provide a status report on planning efforts for an update of the San Diego Regional Water Quality Control Board’s Basin Plan

**Background**

The mission of the San Diego Regional Water Quality Control Board (Water Board) is to develop and enforce water quality objectives and implementing plans that will best protect area waters while recognizing local differences in climate, topography, geology and hydrology. In so doing, the Water Board attempts to balance the needs of industry, agriculture, municipal districts and the environment. The Water Board’s Water Quality Control Plan for the San Diego Basin Plan (Basin Plan) identifies beneficial uses of the various water bodies in San Diego and then establishes the water quality objectives and implementation plans necessary to protect those uses.

The Basin Plan water quality objectives and implementation plans establish a foundation for developing Total Maximum Daily Loads (TMDLs) of contaminants and the issuance of waste discharge requirements and other permits. If source water quality data provided to the Water Board shows exceedances of water quality objectives, the source of water is listed as an “impaired” water body and a TMDL is required. TMDL development can trigger permit requirements and compliance actions to protect and improve water quality.

The Water Board’s goal is to update the Basin Plan at least once every three years, but has the flexibility to do additional updates as needed. Typically, the need for Basin Plan amendments exceeds the resources available at the Water Board. Stakeholders can provide additional resources and conduct some of the background work necessary to support the amendments. In 2009, the Water Board formed a Triennial Review Advisory Committee (TRAC) of stakeholders to assist establishing priorities for the Basin Plan update. The TRAC started with a list of over 80 needed updates. After considering the TRAC recommendations and staff priorities, the Water Board approved to allocate staff time to develop three Basin Plan amendments between 2011 and 2013. If additional resources are provided, the Regional Board staff could do additional updates.

**Discussion**

One of the important issues for the Water Authority and its member agencies is the application of water quality objectives to drinking water reservoirs and the subsequent listing of those reservoirs as “impaired” water bodies. This issue is not being addressed in the current Basin Plan update, because many of the water quality objectives were put into place when the original plan was adopted in 1975 and are based on secondary drinking water standards. These are the standards that are normally applied to treated drinking water supplies to ensure that the customer’s water is aesthetically...
acceptable, and are not based on public health protection. The objectives do not consider the impact of natural lake processes on water quality, the ability to treat the water downstream at a surface water treatment plant, or the use of the reservoirs within San Diego County to store imported water supplies. As a result of these unrealistic objectives, several local reservoirs have already been listed as “impaired” water bodies.

Some of the key parameters associated with existing “impaired” listings include nutrients, iron, manganese, color and turbidity. The water quality objectives for total dissolved solids (TDS) in the Basin Plan are 300 mg/L for San Vicente and El Capitan and 500 mg/L for other local surface water bodies. Last year, the TDS concentration of imported water supplies ranged from 480 to 610 mg/L, in excess of the Basin Plan objectives. However, the Water Board has not listed any reservoirs for exceeding the objectives TDS. To avoid any future conflicts on these issues, consideration should be given to modifying the Basin Plan objective to reflect the imported water TDS concentrations and natural lake conditions in a manner that protects the beneficial uses of these sources.

On February 22, 2012, Water Authority staff from the Water Resources and Operations and Maintenance Departments met with a member agency Technical Advisory Committee to discuss options for addressing reservoir “impaired” listing issues. Member agencies represented on the TAC include Helix WD, Santa Fe ID, Sweetwater Authority, Olivenhain MWD and the cities of San Diego, Poway and Escondido. Water Authority staff presented a background on basin planning and the current status of impaired listings to the TAC members. While water quality in some of the reservoirs can be improved, it is unlikely that the basin plan water quality objectives for several of the constituents could be met even under the best of circumstances.

The TAC discussed their concerns and agreed that a group of member agency and Water Authority representatives would meet with Water Board staff to present an understanding of the limnology and water quality in the reservoirs and get feedback from Water Board staff on possible solutions to “impaired” water body listings, including updates to the Basin Plan. It is likely that the water agencies would need to provide most of the scientific assessment and data needed to support any Basin Plan update. Additional efforts could still be needed to improve water quality. Based on the outcome of that meeting, the Water Authority and the TAC will develop a cost estimate for options that might be considered by the Water Board, and provide recommendations on how to proceed.

On a parallel track, as part of the Integrated Regional Water Management Plan (IRWMP) update, the Water Authority is working with a variety of stakeholders in the region and Water Board staff to develop approaches for working together to improve water quality of our local resources while maximizing beneficial uses. A white paper will be developed in conjunction with Water Board staff and incorporated into the IRWMP which identifies issues and collaborative solutions. Water Board Executive Officer, Dave Gibson, has expressed a willingness to work with stakeholders on collaborative approaches that support sustainable water supplies, use innovation, encourage healthy waters, and use good science to develop standards and solutions. Solutions for the impaired water body listing of drinking water reservoirs could be incorporated into that effort.

Prepared by: Toby Roy, Water Resources Manager
Reviewed by: Ken Weinberg, Director of Water Resources
March 14, 2012

Attention: Water Planning Committee

Water supply and demand conditions. (Information)

Purpose
To provide a status report on water supply and demand conditions.

Background
Dry conditions continue on the State Water Project and the Colorado River Basin.

Discussion
State Water Project
On February 22, 2012, the California Department of Water Resources (DWR) decreased the initial State Water Project (SWP) Table A allocation from 60 to 50 percent for calendar year 2012 due to the dry conditions. The last time an initial allocation was reduced was in 2001, and before that in 1991. DWR may continue to adjust the SWP delivery estimate to reflect changing hydrologic conditions.

DWR conducted its third manual snow survey of the season on February 28, 2012. Statewide snowpack was just 30 percent of normal for the date. Snow water equivalents (electronic readings) on March 9 are shown in Table 1. Precipitation also continues to be significantly below average for this time of year. On March 12, 2012, the Northern Sierra 8-Station Precipitation Index was 18.5 inches, or just 49 percent of average.

River runoff is another important future indicator of the state’s water supply. The Sacramento River runoff, from October 1, 2011 through February 29, 2012 was 36 percent of average. As of March 1st, the water year runoff forecast for the 2012 water year (Oct. – Sept.) for the Sacramento River is 43 percent of average.

Although key reservoir storage is near average, storage is decreasing at a time when it is typically increasing. Table 2 shows storage in Oroville and San Luis reservoirs.

Colorado River
Conditions are also dry on the Upper Colorado River Basin. Supply conditions on March 12, 2012 are as follows:

- **Upper Colorado Basin precipitation**: 86 of average
- **Snowpack conditions**: 76 percent of average
• Lake Powell unregulated inflow observed in February: 87 percent of normal
• Projected water year 2012 Lake Powell unregulated inflow: 80 percent of normal
• Total system contents: 37.6 million acre-feet (MAF), or 63 percent of capacity

Metropolitan Water District
The Metropolitan Water District of Southern California (MWD) provided an oral report on supply and demand conditions at its Water Planning and Stewardship Committee meeting on March 12, 2012. Table 3 provides MWD’s projected supply and demand balance for calendar year 2012, under a high and low demands, assuming a 50 percent SWP Table A allocation.

Local Supply Conditions
Local weather conditions over the winter have been dry. Accumulated total precipitation for the current water year is provided for Lindbergh Field and Ramona Airport in San Diego County in Table 4.

Total local reservoir storage including the Water Authority’s carryover storage on March 5, 2012 was approximately 384,500 acre-feet (AF), about 55 thousand acre-feet less than this time last year. Storage levels reflect withdrawals that occurred during this period, along with increases due to runoff.

The Water Authority had the following dry-year supplies in storage through March 1, 2012:
• Water Authority local carryover storage: 20,700 AF
• Water Authority Semitropic groundwater storage bank: 16,117 AF

Summary
Precipitation and snowpack continue to track well below average on the State Water Project and the Colorado River Basin. The La Niña conditions in effect this winter are likely to transition to neutral conditions in the spring 2012, according to the National Weather Service. La Niña could be a contributing factor to the dry weather patterns in the Pacific Southwest. Despite the dry conditions, key reservoir storage levels remain near average on the State Water Project, due to the last year’s wet weather. However, storage levels are decreasing at a time when they are typically increasing. Staff will continue to monitor and report on supply conditions to the Board.

Prepared by:  Lesley Dobalian, Water Resources Specialist
Reviewed by:  Ken Weinberg, Director of Water Resources
March 14, 2012

Attention: Water Planning Committee

Water Resources Report

Purpose
This report includes the following exhibits for February 2012:

- Rainfall totals for the month and water year to date
- Deliveries to Member Agencies (Exhibit A)
- Water Use by Member Agencies (Exhibit B)
- Storage Available to Member Agencies (Exhibit C)
- Firm Water Deliveries to Member Agencies (Exhibit D)
- Summary of Water Authority Member Agency Operations (Exhibit E)

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<tr>
<th>Station</th>
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<th>2011-2012 WATER YEAR (October 2011 through September 2012)</th>
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<td></td>
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<td>2.21</td>
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<tr>
<td>Lake Henshaw (Vista I.D.)</td>
<td>2.89</td>
<td>5.64</td>
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Sources: National Weather Service, Helix Water District, Vista Irrigation District.
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1 February 2011 and February 2012 deliveries include 307.0 AF and 171.7 AF to San Diego storage accounts, respectively.
## MONTHLY WATER RESOURCES REPORT

### Estimated Water Use by Member Agency (acre-feet)

#### FEBRUARY 2012

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</tr>
<tr>
<td>Vista I.D.</td>
<td>750.7</td>
<td>1,008.1</td>
<td>-</td>
</tr>
<tr>
<td>Yuima M.W.D.</td>
<td>-</td>
<td>4.0</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL USE</strong></td>
<td>25,665.1</td>
<td>24,663.1</td>
<td>5,421.7</td>
</tr>
<tr>
<td><strong>PERCENT CHANGE</strong></td>
<td>4%</td>
<td>66%</td>
<td>-47%</td>
</tr>
</tbody>
</table>

¹ De Luz figures included in Fallbrook P.U.D. total.
² Brackish groundwater use included in groundwater totals.
³ Pendleton's imported water use includes water delivered by South Coast Water District.
## MONTHLY WATER RESOURCES REPORT

### Reservoir Storage

#### (acre-feet)

<table>
<thead>
<tr>
<th>Member Agency</th>
<th>Reservoir</th>
<th>Capacity</th>
<th>FEBRUARY 2012</th>
<th>% of Capacity</th>
<th>FEBRUARY 2011</th>
<th>% of Capacity</th>
<th>Change During Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad M.W.D.</td>
<td>Maerkle</td>
<td>600</td>
<td>53</td>
<td>9%</td>
<td>71</td>
<td>12%</td>
<td>(130)</td>
</tr>
<tr>
<td>Escondido, City of</td>
<td>Dixon</td>
<td>2,606</td>
<td>2,312</td>
<td>89%</td>
<td>2,239</td>
<td>86%</td>
<td>(80)</td>
</tr>
<tr>
<td></td>
<td>Wohlford</td>
<td>6,506</td>
<td>2,222</td>
<td>34%</td>
<td>2,390</td>
<td>37%</td>
<td>-</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>9,112</td>
<td>4,534</td>
<td>50%</td>
<td>4,629</td>
<td>51%</td>
<td>(80)</td>
</tr>
<tr>
<td>Fallbrook P.U.D.</td>
<td>Red Mountain</td>
<td>1,335</td>
<td>620</td>
<td>46%</td>
<td>608</td>
<td>46%</td>
<td>12</td>
</tr>
<tr>
<td>Helix W.D.</td>
<td>Cuyamaca</td>
<td>8,195</td>
<td>906</td>
<td>11%</td>
<td>4,291</td>
<td>52%</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td>Jennings</td>
<td>9,790</td>
<td>9,061</td>
<td>93%</td>
<td>8,969</td>
<td>92%</td>
<td>-</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>17,985</td>
<td>9,966</td>
<td>55%</td>
<td>13,260</td>
<td>54%</td>
<td>(61)</td>
</tr>
<tr>
<td>Poway, City of</td>
<td>Beck</td>
<td>3,330</td>
<td>3,088</td>
<td>93%</td>
<td>3,210</td>
<td>96%</td>
<td>204</td>
</tr>
<tr>
<td></td>
<td>Morro Hill</td>
<td>465</td>
<td>1</td>
<td>0%</td>
<td>45</td>
<td>10%</td>
<td>1</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>1,090</td>
<td>213</td>
<td>20%</td>
<td>300</td>
<td>28%</td>
<td>38</td>
</tr>
<tr>
<td>Ramona M.W.D.</td>
<td>Ramona</td>
<td>12,000</td>
<td>2,563</td>
<td>21%</td>
<td>2,783</td>
<td>23%</td>
<td>(98)</td>
</tr>
<tr>
<td>San Diego, City of</td>
<td>Barrett</td>
<td>34,806</td>
<td>26,304</td>
<td>76%</td>
<td>34,806</td>
<td>100%</td>
<td>(1,071)</td>
</tr>
<tr>
<td></td>
<td>El Capitan</td>
<td>112,807</td>
<td>72,195</td>
<td>64%</td>
<td>76,812</td>
<td>68%</td>
<td>401</td>
</tr>
<tr>
<td></td>
<td>Hodges</td>
<td>30,251</td>
<td>24,846</td>
<td>82%</td>
<td>30,251</td>
<td>100%</td>
<td>386</td>
</tr>
<tr>
<td></td>
<td>Lower Otay</td>
<td>49,849</td>
<td>35,742</td>
<td>72%</td>
<td>35,563</td>
<td>71%</td>
<td>315</td>
</tr>
<tr>
<td></td>
<td>Miramar</td>
<td>6,682</td>
<td>5,493</td>
<td>82%</td>
<td>5,465</td>
<td>82%</td>
<td>351</td>
</tr>
<tr>
<td></td>
<td>Morena</td>
<td>50,694</td>
<td>11,858</td>
<td>23%</td>
<td>9,054</td>
<td>18%</td>
<td>(52)</td>
</tr>
<tr>
<td></td>
<td>Murray</td>
<td>4,684</td>
<td>4,293</td>
<td>92%</td>
<td>4,183</td>
<td>89%</td>
<td>79</td>
</tr>
<tr>
<td></td>
<td>San Vicente</td>
<td>89,312</td>
<td>33,620</td>
<td>38%</td>
<td>30,455</td>
<td>34%</td>
<td>(1,568)</td>
</tr>
<tr>
<td></td>
<td>Sutherland</td>
<td>29,508</td>
<td>13,175</td>
<td>45%</td>
<td>16,390</td>
<td>56%</td>
<td>(514)</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>408,593</td>
<td>227,526</td>
<td>56%</td>
<td>242,979</td>
<td>59%</td>
<td>(1,673)</td>
</tr>
<tr>
<td>San Dieguito WD/Santa Fe ID</td>
<td>San Dieguito</td>
<td>883</td>
<td>372</td>
<td>42%</td>
<td>510</td>
<td>58%</td>
<td>(28)</td>
</tr>
<tr>
<td>Sweetwater Authority</td>
<td>Loveland</td>
<td>25,400</td>
<td>16,377</td>
<td>64%</td>
<td>23,357</td>
<td>92%</td>
<td>(6,429)</td>
</tr>
<tr>
<td></td>
<td>Sweetwater</td>
<td>28,079</td>
<td>20,350</td>
<td>72%</td>
<td>8,677</td>
<td>31%</td>
<td>6,065</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>53,479</td>
<td>36,727</td>
<td>69%</td>
<td>32,034</td>
<td>60%</td>
<td>(364)</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>1,612</td>
<td>100%</td>
<td>-</td>
</tr>
<tr>
<td>Vista I.D.</td>
<td>Henshaw</td>
<td>51,774</td>
<td>3,974</td>
<td>8%</td>
<td>16,558</td>
<td>32%</td>
<td>(773)</td>
</tr>
<tr>
<td>MEMBER AGENCY TOTAL WATER IN STORAGE</td>
<td></td>
<td>561,793</td>
<td>291,132</td>
<td>52%</td>
<td>318,554</td>
<td>57%</td>
<td>(2,830)</td>
</tr>
<tr>
<td>El Capitan</td>
<td>8,162</td>
<td>13,278</td>
<td>(25)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Olivenhain/Hodges</td>
<td>19,035</td>
<td>20,110</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower Otay</td>
<td>5,722</td>
<td>5,381</td>
<td>(221)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Vicente</td>
<td>3,892</td>
<td>13,033</td>
<td>53</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Sweetwater</td>
<td>958</td>
<td>5,843</td>
<td>(32)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>37,768</td>
<td>57,646</td>
<td>(225)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL WATER IN STORAGE</td>
<td></td>
<td>561,793</td>
<td>328,900</td>
<td>59%</td>
<td>376,200</td>
<td>67%</td>
<td>(3,055)</td>
</tr>
</tbody>
</table>

### OTHER AGENCIES

| Metropolitan Water District | Skinner | 44,264 | 38,096 | 86% | 39,218 | 89% | (1,229) |
| Diamond Valley | 800,000 | 769,694 | 96% | 694,552 | 87% | (55,088) |
| State Water Project | Oroville | 3,537,600 | 2,519,738 | 71% | 2,684,110 | 76% | (25,222) |
| TOTAL OTHER WATER IN STORAGE | | 4,381,864 | 3,327,528 | 76% | 3,417,880 | 78% | (41,539) |

---

1. Excludes storage allocated to Escondido Mutual Water Co. or its rights to a portion of the unallocated water in Lake Henshaw.
2. Includes reserves subject to city's outstanding commitments to San Dieguito WD, and California American Mutual Water Co. (Cal-Am)
3. SDCWA has storage contracts in City of San Diego reservoirs in the amount of 40,000 AF, if available capacity exists.
## MONTHLY WATER RESOURCES REPORT

### Tier 1 Estimated Deliveries to Member Agencies

(Figures in acre-feet)

Calendar Year 2012 through February

<table>
<thead>
<tr>
<th>AGENCY</th>
<th>CY2012 Tier 1 Threshold</th>
<th>CYTD Firm Deliveries</th>
<th>% of Tier 1 Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad M.W.D.</td>
<td>18,354.7</td>
<td>1,978.7</td>
<td>10.8%</td>
</tr>
<tr>
<td>Del Mar, City of</td>
<td>1,408.3</td>
<td>149.7</td>
<td>10.6%</td>
</tr>
<tr>
<td>Escondido, City of</td>
<td>23,694.4</td>
<td>1,872.1</td>
<td>7.9%</td>
</tr>
<tr>
<td>Fallbrook P.U.D.</td>
<td>12,569.4</td>
<td>1,356.2</td>
<td>10.8%</td>
</tr>
<tr>
<td>Helix W.D.</td>
<td>38,421.4</td>
<td>3,376.1</td>
<td>8.8%</td>
</tr>
<tr>
<td>Lakeside M.W.D.</td>
<td>4,718.2</td>
<td>387.7</td>
<td>8.2%</td>
</tr>
<tr>
<td>Oceanside, City of</td>
<td>28,848.1</td>
<td>3,324.5</td>
<td>11.5%</td>
</tr>
<tr>
<td>Olivenhain M.W.D.</td>
<td>19,347.5</td>
<td>2,218.5</td>
<td>11.5%</td>
</tr>
<tr>
<td>Otay W.D.</td>
<td>32,173.0</td>
<td>4,038.4</td>
<td>12.6%</td>
</tr>
<tr>
<td>Padre Dam M.W.D.</td>
<td>14,321.5</td>
<td>1,384.6</td>
<td>9.7%</td>
</tr>
<tr>
<td>Pendleton M.C.B./South Coast W.D.</td>
<td>1,141.3</td>
<td>110.4</td>
<td>9.7%</td>
</tr>
<tr>
<td>Poway, City of</td>
<td>13,575.6</td>
<td>1,454.6</td>
<td>10.7%</td>
</tr>
<tr>
<td>Rainbow M.W.D.</td>
<td>23,572.1</td>
<td>2,004.1</td>
<td>8.5%</td>
</tr>
<tr>
<td>Ramona M.W.D.</td>
<td>8,101.1</td>
<td>401.9</td>
<td>5.0%</td>
</tr>
<tr>
<td>Rincon Del Diablo M.W.D.</td>
<td>7,307.0</td>
<td>632.4</td>
<td>8.7%</td>
</tr>
<tr>
<td>San Diego, City of</td>
<td>215,438.4</td>
<td>18,682.1</td>
<td>8.7%</td>
</tr>
<tr>
<td>San Dieguito W.D.</td>
<td>4,692.0</td>
<td>622.7</td>
<td>13.3%</td>
</tr>
<tr>
<td>Santa Fe I.D.</td>
<td>7,895.9</td>
<td>834.5</td>
<td>10.6%</td>
</tr>
<tr>
<td>Sweetwater Authority</td>
<td>13,094.7</td>
<td>180.7</td>
<td>1.4%</td>
</tr>
<tr>
<td>Vallecitos W.D.</td>
<td>14,641.2</td>
<td>2,077.7</td>
<td>14.2%</td>
</tr>
<tr>
<td>Valley Center M.W.D.</td>
<td>26,252.9</td>
<td>2,812.7</td>
<td>10.7%</td>
</tr>
<tr>
<td>Vista I.D.</td>
<td>17,576.3</td>
<td>1,439.9</td>
<td>8.2%</td>
</tr>
<tr>
<td>Yuima M.W.D.</td>
<td>94.0</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

**MEMBER AGENCY TOTALS**

|                | 547,239.0 | 51,340.2 | 9.4% |

Less: QSA deliveries calendar year to date (27,950.0)

Firm deliveries are net of IAWP certifications received.

Deliveries to CWA carryover storage year to date (377.4)

Deliveries from CWA storage year to date (552.4)

**Estimated Tier 1 deliveries calendar year to date**

|                | 23,215.2 | 4.2% |

1 Tier 1 threshold is equal to all firm deliveries up to 90% of a member agency's historic maximum year firm demand

2 Firm deliveries are net of IAWP certifications received.

3 Includes forced deliveries and deliveries made through temporary carryover storage agreements.

4 Includes sales from Water Authority storage accounts.

Generated:

3/9/12 10:47 AM
MONTHLY WATER RESOURCES REPORT
Summary of Water Authority Member Agency Operations

FEBRUARY 2012

Member Agency Deliveries (AF)

February

- 2012: 26,146 AF
- 2011: 24,349 AF

Previous 12 Months

- 2012: 426,996 AF
- 2011: 443,322 AF

Member Agency Water Use

- Imported 78%
- Surface 17%
- Well & Brackish Recovery 2%
- Recycled 3%

FEBRUARY 2012

- Imported: 121,132 AF
- Surface: 318,554 AF
- Well & Brackish Recovery: 321,443 AF
- Recycled: 255,461 AF

Previous 12 Months

- Imported: 291,132 AF
- Surface: 318,554 AF
- Well & Brackish Recovery: 321,443 AF
- Recycled: 255,461 AF

Member Agency Storage (AF)

February

- 2012: 291,132 AF
- 2011: 318,554 AF

12 Month Average

- 2012: 321,443 AF
- 2011: 255,461 AF
ENGINEERING AND OPERATIONS COMMITTEE

AGENDA FOR

MARCH 22, 2012

Bill Knutson – Chair     Marty Miller
Marilyn Dailey – Vice Chair    Vincent Mudd
Bud Pocklington – Vice Chair  Ron Morrison
Roger Bailey       Elsa Saxod
David Barnum       Richard Smith
Michael Hogan      Ken Williams
Dennis Lamb       Doug Wilson
Keith Lewinger


2. Additions to agenda (Government Code Section 54954.2(b)).

3. Public comment – opportunities for members of the public to address the Committee on matters within the Committee’s jurisdiction.

4. Chair’s report.
   4-A Directors’ comments.

I. CONSENT CALENDAR

II. ACTION/DISCUSSION

1. Agreement for the Operations and Maintenance of the Lake Hodges Pumped Storage Projects. 
   Staff recommendation: Authorize the General Manager to award a contract to ProTrans USA, LLC, a wholly owned subsidiary of SNC-Lavalin for operations and maintenance of the Lake Hodges Pumped Storage Projects, for an amount not-to-exceed $8,035,340 for 62 months with the option to renew for an additional 24 months. (Action)
III. INFORMATION

1. Update on San Vicente. Bill Rose

2. Advertisement for bids-Miramar Pump Station Meter Vault. Nicola Kavanagh

IV. CLOSED SESSION

V. ADJOURNMENT

Doria F. Lore
Clerk of the Board

NOTE: This meeting is called as an Engineering & Operations Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Revised). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.
March 14, 2012

Attention: Engineering and Operations Committee

Agreement for the Operations and Maintenance of the Lake Hodges Pumped Storage Projects. (Action)

Staff Recommendation
Authorize the General Manager to award a contract to ProTrans USA, LLC, a wholly owned subsidiary of SNC-Lavalin for operations and maintenance of the Lake Hodges Pumped Storage Projects, for an amount not to exceed $8,035,340 for 62 months with the option to renew for an additional 24 months.

Alternative
Do not award contract, and direct staff to either solicit new proposals or perform operations and maintenance in-house.

Fiscal Impact
Funds in the amount of $4.7 million are available within the operating budget for Fiscal Years 2012/2013 for the operation and maintenance of the Lake Hodges Pumped Storage Facility. Staff anticipates expending $1,549,249 for these two Fiscal Years. This is significantly less than budgeted because only $109,337 will be spent in FY12 for mobilization purposes and in FY13 the negotiated monthly operating fee is less than budgeted. Funds for the balance of the contract term through FY 17 will be requested during the future budget preparation process. This action relates to the customer service rate category.

Background
The Lake Hodges Pumped Storage Facility, located on the north shore of Lake Hodges, is designed to have a 40 Megawatt power generation capacity and consists of two pump turbine units rated at 20 MW each. In September 2011, the first pump turbine unit became operational. In May 2012 the Facility is expected to become fully commercially operational. The Water Authority has a 25 year Power Purchase Agreement (PPA) with San Diego Gas and Electric (SDG&E) for Water Authority to sell and SDG&E to purchase the electrical power generated from the Facility.

Discussion
The Lake Hodges Pumped Storage Facility must be operated on a 24-hour basis in order to fulfill the requirements of the PPA with SDG&E for regional power production, as well as Emergency Storage Project (ESP) agreement obligations associated with Lake Hodges. The Water Authority retained Navigant Consulting, Inc. to assist in the outsourcing evaluation process.
On August 4, 2011, the Water Authority advertised a Request for Proposals for Operation and Maintenance of the Lake Hodges Pumped Storage Projects. Two firms, SNC-Lavalin Operations and Maintenance Inc. (SNC-Lavalin) and PIC Group, Inc, submitted proposals. Based on the evaluation of the written proposals, oral interviews, and cost proposals of both firms, staff selected and negotiated an agreement with ProTrans USA, LLC, a wholly owned subsidiary of SNC-Lavalin.

Key factors in selecting ProTransUSA/SNC-Lavalin are their experience in engineering, constructing, operating and maintaining hydroelectric facilities worldwide, ability to integrate operations of the Lake Hodges facility remotely from their local subcontractor location (PurEnergy’s 50 MW natural gas plant located in Escondido), subcontractor familiarity in working with SDG&E and the California Independent System Operator (CAISO), and pricing. Compared to operating and maintaining the facility in-house, which is not a traditional Water Authority core role, ProTrans USA/SNC-Lavalin’s approach is cost effective and provides full-time coverage.

The not to exceed agreement amount of $8,035,340 is for 62 months, subject to the Board’s approval. Upon mutual agreement, the Water Authority and ProTrans USA, LLC may renew the agreement for an additional 24 months. Prior to expiration of the initial contract term, staff will seek Board approval of the budget for the 24 month extension term contingent upon the contractor’s successful performance and arriving at a mutually acceptable cost.

Due to the uniqueness of operating and maintaining a hydroelectric facility, SCOOP outreach requirements were not applicable.

Prepared by: Baldemar J. Troche, Operations and Maintenance Manager
Reviewed by: Gary A. Eaton, Director of Operations and Maintenance
Approved by: Frank Belock Jr., Deputy General Manager
March 14, 2012

Attention: Engineering and Operations Committee

Advertisement for bids for Miramar Pump Station Meter Vault (Information)

Purpose
Advertisement to solicit construction bids for the Miramar Pump Station Meter Vault in April 2012.

Background
The Miramar Pump Station provides treated water to the Water Authority’s Second Aqueduct from the City of San Diego’s Miramar Water Treatment Plant. As part of the Water Authority’s Asset Management Program, the existing flow meters have been identified as being at the end of their service life and require replacement.

Previous Board Action: The Mitigated Negative Declaration and Mitigation Monitoring Plan was adopted by the Board on November 18, 1999.

Discussion
The Miramar Pump Station houses three pumps and delivers treated water to the Second Aqueduct from the City of San Diego’s Miramar Water Treatment Plant through a 48-inch discharge pipeline. The existing sonic flow meters have reached the end of their service life and spare parts are becoming difficult to acquire or are unavailable. The Miramar Pump Station Meter Vault project will replace the outdated sonic flow meters with a single Venturi meter installed on the 48-inch discharge pipeline.

The project includes the construction of a new concrete vault, the installation of a Venturi meter, and the expansion of an existing access road. The project site is located in the City of San Diego near the Miramar Water Treatment Plant, in the community of Scripps Ranch, within an existing Water Authority easement. Figure 1 shows the Vicinity Map and Figure 2 shows a Location Map of the project site.

The project’s estimated construction cost is between $700,000 and $800,000. Project construction activities are scheduled to begin in July 2012 with completion in June 2013.

The marketing plan to generate contractor interest in this project consists of listing the job on the “Opportunities” section of the Water Authority website, advertising in contractor trade association publications, and directly informing contractors about the project. We anticipate a recommendation for contract award at the June 2012 Board meeting.

Prepared by: Nicola Kavanagh, Senior Engineer
Reviewed by: William J. Rose, Director of Engineering

Attachments: Figure 1 – Vicinity Map; Figure 2 – Location Map
MIRAMAR PUMP STATION METER VAULT PROJECT

PROJECT:
MIRAMAR PUMP STATION METER VAULT PROJECT
FIGURE 1
ADMINISTRATIVE AND FINANCE COMMITTEE

AGENDA FOR

MARCH 22, 2012

Barbara Wight – Chair    Farrah Douglas
Jim Bond – Vice Chair    Frank Hilliker
Gary Croucher – Vice Chair    Hershel Price
Gary Arant    Javier Saunders
Roger Bailey    Richard Smith
Brian Brady    Robert Topolovac
Mitch Dion    Tom Wornham

1. Roll call – determination of quorum.

2. Additions to agenda (Government Code Section 54954.2(b)).

3. Public comment – opportunities for members of the public to address the Committee on matters within the Committee’s jurisdiction.

4. Chair’s report.
   4-A Directors’ comments.

I. CONSENT CALENDAR

1. Treasurer’s report.    David Shank
   Staff recommendation: Note and file the monthly Treasurer’s report.  (Action)

II. ACTION/DISCUSSION

III. INFORMATION

1. Presentation on Calendar Year 2013 Rate and Charge update.    David Shank
   1-A Calendar Year 2013 Rate and Charge calendar.

   1-B Capital Markets update.

2. Status update on the Special Agricultural Water Rate Program and recent discussions with the agricultural community.    Dana Friehauf
3. Presentation on Water Authority’s Business Insurance Programs.  Robert Homer

4. Controller’s report on monthly financial statements.  Rod Greek

5. Board calendar.

IV. CLOSED SESSION

1. CLOSED SESSION:  Dan Hentschke
   Conference with Labor Negotiator, Government Code §54957.6
   Agency Designated Representatives:  Frank Belock; Susan Leone;
   Richard Bolanos, Liebert Cassidy Whitmore
   Employee Organization:  California Teamsters Public, Professional
   and Medical Employees Union Local 911

V. ADJOURNMENT

Doria F. Lore
Clerk of the Board

NOTE:  This meeting is called as an Administrative and Finance Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Revised). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.
March 14, 2012

Attention: Administrative and Finance Committee

Treasurer’s Report

Attached for review by the Administrative and Finance Committee and the Board of Directors is the Treasurer’s Report as of February 29, 2012. The reports are formatted to provide information as required by the California Government Code and the San Diego County Water Authority’s Annual Statement of Investment Policy, which was last adopted by the Board on December 8, 2011. A brief description of each report follows:

Portfolio Master Summary: This one page report summarizes all cash and investments held by the Water Authority.

Portfolio Characteristics: This one page snapshot shows the Water Authority’s portfolio holdings by type and percentage; the maturity distribution of the portfolio; the portfolio yield for the past twelve months, with and without bond-related funds, compared to a rolling average yield of the Board adopted benchmark; the credit quality of the portfolio’s holdings; the cash flow projections for the next six months; and relevant market information.

Portfolio Details - Investments: This report takes the summary information listed in the Portfolio Master Summary and provides details of active investments.

Activity Summary: This one page report produces a thirteen-month rolling summary of portfolio investment activity.

The Water Authority’s portfolio is diversified among investment types, with a current concentration toward short-term maturities. This concentration is the result of cash flow needs, as well as the current historic low interest rate environment. The portfolio is comprised of high quality investments, with 76 percent currently invested in AAA rated or AAA/AA+ split-rated securities. The AAA/AA+ split rating is due to Standard & Poor’s August 2011 downgrade of both the United States and government agency credit ratings from AAA to AA+; while the other two credit rating agencies (Fitch and Moody’s) have maintained the ratings at AAA. The Water Authority’s overall portfolio yield decreased to 0.71 percent in February 2012 and continues to exceed the investment benchmark of 0.17 percent in February 2012. Bond Fund proceeds are expected to fund Capital Improvement Program expenditures for the next several years.

All investments have been made in accordance with the San Diego County Water Authority Statement of Investment Policy. This report provides documentation that the Water Authority has sufficient funds to meet the financial obligations for the next six months. The market value information is provided by Bloomberg L.P. and is as of the report date.

David Shank, Financial Planning Manager
### PORTFOLIO PERCENTAGES

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Permitted By Board Policy</th>
<th>Actual Percentage</th>
<th>Actual Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Agency Investment Fund (LAIF)</td>
<td>$50 Million</td>
<td>14.41%</td>
<td>$49,226,156</td>
</tr>
<tr>
<td>Banker's Acceptances</td>
<td>20%</td>
<td>0.00%</td>
<td>-</td>
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<tr>
<td>Treasury Securities</td>
<td>15% - Minimum</td>
<td>17.13%</td>
<td>$58,517,625</td>
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<tr>
<td>Agency Securities</td>
<td>85%</td>
<td>51.16%</td>
<td>$174,800,841</td>
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<td>Reverse Repurchase Agreements</td>
<td>20%</td>
<td>0.00%</td>
<td>-</td>
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<tr>
<td>Certificates of Deposit (CDARS)</td>
<td>15%</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Negotiable Certificates of Deposit</td>
<td>15%</td>
<td>0.00%</td>
<td>-</td>
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<tr>
<td>Commercial Paper</td>
<td>25%</td>
<td>9.33%</td>
<td>$31,884,961</td>
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<tr>
<td>Medium Term Notes/Corporates</td>
<td>30%</td>
<td>0.00%</td>
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<tr>
<td>JPA Pools (CAMP)</td>
<td>25%</td>
<td>7.82%</td>
<td>$26,731,463</td>
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<tr>
<td>Money Market Funds</td>
<td>15%</td>
<td>0.15%</td>
<td>$502,994</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>100.00% $</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>341,664,040</strong></td>
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Accrued Interest (unavailable for investing) 21,326
Checking/Petty Cash/Available Funds (unavailable for investing) 43,175

**Subtotal for Pooled Funds:** $341,728,541

### Bond/CP Fund Excluded from Portfolio Percentages:

- Treasury Securities
- Agency Securities 164,220,987
- Certificates of Deposit (CDARS)
- Commercial Paper 35,908,618
- Local Agency Investment Fund (LAIF) 143,058,537
- JPA Pools (CAMP) 18,366,965
- Money Market Funds and Cash 10

**Total for Bond/CP Fund (available for CIP expenditures):** $361,594,553

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

- Agency Securities and Money Market Fund - Series 2004A COPs 38,983,833
- FSA - Reserve (GIC) Series 2002A COPs 18,385,750
- Trinity Plus - Reserve (GIC) Series 1998A COPs 12,240,775

**Subtotal for Debt Service Reserve Funds (unavailable for CIP expenditures):** $69,610,358

**Total Cash and Investments:** $772,933,452

### PORTFOLIO INFORMATION

<table>
<thead>
<tr>
<th></th>
<th>Pooled Funds **</th>
<th>Bond/CP Fund</th>
<th>Debt Service Reserve</th>
<th>Total *</th>
</tr>
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<tbody>
<tr>
<td>Portfolio Yield to Maturity - 365 Days</td>
<td>0.50%</td>
<td>0.55%</td>
<td>2.63%</td>
<td>0.71%</td>
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<tr>
<td>Average Term</td>
<td>454</td>
<td>355</td>
<td>206</td>
<td>385</td>
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<td>Average Days to Maturity (730 Days Maximum)</td>
<td>176</td>
<td>198</td>
<td>85</td>
<td>178</td>
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* "The weighted average days to maturity of the total portfolio shall not exceed 730 days (two years) to maturity" per SDCWA Investment Policy.

** Pooled Funds include Operating, Pay Go, RSF, Equipment and Stored Water funds.
As of February 29, 2012

**Portfolio Characteristics**

**Asset Allocation**

<table>
<thead>
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<th>Pooled Funds</th>
<th>% of Portfolio</th>
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</thead>
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<tr>
<td>US Treasury (AAA/AA+)</td>
<td>17.1%</td>
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<tr>
<td>Agency (AAA/AA+)</td>
<td>51.2%</td>
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<td>Other (AAA)*</td>
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<tr>
<td>AA**</td>
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<tr>
<td>not rated ***</td>
<td>14.4%</td>
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<table>
<thead>
<tr>
<th>Month End</th>
<th>Investment Maturities</th>
<th>Projected Receipts</th>
<th>Projected Disbursements</th>
<th>Reinvestment (Use) of Liquid Funds</th>
<th>Projected Cash &amp; Investments</th>
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</thead>
<tbody>
<tr>
<td>Feb 12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>314.73</td>
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<tr>
<td>Mar 12</td>
<td>20.50</td>
<td>34.24</td>
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<td>51.47</td>
<td>105.02</td>
<td>7.67</td>
<td>294.79</td>
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<td>7.00</td>
<td>40.61</td>
<td>28.30</td>
<td>19.31</td>
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<td>Jun 12</td>
<td>16.50</td>
<td>40.61</td>
<td>36.95</td>
<td>20.17</td>
<td>310.78</td>
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<td>Jul 12</td>
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<td>47.75</td>
<td>36.86</td>
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**Bond/CP Fund**

<table>
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<tr>
<th>Month End</th>
<th>Investment Maturities</th>
<th>Projected Receipts</th>
<th>Projected Disbursements</th>
<th>Reinvestment (Use) of Liquid Funds</th>
<th>Projected Cash &amp; Investments</th>
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</thead>
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<tr>
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<td>361.59</td>
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<td>0.12</td>
<td>18.44</td>
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</tbody>
</table>

**Credit Quality**

- Numbers may not foot due to rounding

On January 25th, the FOMC maintained the target for the federal funds rate at a range of 0-25 basis points. The next meeting is March 13th.
SDCWA - Fiscal Year 2012
Portfolio Management

Page 2

Portfolio Details - Investments
February 29, 2012
CUSIP

Investment #

Issuer

Average
Balance

Purchase
Date

Par Value

Market Value

Book Value

Stated
Rate

26,731,463.19
2,217,696.03
270,584.17
15,878,684.79
18,385,750.00
0.00
0.00
0.00
502,993.63
49,226,156.35
160,878.29
142,897,659.11
12,240,775.00
0.00
241,651.09

26,731,463.19
2,217,696.03
270,584.17
15,878,684.79
18,385,750.00
0.00
0.00
0.00
502,993.63
49,226,156.35
160,878.29
142,897,659.11
12,240,775.00
0.00
241,651.09

26,731,463.19
2,217,696.03
270,584.17
15,878,684.79
18,385,750.00
0.00
0.00
0.00
502,993.63
49,226,156.35
160,878.29
142,897,659.11
12,240,775.00
0.00
241,651.09

0.230
0.230
0.230
0.230
5.810
0.050
0.050
0.050
0.050
0.380
0.380
0.380
5.550
0.001
0.001

268,754,291.65

268,754,291.65

268,754,291.65

2,500,000.00
11,000,000.00
3,500,000.00
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9,000,000.00

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8,981,082.50

68,000,000.00

67,794,896.45

67,793,579.12

S&P

YTM Days to
365 Maturity

Maturity
Date

Managed Pool Accounts
CASH35
CASH37
CASH44
CASH45
CASH07
CASH42
CASH43
CASH31
CASH11
CASH13
CASH40
CASH41
CASH17
CASH27
CASH33

73
6004
3004
4004
205
3001
4001
6001
0002
72
3002
4002
204
1002
208

CAMP - OPERATING/POOLED
CAMP - 2008A COPS
CAMP - 2010A BONDS
CAMP - 2010B BONDS-BABS
FSA CAPITAL MGMT. SVC. - 2002A
GOLDMAN - 2010A BONDS
GOLDMAN - 2010B BONDS-BABS
GOLDMAN - 2008A COPS
GOLDMAN - OPERATING/POOLED
LAIF - OPERATING
LAIF - 2010A BONDS
LAIF - 2010B BONDS-BABS
TRINITY PLUS - 1998A
US BANK MONEY MARKET FUND
US BANK MONEY MARKET FUND
Subtotal and Average

07/01/2011
07/01/2011

279,671,570.79

AAA
AAA
AAA
AAA
AA+
AAA
AAA
AAA
AAA

AAA
AAA
AAA

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0.230
0.230
0.230
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0.050
0.050
0.050
0.380
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5.550
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0.001

1
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1
1
1
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1
1
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1

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0.703
0.619
0.478

110
210
265
123
0
32
32
61
92
123
153
132
187
214
148
152
169
123
61

0.482

137

Commercial Paper - Discount
36959HFK8
36959HJT5
36959HLM7
36959HG27
36959HC13
36959HD20
36959HD20
36959HE11
36959HF10
36959HG27
36959HH18
36959HGB7
36959HJ40
36959HK14
89233GGT7
89233GGX8
89233GHH2
89233GG26
89233GE10

10033
10042
10043
4081
6189
6190
6191
6192
6193
6194
6195
6196
6197
6198
10038
10039
10040
4079
4080

GENERAL ELECTRIC CAPITAL CORP.
GENERAL ELECTRIC CAPITAL CORP.
GENERAL ELECTRIC CAPITAL CORP.
GENERAL ELECTRIC CAPITAL CORP.
GENERAL ELECTRIC CAPITAL CORP.
GENERAL ELECTRIC CAPITAL CORP.
GENERAL ELECTRIC CAPITAL CORP.
GENERAL ELECTRIC CAPITAL CORP.
GENERAL ELECTRIC CAPITAL CORP.
GENERAL ELECTRIC CAPITAL CORP.
GENERAL ELECTRIC CAPITAL CORP.
GENERAL ELECTRIC CAPITAL CORP.
GENERAL ELECTRIC CAPITAL CORP.
GENERAL ELECTRIC CAPITAL CORP.
TOYOTA MOTOR CREDIT CORP.
TOYOTA MOTOR CREDIT CORP.
TOYOTA MOTOR CREDIT CORP.
TOYOTA MOTOR CREDIT CORP.
TOYOTA MOTOR CREDIT CORP.
Subtotal and Average

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09/23/2011
01/13/2012
02/29/2012
12/15/2011
09/23/2011
09/23/2011
11/22/2011
11/22/2011
11/22/2011
12/15/2011
12/15/2011
01/13/2012
01/13/2012
01/13/2012
10/31/2011
11/22/2011
11/22/2011
10/31/2011
11/22/2011

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0.340
0.340
0.380
0.300
0.340
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0.320
0.370
0.380
0.380
0.340
0.340
0.340
0.650
0.660
0.680
0.600
0.470

AA+
AA+
AA+
AA+
AA+
AA+
AA+
AA+
AA+
AA+
AA+
AA+
AA+
AA+
AAAAAAAAAA-

06/19/2012
09/27/2012
11/21/2012
07/02/2012
03/01/2012
04/02/2012
04/02/2012
05/01/2012
06/01/2012
07/02/2012
08/01/2012
07/11/2012
09/04/2012
10/01/2012
07/27/2012
07/31/2012
08/17/2012
07/02/2012
05/01/2012

Portfolio CWA2
CC
Run Date: 03/01/2012 -Page
11:09

41 of 270

PM (PRF_PM2) SymRept 6.41.202a

Report Ver. 5.00


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<tr>
<th>CUSIP</th>
<th>Investment #</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 365</th>
<th>Days to Maturity</th>
<th>Maturity Date</th>
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<td>3133766Q3</td>
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<td>AA+</td>
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<td>421</td>
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### Federal Agency - Coupon

<table>
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<tr>
<th>CUSIP</th>
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<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>
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<tbody>
<tr>
<td>3134A4U6</td>
<td>4043</td>
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<tr>
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<td>3,223,656.42</td>
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<td>1.341</td>
<td>700</td>
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<tr>
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<td>3137EACJ6</td>
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<td>0.818</td>
<td>902</td>
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<tr>
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<td>4077</td>
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<td>2,080,000.00</td>
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<td>2,093,078.00</td>
<td>2,076,854.00</td>
<td>0.750</td>
<td>AA+</td>
<td>0.817</td>
<td>935</td>
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### Federal Agency - Discount

<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>313588YJ8</td>
<td>10032</td>
<td>FEDERAL NATION MORTAGE ASSOC.</td>
<td>14,000,000.00</td>
<td>06/29/2011</td>
<td>13,994,988.00</td>
<td>13,972,233.33</td>
<td>0.200</td>
<td>AA+</td>
<td>0.206</td>
<td>111</td>
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### Treasury Securities - Coupon

<table>
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<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>912828NB2</td>
<td>10018</td>
<td>UNITED STATES TREASURY</td>
<td>15,021,675.00</td>
<td>09/24/2010</td>
<td>15,150,585.94</td>
<td>15,150,585.94</td>
<td>1.00</td>
<td>AA+</td>
<td>0.370</td>
<td>60</td>
<td>04/30/2012</td>
<td></td>
</tr>
<tr>
<td>912828PD6</td>
<td>10021</td>
<td>UNITED STATES TREASURY</td>
<td>16,021,872.00</td>
<td>11/19/2010</td>
<td>15,961,250.00</td>
<td>15,961,250.00</td>
<td>0.375</td>
<td>AA+</td>
<td>0.500</td>
<td>244</td>
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### Treasury Securities - Discount

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Investment #</th>
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<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>
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</thead>
<tbody>
<tr>
<td>912828NB2</td>
<td>10023</td>
<td>UNITED STATES TREASURY</td>
<td>5,007,225.00</td>
<td>12/16/2010</td>
<td>5,039,062.50</td>
<td>5,039,062.50</td>
<td>1.00</td>
<td>AA+</td>
<td>0.429</td>
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<td>04/30/2012</td>
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</tr>
<tr>
<td>912828NE6</td>
<td>10031</td>
<td>UNITED STATES TREASURY</td>
<td>7,011,487.00</td>
<td>05/25/2011</td>
<td>7,037,429.00</td>
<td>7,037,429.00</td>
<td>0.750</td>
<td>AA+</td>
<td>0.223</td>
<td>91</td>
<td>05/31/2012</td>
<td>91</td>
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</table>

**Subtotal and Average**

- Federal Agency - Coupon: 329,646,589.31
- Federal Agency - Discount: 317,078,000.00
- Treasury Securities - Coupon: 13,972,233.33
- Treasury Securities - Discount: 14,000,000.00
<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>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total and Average</td>
<td>786,204,841.85</td>
<td>764,413,291.65</td>
<td>769,859,311.74</td>
<td>772,890,267.58</td>
<td>0.713</td>
<td>178</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SDCWA - Fiscal Year 2012
Portfolio Management
Portfolio Details - Investments
February 29, 2012
# Portfolio Details - Cash

**February 29, 2012**

<table>
<thead>
<tr>
<th>Passbook/Checking Accounts</th>
<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>
</tr>
</thead>
<tbody>
<tr>
<td>CASH00</td>
<td>50</td>
<td>WELLS FARGO - RETIREE &amp; COBRA</td>
<td>07/01/2011</td>
<td>3,102.32</td>
<td>3,102.32</td>
<td>3,102.32</td>
<td>0.000</td>
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<td></td>
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<tr>
<td>CASH01</td>
<td>48</td>
<td>PETTY CASH</td>
<td>07/01/2011</td>
<td>2,500.00</td>
<td>2,500.00</td>
<td>2,500.00</td>
<td>0.000</td>
<td>1</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>CASH02</td>
<td>1000</td>
<td>WELLS FARGO - OPERATING/POOLED</td>
<td>07/01/2011</td>
<td>46,461.24</td>
<td>46,461.24</td>
<td>46,461.24</td>
<td>0.001</td>
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</tr>
<tr>
<td>CASH03</td>
<td>1001</td>
<td>WELLS FARGO - PAYROLL ZBA</td>
<td>07/01/2011</td>
<td>-8,888.88</td>
<td>-8,888.88</td>
<td>-8,888.88</td>
<td>0.000</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASH38</td>
<td>3000</td>
<td>WELLS FARGO - 2010A BONDS</td>
<td>07/01/2011</td>
<td>3.40</td>
<td>3.40</td>
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<td>0.000</td>
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<tr>
<td>CASH39</td>
<td>4000</td>
<td>WELLS FARGO - 2010B BONDS-BABS</td>
<td>07/01/2011</td>
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<td>3.30</td>
<td>3.30</td>
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<td></td>
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<tr>
<td>CASH30</td>
<td>6000</td>
<td>WELLS FARGO - 2008A COPS</td>
<td>07/01/2011</td>
<td>3.09</td>
<td>3.09</td>
<td>3.09</td>
<td>0.001</td>
<td>1</td>
<td></td>
<td></td>
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<td></td>
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</table>

**Average Balance** 0.00  1

**Total Cash and Investments**

| 786,204,841.85 | 764,456,476.12 | 769,902,496.21 | 772,933,452.05 | 0.713 | 178 |
### Activity Summary

**February 2011 through February 2012**

<table>
<thead>
<tr>
<th>Month</th>
<th>Year</th>
<th>Number of Securities</th>
<th>Total Invested</th>
<th>Yield to Maturity</th>
<th>Managed Pool Rate</th>
<th>Number of Investments Purchased</th>
<th>Number of Investments Redeemed</th>
<th>Average Term</th>
<th>Average Days to Maturity</th>
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<tbody>
<tr>
<td>February</td>
<td>2011</td>
<td>80</td>
<td>843,895,424.76</td>
<td>0.755</td>
<td>0.765</td>
<td>1.025</td>
<td>5</td>
<td>6</td>
<td>378</td>
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<tr>
<td>March</td>
<td>2011</td>
<td>82</td>
<td>850,665,530.99</td>
<td>0.748</td>
<td>0.758</td>
<td>0.946</td>
<td>7</td>
<td>5</td>
<td>387</td>
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<tr>
<td>April</td>
<td>2011</td>
<td>91</td>
<td>787,364,320.53</td>
<td>0.783</td>
<td>0.793</td>
<td>0.999</td>
<td>16</td>
<td>7</td>
<td>404</td>
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<tr>
<td>May</td>
<td>2011</td>
<td>100</td>
<td>797,817,520.88</td>
<td>0.779</td>
<td>0.790</td>
<td>1.002</td>
<td>12</td>
<td>3</td>
<td>417</td>
</tr>
<tr>
<td>June</td>
<td>2011</td>
<td>104</td>
<td>801,064,506.57</td>
<td>0.767</td>
<td>0.778</td>
<td>1.020</td>
<td>6</td>
<td>2</td>
<td>420</td>
</tr>
<tr>
<td>July</td>
<td>2011</td>
<td>106</td>
<td>794,735,996.22</td>
<td>0.760</td>
<td>0.771</td>
<td>1.020</td>
<td>4</td>
<td>2</td>
<td>424</td>
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<tr>
<td>August</td>
<td>2011</td>
<td>101</td>
<td>799,849,660.55</td>
<td>0.744</td>
<td>0.754</td>
<td>0.943</td>
<td>0</td>
<td>5</td>
<td>410</td>
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<tr>
<td>September</td>
<td>2011</td>
<td>103</td>
<td>803,631,936.81</td>
<td>0.730</td>
<td>0.740</td>
<td>0.898</td>
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<td>2</td>
<td>397</td>
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<tr>
<td>October</td>
<td>2011</td>
<td>101</td>
<td>771,789,260.82</td>
<td>0.735</td>
<td>0.745</td>
<td>1.027</td>
<td>10</td>
<td>12</td>
<td>417</td>
</tr>
<tr>
<td>November</td>
<td>2011</td>
<td>105</td>
<td>782,405,524.38</td>
<td>0.728</td>
<td>0.739</td>
<td>1.030</td>
<td>7</td>
<td>3</td>
<td>412</td>
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<tr>
<td>December</td>
<td>2011</td>
<td>105</td>
<td>766,937,371.42</td>
<td>0.717</td>
<td>0.727</td>
<td>0.982</td>
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<td>3</td>
<td>401</td>
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<tr>
<td>January</td>
<td>2012</td>
<td>107</td>
<td>775,276,742.36</td>
<td>0.707</td>
<td>0.717</td>
<td>0.968</td>
<td>4</td>
<td>2</td>
<td>392</td>
</tr>
<tr>
<td>February</td>
<td>2012</td>
<td>105</td>
<td>772,890,267.58</td>
<td>0.703</td>
<td>0.713</td>
<td>0.961</td>
<td>1</td>
<td>3</td>
<td>385</td>
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<tr>
<td><strong>Average</strong></td>
<td></td>
<td><strong>99</strong></td>
<td><strong>796,024,927.99</strong></td>
<td><strong>0.743%</strong></td>
<td><strong>0.753%</strong></td>
<td><strong>0.986</strong></td>
<td><strong>6</strong></td>
<td><strong>4</strong></td>
<td><strong>403</strong></td>
</tr>
</tbody>
</table>
March 14, 2012

Attention: Administrative and Finance Committee

Calendar Year 2013 Rate and Charge Update (Information)

Purpose
Provide the Board with a brief overview of the calendar year 2013 rate and charge setting process and update the Board on the credit markets and credit rating agency activities.

Background
The Water Authority sets rates and charges for the next calendar year every June. With the budget update completed and expenditures projected to be on target at 98% of budget, the key budget data used to develop rates and charges is available. The mid-term budget update and a full report will be provided to the Board at the June 28th Board meeting.

Discussion
CY 2013 Rate and Charge Calendar
The Water Authority’s rate setting process begins in January with the update and collection of revenue and expense data necessary to set rates and charges. This includes updating water sales, operating expenditures, debt service, investment earnings and other cost and revenue projections. The schedule is also built to accommodate the availability of key data, which includes the Metropolitan Water District’s (MWD) rates and charges as well as Water Authority meter and water use data that is used to allocate the fixed charges to the member agencies.

Attachment A provides the planned CY 2013 rate and charge activities. The key Water Authority Board dates are:

- **May 24th Board** – Notice public hearing and publish calendar year 2013 rates and charges.
- **June 28th Board** – Hold public hearing on calendar year 2013 rates and charges and adopt rates and charges.

Water Authority staff has and will continue to provide member agency general managers and finance officers information as soon as possible. Preliminary CY 2013 rate and charge guidance was provided to member agency finance officers at a meeting on February 29th. Additional meetings are scheduled in April with the general managers and finance officers to review the recommended rates and charges.

Credit Market Update
While the capital markets are performing well, the credit rating agency activities and monitoring practices have changed slightly. The change is reflected in an increased level of scrutiny being placed on an issuer’s financial performance relative to projections, which is principally driven by forecasted sales. The accuracy of these projections is highly correlated with the utility’s ability to
achieve established policy targets relating to liquidity and debt service coverage. The rating agencies’ focus adds to the importance of achieving the coverage and liquidity levels provided to the rating agencies last spring.

Among the rating agency credit criteria, coverage and liquidity ratios rank among the most important when determining credit quality. Fitch cites "coverage and financial performance as primary indicators of an entity’s ultimate credit rating and states that these ratios are used to gauge not only current, historical, and projected performance, but also peer comparisons.” S&P cited liquidity as being important because there is usually some fluctuation in cash flows due to seasonal demands, the amount of precipitation, or other economic or customer base trends.” Further, rating agencies have taken action or cited potential rating action when issuers breach policy targets or perform outside the medians for an issuer's respective rating category.

With agencies like the Metropolitan Water District (MWD) and East Bay Municipal Utility District (EBMUD) facing possible negative credit rating agency action due primarily to issues related to coverage and revenue projections, it is important to understand the Water Authority’s credit profile. The table below illustrates the reported agency median coverage and liquidity ratios by credit level.

<table>
<thead>
<tr>
<th>Financial Metric</th>
<th>S&amp;P</th>
<th>Fitch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior-Lien Debt Service Coverage</td>
<td>AAA – 2.35</td>
<td>AAA – 2.3</td>
</tr>
<tr>
<td></td>
<td>AA – 1.76</td>
<td>AA – 2.1</td>
</tr>
<tr>
<td>Days Cash on Hand</td>
<td>AAA – 415</td>
<td>AAA – 625</td>
</tr>
<tr>
<td></td>
<td>AA – 354</td>
<td>AA – 292</td>
</tr>
</tbody>
</table>

While below the median levels, the Water Authority has maintained its ratings largely due to strong management and the Board’s track record of raising rates when necessary. As the table below illustrates, the agencies facing potential rating agency actions are significantly underperforming their medians and targets. The aggressive rate and charge actions taken by the Board to re-calibrate water sales and capacity charges to the “new normal” over the past few years combined with the Board’s commitment to achieving its target debt service coverage ratio can be credited with helping the Water Authority avoid the threat of rating agency actions like those facing MWD and EBMUD.

<table>
<thead>
<tr>
<th></th>
<th>Irvine Ranch Water District</th>
<th>MWD</th>
<th>EBMUD</th>
<th>Water Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratings (S&amp;P/M/F)</td>
<td>AAA/Aa1/AAA</td>
<td>AAA/Aa1/AA+</td>
<td>AAA/Aa1/AA+</td>
<td>AA/Aa3/AA</td>
</tr>
<tr>
<td>Senior-Lien Debt Service Coverage</td>
<td>1.9x (2010)</td>
<td>1.48x (2011)</td>
<td>1.52x (2011)</td>
<td>1.36x (2011)</td>
</tr>
</tbody>
</table>

Prepared by: David Shank, Financial Planning Manager
Approved by: Sandra L. Kerl, Deputy General Manager

Attachment A – Calendar Year 2013 Rate and Charge Schedule
# 2013 Rates and Charges Calendar | FY2012

<table>
<thead>
<tr>
<th>JAN ’12</th>
<th>FEBRUARY ’12</th>
<th>MARCH ’12</th>
<th>APRIL ’12</th>
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## MWD

<table>
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<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>January 9</td>
<td>F&amp;I Present revenue requirement (basic rate guidance)</td>
</tr>
<tr>
<td>February 13</td>
<td>F&amp;I May present some rate information (not required)</td>
</tr>
<tr>
<td>February 13-14</td>
<td>Committees “Home” committee budget update</td>
</tr>
<tr>
<td>March 12</td>
<td>F&amp;I Staff presented updated proposed rates and charges and a public hearing was held – Rate and charge details provided</td>
</tr>
<tr>
<td>March 13</td>
<td>Board Board voted to keep the budget and rate adoption in April</td>
</tr>
<tr>
<td>April 9</td>
<td>F&amp;I Committee adopts rates and charges and budget</td>
</tr>
<tr>
<td>April 10</td>
<td>Board Board adopts rates and charges and budget</td>
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## Water Authority Board Meetings

<table>
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<th>Date</th>
<th>Event Description</th>
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<tr>
<td>January 26</td>
<td>IW Committee—MWD rates and charges</td>
</tr>
<tr>
<td>February 23</td>
<td>CY 2013 rate and charge schedule</td>
</tr>
<tr>
<td>March 22</td>
<td>Set public hearing date and release staff report</td>
</tr>
<tr>
<td>May 24</td>
<td>Adopt rates and charges &amp; Mid Term Budget Update to the Board</td>
</tr>
<tr>
<td>June 28</td>
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Page 49 of 270
March 14, 2012

Attention: Administrative and Finance Committee

Status update on the Special Agricultural Water Rate Program and recent discussions with the agricultural community (Information)

Purpose
To provide a status update on the Water Authority’s Special Agricultural Water Rate Program and recent discussions held with representatives of the agricultural industry and agricultural member agencies on the future of the program.

Background
There are currently two classes of service available to eligible agricultural customers within the Water Authority’s service area. The Metropolitan Water District (MWD) offers a special rate under its Interim Agricultural Water Program (IAWP) and the Water Authority provides a Special Agricultural Water Rate (SAWR) for eligible customers. In October 2008, the MWD Board approved changes to the IAWP that phased the program out over a four-year period, resulting in termination on December 31, 2012.

The Board established the SAWR in 1998 and made it available to agricultural customers participating in MWD’s IAWP. IAWP customers receive a supply rate discount from MWD and are exempt from the Water Authority’s storage charge. More specifically, agricultural deliveries are not included in the calculation of member agencies’ proportional share of the fixed storage charge. Because they do not pay the storage charge, agricultural customers participating in the program are required to take a reduction in delivery of Emergency Storage Program (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 no access to Carryover Storage Program (CSP) supplies during a shortage period.

In October 2008, the Water Authority Board approved a two-year transitional SAWR (TSAWR) for customers opting out of MWD’s IAWP. In March 2010, the Board approved a continuation of the TSAWR for two additional years, until December 31, 2012, to coincide with termination of the IAWP. The TSAWR is a class of service comprised of two components:

1) Agricultural deliveries are not included in the calculation of member agencies’ proportional share of the fixed storage charge. (Consistent with the Water Authority treatment of IAWP customers.)

2) Agricultural customers pay a special supply rate and, in return, take deeper cuts during shortage periods. The current rate is equal to MWD’s municipal and industrial (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 supplies, such as the Quantification Settlement Agreement (QSA) supplies, or dry-year supplies, such as spot water transfers or carryover storage water.
Following almost a year-long process, a SAWR Board Workgroup, with input from the agricultural industry, developed recommendations on a revised SAWR program that was approved by the Board in March 2010. The revised program will begin on January 1, 2013, to coincide with termination of the IAWP and the TSAWR. The revised SAWR program will continue to include the storage charge exemption, but customers will pay the Water Authority’s melded supply rate. The Workgroup determined that maintaining the supply rate differential was not a cost-effective water management benefit to M&I customers compared with dry year transfers and, therefore, should be discontinued.

As part of the approval, the Board will conduct a comprehensive review of the SAWR program, with full participation of stakeholders and member agencies, prior to January 1, 2016. In the interim, the Board directed staff to meet with representatives from the agricultural industry and agricultural member agencies to discuss potential water management or conservation programs that agriculture could participate in that will provide a reliability benefit to M&I customers or reduce agricultural water demand. The Water Authority staff met with representatives on February 27, 2012 to discuss the SAWR and future of the program.

**Discussion**

In attendance at the February 27, 2012 meeting were agricultural industry representatives from the San Diego Farm Bureau, California Avocado Commission, and Certified Organic Farmers (Pacific Southwest Chapter). Member agencies participating in the meeting included: City of Escondido, Fallbrook PUD, Otay Water District, Padre Dam MWD, Rainbow MWD, Valley Center MWD and Vallecitos Water District.

The discussion at the meeting focused on the concerns of both the agricultural industry and member agencies that agricultural production within the county cannot be sustained in the long-term based on the high cost of water, which would increase significantly for agricultural customers following termination of the IAWP and TSAWR. It was requested that the Water Authority expand the dialogue to look more broadly at the benefits of agricultural to the region, stating that conditions have changed since the benefit was previously evaluated by the SAWR Board Workgroup.

The Water Authority Board Chair recently received letters from the agricultural member agencies, Farm Bureau and Avocado Commission that summarizes their concerns, many of which were raised at the meeting. The letters, which are attached, also request the Water Authority sustain the current TSAWR. Staff will continue to keep the Board updated on subsequent discussions with the agricultural industry and agricultural member agencies in regard to the Water Authority’s SAWR.

Prepared by: Dana L. Friehauf, Principal Water Resources Specialist
Approved by: Sandra L. Kerl, Deputy General Manager

Attachment 1: March 5, 2012 letter from Fallbrook PUD, Rainbow MWD, Valley Center MWD and Yuima MWD
Attachment 2: March 9, 2012 letter from Farm Bureau of San Diego County
Attachment 3: March 9, 2012 letter from California Avocado Commission
March 5, 2012

Mike Hogan, Chair
San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123

Subject: Request to Sustain the Current TSWAR Through 2015

Dear Chair Hogan;

This is a very straightforward request from the four major agricultural member agencies of the San Diego County Water Authority. We jointly ask that the Transitional Special Agricultural Water Rate be sustained, as it is currently configured, with both the storage and supplemental pricing offsets through the end of 2015 when the entire program is scheduled for re-evaluation.

Regional Agriculture Activity and Water Use is in Rapid Decline

The reason for the request is made evident by the attached graphs. Agricultural water demand within the San Diego Region is in a free fall as many growers, bombarded by years of double digit rate increases, are simply quitting. Agricultural water demand from the San Diego County Water Authority has essentially been halved starting at 103,496 AF for FY 2006-2007, now down 48% to just over 54,000 acre feet in FY 2010-2011, and unfortunately, is still falling.

Removing the pricing consideration for the supplemental supplies from the TSAWR effective January 1, 2013, along with the scheduled cessation of the MWD Interim Agricultural Water Program on January 1, 2013, will only serve to compound the impact of anticipated wholesale increases from MWD and the SDCWA.

San Diego is known for positive environmental and aesthetic attributes; one being its verdant agricultural landscape. Those close to this hallmark of our region know only too well how very close we are to having much of our farming heritage being lost forever. Further decline of regional agriculture and onset of increased negative economic, environmental, and aesthetic impacts to the Authority's retail member agencies, the SDCWA itself, and the broader community, can be the only possible result. Retaining that portion of the program
for the requested period, however, will give growers time to make adjustments needed to hopefully sustain operations.

Why Should the SDCWA Extend the TSAWR As Currently Configured?

The water management benefit of having interruptible agricultural water use has been well demonstrated historically, both in the early 1990's and more recently from 2008 through 2010. While these attributes have been used to support past and current pricing considerations, there are other factors which strongly support a continuation of these policies into the future:

- **Environmental/Climate Benefits** – Soon the SDCWA will be dealing with developing a Climate Action Plan and will be identifying the methods for the SDCWA to reduce its carbon footprint. We are also aware that the County of San Diego just released its own climate plan, which calls for the planting of 10,000 trees each year to offset carbon impact on the environment. With literally millions of citrus and avocado trees existing in North County and under severe stress and threat of extinction, it makes no sense to consider an action plan to plant thousands of new trees each year, when trees already exist and could be sustained through appropriate water pricing.

- **Blocked Access to MWD Ag Conservation Funds** – As part of the IAWP Phase Out, MWD set aside funds to assist growers to become more water use efficient. Unfortunately, because of the MWD Rate Integrity Policy and the ongoing rate litigation between the SDCWA and MWD, San Diego growers cannot access these funds, even though their payments for imported water help to fund these very agricultural conservation programs from MWD.

- **Regional Economic Benefits** – Beyond the important water management benefits it provides, agriculture's $1.5 billion farm-gate value is multiplied several times in overall economic benefits. As is done for small businesses with the SCOOP program, SDCWA can further support the economic health of the region by sustaining the current levels of water pricing considerations for our region's agricultural industry.

- **Strong Public Support for Regional Agriculture** – Recent public opinion polling by the SDCWA clearly indicated the community's support for and willingness to help financially sustain agriculture. We would ask that the San Diego County Water Authority consider this strong indication of public support in evaluating whether or not to extend the TSAWR, as currently configured, at least through to the end of 2015.
In Conclusion

As previously stated, the decline of agriculture in the San Diego region is rapid and ongoing. While it may take time to develop new comprehensive policies and programs to assist and sustain this important segment of our regional economy, it is clear that water pricing action needs to be taken, and taken soon. **Sustaining the TSAWR as currently configured will give growers some financial breathing room and give our region time to develop the policies and programs needed to sustain regional agriculture for the long-term**

Sincerely,

Brian Brady
Fallbrook PUD

Dave Seymour
Rainbow MWD

Gary Arant
Valley Center MWD

Lin Burzell
Yuima MWD
Combined Water Sales by Category
VCMWD - Rainbow MWD - FPUD - Yuima MWD

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<tr>
<th>Year</th>
<th>SAWR</th>
<th>IAWP</th>
<th>M&amp;I</th>
<th>Total</th>
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Acre Feet
### Water Sales by Category

**VCMWD**

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<th>SAWR</th>
<th>IAWP</th>
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<td>7,895.3</td>
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**Acre Feet**

- SAWR: 0.0
- IAWP: 38,167.6
- M&I: 9,917.6
- Total: 48,085.2
Water Sales by Category
Rainbow MWD

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<th>2008-09</th>
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Water Sales by Category
Fallbrook PUD

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Water Sales by Category
Yuima MWD

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<td>2,345.0</td>
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<td>1,619.0</td>
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March 9, 2012

Mr. Mike Hogan, Chairman
San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123

Dear Chairman Hogan:

On behalf of the members of the San Diego County Farm Bureau I would like to express our gratitude for the excellent relationship that exists between the San Diego County Water Authority and the farm community. This was exhibited by the adoption of the Special Agricultural Water Rate and the Transitional Special Agricultural Water Rate (TSAWR). Please accept this letter as a request to keep the TSAWR in place, in its current form, beyond January 1, 2013.

As you know, farming has a long history in San Diego County. The current chapter has its basis in the arrival of imported water that allowed for the planting of crops in areas that had no access to the limited local supplies. The result has been the establishment of San Diego County as the twentieth largest farm economy among all counties in the nation.

The benefits of having farms in our community go beyond economic value and job creation to include open space, wildlife corridors, wildfire suppression, carbon sequestration, and an abundance of locally produced farm products for San Diegans to enjoy. While these benefits don’t directly accrue to the San Diego County Water Authority and its ratepayers, several others do including water sales, payment of fixed charges, revenues derived from property tax collections, operational management, and support for those retail agencies that depend on agricultural water sales to sustain affordable service to residential customers. The core of the TSAWR is the willingness of farmers to take deep supply cuts when shortages occur that provides enhanced reliability for all other customer classes. We believe all benefits are worth protecting from further erosion of planted acreage.

Much attention has been paid to the documented loss of productive avocado acreage the past few years as water prices have risen. It is important to know that water price pressure is having significant impacts on the production of citrus, vegetable, ornamental, and strawberry crops also. There is understanding that water prices will continue to go up, however, the double loss of the Metropolitan Water District’s Interim Agricultural Water Program and the supply component of the TSAWR would cause terrible rate acceleration for farmers.
On February 27, 2012, we had an excellent meeting with Dana Friehauf and Ken Weinberg that included a number of the member agencies. It is our hope that we can now have a dialogue with you and the members of the board as well. We believe we can work together with the goal of a mutually beneficial extension of the full TSAWR.

Sincerely,

[Signature]

Eric Larson
Executive Director

Cc: Maureen Stapleton
March 9, 2012

Mr. Michael T. Hogan, Chairman
San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123

Re: Transitional Special Agricultural Water Rate

Dear Chairman Hogan:

The California Avocado Commission appreciates being included in recent discussions between County Water Authority staff members Dana Friezauff and Ken Weinberg and agricultural customers regarding water management programs for our sector that provide a benefit to municipal and industrial (M&I) customers. The Commission represents 2,400 San Diego County avocado growers, most of whom purchase water from the Authority’s member agencies. Our organization has long been involved with water industry issues at the local and regional level.

Those 2,400 growers presently farm avocados on about 17,380 acres. In 2005, San Diego avocado growers were greater in number. At that time, the area under production totaled 25,656 acres. Remarkably, the 32 percent decline in planted acres is attributable not to increased competition as some might speculate, but rather to the rapidly rising price of water. Water accounts for nearly 75 percent of the input costs associated with growing avocados. If rate escalation continues at its current pace, San Diego County will no longer be the heart of the U.S. avocado industry.

Since 1998, the Authority has recognized that agriculture provides certain water management benefits that accrue to M&I customers. Accordingly, the Authority’s Special Agricultural Water Rate (SAWR) provides agricultural customers with appropriate pricing that reflects our sector’s willingness to take deeper cuts during shortage periods and have limited access to emergency or carryover storage supplies. Thus, a balance has been struck that allows for a continued revenue stream from agricultural customers and increased water reliability for M&I customers.

On January 1, 2013, water rates for California avocado growers are poised to be adjusted significantly. The dual loss of the Metropolitan Water District’s Interim Agricultural Water Program as well as the supply component of the SAWR will set farmers back considerably, driving even more acres out of production. This, in turn, would lead to further reduction in the Authority’s agricultural water sales, loss of tax revenue, and further strain on north county water agencies that are already under financial stress. All of these negatively impact every M&I customer.
In addition, the agricultural heritage of San Diego County would be in jeopardy, and the less tangible benefits that tree crops provide, such as fire protection, open space, and increasingly important carbon sequestration, would disappear.

The Commission respectfully requests that the Authority give careful consideration to keeping the SAWR in place as it is currently constructed, i.e. with both storage and supplemental supply offsets, in order to stem the rapid decline of avocado farming in San Diego County. Public support for maintaining a healthy agricultural community is evident from the Authority’s own 2011 Public Opinion Poll Report. The poll clearly indicates that 87 percent of county residents feel that reduced water prices for farmers and agriculture should be maintained.

Of course, the Commission stands ready to work closely with the Authority on the development of a long-term agricultural water policy that is consistent with the Authority’s water management objectives.

Sincerely,

Thomas A. Bellamore
President

cc: Maureen Stapleton, General Manager
March 14, 2012

Attention: Administrative and Finance Committee

Water Authority’s Business Insurance Programs. (Information)

Purpose: This report on the Water Authority’s Business Insurance Programs describes the efforts and activities that have resulted in significant premium savings over the last five years.

Business Insurance Lines of Coverage – Property, Liability, and Workers’ Compensation
The Water Authority obtains its daily business operations insurance coverage from the Special District Risk Management Authority (SDRMA). SDRMA is a pooled insurance program with approximately 800 members. Lines of coverage obtained from SDRMA include property, liability, and workers’ compensation insurance. Limits for each of the coverages are $1 billion per occurrence for property, $45 million per occurrence and aggregate for liability, and workers’ compensation is per California statutory limits.

Over the last five years, the Water Authority has realized significant savings on insurance premiums across all lines of coverage. We estimate these savings to be in excess of $1 million. The primary reason for these savings is the proactive approach we take in managing our premium costs and our losses. Examples of the most effective activities undertaken by the Water Authority’s Risk Manager are listed below:

- Utilizing the services of our insurance broker to provide an annual marketing analysis of all lines of coverage to ensure the best pricing of insurance premiums.
- Conducting an annual review of insurance policy documents to ensure appropriate coverage of Water Authority risk exposures.
- Participating directly in the annual audit(s) of insurance premiums with insurance providers.
- Working closely with insurance providers in the investigation of any and all claims.
- Performing regular reviews of employee workers’ compensation classification codes for correct costing and coding.
- Performing scheduled reviews of workers’ compensation claims with insurance providers.
- Ensuring all employees receive appropriate and timely safety training.
- Performing safety and risk audits of Water Authority buildings and structures.
- Performing regular reviews of the Water Authority property schedule to ensure the list is accurate, up to date, and the values are correctly stated.
- Working with the Operations and Maintenance department to support a well developed aqueduct protection and asset management program that ensures facilities and pipelines are free of hazards and in best operational condition.
- Using contractual risk transfer effectively in all contracts.
Some of the above activities have resulted in loss rates that are well below the industry standard of 1.0. These loss rates, commonly referred to as experience modification rates, are used in the calculation of premiums. Organizations with lower experience modification rates generally pay lower premiums; likewise high experience modification rates drive up premium costs.

- The Water Authority’s workers’ compensation premiums reflect our low five year experience modification rate of .75. The SDRMA pool average of 1.08 is currently slightly above the industry standard.

- Our five year experience modification rate for liability coverage is .35 compared to SDRMA’s current pool average of .90.

- We have not experienced property loss during the last five years, therefore, SDRMA has not developed an experience modification rate for us. SDRMA’s pool average for property losses is .90.

Our low loss history, combined with our activities to compete each line of coverage in the marketplace, control costs by strict oversight of insurance providers’ basis for premiums, conduct regular reviews to ensure appropriate coverage, and actively manage claims, continue to save the Water Authority thousands of dollars in premiums each year.

Prepared by: Robert J. Homer, Risk Manager
Reviewed by: Marilyn L. Young, Director of Administrative Services
Approved by: Sandy L. Kerl, Deputy General Manager
March 14, 2012

Attention: Administrative and Finance Committee

Controller’s Report on Monthly Financial Reports (Information)

Financial Reports:
Attached for review by the Administrative and Finance Committee and the Board of Directors are the following financial reports:

- Attachment A: Water Sales Volumes, in acre-feet
- Attachment B: Water Sales Revenues, in millions
- Attachment C: Water Purchases and Treatment Costs, in millions
- Attachment D: Multi-Year Budget Status Report
- Attachment E: Operating Departments/Programs Expenditures, in millions
- Attachment F: Schedule of Cash and Investments

The Multi-Year Budget Status Report reflects actual revenues and expenditures, on a budgetary basis, for the seven month period of July 1, 2011 through January 31, 2012 (Attachment D). It compares actual revenues and expenditures to the adopted budget, as amended by the Board. Budgeted amounts for the seven month period are presented on a straight-line basis, except for water sales and purchases which are based on projected acre-feet calculated per month. In addition, the period-to-date budgeted amounts were also adjusted for items occurring on a periodic basis which includes the following: property taxes and in-lieu charges, capacity charges, water standby availability charges, debt service, and QSA mitigation.

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 and storage. Cost of water includes payments to water suppliers such as Metropolitan Water District (MWD) and Imperial Irrigation District (IID).

Net Water Sales Revenue for the seven months ended January 31, 2012 was $77.4 million, and the period-to-date budgeted amount was $74.6 million, a difference of $2.8 million or 4% more than budgeted (Attachment D). Detailed information relative to net water sales revenue is described below and shown on Attachments A, B, and C.

Total acre-feet (AF) of water sold were budgeted to be 275,085 for the seven months ended January 31, 2012, and actual water sales volumes were 269,731 AF, a difference of 2% less volume (Attachment A). The variance from budget to actual is due to the significant amount of rainfall received during November. Water Sales revenue for the seven months ended January 31, 2012 were

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1 All information regarding water sales volumes, revenues and costs are based on the adopted fiscal years 2012 and 2013 multi-year budget.
$258.3 million, which is 2% less than budgeted sales revenue of $263.0 million and is due to less treated water sales (Attachment B).

Total Water Purchases and Treatment costs were budgeted to be $188.4 million for the seven months ended January 31, 2012, but actual costs were less at $180.8 million, a difference of 4% (Attachment C). The variance from budget to actual are due to the following: lower volume of water purchases for both treated and untreated water, water drafted from storage, and water replenishment purchased from MWD at a reduced rate. This category includes $17.8 million for the 47,502 AF of water purchased from the IID, as well as $33.4 million for MWD’s conveyance charges related to IID, Coachella Canal and All-American Canal water.

Revenues and Other Income
As shown in Attachment D, Total Revenues and Other Income were budgeted to be $57.9 million for the seven months ended January 31, 2012, but actual revenues were significantly less at $51.7 million, a difference of $6.2 million or 11% less than budgeted. The variance is primarily due to the timing of receipts in Other Income for operating grants and miscellaneous reimbursements and accounts for approximately $5.5 million of the total variance.

As for the other revenue categories, actual revenues were compared to the period-to-date budgeted amounts as of the seven months ended January 31, 2012, or 7/12ths (58%) of the fiscal year 2012 amended budget. Actual revenues which were below the period-to-date budgeted amounts for the seven months ended January 31, 2012 include Investment Income which has a variance of $1.8 million due to continued historic low interest rates.

Actual revenues which exceeded the period-to-date budgeted amounts for the seven months ended January 31, 2012 include Hydroelectric Revenue. Hydroelectric Revenue category was budgeted conservatively for the current two-year budget period and includes only the Rancho Penasquitos Pressure Control and Hydroelectric Facility (Rancho Hydro). As a result, Hydroelectric Revenue is trending higher than budgeted by $0.4 million due to higher than anticipated hydroelectric power sales to SDG&E from the Rancho Hydro facility. In addition, approximately $0.3 million of the total variance amount is due to hydroelectric power sales from the Lake Hodges Pumped Storage Facility which began earning revenue in September 2011.

Expenditures
As shown in Attachment D, Total Expenditures were budgeted to be $104.8 million for the seven months ended January 31, 2012, but actual costs were significantly less at $88.9 million, a difference of $15.9 million or 15% less than budgeted. The variance is primarily due to the timing of expenditures in the Operating Departments, in addition to the timing of grants and other miscellaneous expenditures in Other Expenditures. These expenditure categories account for approximately $11.1 million of the total variance.

As for the other expenditure categories, actual expenditures were compared to the period-to-date budgeted amounts as of the seven months ended January 31, 2012, or 7/12ths (58%) of the fiscal year 2012 amended budget. Actual expenditures which were significantly below the period-to-date budgeted amounts for the seven months ended January 31, 2012 include Hodges Pumped Storage, Equipment Replacement, and Stored Water Purchases. Hodges Pumped Storage had minimal costs during the seven month period because the facility is not operational yet. Equipment Replacement
had minimal costs during the seven month period as well. Stored Water Purchases expenditures have not occurred yet.

Attachment D also shows that Capital Improvement Program (CIP) Expenditures were budgeted to be $124.3 million for the seven months ended January 31, 2012, but actual costs were significantly less at $53.4 million or 57% less than budgeted primarily due to the timing of expenditures during the seven month period. The CIP multi-year adopted budget has been increased by $2.8 million for the Carlsbad Desalination Project as amended by the Board at the January 2012 meeting.

**Cash and Investments**

For the months ended January 31, 2012 and December 31, 2011, the Water Authority’s cash and investments had an overall balance of $772.8 million and $765.7 million, respectively (Attachment F). Approximately 27% of funds are unrestricted with approximately 73% of funds restricted for specific purposes. In order to maximize investment return, the Water Authority pools the cash of the Pay As You Go Fund with Unrestricted Funds. As of January 31, 2012, the Rate Stabilization Fund is funded at $43.7 million and is anticipated to remain below the target amount due to recent water supply challenges.

Rod Greek, Controller
*Budgeted amounts are based on the adopted two year budget.

Fiscal Year 2012 Cumulative Water Sales (AF)

<table>
<thead>
<tr>
<th>Months</th>
<th>Jul-11</th>
<th>Aug-11</th>
<th>Sep-11</th>
<th>Oct-11</th>
<th>Nov-11</th>
<th>Dec-11</th>
<th>Jan-12</th>
<th>Feb-12</th>
<th>Mar-12</th>
<th>Apr-12</th>
<th>May-12</th>
<th>Jun-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget (a)</td>
<td>51,006</td>
<td>102,017</td>
<td>148,271</td>
<td>188,293</td>
<td>219,821</td>
<td>248,933</td>
<td>275,085</td>
<td>297,029</td>
<td>322,188</td>
<td>354,292</td>
<td>390,867</td>
<td>434,786</td>
</tr>
<tr>
<td>Actual</td>
<td>49,751</td>
<td>100,056</td>
<td>147,861</td>
<td>189,470</td>
<td>217,831</td>
<td>243,191</td>
<td>269,731</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AF Difference (b)</td>
<td>(1,255)</td>
<td>(1,961)</td>
<td>(410)</td>
<td>1,177</td>
<td>(1,990)</td>
<td>(5,742)</td>
<td>(5,354)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cum. Actual AF % Difference (b/a)</td>
<td>-2%</td>
<td>-2%</td>
<td>0%</td>
<td>1%</td>
<td>-1%</td>
<td>-2%</td>
<td>-2%</td>
<td>-2%</td>
<td>-2%</td>
<td>-2%</td>
<td>-2%</td>
<td>-2%</td>
</tr>
</tbody>
</table>

WATER SALES VOLUMES
Budget Versus Actual (in Acre-Feet)
for the 7 Months Ended January 31, 2012
*Budgeted amounts are based on the adopted two year budget.

### Fiscal Year 2012 Cumulative Water Sales (in Millions $)

<table>
<thead>
<tr>
<th>Months</th>
<th>Jul-12</th>
<th>Aug-12</th>
<th>Sep-12</th>
<th>Oct-12</th>
<th>Nov-12</th>
<th>Dec-12</th>
<th>Jan-12</th>
<th>Feb-12</th>
<th>Mar-12</th>
<th>Apr-12</th>
<th>May-12</th>
<th>Jun-12</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Budget (a)</em></td>
<td>45.5</td>
<td>91.0</td>
<td>133.2</td>
<td>171.2</td>
<td>203.3</td>
<td>233.4</td>
<td>263.0</td>
<td>289.6</td>
<td>318.9</td>
<td>353.3</td>
<td>391.4</td>
<td>434.7</td>
</tr>
<tr>
<td>Actual</td>
<td>43.6</td>
<td>90.7</td>
<td>132.1</td>
<td>170.8</td>
<td>199.5</td>
<td>227.1</td>
<td>258.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Difference (b)</td>
<td>(1.9)</td>
<td>(0.3)</td>
<td>(1.1)</td>
<td>(0.4)</td>
<td>(3.8)</td>
<td>(6.3)</td>
<td>(4.7)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cum. Actual</td>
<td></td>
<td></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/a)</td>
<td>-4%</td>
<td>0%</td>
<td>-1%</td>
<td>0%</td>
<td>-2%</td>
<td>-3%</td>
<td>-2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
*Budgeted amounts are based on the adopted two year budget.

**Fiscal Year 2012 Cumulative Cost of Water Purchases and Treatment (in Millions $)**

<table>
<thead>
<tr>
<th>Months</th>
<th>Jul-11</th>
<th>Aug-11</th>
<th>Sep-11</th>
<th>Oct-11</th>
<th>Nov-11</th>
<th>Dec-11</th>
<th>Jan-12</th>
<th>Feb-12</th>
<th>Mar-12</th>
<th>Apr-12</th>
<th>May-12</th>
<th>Jun-12</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Budget (a)</em></td>
<td>33.8</td>
<td>67.6</td>
<td>98.5</td>
<td>125.7</td>
<td>147.9</td>
<td>168.4</td>
<td>188.4</td>
<td>205.6</td>
<td>225.3</td>
<td>249.3</td>
<td>276.5</td>
<td>308.2</td>
</tr>
<tr>
<td>Actual</td>
<td>31.7</td>
<td>63.4</td>
<td>91.0</td>
<td>120.5</td>
<td>141.3</td>
<td>161.0</td>
<td>180.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Difference (b)</td>
<td>(2.1)</td>
<td>(4.2)</td>
<td>(7.5)</td>
<td>(5.2)</td>
<td>(6.6)</td>
<td>(7.4)</td>
<td>(7.6)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cum. Actual</td>
<td></td>
<td></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/a)</td>
<td>-6%</td>
<td>-6%</td>
<td>-8%</td>
<td>-4%</td>
<td>-4%</td>
<td>-4%</td>
<td>-4%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

* *Budgeted amounts are based on the adopted two year budget.*
### San Diego County Water Authority
Fiscal Year 2012 Budget Status Report
For the 7 Months Ended January 31, 2012

#### Net Water Sales Revenue

<table>
<thead>
<tr>
<th></th>
<th>FY 12 Amended Budget</th>
<th>FY 12 7 Months (58%)</th>
<th>FY 12 Actual</th>
<th>Variance with Period-to-Date Amended Budget</th>
<th>Variance with Period-to-Date Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Sales</td>
<td>$434,684,000</td>
<td>$263,020,817</td>
<td>$258,265,346</td>
<td>$ (4,755,471)</td>
<td>59%</td>
</tr>
<tr>
<td>Water Purchases &amp; Treatment</td>
<td>308,237,000</td>
<td>188,386,304</td>
<td>180,815,558</td>
<td>7,570,746</td>
<td>59%</td>
</tr>
<tr>
<td>Total Net Water Sales Revenue</td>
<td>$1,262,921,000</td>
<td>$451,407,117</td>
<td>$439,080,895</td>
<td>$ (2,426,222)</td>
<td>61%</td>
</tr>
</tbody>
</table>

#### Revenues and Other Income

<table>
<thead>
<tr>
<th>Source</th>
<th>FY 12 Amended Budget</th>
<th>FY 12 7 Months (58%)</th>
<th>FY 12 Actual</th>
<th>Variance with Period-to-Date Amended Budget</th>
<th>Variance with Period-to-Date Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Water Sales Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues and Other Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure Access Charges</td>
<td>$27,700,000</td>
<td>$16,066,000</td>
<td>$15,892,396</td>
<td>$ (173,604)</td>
<td>57%</td>
</tr>
<tr>
<td>Property Taxes and In-Lieu Charges</td>
<td>10,195,000</td>
<td>5,553,945</td>
<td>5,887,428</td>
<td>333,483</td>
<td>58%</td>
</tr>
<tr>
<td>Investment Income</td>
<td>6,230,000</td>
<td>3,613,400</td>
<td>1,836,925</td>
<td>(1,776,475)</td>
<td>29%</td>
</tr>
<tr>
<td>Hydroelectric Revenue</td>
<td>900,000</td>
<td>522,000</td>
<td>925,127</td>
<td>403,127</td>
<td>103%</td>
</tr>
<tr>
<td>Other Income</td>
<td>24,971,000</td>
<td>14,483,180</td>
<td>8,939,793</td>
<td>(5,543,387)</td>
<td>36%</td>
</tr>
<tr>
<td>Total Revenues and Other Income</td>
<td>$98,437,000</td>
<td>$57,905,039</td>
<td>$51,721,060</td>
<td>(6,183,979)</td>
<td>53%</td>
</tr>
</tbody>
</table>

#### Operating Departments

<table>
<thead>
<tr>
<th>Department</th>
<th>FY 12 Amended Budget</th>
<th>FY 12 7 Months (58%)</th>
<th>FY 12 Actual</th>
<th>Variance with Period-to-Date Amended Budget</th>
<th>Variance with Period-to-Date Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Services</td>
<td>$5,638,715</td>
<td>$3,270,455</td>
<td>$3,224,284</td>
<td>$ 46,171</td>
<td>57%</td>
</tr>
<tr>
<td>Colorado River Program</td>
<td>1,254,208</td>
<td>727,441</td>
<td>603,702</td>
<td>123,739</td>
<td>48%</td>
</tr>
<tr>
<td>Engineering</td>
<td>3,363,825</td>
<td>1,951,019</td>
<td>1,730,711</td>
<td>220,308</td>
<td>51%</td>
</tr>
<tr>
<td>Finance</td>
<td>2,237,064</td>
<td>1,297,497</td>
<td>1,093,019</td>
<td>204,478</td>
<td>49%</td>
</tr>
<tr>
<td>General Counsel</td>
<td>3,070,190</td>
<td>1,786,710</td>
<td>1,749,006</td>
<td>31,704</td>
<td>57%</td>
</tr>
<tr>
<td>General Manager &amp; Board of Directors</td>
<td>2,523,881</td>
<td>1,463,851</td>
<td>1,175,844</td>
<td>288,007</td>
<td>47%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>1,372,715</td>
<td>796,175</td>
<td>586,702</td>
<td>209,473</td>
<td>43%</td>
</tr>
<tr>
<td>MWD Program</td>
<td>1,708,626</td>
<td>991,003</td>
<td>848,873</td>
<td>142,130</td>
<td>50%</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>14,376,641</td>
<td>8,350,052</td>
<td>6,529,950</td>
<td>1,820,102</td>
<td>45%</td>
</tr>
<tr>
<td>Public Outreach and Conservation</td>
<td>4,032,963</td>
<td>2,339,119</td>
<td>1,742,288</td>
<td>596,831</td>
<td>43%</td>
</tr>
<tr>
<td>Water Resources</td>
<td>3,891,358</td>
<td>2,256,988</td>
<td>1,827,517</td>
<td>429,471</td>
<td>47%</td>
</tr>
<tr>
<td>Total Operating Departments</td>
<td>$43,490,186</td>
<td>$25,224,310</td>
<td>$21,111,896</td>
<td>$ 4,112,414</td>
<td>49%</td>
</tr>
</tbody>
</table>
San Diego County Water Authority  
Fiscal Year 2012 Budget Status Report  
For the 7 Months Ended January 31, 2012  

Notes to the Budget Status Report:

a) Period-to-date budgeted amounts are 7/12ths (58%) of fiscal year 2012 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 $410,490 for fiscal year 2012 are received quarterly from the City of San Diego.
d) Investment income excludes unrealized gains or losses, which are non-cash transactions.
e) Hydroelectric revenue budget amount includes only Rancho Penasquitos Pressure Control and Hydroelectric Facility (Rancho Hydro); actual amount includes Rancho Hydro and Lake Hodges Pumped Storage Facility (Hodges Hydro). Power generating from both locations are sold to SDG&E.
f) Other income includes Build America Bonds (BABs) federal subsidies, grants and other miscellaneous revenues.
g) Capacity charges are received quarterly in July, October, January and April.
h) Water standby availability charges are primarily received in January and May.
i) Contributions in aid of capital assets include planned reimbursements for the Lake Hodges Pump Station, Twin Oaks Regulatory Storage, Carlsbad Desalination Aqueduct Improvements, and other miscellaneous projects.
j) Debt Service includes interest payments due semi-annually on May 1 and November 1 and principal payments due annually on May 1. Debt Service includes principal, interest expense, and debt service fees. Amortization expense relating to long-term debt, such as discounts, premiums, deferred loss on refunding, and cost of issuance, are excluded because they are non-cash transactions.
k) The QSA mitigation payments includes: QSA JPA contributions of $3,084,803 in December 2011; IID Socioeconomic Mitigation Settlement payments of $2,940,000 in June 2012.
l) Other expenditures include costs incurred for grants and other miscellaneous expenditures.
m) Amounts include capital equipment purchases.
n) Includes withdraws funded by bond proceeds and other fund balances.
o) Period-to-date budgeted amounts adjusted based on items occurring on a periodic basis.
p) CIP budget increased $2.8 million for Carlsbad Desalination Project.
San Diego County Water Authority
Comparison of Adopted Budget and Period-to-Date Budget (58% Overall) to Actual Operating Expenditures by Departments
For the 7 Months Ended January 31, 2012

Actual Operating Expenditures to Adopted Budget in Percentages (%)
San Diego County Water Authority  
Schedule of Cash and Investments  
As of January 31, 2012 and December 31, 2011

<table>
<thead>
<tr>
<th>Fund</th>
<th>January</th>
<th>December</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Fund</td>
<td>$110,626,447</td>
<td>$99,725,200</td>
<td>$67,000,000</td>
</tr>
<tr>
<td>Stored Water Fund</td>
<td>44,642,891</td>
<td>44,636,006</td>
<td></td>
</tr>
<tr>
<td>Equipment Replacement Fund</td>
<td>8,802,983</td>
<td>8,872,582</td>
<td></td>
</tr>
<tr>
<td>Rate Stabilization Fund</td>
<td>43,746,986</td>
<td>43,740,240</td>
<td>55,100,000</td>
</tr>
<tr>
<td>Total Unrestricted Funds (1)</td>
<td>27% 207,819,307</td>
<td>196,974,028</td>
<td></td>
</tr>
<tr>
<td>Pay As You Go Fund (1)</td>
<td>128,576,806</td>
<td>121,726,081</td>
<td></td>
</tr>
<tr>
<td>CIP/Bond Construction Funds</td>
<td>366,871,370</td>
<td>377,556,599</td>
<td></td>
</tr>
<tr>
<td>Debt Service Reserve Funds</td>
<td>69,550,143</td>
<td>69,446,167</td>
<td></td>
</tr>
<tr>
<td>Total Restricted Funds</td>
<td>73% 564,998,319</td>
<td>568,728,847</td>
<td></td>
</tr>
<tr>
<td>Total Cash and Investments</td>
<td>$772,817,626</td>
<td>$765,702,875</td>
<td></td>
</tr>
</tbody>
</table>

Notes:  
(1) Total Unrestricted Funds and the Pay As You Go Fund represent the Pooled Funds in the Treasurer's Report.  
(2) The Operating Fund target/maximum balance is set to equal 45-days of operating expenditures.  
(3) In 2006, the Board adopted a policy governing the Rate Stabilization Fund (RSF). The policy created a target and a maximum RSF balance. The target balance is set equal to the negative financial impact of 2.5 years of extremely wet weather and the RSF maximum balance is set equal to the negative financial impact of 3.5 years of extremely wet weather. Wet weather adversely impacts the Water Authority by reducing water sales and net water sales revenue. The balance in this fund represents approximately 80% of the targeted value.
BOARD CALENDAR

APRIL 2012
• 4 MWD Delegates – 11:00 a.m.
• 12 Special meeting of the Water Planning Committee - Desalination – 1:30 p.m.
• 26 Regular Board meeting – 3:00 p.m.

MAY 2012
• 2 MWD Delegates – 11:00 a.m.
• 14 Special meeting of the Water Planning Committee – 1:30 p.m. (please note this is one week later than usual, on a Monday, due to the ACWA conference, release the calendar hold of Special Board on May 10th)
• 24 Regular Board meeting – 3:00 p.m.

JUNE 2012
• 5 SCOOP meeting – 9:30 a.m.
• 6 MWD Delegates – 11:00 a.m.
• 14 Special meeting of the Water Planning Committee – 1:30 p.m.
• 28 Regular Board meeting – 3:00 p.m.
March 14, 2012

Attention: Administrative and Finance Committee

CLOSED SESSION:
Conference with Labor Negotiator, Government Code §54957.6

Agency Designated Representatives: Frank Belock; Susan Leone; Richard Bolanos, Liebert Cassidy Whitmore

Employee Organization: California Teamsters Public, Professional and Medical Employees Union Local 911

Purpose
The General Manager has asked that the above-referenced closed session be scheduled for the Administrative and Finance Committee at the March 22, 2012, Board meeting.

A closed session has also been included on the agenda of the formal Board of Directors’ meeting. Unless the Board desires additional discussion, it is not staff’s intention to ask for a closed session with the full Board at that time, but staff may request action to confirm directions given or action recommended by the committee.

Prepared by: Daniel S. Hentschke, General Counsel
IMPORTED WATER COMMITTEE

AGENDA FOR

MARCH 22, 2012

Mark Watton – Chair     Keith Lewinger
Gary Arant – Vice Chair    John Linden
Yen Tu – Vice Chair    Ron Morrison
David Barnum    Fern Steiner
Jim Bond    Mark Weston
Brian Brady    Barbara Wight
Lynne Heidel    Doug Wilson
Bill Knutson

1. Roll call – determination of quorum.
2. Additions to agenda (Government Code Section 54954.2(b)).
3. Public comment – opportunities for members of the public to address the Committee on matters within the Committee’s jurisdiction.
4. Chair’s report.
   4-A Directors’ comments.

I. CONSENT CALENDAR

II. ACTION/DISCUSSION

1. Metropolitan Water District Issues and Activities update.
   1-A Update on Metropolitan Water District Rates and Charges.    Amy Chen
   1-B Metropolitan Water District Delegates report.    Amy Chen
   (Information) (supplemental materials)

2. Colorado River Programs.
   2-A Colorado River Board representative’s report.    Bill Knutson
   (Information) (supplemental materials)

3. Colorado River Basin Water Supply and Demand Study.    Halla Razak
   (Information)
III. INFORMATION

1. Presentation on QSA Environmental Mitigation update. Halla Razak
2. Metropolitan Water District Program report. Amy Chen

IV. CLOSED SESSION

1. CLOSED SESSION: Conference with Legal Counsel - Existing Litigation
   Government Code §54956.9(a) - SDCWA v Metropolitan Water District of Southern California;
   Case No. CPF-10-510830

2. CLOSED SESSION: Conference with Legal Counsel – Existing Litigation
   Government Code §54956.9(a)
   Name of Case: QSA Judicial Council Coordination Proceeding
   No. 4353

V. ADJOURNMENT

Doria F. Lore
Clerk of the Board

NOTE: This meeting is called as an Imported Water Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Recodified). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.
March 14, 2012

Attention: Imported Water Committee

Update on Metropolitan Water District Rates and Charges (Information)

Background
The majority of Metropolitan Water District’s (MWD) costs are fixed, while the majority of its revenues are derived from variable water sales; this makes MWD’s rates very sensitive to water sales. MWD saw its water sales decrease precipitously in recent years, due to mandatory drought allocations by MWD, conservation, and local supply development. This sales decrease combined with the imbalance between MWD’s fixed costs and variable revenues impact its long-term fiscal sustainability. Although MWD is no longer in supply allocation, its demands have not recovered in a pattern similar to that experienced in the 1990’s drought, mainly due to sustained conservation, the continued slow economic recovery and significant water rate hikes experienced in the region. The next two fiscal years bring many continued challenges for MWD to maintain its budget.

This January, MWD staff presented the proposed budget for fiscal years 2012/13 and 2013/14 with the recommended corresponding two years of average rates of 7.5 percent rate increase on January 1, 2013 and 5 percent on January 1, 2014. In February, MWD staff presented three rate alternatives. Alternative 1 would increase average rates by 10 percent in 2013 and 5 percent in the succeeding year, resulting in an increase in projected revenue and improved financial coverage ratios. Alternative 2 would increase average rates by 5 percent in 2013 and another 5 percent in the following year. This option would require reductions in expenses and implementation of a finance program for MWD’s capital investment program. Alternative 3 would increase average rates by 6.5 percent in 2013 and another 5 percent in the next year. This alternative will contain the same cost reductions of Alternative 2, but resulting with increased reserves of $4.7 million in 2013/14. Not discussed by MWD’s staff were many of the Water Authority’s cost cutting suggestions, and a request for a sensitivity analysis on MWD’s plan if the water sales and exchange assumptions were set at 1.5 million acre-feet (MAF), rather than staff’s assumption of 1.7 MAF.

This month, a public hearing was held. Attendees included representatives from the Water Authority’s member agencies and interested ratepayers from the Water Authority service area. Over 40 speakers were heard during the public hearing, with almost two-thirds of the speakers opposing the water rate increase and/or structure; many also requested that the board adhere to its administrative code and adopt the rates and charges in April rather than March. Several representatives from member agencies and cities within the Water Authority’s service area also provided their respective resolutions supporting the Water Authority’s lawsuit against MWD. Due to efforts by the Water Authority delegates, some other MWD board members, speakers during the public hearing and the committee’s approval of a motion to have MWD adhere to its own administrative code procedures to adopt the rates and charges in April, the board voted to adopt the biennial budget and rates and charges at its April board meeting.
**Discussion**

On March 13, the MWD Board voted to adhere its administrative code and consider the adoption of a biennial budget for 2012/13 and 2013/14 and related rates and charges for calendar years 2013-2014 in April. The proposed budget expenditure for 2012/13 is $1.78 billion and for 2013/14 is $1.89 billion. This budget assumes water sales and exchange of 1.7 MAF for both years (inclusive of the Water Authority’s transfers), with full service sales of about 1.5 MAF for each year; yet MWD’s current trend and last year’s full service sales are closer to 1.3 MAF.

The estimated rates and charges for 2012/13 were based on a total revenue requirement of $1.38 billion. MWD’s existing rates, which are in effect through December 31, 2012, coupled with MWD staff’s recommended rates under a 7.5 percent increase, effective January 1, 2013, is expected to generate combined revenue of $1.37 billion. The proposed rates and charges for 2013/14 were based on a total revenue requirement of $1.46 billion. With the 5 percent increase, effective January 1, 2013, MWD projects 2013/14 revenue of $1.46 billion.

Table 1 shows the proposed rates and charges by individual elements and their percent changes, which are effective January 1, 2013 and January 1, 2014. The proposed individual rates and charges include changes that vary significantly from the “average” 7.5 percent and 5 percent increases. MWD staff’s report and presentations are not clear, and in some cases, do not make

<table>
<thead>
<tr>
<th>TABLE 1: Adopted Rates and Charges</th>
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<tbody>
<tr>
<td></td>
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<tr>
<td><strong>Supply Rate Tier 1</strong> $(/AF)</td>
</tr>
<tr>
<td>$ 164 $</td>
</tr>
<tr>
<td>149 -9.1% $</td>
</tr>
<tr>
<td>157 5.4% $</td>
</tr>
<tr>
<td>157 5.4% $ -4.3% $</td>
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<tr>
<td><strong>Supply Rate Tier 2</strong> $(/AF)</td>
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<tr>
<td>$ 290 $</td>
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<tr>
<td>290 0.0% $</td>
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<tr>
<td>290 0.0% $ -4.3% $</td>
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<tr>
<td><strong>System Access Rate</strong> $(/AF)</td>
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<tr>
<td>$ 217 $</td>
</tr>
<tr>
<td>228 5.1% $</td>
</tr>
<tr>
<td>247 8.3% $</td>
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<tr>
<td>247 8.3% $ 13.8% $</td>
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<tr>
<td><strong>System Power Rate</strong> $(/AF)</td>
</tr>
<tr>
<td>$ 136 $</td>
</tr>
<tr>
<td>190 39.7% $</td>
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<tr>
<td>164 -13.7% $</td>
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<tr>
<td>164 -13.7% $ 20.6% $</td>
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<tr>
<td><strong>Water Stewardship Rate</strong> $(/AF)</td>
</tr>
<tr>
<td>$ 43 $</td>
</tr>
<tr>
<td>41 -4.7% $</td>
</tr>
<tr>
<td>42 2.5% $</td>
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<tr>
<td>42 2.5% $ -2.3% $</td>
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<tr>
<td><strong>Treatment Surcharge</strong> $(/AF)</td>
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<tr>
<td>$ 234 $</td>
</tr>
<tr>
<td>260 11.1% $</td>
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<tr>
<td>302 16.2% $</td>
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<tr>
<td>302 16.2% $ 29.1% $</td>
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<td><strong>Basic (M&amp;I)/Full Service $(/AF)</strong></td>
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<tr>
<td><strong>Untreated</strong></td>
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<tr>
<td>$ 560 $</td>
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<tr>
<td>608 8.6% $</td>
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<tr>
<td>610 0.3% $</td>
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<tr>
<td>610 0.3% $ 8.9% $</td>
</tr>
<tr>
<td>$ 686 $</td>
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<tr>
<td>749 9.2% $</td>
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<tr>
<td>743 -0.8% $</td>
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<td>743 -0.8% $ 8.3% $</td>
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<tr>
<td><strong>Treated</strong></td>
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<tr>
<td>$ 794 $</td>
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<tr>
<td>868 9.3% $</td>
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<tr>
<td>912 5.1% $</td>
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<tr>
<td>$ 920 $</td>
</tr>
<tr>
<td>1009 9.7% $</td>
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<tr>
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<td><strong>Long Term Seasonal/Replenishment</strong> $(/AF)</td>
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<td>$ 442 **</td>
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<tr>
<td><strong>Treated</strong></td>
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<td><strong>Treated</strong></td>
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<tr>
<td>$ 765 ***</td>
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<tr>
<td><strong>Readiness-to-Serve ($M)</strong></td>
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<tr>
<td>$ 146 $</td>
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</tr>
<tr>
<td>169 29.5% $</td>
</tr>
<tr>
<td>169 29.5% $ 29.5% $</td>
</tr>
<tr>
<td><strong>Capacity Charge</strong> $(/cfs)$</td>
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<tr>
<td>$ 7400 $</td>
</tr>
<tr>
<td>6,600 -10.8% $</td>
</tr>
<tr>
<td>8,900 34.9% $</td>
</tr>
<tr>
<td>8,900 34.9% $ 20.3% $</td>
</tr>
</tbody>
</table>

* Tier 1 rate includes a $58/AF Delta Surcharge in 2012; MWD suspended Delta Supply Surcharge after 2012.

** Under the current replenishment program proposal there would be no discounted replenishment rates after 2012.

*** The Interim Agricultural Water Program will be discontinued after 2012.
sense on why individual rates and charges increased or decreased. For instance, even though predictable supply remains a driver on MWD’s ability to meet demand (or, enter into an allocation), MWD’s “equivalent” tier 1 supply rate will decrease over the two years by 4.1 percent, and while MWD has not constructed any new transportation facilities, its transportation rate will increase by 14.4 percent over the two years. Part of the reason for the supply rate decrease is due to the “suspension” of the Delta Supply Surcharge, even though the original purpose of this surcharge along with its associated costs and efforts still remain. The Delta Supply Surcharge was created to reflect “the impact on MWD’s water rates of lower supplies from the State Water Project due to pumping restrictions,” such as purchases of water transfers, lost value in supplies available from the SWP and costs of personnel and consultants working on Delta improvements, and it was planned to “remain in effect until a long-term solution for the Delta was achieved.”

A major objective of MWD’s financial policy is to maintain contingency reserves to deal with fluctuations due to revenue uncertainty and minimize volatile rate increases. But rather than using these reserves to mitigate sales fluctuations resulted from hydrologic conditions as originally planned, MWD has used the reserves to simply moderate planned rate increases. MWD places the reserves intended to stabilize rates in two funds. The minimum reserve resides in the Revenue Remainder Fund, and any excess revenues exceeding the minimum reserve flows into the Water Rate Stabilization Fund (WRSF). The Revenue Reminder Fund (RRF) holds adequate reserves to provide 18 months of lower than expected sales – this is the minimum balance. MWD’s maximum reserve level is based on two additional years of revenue shortfall estimates in addition to the 18-month period to allow for MWD’s rate process and provide an additional two-year of cushion. In theory, if MWD’s reserves were to be at its maximum, it would have adequate funds to pay for revenue shortfalls due to wet weather for up to 3.5 years.

In recent years, when MWD’s reserves from the RRF and WRSF began to trend close to its minimum levels, MWD started to combine fund balances from WRSF, RRF, Treatment Surcharge Stabilization Fund (TSSF) and Water Stewardship Fund (WSF) together as its “reserve” funds – in practice, because use of these funds are all under the Board’s discretion. For the 2012/13 budget, MWD projects that the balance in the WRSF, RRF, TSSF and WSF will total about $215.6 million, about $15.8 million over the minimum target. For 2013/14, the estimated balance in the WRSF, RRF, TSSF, and WSF totals around $215.1 million, about $12.7 million over the minimum target.

More troubling is the fact that even though the proposed 2012/13 budget projects the reserves funds to decrease by about $3.4 million, the WSF – which now makes up the total reserves – would increase by about $3.8 million by June 30, 2013. Similar phenomenon occurs in 2013/14, the total reserves are forecasted to decrease by $0.5 million, while the WSF is expected to increase by $1 million by June 30, 2014. Any revenue collection overages from the Water Stewardship rate – a funding source for the subsidy programs – are deposited into the WSF. Because the Water Authority’s rate litigation, its ratepayers have largely been disqualified from receiving any subsidies. Under the Exchange Agreement the Water Authority has with MWD, MWD must set aside any disputed amount in an interesting earning account until the dispute is resolved. MWD has been showing the disputed amount in its total reserves. This makes the increases to the WSF interesting because theoretically, one could assert that MWD is setting the Water Stewardship rate higher than necessary so it could overcharge the Water Authority to help fund for the disputed amount; and if the Water Authority were to win the case, it would receive the disputed amount
funded largely by itself. In addition, by residing the disputed funds in these reserves, MWD does not have access to all of its “unrestricted” reserves. And if water sales continue to track as low as the current year, additional revenue loss and further strain on reserves will result.

The Water Authority delegation continued to note that dipping into reserves to meet revenue gaps and delaying current expenses to the future is not financially prudent. In addition, they noted that raising rates further is not the answer to reduced water sales; MWD must reduce its expenditures to reflect decreased demand. MWD must also fix its rate structure to not have a majority of its revenues rely on variable sales, which exacerbate rate volatility. Since the board voted to consider the budget and rates and charges in April, the delegates made a motion to hold another board workshop to consider further budget reduction alternatives; the motion failed. The delegates will continue to advocate prudent approaches on MWD individual program expenditures as they are brought to the board for approval. Concurrently, Water Authority staff will continue to provide updates on MWD actions, including its supply conditions and any impacts that may affect its ability to deliver reliable and quality water, to the Imported Water Committee.

Prepared by:    Debbie Discar-Espe, Senior Water Resources Specialist
Reviewed by:   Amy I. Chen, MWD Program Chief
March 14, 2012

Attention: Imported Water Committee

Colorado River Basin Water Supply and Demand Study (Information)

Purpose
This report provides an overview and a progress update on the Colorado River Basin Water Supply and Demand Study (Study) being completed by the Bureau of Reclamation and seven Colorado River Basin states.

Discussion
Based on long-term records of river inflows, the Colorado River is considered to be over-allocated, with existing average demand for water greater than the river can supply. The chart below, reproduced from the Study, shows how Colorado River water use has increased over time to converge on and exceed the average historical supply. Climate change is expected to decrease the future average available supply, further straining the resource.

![Water Supply Chart](chart.png)

To date, water demands have been met without declared shortages through the use of a relatively large volume of reservoir storage capacity, unused Upper Basin state apportionments, and conservation programs implemented in the Lower Basin states. This will become increasingly difficult without additional management efforts to obtain balance. No apportionment exists for "non-consumptive" demand, including fish and wildlife, recreation, water quality, and hydropower generation, but the Study will consider these water demands as well as consumptive use. After projecting future water supplies and demands through 2060, the Study will provide recommended options for addressing imbalances between the two.
Conducted by Reclamation and representatives of the seven Colorado River Basin states, the Study was begun in January 2010 and is expected to be completed by July 2012. It has been prepared in four major phases: 1) water supply assessment; 2) water demand assessment; 3) system reliability analysis; and 4) development and evaluation of opportunities for balancing supply and demand. The Study projects Colorado River Basin conditions under a variety of planning scenarios, and includes recommendations for addressing supply/demand imbalances. Reclamation recently completed a public comment period and is now working to complete the water demand assessment and fourth phase of the study.

**Water Supply Assessment**

The water supply assessment determines the probable natural inflows to the river system, using planning scenarios that account for potential changes in climate and streamflow variability. Four potential water supply scenarios were modeled, using:

1. Observed streamflow trends and variability, in which future hydrologic trends and variability are projected to be similar to the past 100 years;
2. “Paleo” trends and variability, which uses reconstructions of streamflow over a much longer period (nearly 1,250 years);
3. Observed trends but with increased variability of flow, which used the longer paleo period (nearly 1,250 years) to model variability, but with magnitudes of flow that are more similar to the observed period (about 100 years); and
4. Climate change trends, in which the future climate will continue to warm, affecting regional precipitation and hydrology.

The chart below, taken from the Study, shows the annual flows on the Colorado River expected from the four planning scenarios. Each of them shows less average flow than the 16.5 maf/yr combined total existing apportionment, including 15 maf for U.S. use and 1.5 maf for Mexico.

<table>
<thead>
<tr>
<th>Annual Flow (maf)</th>
<th>Observed</th>
<th>Paleo</th>
<th>Observed / With Increased Variability</th>
<th>Climate Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>15.0</td>
<td>14.7</td>
<td>14.9</td>
<td>13.7</td>
</tr>
<tr>
<td>Minimum</td>
<td>5.6</td>
<td>2.3</td>
<td>5.6</td>
<td>4.2</td>
</tr>
<tr>
<td>Maximum</td>
<td>25.2</td>
<td>24.3</td>
<td>25.2</td>
<td>44.3</td>
</tr>
</tbody>
</table>

**Water Demand Assessment**

This phase of the Study is not yet complete, but sufficient work has been done to outline potential imbalances between supply and demand. Six demand scenarios are being evaluated to determine a range of potential water needs. These scenarios incorporate assumptions related to changes in future demographics, land use, technology, economic conditions, and social and governance structures. The figure from the Study shown below shows conceptually the range of future supply and demand, using projections that have been developed by the Study, and compares these projections with historic and projected supply. The projected supplies and demands are shown shaded to indicate the range of possible outcomes. This projection shows an increasing gap between increasing demand and decreasing supply. Phase 4 of the Study will provide recommendations on how to addresses this imbalance.
This portion of the study reviews the ability of the river to meet all resources needs under a variety of conditions. The Study provides metrics to quantitatively and qualitatively measure the river’s capacity to meet six categories of resources need:

1. Water deliveries (consumptive use)
2. Electrical power
3. Water quality
4. Flood control
5. Recreation
6. Ecological

The Study also looks at the potential impacts to these resources caused by supply and demand imbalances, and evaluates strategies and options for addressing the imbalances. Socioeconomic impacts were reviewed within the analysis of each resource category.

Metrics were defined for each of the resource categories. For example, the metrics for water deliveries includes consumptive use, shortages, and socioeconomic impacts from shortage. Reclamation’s computer model, Colorado River Simulation System (CRSS), was used to simulate operations of river system reservoirs and is the primary metrics tool. The model generates information on projected water storage in reservoirs, reservoir elevations, water releases from dams, amounts of water flowing at various points in the system, total dissolved solids content, and diversions to and return flows from water users. Some metrics are taken directly from CRSS output, such as water diversions and flows. Others use indirect measurements based on projected flows to estimate impact to the resource. Socioeconomic impacts will be measured qualitatively.
Evaluation of opportunities for balancing supply and demand
The fourth and final phase of the Study identifies strategies and options for mitigating the imbalances that exist between future water supply from the river and resources demand for the water. Under the Study’s supply and demand projection shown in the figure above, demand would exceed 17 maf/yr by 2035, while supply ranges from 13.9 to 16.8 maf/yr, with a median projection of 15.0 maf/yr. This results in a supply gap of about 2 maf by 2035. By 2060, this gap is projected to increase to 3.5 maf. When completed, the Study will include additional scenarios for reviewing supply and demand, including scenarios that increase and decrease projected demand.

The fourth phase of the Study includes a public outreach effort, which solicited ideas for addressing supply and demand imbalances. Suggestions received ranged from potential water supply projects to augment river flows, such as a binational seawater desalination plant, and proposed water management strategies, such as permitting interstate water transfers. The Study is not intended to result in the selection or funding of a specific project to address the imbalances, but to provide a wide range of options that may be considered to meet resources needs. The Study notes existing efforts at balancing supply and demand needs, including improving the operational efficiency of the reservoir system, water conservation and water use efficiency, water transfers, and conjunctive use groundwater storage projects.

Reclamation and basin states representatives are reviewing comments received from the public outreach, and working to complete demand and supply projection scenarios. The final Study is expected to be released in July 2012.

Prepared by: Dave Fogerson, Senior Engineer
Reviewed by: Halla Razak, Colorado River Program Director
March 14, 2012

Attention: Imported Water Committee

QSA Environmental Mitigation Update (Information)

Purpose
This report provides an update on the implementation of environmental mitigation measures resulting from the Quantification Settlement Agreement (QSA) water transfers in the Imperial and Coachella valleys.

Background
The San Diego County Water Authority, the Coachella Valley Water District (CVWD), and the Imperial Irrigation District (IID) provide funds to the QSA Joint Powers Authority (JPA) to fund water transfer-related environmental mitigation measures. Since 2003, the QSA parties have fully mitigated all the environmental impacts of the QSA to date, including providing water to the Salton Sea to offset reduced sea inflows caused by water transfers. While the Salton Sea’s water elevation has declined in recent years, this reduction is not related to QSA implementation and is due to several factors including the reduction in agricultural runoff caused by farm market conditions.

State legislation enacted in 2003 provided that the State would develop a Salton Sea restoration plan as well as a plan for financing the restoration. In 2007 the State’s Secretary for Natural Resources submitted a preferred alternative for Salton Sea restoration to the Legislature. The restoration plan preferred alternative had an estimated cost of $8.9 billion. To date, the State has not submitted a feasible and practical financing plan, and the Legislature has taken no action to accept or reject the restoration plan preferred alternative.

In October 2011, IID and Water Authority filed a joint petition (the Petition) to State Water Resources Control Board (SWRCB) requesting that the mitigation water currently planned for delivery to the Salton Sea from 2014-2017 instead be transferred from IID to urban water agencies (MWD and/or Water Authority). Revenues generated from the sale of this water will fund alternative QSA mitigation measures. IID and the Water Authority have entered into an agreement, which was authorized by the Water Authority Board in January 2012, to provide funding for environmental review related to QSA revised mitigation measure.

Discussion
Authorized by statute in 2003, the QSA JPA, comprised of the Water Authority, CVWD, IID, and the California Department of Fish and Game (CDFG), was created to pay for the mitigation of environmental impacts resulting from the implementation of the QSA water transfers. The QSA JPA Implementation Team, consisting of representatives from the QSA JPA as well as the wildlife agencies, implements the environmental mitigation measures required by the QSA. These measures include surveying Burrowing Owl populations, studying the impacts of selenium on endangered pupfish, and conducting air quality mitigation pilot projects (surfactant, salt crust, drain water). Additionally, six air quality monitoring stations have been installed and
approximately 365 acres of emergent wetland, riparian and scrub-shrub habitat have been created.

IID and the Water Authority are in the preliminary stages of evaluating alternative QSA mitigation measures as proposed by the Petition. These measures will be designed to provide enhanced habitat modeled after California Department of Fish and Game’s proposed Species Conservation and Habitat project to benefit fish-eating birds, along with additional habitat features intended to serve other bird species. These projects also provide air quality mitigation by covering playa that would have otherwise been exposed by receding water levels. Below is a list of potential mitigation projects currently being studied either independently by IID and the Water Authority or in collaboration with the QSA JPA Implementation Team, CDFG, and the U.S. Fish and Wildlife Service:

- **Red Hill Bay**: This project is a joint effort between U.S. Fish and Wildlife Service and IID. It will construct several low berms across the bay and pump water to the area from the Alamo River. This project will create wading bird habitat and mitigate potential exposure to dust emissions.
- **South Sea Species Conservation Habitat**: This project will be located at the south end of the Salton Sea in close proximity to the outlet of either the New or Alamo rivers. It will create relatively shallow habitat designed as a fishery to support fish-eating birds.
- **North Sea Species Conservation Habitat**: The construction on the north end of the Salton Sea is required to offset the exposed playa around the Whitewater River/Whitewater Flood Channel delta.
- **Accelerated Air Quality Mitigation**: This project will implement a multi-pronged dust emission control plan that includes alternative land uses, more habitat, and a series of control measures such as surfactant, salt crust, and drain water to either stabilize the soil surface or interrupt the wind fetch across the playa area. Topography, soil texture and constituent analysis will be combined with existing playa and sediment data from around the Salton Sea and six air quality stations to develop and implement a more detailed air quality mitigation plan.
- **Accelerated Recreation Mitigation Plan**: Extension of boat ramps and marinas to keep them connected to the water and continue providing recreation amenities at the Salton Sea.

The expanded habitat and air quality mitigation would provide an immediate and positive benefit to the Salton Sea and would not preclude the implementation of any of the alternatives for Salton Sea restoration plans. QSA JPA Implementation Team will continue to support and implement QSA mitigation measures.

Prepared by: Mojgan Poursadighi, Engineer (P.E.)
Reviewed by: Dan Denham, Principal Water Resources Specialist
Reviewed by: Halla Razak, Colorado River Program Director
Approved by: Maureen Stapleton, General Manager
March 14, 2012

Attention: Imported Water Committee

Metropolitan Water District Program Report (Information)

Purpose
This report summarizes activities associated with the Metropolitan Water District of Southern California and other imported water agencies and organizations.

Discussion
Metropolitan Water District (MWD). This report provides a summary of key actions taken at the March 13 and 14 meetings of the MWD Board of directors. The next committee and board meetings will take place April 9 and 10, 2012.

Biennial Budget, Revenue Requirements, and Water Rates and Charges for 2013 and 2014. The public hearing for rates and charges was held on March 12, 2012. During the public hearing, more than two dozen elected officials and civic and community leaders from the Water Authority service area provided testimony expressing concerns with the proposed rate increases and asked the MWD board to further reduce expenditures and right-size the organization to reflect the new reality that MWD sales have declined. They also asked that the MWD board adopt the rates in April, consistent with its Administrative Code. The Water Authority also provided testimony and documents to support its position that the proposed MWD rates are improper. At MWD’s March Finance and Insurance and Executive Committee meetings, the Water Authority’s delegates successfully persuaded the committee to not accelerate the budget and rate adoption schedule to April, remaining consistent with MWD’s Administrative Code that calls for one month of separation between its public hearing and rate adoption. The MWD board voted to adopt the rates in April. Additionally, the Water Authority delegation made a motion for the Board to hold a budget and rate workshop before the April rate consideration, allow staff to present additional cost cutting measures to mitigate rate increases. The Water Authority’s motion to hold an additional budget and rate workshop failed.

For more details on the rates and changes, please refer to staff’s report titled Update on Metropolitan Water District Rates and Charges in this month’s Committee’s agenda.

H.R. 1837 (Nunes, R-Tulare) – Sacramento-San Joaquin Valley Water Reliability Act. The board took a watch position on Representative Nunes’ bill, which would override current environmental laws and reallocate water used for Delta environmental purposes to Central Valley farmers. Currently, water exports are restricted to protect several endangered species that live in the Delta. Although this legislation would restore water supplies, it diverges significantly from the progress toward fixing the Delta achieved by the water community, and would hinder the completion of Delta improvements, MWD staff reported. Staff recommended an oppose position on this bill, but the board decided to take a “watch” position instead.
**Contract to Audit MWD’s State Water Project charges.**
The board authorized a contract with Richardson and Company to conduct an audit of MWD’s State Water Project charges. Over the past 22 years, Richardson and Co. identified $202 million in errors and adjustments that reduced MWD’s charges by $172 million.

**Legal and Claims Committee.**
The board authorized an increase in maximum amount payable under contract with Bingham McCutchen for legal services by $2,600,000 to an amount not to exceed $4,000,000 in support of *San Diego County Water Authority v. Metropolitan Water District of Southern California, et al.*

**Local Resources Program.**
The Board voted to approve six Local Resources Program agreements, four with the Los Angeles Department of Water and Power, one with Eastern Municipal Water District, and one with West Basin Municipal Water District. The Water Authority delegates did not support these items for several reasons. First, the Water Authority does not believe that the current Local Resources Program meets Proposition 26 or other legal requirements. Second, because demands on MWD have dropped significantly in recent years and are not projected to increase to its historic high levels, the Water Authority does not support MWD paying more subsidies to further reduce its sales when there is no demonstrated need for these supplies. Third, the Water Authority cannot support subsidies for local water supply projects because MWD’s current rate structure misallocates the costs of those subsidies for supplies to MWD’s transportation rate categories. And finally, the Water Authority does not support paying MWD for local water supply projects when it is prohibited by the MWD Board of Directors from receiving any benefit from those payments.

**The MWD Committees and Board also:**
- Authorized easements over various MWD properties in the counties of Riverside and San Bernardino;
- Authorized long-term leases on MWD’s properties in the counties of Orange and Riverside;
- Appropriated funds and authorized design of four hydroelectric plant rehabilitation projects;
- Appropriated $340,000 and authorized final design for repair of the San Jacinto East Adit on the Colorado River Aqueduct;
- Appropriated $170,00 and authorized preliminary design for canal improvements on the Colorado River Aqueduct;
- Appropriated $650,000 and authorized final design and procurement of a standby generator for Iron Mountain Pumping Plant;
- Affirmed the General Manager’s surplus determination and authorized the General Manager to accept offers for the Sunset Parking Structure;
- Affirmed the General Manager’s determination that two parcels acquired for the construction of the Inland Feeder are surplus to MWD’s needs: approximately 10 acres in Redlands and approximately 114 acres in Moreno Valley;
- Authorized the purchase of approximately 2,175 acres in Riverside and Imperial Counties; and
- Appointed Marcia Scully as its next General Counsel.
State Water Contractors.
The State Water Contractors (SWC) met on February 16, 2012. Staff reported that after some precipitation in late January, dry precipitation conditions continue. The February 1 snow survey confirmed that the snowpack is very low this year and projected runoff conditions are among the driest on record. The SWP share of San Luis Reservoir rose to 1 million acre-feet, but has leveled off due to lack of Delta inflows and Old and Middle River flow restrictions. In addition, Department of Water Resources Bay Delta Office Chief Kathy Kelly gave an overview on the recently released 2011 SWP Delivery Reliability Report. The report finds that future SWP reliability will continue to be affected by two significant factors: operational restrictions on Delta pumping to protect species and climate change. The report notes that under existing conditions, average annual State Water Project exports from the Delta have decreased since 2005, when rules affecting SWP pumping operations began to become more restrictive, from 2.958 million acre-feet (MAF) per year to 2.607 MAF per year. Average annual Table A deliveries by the SWP have decreased since 2005 from 2.818 MAF per year to 2.524 MAF per year (the difference being the availability of surplus Article 21 water, carryover water, and turnback pool water occasionally made available to the contractors, but is not considered as part of Table A allocation). The next SWC meeting is scheduled for March 15, 2012.

Prepared by: Liz Mendelson, Assistant Water Resources Specialist
Reviewed by: Amy I. Chen, MWD Program Chief
March 14, 2012

Attention: Imported Water Committee

CLOSED SESSION:
Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(a) - SDCWA v Metropolitan Water District of Southern California; Case No. CPF-10-510830

Purpose
This memorandum is to recommend that the committee by motion hold a closed session, pursuant to Government Code §54956.9(a) to discuss the above-referenced matter at the March 22, 2012, Board meeting.

A closed session has also been included on the agenda of the formal Board of Directors’ meeting. Unless the Board desires additional discussion, it is not staff’s intention to ask for a closed session with the full Board at that time, but staff may request action to confirm directions given or action recommended by the committee.

Prepared by: Daniel S. Hentschke, General Counsel
March 14, 2012

Attention: Imported Water Committee

CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(a)
Name of Case: QSA Judicial Council Coordination Proceeding No. 4353

Purpose
This memorandum is to recommend that the committee by motion hold a closed session, pursuant to Government Code §54956.9(a) to discuss the above-referenced matter at the March 22, 2012, Board meeting.

A closed session has also been included on the agenda of the formal Board of Directors’ meeting. Unless the Board desires additional discussion, it is not staff’s intention to ask for a closed session with the full Board at that time, but staff may request action to confirm directions given or action recommended by the committee.

Prepared by: Daniel S. Hentschke, General Counsel
1. Roll call – determination of quorum.

2. Additions to agenda (Government Code Section 54954.2(b)).

3. Public comment – opportunities for members of the public to address the Committee on matters within the Committee’s jurisdiction.

4. Chair’s report.
   4-A Directors’ comments.

I. CONSENT CALENDAR

II. ACTION/DISCUSSION

1. Legislative Issues.
   1-A Report by Carpi and Clay. (supplemental materials) Carpi/Clay

   1-B Report on Newly Introduced Bills. (Information) Jeff Volberg

   1-C Adopt positions on various state bills:
      Staff recommendation
      1. Co-sponsor and adopt a position of Support on AB 2398 (Hueso)
      2. Adopt a position of Support on AB 2595 (Hall)
      3. Adopt a position of Support on SB 250 (Rubio)
      4. Adopt a position of Support on SB 1169 (Kehoe) (Action)
2. Small Contractor Outreach and Opportunities Program Committee recommended modifications related to goals for fiscal years 2012 and 2013.

SCOOP Committee recommendations:
1) Establish a 25 percent SCOOP goal for fiscal years 2012 and 2013.
2) Develop a sheltered market procurement program for small businesses on procurements greater than $10,000 and up to $150,000.
3) Evaluate surety bonding requirements on a case-by-case basis based on risk exposure.
4) Contact member agencies to solicit interest in a clearinghouse system.  (Action)

III. INFORMATION

1. Update on Water Authority Communication resources.  Jason Foster
2. Update on San Diego County Garden Friendly Plant Fairs.  Jeff Stephenson
3. Quarterly Water Conservation Garden report.  Yen Tu
4. Small Contractor Outreach and Opportunities Program Quarterly Report.  Emily Yanushka
5. Quarterly report on Public Outreach and Conservation activities.  Jason Foster
7. Status report on legislation and legislative positions.  Alexi Schnell

IV. ADJOURNMENT

Doria F. Lore
Clerk of the Board

NOTE: This meeting is called as an Legislation, Conservation, and Outreach Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Revised). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.
March 14, 2012

Attention: Legislation, Conservation and Outreach Committee

Newly Introduced Bills (Information)

Discussion
This report describes bills of interest to the Water Authority that have recently been introduced in the California Legislature.

The deadline for introducing bills in the California Legislature for the 2012 legislative session was February 24. Although bills are subject to amendment as they move through the legislative process, all the bills that will be heard in 2012 have now been introduced. Water Authority staff has compiled a list of bills that may be of interest to the Water Authority. The list primarily includes bills that touch on issues of water, local government, public employee pensions, and environmental laws. Staff is continuing to follow and analyze bills to determine whether staff should recommend positions on the bills to the board.

Staff is recommending positions of Support on four bills in March. These bills are addressed in a separate board memo before the Legislation, Conservation & Outreach Committee.

The following are bills that staff has identified as being of interest to the Water Authority:

Assembly Bills

**AB 939 (V. Manuel Pérez) Salton Sea Restoration** – Eliminates the Salton Sea Restoration Council in state government and give its duties to the Salton Sea Authority.

**AB 1570 (Perea) CEQA: record of proceedings** – Requires a lead agency to prepare a record of proceedings concurrently with the preparation and certification of an Environmental Impact Report. This may increase the administrative effort and cost associated with the preparation of environmental documents.

**AB 1606 (Perea) Labor** – Authorizes an employee bargaining unit to request an employer to convene a fact-finding panel in the event of an impasse in labor negotiations.

**AB 1639 (Hill) Public Employees Retirement** – Requires that the maximum compensation on which retirement benefits can be calculated shall be consistent with federal law.

**AB 1653 (Cook) Public Employees Retirement** – Requires forfeiture of a public employee’s pension, if the employee is convicted of a felony related to the employee’s job.
AB 1669 (Perea) Water Bond – The water bond known as Proposition 84, from 2006, has money set aside for cleanup of groundwater contamination. This bill would eliminate the requirement that grants be for projects that are ready to take place immediately.

AB 1750 (Solorio) Rainwater Capture Act of 2012 – Authorizes the installation of rainwater barrels and rainwater capture systems for residential, commercial, and government buildings.

AB 1871 (Logue) Drought Preparedness – Requires the Department of Water Resources to submit a report to the Legislature that recommends measures the state can take to improve drought preparedness and to survey water suppliers on their ability to supply water in the event of a drought.

AB 2063 (Alejo) Regional Water Quality Control Boards – States the intent of the Legislature that members of regional boards should be able to meet with parties interested in board actions.

AB 2238 (Perea) Drinking Water Systems – Promotes the consolidation and more efficient operation of local drinking water suppliers.

AB 2334 (Fong) California Water Plan – Requires the Department of Water Resources to address the lack of affordability of drinking water in its updates of the California Water Plan.

AB 2421 (B. Berryhill) Delta economic feasibility analysis – Requires a feasibility analysis by the Legislative Analyst’s Office before the enactment of a bill authorizing construction of a Delta conveyance facility.

AB 2443 (Williams) Vessels: registration fees: mussels – Authorizes counties to assess a fee on vessels registered in the county for the control and eradication of dreissenid mussels.

Senate Bills

SB 962 (Anderson) Point of Use Treatment – Extends emergency regulations relating to point of use water treatment.

SB 964 (Wright) State Water Resources Control Board – Eliminates exemptions from the Administrative Procedures Act for general waste discharge permits.

SB 965 (Wright) State Water Resources Control Board – Authorizes members of the SWRCB to meet with interested parties on matters relating to waste discharge permits.

SB 973 (Vargas) CEQA: exemptions – Exempts from CEQA requirements limited duration events, such as use of a park, etc.
SB 984 (Simitian) CEQA: record of proceedings - Requires a lead agency to prepare a record of proceedings concurrently with the preparation and certification of an Environmental Impact Report.

SB 1251 (Evans) Quagga Mussels – States the intent of the Legislature to enact legislation relating to the eradication of quagga mussels including vessel inspection and tracking.

SB 1538 (Simitian) Safe Drinking Water Plan for California – Requires the Department of Public Health to include an accounting of bond funds available and spent for drinking water purposes in updates of its Safe Drinking Water Plan.

Prepared by: Jeffrey A. Volberg, Government Relations Manager
Reviewed by: Dennis A. Cushman, Assistant General Manager
March 14, 2012

Attention: Legislation, Conservation and Outreach Committee

Adopt positions on various state bills. (Action)

Staff recommendation
1. Co-sponsor and adopt a position of Support on AB 2398 (Hueso)
2. Adopt a position of Support on AB 2595 (Hall)
3. Adopt a position of Support on SB 250 (Rubio)
4. Adopt a position of Support on SB 1169 (Kehoe)

Alternatives
Do not adopt one or more of the recommended positions or modify one or more of the positions.

Fiscal Impact
No direct fiscal impact.

Background
Staff recommends that the board take the following positions on bills that have been introduced in the California Legislature in 2012.

Discussion
AB 2398 (Hueso) Water Recycling
Prior Board Action: At its meeting on December 8, 2011, the board adopted a position of Sponsorship on a proposed bill relating to advanced treated purified water. WateReuse and other organizations have asked the Water Authority to include its bill relating to advanced treated purified water in a comprehensive bill that will address the state’s regulatory approach to water reuse and recycling in general. Water Authority staff has participated in negotiating and drafting the comprehensive bill and believes that it is consistent with the board’s intent in sponsoring the more limited bill.

Under existing law, the State Water Resources Control Board regulates recycled water as a discharge of waste. When recycled water is used for potable reuse, it is also regulated under health and safety regulations for drinking water by the Department of Public Health. These regulatory regimes are often contradictory and are not conducive to promotion and development of water reuse systems.

AB 2398 will enact the Water Recycling Act of 2012. It sets a statewide goal of providing 1.5 million acre feet of recycled water by 2020 and 2.5 million acre feet by 2030. The bill would require the state to develop a set of uniform drinking water criteria for recycled water. The bill requires the state to develop permits for the use of advance treated purified water for potable reuse, and for the use of other recycled water for non-potable reuse.

In its current form, the bill is a skeleton, which will require amendments to flesh out. The WateReuse Association and other water agencies and associations are still filling in the details of the comprehensive regulatory scheme. Water Authority employees and employees of the City of
San Diego have taken leadership roles in the negotiations and drafting of the comprehensive scheme.

The Water Authority’s Legislative Policy Guidelines state that the Water Authority will support legislation that: “Recognizes and supports the development of indirect potable reuse and approved advanced treated purified water facilities upstream of permitted water treatment plants as a critical new water supply for the State and especially San Diego County.” (Legislative Policy Guidelines, Local Water Supply, Support, page 8, item 4.)

Staff recommends the board co-sponsor and adopt a position of Support on AB 2398.

**AB 2595 (Hall) Desalination**

AB 2595 requires the California Ocean Protection Council to convene a task force to identify opportunities for streamlining permitting regulations for seawater desalination. The OPC is required to report to the Legislature by December 31, 2013, on ways in which permitting for seawater desalination may be streamlined in order to make desalination more available to coastal communities and the state as a whole.

The bill is sponsored by CalDesal, an association of water agencies that are currently involved in desalination (both brackish groundwater and seawater) projects, or are interested in the prospects of desalination for improving water supplies. The Water Authority’s Legislative Policy Guidelines state that the Water Authority will support legislation that: “Recognizes and supports the development of seawater desalination as a critical new water supply for the state and especially San Diego County.” (Legislative Policy Guidelines, Local Water Supply, Support, page 8, item 3.)

Staff recommends a position of Support on AB 2595.

**SB 250 (Rubio) Sacramento-San Joaquin Delta: Delta Plan: conveyance facility**

SB 250 requires that the state have in place a plan for a conveyance facility in the Delta by February 15, 2013, and have completed construction of the conveyance facility by December 31, 2025. There are no penalties or consequences for missing these deadlines.

Recently, the state Secretary of Natural Resources and the federal Secretary of the Interior issued a statement with timelines for completion of the Bay-Delta Conservation Plan and associated planning for construction of a conveyance facility. This bill puts those timelines into statute as a means of driving the process forward. The bill does not mean that failure to meet the timelines will be the end of the projects.

At its February board meeting, the Water Authority board reaffirmed its support for a Delta fix. This bill provides definite dates for aspects of the Delta fix to be decided on, approved, and constructed.

Staff recommends a position of Support on SB 250.
SB 1169 (Kehoe) Natural Community Conservation Planning

Under the San Diego Multiple Habitat Conservation Program, the City of San Diego has designated certain lands as open-space lands. SB 1169 would change these lands from “designated open space” to “dedicated open space.”

In 2007, the Mayor and City Council of San Diego passed a resolution to change the designation of certain lands. A previous bill before the state Legislature changed the designation of 6,600 acres. SB 1169 will change the designation of an additional 10,000 acres.

Designated open space may be transferred or exchanged by five votes of the city council. Dedicated open space may only be transferred or exchanged by a two-thirds vote of the people. The change in designation provides greater protection to the environmental values of the land, which is more consistent with the intent of the habitat conservation plan. By having the state Legislature perform the redesignation through a bill, instead of having the city do it through its own internal procedures, the City of San Diego will save approximately $1.5 million to $2 million.

Staff recommends a position of Support on SB 1169.

Prepared by: Jeffrey A. Volberg, Government Relations Manager
Approved by: Dennis A. Cushman, Assistant General Manager

Attachments: 1. AB 2398  
2. AB 2595  
3. SB 250  
4. SB 1169
An act to amend Sections 28, 5410, 5411, and 5411.5 of, and to add Chapter 20 (commencing with Section 26300) to Division 20 of, the Health and Safety Code, to repeal Article 10.9 (commencing with Section 65601) of Chapter 3 of Division 1 of Title 7 of the Government Code, to amend Section 1502 of the Public Utilities Code, to amend Sections 1058.5, 10616.5, 13050, 13260, 13263, and 13271 of, to add Division 8 (commencing with Section 18000) to, to repeal Chapter 6 (commencing with Section 460) of Division 1 of, to repeal Chapter 7.3 (commencing with Section 13560) and Chapter 7.5 (commencing with Section 13575) of, and to repeal and add Chapter 7 (commencing with Section 13500) of Division 7 of the Water Code, relating to water recycling.

LEGISLATIVE COUNSEL'S DIGEST

AB 2398, as introduced, Hueso. Water recycling.
Existing law establishes the State Water Resources Control Board (state board) and the California regional water quality control boards as the principal state agencies with authority over matters relating to water quality. Existing law requires the State Department of Public Health (department) to adopt uniform water recycling criteria for indirect potable water reuse for groundwater recharge, as defined, by December 31, 2013. Existing law requires the department to develop and adopt uniform water recycling criteria for surface water augmentation, as defined, by December 31, 2016, if a specified expert panel convened by the department finds that the criteria would adequately protect public
health. Existing law requires the department to investigate the feasibility of developing uniform water recycling criteria for direct potable reuse, as defined, and to provide a final report on that investigation to the Legislature by December 31, 2016. Existing law requires the department, in consultation with the state board, to report to the Legislature from 2011 to 2016, inclusive, as part of the annual budget process, on the progress towards developing and adopting the water recycling criteria for surface water augmentation and its investigation of the feasibility of developing water recycling criteria for direct potable reuse. Existing law requires the state board to enter into an agreement with the department to assist in implementing the water recycling criteria provisions.

This bill would enact the Water Recycling Act of 2012 to revise and consolidate those and other provisions relating to recycled water, and make other conforming changes to existing law. The act would establish a statewide goal to recycle a total of 1.5 million acre-feet of water per year by the year 2020 and 2.5 million acre-feet of water per year by the year 2030. The act would require the state board and regional boards, the department, the Public Utilities Commission, the Department of Water Resources, and other state agencies to exercise the authority and discretion granted to them by the Legislature to encourage the use of recycled water and meet the goals of the act. The act would state that it is the intent of the Legislature that the department permit potable reuse projects using advanced treated purified water and that the state board and regional boards permit nonpotable reuse projects and potable reuse projects using potable water other than advanced treated purified water. Because certain reports submitted as part of the permit application process would be submitted under penalty of perjury, this bill would impose a state-mandated local program by creating a new crime. The act would establish the Water Recycling Research Fund and require that certain civil penalties be deposited into the fund, to be expended by the state board, upon appropriation by the Legislature, to conduct or fund research necessary to support the continued and safe use of recycled water in the state.

The bill would also authorize the department to issue permits for raw water augmentation projects utilizing advanced treated purified water in conformance with the uniform drinking water criteria established pursuant to the act.
The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.


The people of the State of California do enact as follows:

SECTION 1. Section 28 of the Health and Safety Code is amended to read:
28. For the purposes of this code, “recycled water” or “reclaimed water” has the same meaning as “recycled water” as defined in subdivision (n) of Section 13050 of the Water Code.

SEC. 2. Section 5410 of the Health and Safety Code is amended to read:
5410. As used in this chapter:
(a) “Waste” includes sewage and any and all other waste substances, liquid, solid, gaseous, or radioactive, associated with human habitation, or of human or animal origin, or from any producing, manufacturing, or processing operation of whatever nature.
(b) “Person” as used in this article also includes any city, county, district, the state or any department or agency thereof.
(c) “Waters of the state” means any water, surface or underground, including saline waters, within the boundaries of the state.
(d) “Contamination” means an impairment of the quality of the waters of the state by waste to a degree which creates a hazard to the public health through poisoning or through the spread of disease. “Contamination” shall include any equivalent effect resulting from the disposal of waste, whether or not waters of the state are affected.
(e) “Pollution” means an alteration of the quality of the waters of the state by waste to a degree which unreasonably affects: (1) such waters for beneficial uses, or (2) facilities which serve such beneficial uses. “Pollution” may include “contamination.”
(f) “Nuisance” means anything which: (1) is injurious to health, or is indecent or offensive to the senses, or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property, and (2) affects at the same time an entire community or neighborhood, or any considerable number of persons, although the extent of the annoyance or damage inflicted upon individuals may be unequal, and (3) occurs during, or as a result of, the treatment or disposal of wastes. The use of recycled water, as defined in Section 18005 of the Water Code, and in accordance with the requirements of the Water Recycling Act of 2012 (Division 8 (commencing with Section 18000) of the Water Code) or the requirements of this division does not create a nuisance.

(g) “Regional board” means any California regional water quality control board created pursuant to Section 13201 of the Water Code.

SEC. 3. Section 5411 of the Health and Safety Code is amended to read:

5411. No person shall not discharge sewage or other waste, or the effluent of treated sewage or other waste, in any manner which that will result in contamination, pollution or a nuisance. This section does not apply to the use of recycled water, as defined in Section 18005 of the Water Code, and in accordance with the requirements of the Water Recycling Act of 2012 (Division 8 (commencing with Section 18000) of the Water Code) or the requirements of this division.

SEC. 4. Section 5411.5 of the Health and Safety Code is amended to read:

5411.5. (a) Any person who, without regard to intent or negligence, causes or permits any sewage or other waste, or the effluent of treated sewage or other waste to be discharged in or on any waters of the state, or discharged in or deposited where it is, or probably will be, discharged in or on any waters of the state, as soon as that person has knowledge of the discharge, shall immediately notify the local health officer or the director of environmental health of the discharge.

(b) Any person who fails to provide the notice required by this section is guilty of a misdemeanor and shall be punished by a fine of not less than five hundred dollars ($500) nor more than one
thousand dollars ($1,000), or imprisonment for less than one year, or both the fine and imprisonment.

(c) The notification required by this section shall not apply to a discharge authorized by law and in compliance with waste discharge requirements or other requirements established by the appropriate regional water quality control board or the State Water Resources Control Board.

(d) This section does not apply to the use of recycled water, as defined in Section 18005 of the Water Code, and in accordance with the requirements of the Water Recycling Act of 2012 (Division 8 (commencing with Section 18000) of the Water Code) or the requirements of this division.

SEC. 5. Chapter 20 (commencing with Section 26300) is added to Division 20 of the Health and Safety Code, to read:

Chapter 20. Groundwater Aquifer Recharge

26300. The Legislature finds and declares the following:

(a) Advanced treated purified water is being used to recharge groundwater aquifers in California through direct injection of the aquifer.

(b) Advanced treatment facilities, operated in California, have demonstrated the ability of advanced treated purified water technologies to reliably produce water of a higher quality than most raw surface water sources in California.

(c) If the planned introduction of advanced treated purified water into a raw water supply can be demonstrated to be safe and feasible, its use will significantly aid in achieving the state board’s recycling goals.

(d) Upon completing a rigorous review and public process for determining the safety of utilizing advanced treated purified water for raw water augmentation, clear authority needs to be established for the permitting of such a project.

(e) This chapter is not intended to delay, invalidate, or reverse any study or project, or development of regulations by the department regarding the use of recycled water for groundwater recharge, surface water augmentation, or direct potable reuse.

26301. As used in this chapter, “advanced treated purified water” means ____.
26302. (a) The department shall issue permits for raw water augmentation projects utilizing advanced treated purified water.

(b) Each person who is subject to a permit pursuant to this section shall submit an annual fee to the department according to a fee schedule established by the department in conformance with this section.

(c) The total amount of annual fees collected pursuant to this section shall not exceed the amount necessary to recover costs incurred in connection with the issuance, administration, reviewing, monitoring, and enforcement of permits for the use of advanced treated purified water.

(d) Recoverable costs may include, but are not limited to, costs incurred in reviewing monitoring reports; prescribing permit terms and monitoring requirements; enforcing and evaluating compliance with permits; analyzing laboratory samples; reviewing documents prepared for the purpose of regulating the use of advanced treated purified water; development of uniform criteria for potable and nonpotable uses pursuant to Article 1 (commencing with Section 18020) and Article 2 (commencing with Section 18030) of Chapter 3 of Division 8 of the Water Code; and administrative costs incurred in connection with carrying out these actions.

(e) The fee paid to the department for any permit for an advanced treated purified water project shall not exceed twenty-five thousand dollars ($25,000) per year.

26303. The department shall not issue a permit to a public water system or amend a valid existing permit for a raw water augmentation project utilizing advanced treated purified water unless the department does all of the following:

(a) Performs an engineering evaluation that evaluates the proposed treatment technology and finds that the proposed technology will ensure that the advanced treated purified water meets or exceeds all applicable primary and secondary drinking water standards and poses no significant threat to public health.

(b) Holds at least three duly noticed public hearings in the area where the advanced treated purified water is proposed to be used or supplied for human consumption to receive testimony from the public and the regional board on that proposed use. The department shall make available to the public, not less than 10 days prior to the date of the first hearing held pursuant to this subdivision, the evaluations and findings made pursuant to subdivision (a).
SEC. 6. Article 10.9 (commencing with Section 65601) of Chapter 3 of Division 1 of Title 7 of the Government Code is repealed.

SEC. 7. Section 1502 of the Public Utilities Code is amended to read:

1502. (a) As used in this chapter, “political subdivision” means a county, city and county, city, municipal water district, county water district, irrigation district, public utility district, California water district, or any other public corporation.

(b) As used in this chapter, “service area” means an area served by a privately owned public utility in which the facilities have been dedicated to public use and in which territory the utility is required to render service to the public.

(c) As used in this chapter, “operating system” means an integrated water system for the supply of water to a service area of a privately owned public utility.

(d) As used in this chapter, “private utility” means a privately owned public utility providing a water service.

(e) As used in this chapter, “type of service” means, among other things, domestic, commercial, industrial, fire protection, wholesale, or irrigation service.

(f) As used in this chapter, “reclaimed water” means reclaimed recycled water as defined in Section 13050 of the Water Code.

(g) As used in this chapter, “private use” means an entity’s use of its own reclaimed water.

SEC. 8. Chapter 6 (commencing with Section 460) of Division I of the Water Code is repealed.

SEC. 9. Section 1058.5 of the Water Code is amended to read:

1058.5. (a) This section applies to any emergency regulation adopted by the board for which the board makes both of the following findings:

(1) The emergency regulation is adopted to prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote wastewater reclamation, or to promote water conservation.

(2) The emergency regulation is adopted in response to conditions which exist, or are threatened, in a critically dry year immediately preceded by two or more consecutive dry or critically dry years.
(b) Notwithstanding Sections 11346.1 and 11349.6 of the
Government Code, any findings of emergency adopted by the
board, in connection with the adoption of an emergency regulation
to which this section applies, are not subject to review by the Office
of Administrative Law.

(c) Any emergency regulation adopted by the board to which
this section applies may remain in effect for up to 270 days, as
determined by the board, and is deemed repealed immediately
upon a finding by the board that due to changed conditions it is
no longer necessary for the regulation to remain in effect.

SEC. 10. Section 10616.5 of the Water Code is amended to
read:

10616.5. “Recycled water” means the reclamation
and reuse of wastewater for beneficial use has the same meaning
as defined in subdivision (n) of Section 13050.

SEC. 11. Section 13050 of the Water Code is amended to read:

13050. As used in this division:

(a) “State board” means the State Water Resources Control
Board.

(b) “Regional board” means any California regional water
quality control board for a region as specified in Section 13200.

(c) “Person” includes any city, county, district, the state, and
the United States, to the extent authorized by federal law.

(d) “Waste” includes sewage and any and all other waste
substances, liquid, solid, gaseous, or radioactive, associated with
human habitation, or of human or animal origin, or from any
producing, manufacturing, or processing operation, including waste
placed within containers of whatever nature prior to, and for
purposes of, disposal.

(e) “Waters of the state” means any surface water or
groundwater, including saline waters, within the boundaries of the
state.

(f) “Beneficial uses” of the waters of the state that may be
protected against quality degradation include, but are not limited
to, domestic, municipal, agricultural and industrial supply; power
generation; recreation; aesthetic enjoyment; navigation; and
preservation and enhancement of fish, wildlife, and other aquatic
resources or preserves.
(g) “Quality of the water” refers to chemical, physical, biological, bacteriological, radiological, and other properties and characteristics of water which affect its use.

(h) “Water quality objectives” means the limits or levels of water quality constituents or characteristics which are established for the reasonable protection of beneficial uses of water or the prevention of nuisance within a specific area.

(i) “Water quality control” means the regulation of any activity or factor which may affect the quality of the waters of the state and includes the prevention and correction of water pollution and nuisance.

(j) “Water quality control plan” consists of a designation or establishment for the waters within a specified area of all of the following:

1. Beneficial uses to be protected.
2. Water quality objectives.
3. A program of implementation needed for achieving water quality objectives.

(k) “Contamination” means an impairment of the quality of the waters of the state by waste to a degree which creates a hazard to the public health through poisoning or through the spread of disease. “Contamination” includes any equivalent effect resulting from the disposal of waste, whether or not waters of the state are affected.

(l) (1) “Pollution” means an alteration of the quality of the waters of the state by waste to a degree which unreasonably affects either of the following:

A. The waters for beneficial uses.
B. Facilities which serve these beneficial uses.

(2) “Pollution” may include “contamination.”

(m) “Nuisance” means anything which meets all of the following requirements:

1. Is injurious to health, or is indecent or offensive to the senses, or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property.
2. Affects at the same time an entire community or neighborhood, or any considerable number of persons, although the extent of the annoyance or damage inflicted upon individuals may be unequal.
(3) Occurs during, or as a result of, the treatment or disposal of 
wastes.

(n) “Recycled water” means water which, as a result of treatment 
of waste, is suitable for a direct beneficial use or a controlled use 
that would not otherwise occur and is therefore considered a 
valuable resource. Recycled water includes recycled water as 
defined in Section 18005 of the Water Code.

(o) “Citizen or domiciliary” of the state includes a foreign 
corporation having substantial business contacts in the state or 
which is subject to service of process in this state.

(p) (1) “Hazardous substance” means either of the following:

(A) For discharge to surface waters, any substance determined 
to be a hazardous substance pursuant to Section 311(b)(2) of the 
Federal Water Pollution Control Act (33 U.S.C. Sec. 1251 et seq.).

(B) For discharge to groundwater, any substance listed as a 
hazardous waste or hazardous material pursuant to Section 25140 
of the Health and Safety Code, without regard to whether the 
substance is intended to be used, reused, or discarded, except that 
“hazardous substance” does not include any substance excluded 
from Section 311(b)(2) of the Federal Water Pollution Control Act 
because it is within the scope of Section 311(a)(1) of that act.

(2) “Hazardous substance” does not include any of the 
following:

(A) Nontoxic, nonflammable, and noncorrosive stormwater 
runoff drained from underground vaults, chambers, or manholes 
into gutters or storm sewers.

(B) Any pesticide which is applied for agricultural purposes or 
is applied in accordance with a cooperative agreement authorized 
by Section 116180 of the Health and Safety Code, and is not 
discharged accidentally or for purposes of disposal, the application 
of which is in compliance with all applicable state and federal laws 
and regulations.

(C) Any discharge to surface water of a quantity less than a 
reportable quantity as determined by regulations issued pursuant 
to Section 311(b)(4) of the Federal Water Pollution Control Act.

(D) Any discharge to land which results, or probably will result, 
in a discharge to groundwater if the amount of the discharge to 
land is less than a reportable quantity, as determined by regulations 
adopted pursuant to Section 13271, for substances listed as 
hazardous pursuant to Section 25140 of the Health and Safety
Code. No discharge shall be deemed a discharge of a reportable quantity until regulations set a reportable quantity for the substance discharged.

(q) (1) “Mining waste” means all solid, semisolid, and liquid waste materials from the extraction, beneficiation, and processing of ores and minerals. Mining waste includes, but is not limited to, soil, waste rock, and overburden, as defined in Section 2732 of the Public Resources Code, and tailings, slag, and other processed waste materials, including cementitious materials that are managed at the cement manufacturing facility where the materials were generated.

(2) For the purposes of this subdivision, “cementitious material” means cement, cement kiln dust, clinker, and clinker dust.

(r) “Master recycling permit” means a permit issued to a supplier or a distributor, or both, of recycled water, that includes waste discharge requirements prescribed pursuant to Section 13263 and water recycling requirements prescribed pursuant to Section 13523.4.

SEC. 12. Section 13260 of the Water Code is amended to read:

13260. (a) Each of the following persons shall file with the appropriate regional board a report of the discharge, containing the information that may be required by the regional board:

(1) A person discharging waste, or proposing to discharge waste, within any region that could affect the quality of the waters of the state, other than into a community sewer system.

(2) A person who is a citizen, domiciliary, or political agency or entity of this state discharging waste, or proposing to discharge waste, outside the boundaries of the state in a manner that could affect the quality of the waters of the state within any region.

(3) A person operating, or proposing to construct, an injection well.

(b) No report of waste discharge need be filed pursuant to subdivision (a) if the requirement is waived pursuant to Section 13269.

(c) Each person subject to subdivision (a) shall file with the appropriate regional board a report of waste discharge relative to any material change or proposed change in the character, location, or volume of the discharge.
(d) (1) (A) Each person who is subject to subdivision (a) or (c) shall submit an annual fee according to a fee schedule established by the state board.

(B) The total amount of annual fees collected pursuant to this section shall equal that amount necessary to recover costs incurred in connection with the issuance, administration, reviewing, monitoring, and enforcement of waste discharge requirements and waivers of waste discharge requirements.

(C) Recoverable costs may include, but are not limited to, costs incurred in reviewing waste discharge reports, prescribing terms of waste discharge requirements and monitoring requirements, enforcing and evaluating compliance with waste discharge requirements and waiver requirements, conducting surface water and groundwater monitoring and modeling, analyzing laboratory samples, adopting, reviewing, and revising water quality control plans and state policies for water quality control, and reviewing documents prepared for the purpose of regulating the discharge of waste, and administrative costs incurred in connection with carrying out these actions.

(D) In establishing the amount of a fee that may be imposed on a confined animal feeding and holding operation pursuant to this section, including, but not limited to, a dairy farm, the state board shall consider all of the following factors:

(i) The size of the operation.

(ii) Whether the operation has been issued a permit to operate pursuant to Section 1342 of Title 33 of the United States Code.

(iii) Any applicable waste discharge requirement or conditional waiver of a waste discharge requirement.

(iv) The type and amount of discharge from the operation.

(v) The pricing mechanism of the commodity produced.

(vi) Any compliance costs borne by the operation pursuant to state and federal water quality regulations.

(vii) Whether the operation participates in a quality assurance program certified by a regional water quality control board, the state board, or a federal water quality control agency.

(2) (A) Subject to subparagraph (B), the fees collected pursuant to this section shall be deposited in the Waste Discharge Permit Fund, which is hereby created. The money in the fund is available for expenditure by the state board, upon appropriation by the Legislature, solely for the purposes of carrying out this division.
(B) (i) Notwithstanding subparagraph (A), the fees collected pursuant to this section from stormwater dischargers that are subject to a general industrial or construction stormwater permit under the national pollutant discharge elimination system (NPDES) shall be separately accounted for in the Waste Discharge Permit Fund.

(ii) Not less than 50 percent of the money in the Waste Discharge Permit Fund that is separately accounted for pursuant to clause (i) is available, upon appropriation by the Legislature, for expenditure by the regional board with jurisdiction over the permitted industry or construction site that generated the fee to carry out stormwater programs in the region.

(iii) Each regional board that receives money pursuant to clause (ii) shall spend not less than 50 percent of that money solely on stormwater inspection and regulatory compliance issues associated with industrial and construction stormwater programs.

(3) A person who would be required to pay the annual fee prescribed by paragraph (1) for waste discharge requirements applicable to discharges of solid waste, as defined in Section 40191 of the Public Resources Code, at a waste management unit that is also regulated under Division 30 (commencing with Section 40000) of the Public Resources Code, shall be entitled to a waiver of the annual fee for the discharge of solid waste at the waste management unit imposed by paragraph (1) upon verification by the state board of payment of the fee imposed by Section 48000 of the Public Resources Code, and provided that the fee established pursuant to Section 48000 of the Public Resources Code generates revenues sufficient to fund the programs specified in Section 48004 of the Public Resources Code and the amount appropriated by the Legislature for those purposes is not reduced.

(e) Each person that discharges waste in a manner regulated by this section shall pay an annual fee to the state board. The state board shall establish, by regulation, a timetable for the payment of the annual fee. If the state board or a regional board determines that the discharge will not affect, or have the potential to affect, the quality of the waters of the state, all or part of the annual fee shall be refunded.

(f) (1) The state board shall adopt, by emergency regulations, a schedule of fees authorized under subdivision (d). The total revenue collected each year through annual fees shall be set at an
amount equal to the revenue levels set forth in the Budget Act for this activity. The state board shall automatically adjust the annual fees each fiscal year to conform with the revenue levels set forth in the Budget Act for this activity. If the state board determines that the revenue collected during the preceding year was greater than, or less than, the revenue levels set forth in the Budget Act, the state board may further adjust the annual fees to compensate for the over and under collection of revenue.

(2) The emergency regulations adopted pursuant to this subdivision, any amendment thereto, or subsequent adjustments to the annual fees, shall be adopted by the state board in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The adoption of these regulations is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health, safety, and general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, any emergency regulations adopted by the state board, or adjustments to the annual fees made by the state board pursuant to this section, shall not be subject to review by the Office of Administrative Law and shall remain in effect until revised by the state board.

(g) The state board shall adopt regulations setting forth reasonable time limits within which the regional board shall determine the adequacy of a report of waste discharge submitted under this section.

(h) Each report submitted under this section shall be sworn to, or submitted under penalty of perjury.

(i) The regulations adopted by the state board pursuant to subdivision (f) shall include a provision that annual fees shall not be imposed on those who pay fees under the national pollutant discharge elimination system until the time when those fees are again due, at which time the fees shall become due on an annual basis.

(j) A person operating or proposing to construct an oil, gas, or geothermal injection well subject to paragraph (3) of subdivision (a) shall not be required to pay a fee pursuant to subdivision (d) if the injection well is regulated by the Division of Oil and Gas of the Department of Conservation, in lieu of the appropriate California regional water quality control board, pursuant to the
memorandum of understanding, entered into between the state
board and the Department of Conservation on May 19, 1988. This
subdivision shall remain operative until the memorandum of
understanding is revoked by the state board or the Department of
Conservation.

(k) In addition to the report required by subdivision (a), before
a person discharges mining waste, the person shall first submit
both of the following to the regional board:

(1) A report on the physical and chemical characteristics of the
waste that could affect its potential to cause pollution or
contamination. The report shall include the results of all tests
required by regulations adopted by the board, any test adopted by
the Department of Toxic Substances Control pursuant to Section
25141 of the Health and Safety Code for extractable, persistent,
and bioaccumulative toxic substances in a waste or other material,
and any other tests that the state board or regional board may
require, including, but not limited to, tests needed to determine
the acid-generating potential of the mining waste or the extent to
which hazardous substances may persist in the waste after disposal.

(2) A report that evaluates the potential of the discharge of the
mining waste to produce, over the long term, acid mine drainage,
the discharge or leaching of heavy metals, or the release of other
hazardous substances.

(l) Except upon the written request of the regonal board, a report
of waste discharge need not be filed pursuant to subdivision (a) or
c by a user of recycled water that is being supplied by a supplier
or distributor of recycled water for whom a master recycling permit
has been issued pursuant to Section 13523.1.

SEC. 13. Section 13263 of the Water Code is amended to read:
13263. (a) The regional board, after any necessary hearing,
shall prescribe requirements as to the nature of any proposed
discharge, existing discharge, or material change in an existing
discharge, except discharges into a community sewer system, with
relation to the conditions existing in the disposal area or receiving
waters upon, or into which, the discharge is made or proposed.
The requirements shall implement any relevant water quality
control plans that have been adopted, and shall take into
consideration the beneficial uses to be protected, the water quality
objectives reasonably required for that purpose, other waste
discharges, the need to prevent nuisance, and the provisions of Section 13241.

(b) A regional board, in prescribing requirements, need not authorize the utilization of the full waste assimilation capacities of the receiving waters.

(c) The requirements may contain a time schedule, subject to revision in the discretion of the board.

(d) The regional board may prescribe requirements although no discharge report has been filed.

(e) Upon application by any affected person, or on its own motion, the regional board may review and revise requirements. All requirements shall be reviewed periodically.

(f) The regional board shall notify in writing the person making or proposing the discharge or the change therein of the discharge requirements to be met. After receipt of the notice, the person so notified shall provide adequate means to meet the requirements.

(g) No discharge of waste into the waters of the state, whether or not the discharge is made pursuant to waste discharge requirements, shall create a vested right to continue the discharge. All discharges of waste into waters of the state are privileges, not rights.

(h) The regional board may incorporate the requirements prescribed pursuant to this section into a master recycling permit for either a supplier or distributor, or both, of recycled water.

(i) The state board or a regional board may prescribe general waste discharge requirements for a category of discharges if the state board or that regional board finds or determines that all of the following criteria apply to the discharges in that category:

(1) The discharges are produced by the same or similar operations.

(2) The discharges involve the same or similar types of waste.

(3) The discharges require the same or similar treatment standards.

(4) The discharges are more appropriately regulated under general discharge requirements than individual discharge requirements.

(j) The state board, after any necessary hearing, may prescribe waste discharge requirements in accordance with this section.
SEC. 14. Section 13271 of the Water Code is amended to read:

13271. (a) (1) Except as provided by subdivision (b), any
person who, without regard to intent or negligence, causes or
permits any hazardous substance or sewage to be discharged in or
on any waters of the state, or discharged or deposited where it is,
or probably will be, discharged in or on any waters of the state,
shall, as soon as (A) that person has knowledge of the discharge,
(B) notification is possible, and (C) notification can be provided
without substantially impeding cleanup or other emergency
measures, immediately notify the California Emergency
Management Agency of the discharge in accordance with the spill
reporting provision of the state toxic disaster contingency plan
adopted pursuant to Article 3.7 (commencing with Section 8574.16)
of Chapter 7 of Division 1 of Title 2 of the Government Code.
(2) The California Emergency Management Agency shall
immediately notify the appropriate regional board, the local health
officer, and the director of environmental health of the discharge.
The regional board shall notify the state board as appropriate.
(3) Upon receiving notification of a discharge pursuant to this
section, the local health officer and the director of environmental
health shall immediately determine whether notification of the
public is required to safeguard public health and safety. If so, the
local health officer and the director of environmental health shall
immediately notify the public of the discharge by posting notices
or other appropriate means. The notification shall describe
measures to be taken by the public to protect the public health.
(b) The notification required by this section shall not apply to
a discharge in compliance with waste discharge requirements or
other provisions of this division.
(c) Any person who fails to provide the notice required by this
section is guilty of a misdemeanor and shall be punished by a fine
of not more than twenty thousand dollars ($20,000) or
imprisonment in a county jail for not more than one year, or both.
Except where a discharge to the waters of this state would have
occurred but for cleanup or emergency response by a public agency,
this subdivision shall not apply to any discharge to land which
does not result in a discharge to the waters of this state.
(d) Notification received pursuant to this section or information
obtained by use of that notification shall not be used against any
person providing the notification in any criminal case, except in
a prosecution for perjury or giving a false statement.

(e) For substances listed as hazardous wastes or hazardous
material pursuant to Section 25140 of the Health and Safety Code,
the state board, in consultation with the Department of Toxic
Substances Control, shall by regulation establish reportable
quantities for purposes of this section. The regulations shall be
based on what quantities should be reported because they may
pose a risk to public health or the environment if discharged to
groundwater or surface water. Regulations need not set reportable
quantities on all listed substances at the same time. Regulations
establishing reportable quantities shall not supersede waste
discharge requirements or water quality objectives adopted
pursuant to this division, and shall not supersede or affect in any
way the list, criteria, and guidelines for the identification of
hazardous wastes and extremely hazardous wastes adopted by the
Department of Toxic Substances Control pursuant to Chapter 6.5
(commencing with Section 25100) of Division 20 of the Health
and Safety Code. The regulations of the Environmental Protection
Agency for reportable quantities of hazardous substances for
purposes of the federal Comprehensive Environmental Response,
Compensation, and Liability Act of 1980, as amended (42 U.S.C.
Sec. 9601 et seq.) shall be in effect for purposes of the enforcement
of this section until the time that the regulations required by this
subdivision are adopted.

(f) (1) The state board shall adopt regulations establishing
reportable quantities of sewage for purposes of this section. The
regulations shall be based on the quantities that should be reported
because they may pose a risk to public health or the environment
if discharged to groundwater or surface water. Regulations
establishing reportable quantities shall not supersede waste
discharge requirements or water quality objectives adopted
pursuant to this division. For purposes of this section, “sewage”
means the effluent of a municipal wastewater treatment plant or a
private utility wastewater treatment plant, as those terms are
defined in Section 13625, except that sewage does not include
recycled water, as defined in subdivisions (c) and (d) of Section
13520.2 Section 18005.

(2) A collection system owner or operator, as defined in
paragraph (1) of subdivision (a) of Section 13193, in addition to
the reporting requirements set forth in this section, shall submit a report pursuant to subdivision (c) of Section 13193.

(g) Except as otherwise provided in this section and Section 8589.7 of the Government Code, a notification made pursuant to this section shall satisfy any immediate notification requirement contained in any permit issued by a permitting agency. When notifying the California Emergency Management Agency, the person shall include all of the notification information required in the permit.

(h) For the purposes of this section, the reportable quantity for perchlorate shall be 10 pounds or more by discharge to the receiving waters, unless a more restrictive reporting standard for a particular body of water is adopted pursuant to subdivision (e).

(i) Notification under this section does not nullify a person’s responsibility to notify the local health officer or the director of environmental health pursuant to Section 5411.5 of the Health and Safety Code.

SEC. 15. Chapter 7 (commencing with Section 13500) of Division 7 of the Water Code is repealed.

SEC. 16. Chapter 7 (commencing with Section 13500) is added to Division 7 of the Water Code, to read:

Chapter 7. Waste Wells

13500. (a) A person shall not construct, maintain, or use any waste well extending to or into a subterranean water-bearing stratum that is used or intended to be used as, or is suitable for, a source of water supply for domestic purposes.

(b) As used in this chapter, “waste well” includes any hole dug or drilled into the ground, used, or intended to be used for the disposal of waste.

SEC. 17. Chapter 7.3 (commencing with Section 13560) of Division 7 of the Water Code is repealed.

SEC. 18. Chapter 7.5 (commencing with Section 13575) of Division 7 of the Water Code is repealed.

SEC. 19. Division 8 (commencing with Section 18000) is added to the Water Code, to read:
DIVISION 8. WATER RECYCLING

CHAPTER 1. GENERAL

Article 1. Short Title

18000. This division shall be known and may be cited as the Water Recycling Act of 2012.

Article 2. Findings and Declarations

18001. The Legislature hereby finds and declares all of the following:

(a) The State of California is subject to periodic drought conditions, and the development of traditional water resources in California has not kept pace with the state’s growing population.

(b) The people of the state have a primary interest in the development of new basic water supplies, as that term is used in Chapter 5 (commencing with Section 12880) of Part 6 of Division 6, including maximizing recycled water use to supplement existing water supplies and to minimize the impacts of growing demand for new water on sensitive natural water bodies. As such, the state is to encourage development of water recycling facilities so that recycled water may be made available to help meet the water requirements of the state.

(c) Recycled water has been beneficially used in the state since 19__, and proven to be a safe, cost-effective, and reliable method of helping to meet California’s water supply needs.

(d) A substantial portion of the future water requirements of this state may be economically met by the beneficial use of recycled water. Recycled water is a key and necessary component for California’s long-term reliable water supply, and complements demand management, improvements in efficiency, and supply augmentation strategies.

(e) The benefits of using recycled water include, but are not limited to, a reduced demand for water in the Sacramento-San Joaquin Delta that is otherwise needed to maintain water quality; reduced discharges of waste into inland surface waters and the ocean; the enhancement and protection of groundwater basins, recreation, fisheries, wetlands, and riparian areas; a reduction in
greenhouse gas emissions; the protection of investments in agriculture, greenbelts, and recreation; the provision of jobs; and enhancement of the state’s economy through the development and implementation of recycled water projects.

(f) In accordance with Section 2 of Article X of the California Constitution, in order to put the water resources of the state to beneficial use to the fullest extent of which they are capable, the use of potable water or raw water from a natural stream or water course in this state is unreasonable and a waste of such water where recycled water is reasonably available in accordance with this division for the beneficial use to be served. Any use of recycled water in lieu of water suitable for potable domestic use is, to the extent of the recycled water so used, deemed to constitute a reasonable beneficial use of water, and the use of recycled water shall not cause any loss or diminution of any existing water right.

(g) The state board is charged with permitting the diversion of surface water for beneficial use, pursuant to Part 2 (commencing with Section 1200) of Division 2. This authority is separate and distinct from the state board’s authority to regulate water quality pursuant to Division 7 (commencing with Section 13000).

(h) The department establishes uniform water recycling criteria for each varying type of use of recycled water where the use involves the protection of public health.

(i) Recycled water can be produced using different levels of treatment, as necessary and appropriate for the beneficial use to be made, and for the protection of public health and the environment.

(j) The use of recycled water in accordance with this division is presumed not to have adverse impacts on public health, the environment, or on the protection of beneficial uses, and to meet applicable water quality objectives in the basin plans adopted by the state board and regional boards.

(k) The impoundment of recycled water can augment surface storage capability, thereby increasing the quantity of recycled water that can be applied to beneficial uses, and can also reduce the unnecessary use of potable water to fill impoundments.

(l) It is the intent of the Legislature that the provisions of this division shall be construed to encourage the development by local public agencies and water suppliers of recycled water and its potential for use as a water source consistent with the goals of AB 2398 — 21 —
Chapter 3 (commencing with Section 10608) of Part 2.55 of Division 6.

(m) It is the intent of the Legislature to establish a clear statutory framework for the permitting and regulation of recycled water. This division shall fully cover the requirements, permitting, and enforcement applicable to recycled water other than advanced treated purified water. Advanced treated purified water, as defined in this division, shall be permitted as a source of supply in accordance with Section _____ of the Health and Safety Code. The recycling of water, the supply, storage, or use of recycled water in accordance with the requirements of this division shall not be considered a discharge of waste or sewage for purposes of Section 13264 or 13271, or a nuisance, except as provided in this division.

Article 3. Definitions

18005. As used in this division:
(a) “Recycled water” means ____.
(b) ____.

Chapter 2. Recycling Goals

18010. This division establishes a statewide goal to recycle a total of 1.5 million acre-feet of water per year by the year 2020 and 2.5 million acre-feet of water per year by the year 2030. The state board and regional boards, the department, the Public Utilities Commission, the Department of Water Resources, and other state agencies shall exercise the authority and discretion granted to them by the Legislature to encourage the use of recycled water and meet the goals of this division.

Chapter 3. Uses of Recycled Water


18020. The department shall establish and maintain uniform water recycling criteria for each varying type of nonpotable use of recycled water where the use involves protection of public health.
Article 2. Uniform Criteria for Potable Uses

18030. The Legislature finds and declares the following:

The use of recycled water for potable reuse is critical to achieving the state’s water recycling goals established in Section 18010 for increased use of recycled water in the state.

18032. (a) (1) The department shall investigate and report to the Legislature on the feasibility of developing uniform criteria for direct potable reuse.

(2) The department shall complete a public review draft of its report by June 30, 2016. The department shall provide the public not less than 45 days to review and comment on the public review draft.

(3) The department shall provide a final report to the Legislature by December 31, 2016. The department shall make the final report available to the public.

(b) In conducting the investigation pursuant to subdivision (a), the department shall examine all of the following:

(1) The availability and reliability of recycled water treatment technologies necessary to ensure the protection of public health.

(2) Multiple barriers and sequential treatment processes that may be appropriate at wastewater and water treatment facilities.

(3) Available information on health effects.

(4) Mechanisms that should be employed to protect the public health if problems are found in recycled water that is being served to the public as a potable water supply, including, but not limited to, the failure of treatment systems at the wastewater or water treatment facility.

(5) Monitoring needed to ensure protection of public health, including, but not limited to, the identification of appropriate indicator and surrogate constituents.

(6) Any other scientific or technical issues that the department determines to be necessary, including, but not limited to, the need for additional research.

(c) (1) Notwithstanding Section 10231.5 of the Government Code, the requirement for submitting a report imposed under paragraph (3) of subdivision (a) is inoperative on December 31, 2020.
A report to be submitted pursuant to paragraph (3) of subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

Article 3. Nonpotable Uses of Recycled Water

18040. (a) The use of potable water for nonpotable uses, including, but not limited to, toilet and urinal flushing in structures, cemeteries, golf courses, parks, highway landscaped areas, irrigation of residential landscaping, floor trap priming, cooling towers, air conditioning devices, and other industrial and irrigation uses, is a waste or an unreasonable use of the water within the meaning of Section 2 of Article X of the California Constitution if recycled water meeting all of the following conditions is available, as determined by the state board or regional board, after notice to any person or entity who may be ordered to use recycled water or to cease using potable water:

1. The source of recycled water is of adequate quality for nonpotable uses and is available for these uses. In determining adequate quality, the state board or regional board shall consider all relevant factors, including, but not limited to, food and employee safety, and level and types of specific constituents in the recycled water affecting these uses, on a user-by-user basis.

2. The recycled water may be furnished for nonpotable uses at a reasonable cost to the user. In determining reasonable cost, the state board or regional board shall consider all relevant factors, including, but not limited to, the present and projected costs of supplying, delivering, and treating potable water for these uses and the present and projected costs of supplying and delivering recycled water for these uses, and shall find that the cost of supplying the treated recycled water is comparable to, or less than, the cost of supplying potable water.

3. After concurrence with the department, the use of recycled water from the proposed source will not be detrimental to the public health.

4. The use of recycled water for these uses will not adversely affect downstream water rights, will not degrade water quality, and is determined not to be injurious to plantlife, fish, and wildlife.
(b) In making the determination pursuant to subdivision (a), the state board or regional board shall consider the impact of the cost and quality of the nonpotable water on each individual user.

c) The state board or regional board may require a public agency or person subject to this article to furnish information which the state board or regional board determines to be relevant to making the determination required in subdivision (a).

18041. (a) The state or any local public agency, may require the use of recycled water for irrigation of residential landscaping, if all of the following requirements are met:

1. The use of recycled water does not cause any loss or diminution of any existing water right.
2. The irrigation systems are constructed in accordance with Chapter 3 (commencing with Section 60301) of Division 4 of Title 22 of the California Code of Regulations.

(b) This section applies to both of the following:

1. Any existing approved use that is retrofitted to receive recycled water.
2. Any new use that is permitted or begins construction after January 1, 2013.

18042. (a) The state or any local public agency may require the use of recycled water in floor trap priming, cooling towers, and air-conditioning devices, if both of the following requirements are met:

1. The use of recycled water does not cause any loss or diminution of any existing water right.
2. If public exposure to aerosols, mist, or spray may occur, appropriate mist mitigation or control is provided, such as the use of mist arrestors or the addition of biocides to the water in accordance with criteria established pursuant to Section ____.

(b) This section applies to both of the following:

1. New industrial facilities and subdivisions for which the building permit is issued on or after January 1, 2013, or, if a building permit is not required, new structures for which construction begins on or after January 1, 2013, for which the department has approved the use of recycled water.
2. Any structure that is retrofitted to permit the use of recycled water for floor traps, cooling towers, or air-conditioning devices, for which the department has approved the use of recycled water.
18043. (a) The state or any local public agency may require
the use of recycled water for toilet and urinal flushing in structures,
except a mental hospital or other facility operated by a public
agency for the treatment of persons with mental disorders, if all
of the following requirements are met:
(1) The use of recycled water does not cause any loss or
diminution of any existing water right.
(2) The public agency has prepared an engineering report
pursuant to Section 60323 of Title 22 of the California Code of
Regulations that includes plumbing design, cross-connection
control, and monitoring requirements for the use site, which are
in compliance with criteria established pursuant to Section ____.
(b) Recycled water may be used in condominiums for toilet and
urinal flushing, subject to all of the following additional conditions:
(1) For any condominium, the lease or condominium’s
declaration, as defined in Section 1351 of the Civil Code, shall
provide that the laws and regulations governing recycled water
apply, shall not permit any exceptions to those laws and
regulations, shall incorporate the report described in subdivision
(a), and shall contain the following statement:

“NOTICE OF USE OF RECYCLED WATER
This property is approved by the State Department of Public
Health for the use of recycled water for toilet and urinal flushing.
This water is not potable, is not suitable for indoor purposes other
than toilet and urinal flushing purposes, and requires dual
plumbing. Alterations and modifications to the plumbing system
require a permit and are prohibited without first consulting with
the appropriate local building code enforcement agency and your
property management company or homeowners’ association to
ensure that the recycled water is not mixed with the drinking
water.”
(2) That each project will be tested by the recycled water agency
or the responsible local agency at least once every four years to
ensure that there are no indications of a possible cross connection
between the condominium’s potable and nonpotable systems.
(3) The recycled water agency or the responsible local agency
shall maintain records of all tests and annual inspections conducted.
18050. Division 13 (commencing with Section 21000) of the Public Resources Code does not apply to any project that involves only the retrofit of existing plumbing systems to accommodate the use of recycled water.

Article 5. Special Provisions

18060. (a) The Legislature hereby finds and declares that certain coastal areas of the state have been using sea water to flush toilets and urinals as a means of conserving potable water; that this practice precludes the beneficial reuse of treated wastewater and has had a deleterious effect on the proper wastewater treatment process, and has led to corrosion of the sea water distribution pipelines and wastewater collection systems; that this situation must be changed; and that the use of recycled water in residential buildings for toilet and urinal flushing does not pose a threat to public health and safety.

(b) Any public agency, including a state agency, city, county, city and county, district, or any other political subdivision of the state, that is providing a separate distribution system for sea water for use in flushing toilets and urinals in residential structures may, by ordinance or regulation, as appropriate, authorize the use of recycled water for the flushing of toilets and urinals in residential structures if the level of treatment and the use of the recycled water meets the criteria set by the department.

Chapter 4. Planning for Recycled Water

Article 1. Installation of Dual Piping for Irrigation

18100. (a) If a recycled water producer determines that within 10 years the recycled water producer proposes to provide recycled water for use for state landscape irrigation that meets all of the conditions set forth in Section 18040, the recycled water producer shall so notify the Department of Transportation and the Department of General Services, and shall identify in the notice the area that is eligible to receive the recycled water, and the necessary infrastructure that the recycled water producer or the...
retail water supplier proposes to provide, to facilitate delivery of
the recycled water.  
(b) If notice has been provided pursuant to subdivision (a), all
pipe installed by the Department of Transportation or the
Department of General Services for landscape irrigation within
the identified area shall be of the type necessary to meet the
requirements of Section 116815 of the Health and Safety Code
and applicable regulations.

Article 2. Studies Related to Recycled Water

18110. The Department of Water Resources shall conduct
studies and investigations on the availability and quality of
wastewater and the uses of recycled water for beneficial purposes,
including, but not limited to, groundwater recharge, municipal and
industrial use, irrigation use, and cooling for thermal electric
powerplants.

18111. The Department of Water Resources shall study and
investigate the technology of the use of recycled water and further
the development of the technology of the recycling of water.

Article 3. Water Recycling in Landscaping Act

18120. If a recycled water producer determines that within 10
years the recycled water producer will provide recycled water
within the boundaries of a land use agency that meets all of the
conditions described in Section 18040, the recycled water producer
shall notify the land use agency of that fact and shall identify in
the notice the area that is eligible to receive the recycled water,
and the necessary infrastructure that the recycled water producer
or retail water supplier will provide to support delivery of the
recycled water.

18121. (a) Within 180 days of receipt of notification from a
recycled water producer pursuant to Section 18120, the land use
agency shall adopt and enforce a recycled water ordinance pursuant
to this chapter.
(b) The ordinance shall include, but not be limited to, provisions
that do all of the following:
(1) State that it is the policy of the land use agency that recycled
water determined to be available pursuant to Section 18040 shall
be used for nonpotable uses within the designated recycled water use area set forth by the land use agency when the local agency determines that there is not an alternative higher or better use for the recycled water, its use is economically justified, and its use is financially and technically feasible for projects under consideration by the land use agency.

(2) Designate the areas within the boundaries of the land use agency that can or may in the future use recycled water, including, but not limited to, existing urban areas in lieu of potable water.

(3) Establish general rules and regulations governing the use and distribution of recycled water in accordance with applicable laws and regulations.

(4) Establish that the use of the recycled water is determined to be available pursuant to Section 18040 in new industrial, commercial, or residential subdivisions located within the designated recycled water use areas for which a tentative map or parcel map is required pursuant to Section 66426 of the Government Code. These provisions shall require a separate plumbing system to serve nonpotable uses in the common areas of the subdivision, including, but not limited to, golf courses, parks, greenbelts, landscaped streets, and landscaped medians. The separate plumbing system to serve nonpotable uses shall be independent of the plumbing system provided to serve domestic, residential, and other potable water uses in the subdivision.

(5) Require that recycled water service shall not commence within the designated recycled water use area in any service area of a private utility, as defined in Section 1502 of the Public Utilities Code, or to any service area of a public agency retail water supplier that is not a local agency as defined in Section ____, except in accordance with a written agreement between the recycled water producer and the private utility or public agency retail water supplier that shall be made available in a timely manner by the recycled water producer to the land use agency adopting the ordinance pursuant to this chapter.

18122. The recycled water ordinance adopted by a land use agency pursuant to Section 18121 shall not apply to either of the following:

(a) A tentative map as defined in Section 66424.5 of the Government Code, or a development, as defined in Section 65927 of the Government Code, that was approved by the local agency
prior to the receipt of notification from a recycled water producer pursuant to Section 18120.

(b) A subdivision map application that is deemed complete pursuant to Section 65943 of the Government Code prior to the local agency’s receipt of a notice from a recycled water producer pursuant to Section 18120.

18123. (a) This chapter shall not apply to any land use agency that adopted a recycled water ordinance or other regulation requiring the use of recycled water in its jurisdiction prior to January 1, 2001.

(b) This chapter does not alter any rights, remedies, or obligations that may exist pursuant to Chapter 8.5 (commencing with Section 1501) of Part 1 of Division 1 of the Public Utilities Code.

Article 4. Provisions Specific to Recycled Water Suppliers and Retail

18130. In addition to any other authority provided in law, any water supplier described in subdivision (b) of Section 1745 may acquire, store, provide, sell, and deliver recycled water for any beneficial use, including, but not limited to, municipal, industrial, domestic, and irrigation uses, if the water use is in accordance with the uniform criteria and regulations established pursuant to this division or the uniform criteria for advanced treated purified water established pursuant to Section ____.

18131. (a) Retail water suppliers shall identify potential uses for recycled water within their service areas, potential customers for recycled water service within their service areas, and, within a reasonable time, potential sources of recycled water.

(b) Recycled water producers and recycled water wholesalers may also identify potential uses for recycled water, and may assist retail water suppliers in identifying potential customers for recycled water service within the service areas of those retail water suppliers.

(c) Recycled water producers, retail water suppliers, and entities responsible for groundwater replenishment may cooperate in joint technical, economic, and environmental studies, as appropriate, to determine the feasibility of providing recycled water service and recycled water for groundwater replenishment consistent with the criteria set forth in paragraphs (1) to (3), inclusive, of
subdivision (a) of Section ____ and in accordance with Section 60320 of Title 22 of the California Code of Regulations.

18132. (a) A retail water supplier that has identified a potential use or customer pursuant to Section 18131 may apply to a recycled water producer or recycled water wholesaler for a recycled water supply.
(b) A recycled water producer or recycled water wholesaler that has identified a potential use or customer pursuant to Section 18131 may request, in writing, a retail water supplier to enter into an agreement to provide recycled water to the potential customer.
(c) A customer may request, in writing, a retail water supplier to enter into an agreement to provide recycled water to the customer.
(d) (1) An entity responsible for groundwater replenishment that is a customer of a retail water supplier and that has identified the potential use of recycled water for groundwater replenishment purposes may, in writing, request that retail water supplier to enter into an agreement to provide recycled water for that purpose. That entity shall not obtain recycled water for that purpose from a recycled water producer, a recycled water wholesaler, or another retail water supplier without the agreement of the entity’s retail water supplier.
(2) An entity responsible for groundwater replenishment that is not a customer of a retail water supplier and that has identified the potential use of recycled water for groundwater replenishment purposes may, in writing, request a retail water supplier, a recycled water producer, or a recycled water wholesaler to enter into an agreement to provide recycled water for that purpose.

18133. (a) (1) Subject to subdivision (e) of Section ____, a retail water supplier that receives a request from a customer pursuant to subdivision (c) of Section 18132 shall enter into an agreement to provide recycled water, if recycled water is available, or can be made available, to the retail water supplier for sale to the customer.
(2) Notwithstanding paragraph (1), in accordance with a written agreement between a recycled water producer or a recycled water wholesaler and a retail water supplier, the retail water supplier may delegate to a recycled water producer or a recycled water wholesaler its responsibility under this section to provide recycled water.
(b) A customer shall not obtain recycled water from a recycled water producer, a recycled water wholesaler, or a retail water supplier other than the retail water supplier whose service area includes the property to which the customer requests recycled water delivery without the agreement of the retail water supplier for that service area.

(c) If either a recycled water producer or a recycled water wholesaler provides a customer of a retail water supplier with a written statement that it can and will provide recycled water to the retail water supplier, the retail water supplier shall, not later than 120 days from the date on which the retail water supplier receives the written statement from the customer, by certified mail, return receipt requested, submit a written offer to the customer. A determination of availability pursuant to Section _____ is not required.

(d) If the state board, pursuant to Section ____, makes a determination that there is available recycled water to serve a customer of a retail water supplier, the retail water supplier, not later than 120 days from the date on which the retail water supplier receives a copy of that determination from the customer, by certified mail, return receipt requested, shall submit a written offer to the customer.

Article 5. Distribution of Recycled Water in Separate Purple Pipelines

18140. (a) Water delivery systems on private property that could deliver recycled water for nonpotable uses described in Section _____, that are constructed on and after January 1, 1993, shall be designed to ensure that the water to be used for potable uses is delivered, from the point of entry to the private property to be served, in a separate pipeline which is not used to deliver the recycled water.

(b) This section applies to water delivery systems on private property constructed within either of the following jurisdictions:

(1) One that has an urban water management plan that includes the intent to develop recycled water use.

(2) One that does not have an urban water management plan that includes recycled water use, but that is within five miles of a jurisdiction that does have an urban water management plan that
includes recycled water use, and has indicated a willingness to
serve the water delivery system.
3  (3) One that has received notice under Section ____.
4  (c) This section does not preempt local regulation of the delivery
5  of water for potable and nonpotable uses and any local governing
6  body may adopt requirements for water delivery systems on private
7  property that are more restrictive than the requirements of this
8  section.
9  18141. (a) All pipes installed above or below the ground, on
10 and after June 1, 1993, that are designed to carry recycled water,
11 shall be colored purple or distinctively wrapped with purple tape.
12  (b) Purple pipe shall be used solely for distribution of recycled
13 water or any combination of recycled water, potable water, and
14 raw water that the supplier may elect to use to supplement its
15 recycled water for operational reasons.
16  (c) Subdivision (a) shall apply only in areas served by a water
17 supplier delivering water for municipal and industrial purposes,
18 and shall not apply to any of the following:
19  (1) Municipal or industrial facilities that have established a
20 labeling or marking system for recycled water on their premises,
21 as otherwise required by a local agency, that clearly distinguishes
22 recycled water from potable water.
23  (2) Water delivered for agricultural use.
24
25 Chapter 5. Permitting of Recycled Water
26
27 Article 1. Authority
28
29 18200. (a) It is the intent of the Legislature that the department
30 permit potable reuse projects using advanced treated purified water.
31  (b) It is the intent of the Legislature that the state board and
32 regional boards permit nonpotable reuse projects and potable reuse
33 projects using potable water other than advanced treated purified
34 water.
35
36 Article 2. Permits
37
38 18210. (a) A water recycling permit may be issued to a
39 producer, wholesaler, or supplier of recycled water, or a
40 combination thereof for multiple users of recycled water.
(b) A water recycling permit shall include the following:
   (1) _____.
   (2) _____.
(c) With regard to requirements related to the protection of the public health, the state board and regional boards shall implement the recommendations of the department.
(d) Where water recycling occurs within an area covered by a municipal separate storm sewer permit issued pursuant to the federal National Pollutant Discharge Elimination System, the state board and regional water boards shall regulate incidental runoff to the extent necessary as a low threat nonstorm water discharge under the municipal separate storm sewer system permit.
(e) The state board and regional boards shall regulate filling and storm-induced overflow of nonpotable surface water augmentation reservoirs and other nonpotable impoundments on a case-by-case basis as the state board or a regional board determines to be necessary to avoid or minimize identified adverse impacts relating to the individual impoundment that are not addressed by uniform criteria.

18211. (a) In lieu of issuing a water recycling permit to a producer, wholesaler, or supplier of recycled water, general permits may be issued that provide coverage to producers, wholesalers, or suppliers, or a combination thereof.
(b) A general permit shall include requirements consistent with those specified in Section 18210 for an individual water recycling permit.

Article 3. Permit Application

18220. (a) Any recycled water producer, wholesaler, or supplier of recycled water for nonpotable purposes for which uniform criteria have been established shall file with the appropriate regional board a report of intent to recycle water containing the following information:
   (1) _____.
   (2) _____.
   (3) _____.
(b) Every recycled water producer, wholesaler, or supplier of recycled water shall file with the appropriate regional board a
report of any material change or proposed change in the character of the recycled water or its use.

(c) Each report under this section shall be sworn to, or submitted under penalty of perjury.

(d) This section shall not be construed so as to require any report in the case of any producing, manufacturing, or processing operation involving the recycling of water solely for use in the producing, manufacturing, or processing operation.

18221. (a) Any person proposing a recycled water groundwater recharge project as defined in this division, within any region and in accordance with the uniform criteria, shall file with the appropriate regional board a report of intent to recycle water containing the following information:

(1) ____.

(2) ____.

(b) Every person recycling water or using recycled water subject to this section shall file with the appropriate regional board a report of any material change or proposed change in the character of the recycled water or its use.

(c) Each report under this section shall be sworn to, or submitted under penalty of perjury.

18222. The state board and each regional board shall consult with and receive the recommendations of the department prior to prescribing any water recycling permit as described in Section 18210 or a general permit as described in Section 18211.

18223. (a) The state board or the regional board, as applicable, shall hold a public hearing for the adoption of any water recycling permit as described in Section 18210 or a general permit as described in Section 18211.

(b) The state board or the regional board, as applicable, shall provide notice and a period of at least 30 days for public comment prior to the adoption of any water recycling permit or general permit for recycled water.

(c) The notification required by subdivision (b) may be provided by mailing a draft of the water recycling permit or general permit to each person who has requested notice of the specific item, or by posting a draft of the respective requirements or order on the official Internet site maintained by the state board or regional board, and providing notice of that posting by electronic mail to each person who has requested notice.
(d) This section does not require the state board or the regional board to provide more than one notice or more than one public comment period prior to the adoption of a water recycling permit or general permit for recycled water.

18224. The state board and regional boards shall not deny issuance of a water recycling permit or general permit for recycled water to a project which causes or contributes to the exceedance of only a salinity standard in the basin plan.

Article 4. Permit Fees

18230. (a) Each person who is subject to a water recycling permit as described in Section 18210 or a general permit for recycled water as described in Section 18211, shall submit an annual fee according to a fee schedule established by the state board in conformance with this section.

(b) The total amount of annual fees collected pursuant to this section shall not exceed the amount necessary to recover costs incurred in connection with the issuance, administration, reviewing, monitoring, and enforcement of water recycling permits and general permits for recycled water.

(c) Recoverable costs may include, but are not limited to, costs incurred in reviewing monitoring reports; prescribing terms of water recycling permits, general permits for recycled water, and monitoring requirements; enforcing and evaluating compliance with water recycling permits and general permits for recycled water; analyzing laboratory samples; adopting, reviewing, and revising state policies as relevant to water recycling; and reviewing documents prepared for the purpose of regulating water recycling; and administrative costs incurred in connection with carrying out these actions.

(d) The fees paid to the state board and department for any single water recycling permit shall not exceed the amount necessary to recover the recoverable costs reasonably attributed to the permit, not to exceed ten thousand dollars ($10,000) per year per agency.

(e) Notwithstanding any other provision of law, the state board or regional board may elect to charge no fee for water recycling permits in order to encourage recycling, reduce discharges, and enhance compliance with state and federal water quality laws.
Chapter 5.5. Administrative and Judicial Review

18300. An aggrieved person may petition the state board to review any action or failure to act of a regional board pursuant to this division in the same manner as provided for an action or failure to act of a regional board pursuant to Division 7 (commencing with Section 13000) in accordance with Section 13320. The petition may include a request for stay of the water recycling permit or any requirements thereof. A request for stay shall be subject to the procedural requirements of Sections 13320 and 13321.

18301. A person aggrieved by a decision or order of a regional board subject to review under Section _____, or of a decision or order of the state board pursuant to Section _____, may obtain review of the decision or order of the regional board or state board, as appropriate, in the superior court in the same manner as provided for review of a regional board or state board decision or order under Division 7 (commencing with Section 13000) in the superior court in accordance with the procedural requirements of Section 13330.

Chapter 6. Monitoring and Reporting

18350. (a) Any person who, without regard to intent or negligence, causes or permits an unauthorized release of 50,000 gallons or more of tertiary recycled water, as defined in subdivision (c), in or on any waters of the state, or causes or permits such unauthorized release to occur where it has, or probably will, enter any waters of the state, shall, as soon as (1) that person has knowledge of the release, (2) notification is possible, and (3) notification can be provided without substantially impeding cleanup or other emergency measures, immediately notify the appropriate regional board.

(b) For the purposes of this section, an unauthorized release means a release of recycled water not authorized by a water recycling permit pursuant to Section 18210, a general permit pursuant to Section 18211, or any other provision of this division.

(c) For the purposes of this section, “tertiary recycled water” means wastewater treated as “disinfected tertiary 2.2 recycled water,” as defined or described by the department or wastewater
receiving advanced treatment beyond disinfected tertiary 2.2 recycled water that is not advanced treated purified water.

(d) Incidental runoff shall be reported in accordance with this section.

(e) Storm-induced overflow is not an unauthorized release.

18351. (a) Any person refusing or failing to provide the notice required by Section 18350, or as required by a condition of a water recycling permit or a general permit for recycled water requiring notification of unauthorized releases of recycled water, may be subject to administrative civil liability in an amount not to exceed the following:

(1) For the first violation, or a subsequent violation occurring more than 365 days from a previous violation, five thousand dollars ($5,000).

(2) For a second violation occurring within 365 days of a previous violation, ten thousand dollars ($10,000).

(3) For a third or subsequent violation occurring within 365 days of a previous violation, twenty-five thousand dollars ($25,000).

(b) The penalties in this section supplement, and shall not supplant, any other provisions of law.

(c) Any penalties paid pursuant to this section shall be deposited into the Water Recycling Research Fund established pursuant to Section 18405.

Chapter 7. Enforcement

18400. (a) A person shall not serve or use recycled water for any purpose for which uniform criteria have been established until a water recycling permit or general permit has been established pursuant to this division or the state board or applicable regional board determines that no such requirements or permits are necessary.

(b) Upon the refusal or failure of any person or persons producing, wholesaling, supplying, or using recycled water to comply with subdivision (a), the Attorney General, at the request of the regional board, shall petition the superior court for the issuance of a temporary restraining order, preliminary injunction, or permanent injunction, or combination thereof, as may be appropriate, prohibiting forthwith any person or persons from
violating or threatening to violate the provisions of subdivision (a).

(c) Any person or persons producing, wholesaling, supplying, or using recycled water in violation of subdivision (a), after the violation has been called to his or her attention in writing by the state board or regional board, is guilty of a misdemeanor. Each day of production, wholesaling, supplying, or use of recycled water shall constitute a separate offense.

18401. (a) Any executive officer of a regional board may issue a complaint to any person on whom administrative civil liability may be imposed pursuant to this part. The complaint shall allege the act or failure to act that constitutes a violation of law, the provision of law authorizing civil liability to be imposed pursuant to this part, and the proposed civil liability.

(b) The complaint shall be served by certified mail or in accordance with Article 3 (commencing with Section 415.10) and Article 4 (commencing with Section 416.10) of Chapter 4 of Title 5 of Part 2 of the Code of Civil Procedure, and shall inform the party so served that a hearing before the regional board shall be conducted within 90 days after the party has been served. The person who has been issued a complaint may waive the right to a hearing.

(c) In proceedings under this part for imposition of administrative civil liability by the state board, the executive director of the state board shall issue the complaint and any hearing shall be before the state board, or before a member of the state board in accordance with Section 183, and shall be conducted not later than 90 days after the party has been served.

(d) Orders imposing administrative civil liability shall become effective and final upon issuance thereof, and are not subject to review by any court or agency except as provided by Sections ____. Payment shall be made not later than 30 days from the date on which the order is issued. The time for payment is extended during the period in which a person who is subject to an order seeks review under Section ____. Copies of these orders shall be served by certified mail or in accordance with Article 3 (commencing with Section 415.10) and Article 4 (commencing with Section 416.10) of Chapter 4 of Title 5 of Part 2 of the Code of Civil Procedure upon the party served with the complaint and
shall be provided to other persons who appeared at the hearing and requested a copy.

(e) Information relating to hearing waivers and the imposition of administrative civil liability, as proposed to be imposed and as finally imposed, under this section shall be made available to the public by means of the Internet.

18402. No person shall be subject to both civil liability imposed under this part and civil liability imposed by the superior court under Section ____ for the same act or failure to act.

18403. In determining the amount of civil liability, the regional board, and the state board upon review of any order pursuant to Section ____ shall take into consideration the nature, circumstance, extent, and gravity of the violation or violations, whether the release is susceptible to cleanup or abatement, and, with respect to the violator, the ability to pay, the effect on ability to continue in business, any voluntary cleanup efforts undertaken, any prior history of violations, the degree of culpability, economic benefit or savings, if any, resulting from the violation, and other matters as justice may require.

18404. After the time for judicial review under Section ____ has expired, the state board may apply to the clerk of the appropriate court in the county in which the civil liability or penalty was imposed, for a judgment to collect the civil liability or penalty. The application, which shall include a certified copy of the state board or regional board action, constitutes a sufficient showing to warrant issuance of the judgment. The court clerk shall enter the judgment immediately in conformity with the application. The judgment so entered has the same force and effect as, and is subject to all the provisions of law relating to, a judgment in a civil action, and may be enforced in the same manner as any other judgment of the court in which it is entered.

18405. (a) A person who (1) violates a cease and desist order or cleanup and abatement order hereafter issued, reissued, or amended by a regional board or the state board pursuant to this division, or (2) in violation of a water recycling permit, waiver condition, certification, or other order or prohibition issued, reissued, or amended by a regional board or the state board pursuant to this division, causes or permits recycled water to be used except in accordance with a water recycling permit or other actions or provisions of this division, including overflow of
recycled water that does not constitute storm-induced overflow as defined in this division, shall be liable civilly, and remedies may be proposed, in accordance with subdivision (c) or (d).

(b) A person shall not be liable under subdivision (a) if the release is caused solely by any one or combination of the following:

1. An act of war.
2. An unanticipated grave natural disaster or other natural phenomenon of an exceptional, inevitable, and irresistible character, the effects of which could not have been prevented or avoided by the exercise of due care or foresight.
3. Negligence on the part of the state, the United States, or any department or agency thereof. However, this paragraph shall not be interpreted to provide the state, the United States, or any department or agency thereof a defense to liability for any discharge caused by its own negligence.
4. An intentional act of a third party, the effects of which could not have been prevented or avoided by the exercise of due care or foresight.
5. Any other circumstance or event that causes the discharge despite the exercise of every reasonable precaution to prevent or mitigate the discharge.

(c) The court may impose civil liability either on a daily basis or on a per gallon basis, but not on both.

1. The civil liability on a daily basis shall not exceed fifteen thousand dollars ($15,000) for each day the violation occurs.
2. The civil liability on a per gallon basis shall not exceed twenty dollars ($20) for each gallon of recycled water discharged.

(d) The state board or a regional board may impose civil liability administratively pursuant to Section ____ either on a daily basis or on a per gallon basis, but not on both.

1. The civil liability on a daily basis shall not exceed five thousand dollars ($5,000) for each day the violation occurs.

(A) When there is a release, and a cleanup and abatement order is issued, except as provided in subdivision (f), the civil liability shall not be less than five hundred dollars ($500) for each day in which the release occurs and for each day the cleanup and abatement order is violated.

(B) When there is no release, but an order issued by the regional board is violated, except as provided in subdivision (f), the civil
liability shall not be less than one hundred dollars ($100) for each day in which the violation occurs.

(2) The civil liability on a per gallon basis shall not exceed ten dollars ($10) for each gallon of recycled water released.

(e) A regional board shall not administratively impose civil liability in accordance with Section ____ in an amount less than the minimum amount specified, unless the regional board makes express findings setting forth the reasons for its action based upon the specific factors required to be considered pursuant to Section ____.

(f) The Attorney General, upon request of a regional board or the state board, shall petition the superior court to impose, assess, and recover the sums. Except in the case of a violation of a cease and desist order, a regional board or the state board shall make the request only after a hearing, with due notice of the hearing given to all affected persons. In determining the amount to be imposed, assessed, or recovered, the court shall be subject to Section ____.

(g) A person who incurs any liability established under this section shall be entitled to contribution for that liability from a third party, in an action in the superior court and upon proof that the release was caused in whole or in part by an act or omission of the third party, to the extent that the release is caused by the act or omission of the third party, in accordance with the principles of comparative fault.

(h) (1) The Legislature hereby establishes the Water Recycling Research Fund.

(2) Notwithstanding any other law, all funds generated by the imposition of liabilities pursuant to this section shall be deposited into the Water Recycling Research Fund. These moneys shall be separately accounted for, and shall be expended by the state board, upon appropriation by the Legislature, to conduct or fund research necessary to support the continued and safe use of recycled water in the state.

18406. In determining the amount of civil liability to be imposed pursuant to this chapter, the superior court shall take into consideration the nature, circumstance, extent, and gravity of the violation or violations, whether the release is susceptible to cleanup or abatement, the degree of toxicity of the release, and, with respect to the violator, the ability to pay, the effect on ability to continue in business, any voluntary cleanup efforts undertaken, any prior
history of violations, the degree of culpability, economic benefit or savings, if any, resulting from the violation, and such other matters as justice may require.

18407. (a) If the department or a local health officer finds that a contamination of potable water supplies exists as a result of the use of recycled water, the department or local health officer shall order the contamination abated in accordance with the procedure provided for in Chapter 6 (commencing with Section 5400) of Part 3 of Division 5 of the Health and Safety Code.

(b) The use of recycled water in accordance with the uniform criteria, for the purpose of this section, does not cause, constitute, or contribute to, any form of contamination.

Chapter 8. Funding

18450. The department may assist local agencies and public utilities providing water service in applying for, and in obtaining approval of, federal and state funding and permits for cost-effective water recycling projects and shall confer and cooperate with the state board during the application and approval process.

18451. To implement the policy declarations of this division, the state board is authorized to provide loans for the development of water recycling facilities, or for studies and investigations in connection with water recycling, pursuant to the provisions of Chapter 6 (commencing with Section 13400) of Division 7.

18452. In administering any statewide program of financial assistance for water pollution or water quality control delegated to it pursuant to Chapter 6 (commencing with Section 13400) of Division 7, the state board shall give added consideration to water quality control facilities providing optimum water recycling and use of recycled water.

SEC. 20. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within
the meaning of Section 6 of Article XIII B of the California Constitution.
An act to add Section 35616 to the Public Resources Code, relating to water, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2595, as introduced, Hall. Desalination.

The Cobey-Porter Saline Water Conversion Law authorizes the Department of Water Resources, either independently or in cooperation with public or private entities to conduct a program of investigation, study, and evaluation in the field of saline water conversion, to provide assistance to persons or entities seeking to construct desalination facilities, and after submission of a written report and upon appropriation from the Legislature, to finance, construct, and operate saline water conversion facilities. Existing law required the department, not later than July 1, 2004, to report to the Legislature, on potential opportunities and impediments for using seawater and brackish water desalination, and to examine what role, if any, the state should play in furthering the use of desalination technology. Existing law required the department to convene a Water Desalination Task Force, comprised of representatives from listed agencies and interest groups, to advise the department in carrying out these duties and in making recommendations to the Legislature.

The California Ocean Protection Act establishes the Ocean Protection Council in state government. Existing law requires the Ocean Protection Council to coordinate activities of state agencies that are related to the protection and conservation of coastal waters and ocean ecosystems to
improve the effectiveness of state efforts to protect ocean resources within existing fiscal limitations, to establish policies to coordinate the collection, evaluation, and sharing of scientific data related to coastal and ocean resources among agencies, and to identify and recommend to the Legislature changes in law needed to achieve these goals.

This bill would require the council to report to the Legislature, by December 31, 2013, on opportunities for streamlining the current statewide permitting processes for seawater desalination facilities, including an evaluation of impediments to desalination projects relative to the current permitting process and to recommend potential administrative and legislative actions for streamlining the permitting process while maintaining current regulatory protections. The bill would require the council to convene the Seawater Desalination Permit Streamlining Task Force to review the current permitting processes required by all state regulatory agencies for the planning, design, construction, monitoring, and operation of seawater desalination facilities, to identify opportunities for streamlining the permitting process, and to advise the council in making the report.

Existing law, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative bond act approved by the voters as Proposition 84 at the November 7, 2006, statewide general election, authorizes the issuance of general obligation bonds in the amount of $5,388,000,000, of which $1,000,000,000 is made available to the department, upon appropriation by the Legislature, for grants for projects that assist local public agencies to meet the long-term water needs of the state, including the delivery of safe drinking water and the protection of water quality and the environment. Eligible projects are required to implement integrated regional water management plans that meet certain requirements.

This bill would appropriate $250,000 of these funds to the department to pay the costs of convening the Seawater Desalination Permit Streamlining Task Force and preparation of the report.


The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:
(a) A growing population, climate change uncertainty, and the need to grow the state’s economy while protecting and restoring our fish and wildlife habitats make it essential that the state manage its water resources as efficiently as possible.

(b) Diversifying regional water supply portfolios will increase water supply reliability and advance state policies for regional self-sufficient water supplies. In addition to stormwater capture, water recycling, and conservation, water agencies located in coastal areas are considering seawater desalination to help diversify their water supply portfolios. These water agencies include seawater desalination as potential future supplies in their most recent urban water management plans. Seawater desalination projects are also elements of several integrated regional water management plans.

(c) In addition to providing much needed water supply reliability against future uncertainties, seawater desalination projects have the potential to create new jobs in the state over the next 10 years and generate much needed investment in local economies. Reverse osmosis and other seawater desalination technologies were pioneered and developed in California, and desalination technology remains an important industrial sector in San Diego County and other regions.

(d) Proponents for seawater desalination projects must obtain close to 30 local, state, and federal permits and related approvals. The procedure for obtaining key state permits is not always clear, and there can be significant redundancy in the requirements between some of the permitting agencies. As a result, both the cost and the timeframe for obtaining state permits has become a potential impediment for some proposed desalination projects.

(e) As a result of Chapter 62 of the Statutes of 2003 (Senate Bill No. 600), a Water Desalination Task Force was convened and delivered a report to the Legislature that included the following recommendation: “To improve communication, cooperation, and consistency in permitting processes, encourage review processes for each desalination project to be coordinated among regulators and the public.”

(f) Section 12947 of the Water Code states the intent of the Legislature that the Department of Water Resources undertake to find economic and efficient methods of desalting saline water so that desalinated water may be made available to help meet the growing water requirements of the state.
(g) Existing law requires the State Water Resources Control Board to formulate and adopt a water quality control plan for ocean waters of the state known as the California Ocean Plan. The board is currently updating the California Ocean Plan with environmentally protective, science-based regulations, specifically for seawater desalination projects. These new regulations will be implemented through existing National Pollution Discharge Elimination System permits managed by regional water quality control boards.

SEC. 2. Section 35616 is added to the Public Resources Code, to read:

35616. (a) (1) Not later than December 31, 2013, the Ocean Protection Council shall report to the Legislature on opportunities for streamlining the current statewide permitting processes for seawater desalination facilities in California. The report shall evaluate impediments to desalination projects relative to the current permitting process and investigate opportunities to improve the process. The report shall also recommend potential administrative and legislative actions for streamlining the permitting process while maintaining current regulatory protections.

(2) The report submitted pursuant to this subdivision shall comply with Section 9795 of the Government Code.

(3) This subdivision shall become inoperative on January 1, 2018, pursuant to Section 10231.5 of the Government Code.

(b) The Ocean Protection Council shall convene a task force, to be known as the Seawater Desalination Permit Streamlining Task Force, to review the current permitting processes required by all state regulatory agencies for the planning, design, construction, monitoring, and operation of seawater desalination facilities, to identify opportunities for streamlining the permitting process, and to advise the Ocean Protection Council in implementation of subdivision (a), including making recommendations to the Legislature on the following:

(1) Establishing a clear pathway for obtaining state permits.

(2) Defining the regulatory scope for each permitting agency.

(3) Eliminating redundant requirements between California permitting agencies.

(4) Describing the data needed to complete each permit.

(5) Developing best practices for communication among regulatory agencies and the regulated community.
(6) Ensuring that any recommended changes maintain the current regulatory protections.

c) (1) The recommendations developed by the Seawater Desalination Permit Streamlining Task Force shall focus on how state regulations are applied by permitting agencies and commissions during the permitting process.

(2) The recommended actions should review the scope for each permitting agency and commission, while maintaining current regulatory protections.

(3) The recommended actions shall accommodate any new regulations developed by the State Water Resources Control Board for the California Ocean Plan.

d) (1) The Seawater Desalination Permit Streamlining Task Force shall include one representative from each of the following state entities:

(A) Department of Water Resources.

(B) State Water Resources Control Board.

(C) California Coastal Commission.

(D) State Lands Commission.

(E) State Department of Public Health.

(F) State Energy Resources Conservation and Development Commission.

(G) California Environmental Protection Agency.

(H) Natural Resources Agency.

(I) Department of Parks and Recreation.

(2) The Seawater Desalination Permit Streamlining Task Force shall include one representative from each of the following, as determined by the Ocean Protection Council:

(A) Commission for Economic Development.

(B) A coastal regional water quality control board in which is located at least one proposed seawater desalination facility.

(C) A recognized environmental advocacy group.

(D) A water purveyor, as defined in Section 512 of the Water Code, that is a public entity, as defined in Section 514 of the Water Code, that is developing or proposing to develop a seawater desalination facility.

(E) An entity that supplies water at wholesale to urban water suppliers, as defined in Section 10617 of the Water Code.

(F) A nonprofit association created to further the use of seawater desalination that includes both private and public members.
(G) A recognized environmental justice advocacy group.
(H) A recognized business advocacy group.
(I) A representative of a recognized organization representing public union members.
(J) A representative of a recognized organization representing private union members.
(3) A member of the Seawater Desalination Permit Streamlining Task Force may appoint an alternate to represent the member at a meeting of the task force.
(4) A representative of the Ocean Protection Council shall convene the Seawater Desalination Permit Streamlining Task Force and act as chair of the task force.
(e) Pursuant to Section 75026, the sum of two hundred fifty thousand dollars ($250,000) is hereby appropriated to the Department of Water Resources for expenditure by the department to pay the costs for convening the Seawater Desalination Permit Streamlining Task Force and for preparation of the report pursuant to subdivision (a).
An act to amend Section 21086 of the Public Resources Code, relating to environmental quality. An act to add Section 85320.5 to the Water Code, relating to the Sacramento-San Joaquin Delta.

LEGISLATIVE COUNSEL’S DIGEST


Existing law imposes requirements on the Department of Water Resources in connection with the preparation of a Bay Delta Conservation Plan (BDCP).

The Sacramento-San Joaquin Delta Reform Act of 2009 requires the Delta Stewardship Council to consider the BDCP for inclusion in a specified Delta Plan, and requires the incorporation of the BDCP into the Delta Plan if the BDCP meets certain requirements, including a requirement that the BDCP include a comprehensive review and analysis of a range of Delta conveyance alternatives, including through-Delta, dual conveyance, and isolated conveyance alternatives and capacity and design options of specified canals and pipelines.

This bill would require that the department’s development of certain Delta conveyance facilities be completed on or before February 15,
2013, and would require that the construction of those facilities be completed by December 31, 2025.

The California Environmental Quality Act requires the Office of Planning and Research to adopt guidelines that include criteria for public agencies to follow in determining whether or not a proposed project may have a significant effect on the environment and a list of classes of projects that are exempted from the act’s requirements. The act establishes procedures for the certification and adoption of the guidelines. The act authorizes a public agency to request, in writing, the addition or deletion of a class of projects to the list. The office is required to review each request and, as soon as possible, submit its recommendation to the Secretary of the Natural Resources Agency.

This bill would make technical, nonsubstantive changes to the provision regarding the addition or deletion of a class of projects.


The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) California’s water system is antiquated and straining to meet the needs of its residents, farms, businesses, and environment. Designed more than 50 years ago to serve a population of 16 million residents, the state’s major water infrastructure now serves more than 36 million residents. California must upgrade the way it moves its water while making the necessary investment to improve habitat in the Sacramento-San Joaquin Delta.

(b) The Department of Water Resources is authorized to construct, operate, and maintain the State Water Resources Development System and the Feather River Project, commonly known as the State Water Project.

(c) Seismologists predict a 66-percent probability of an earthquake of greater than 6.5 magnitude by 2032. Experts have concluded that a major earthquake in the Delta could cause multiple levee failures, destroy local habitat and the economy, and cut off water supplies to the 25 million Californians that live in areas served with water conveyed through the Delta. Improving conveyance in the Delta would protect against these possible disasters.
(d) Existing state policy is to improve the water conveyance system in the Sacramento-San Joaquin Delta. The Sacramento-San Joaquin Delta Reform Act of 2009 requires the Delta Stewardship Council to incorporate the Bay Delta Conservation Plan (BDCP) into the Delta Plan if the BDCP meets certain requirements, including a requirement that the BDCP include a comprehensive review and analysis of a range of Delta conveyance alternatives, including through-Delta, dual conveyance, and isolated conveyance alternatives and capacity and design options of specified canals and pipelines.

SEC. 2. Section 85320.5 is added to the Water Code, to read:

85320.5. The department’s development of Delta conveyance facilities, including facilities developed as part of the Bay Delta Conservation Plan process or any other appropriate planning process, and pursuant to this chapter, shall be completed on or before February 15, 2013, and the construction of the facilities shall be completed by December 31, 2025.

SECTION 1. Section 21086 of the Public Resources Code is amended to read:

21086. (a) A public agency may, at any time, request the addition or deletion of a class of projects, to the list designated pursuant to Section 21084. That request shall be made in writing to the Office of Planning and Research and shall include information supporting the public agency’s position that the class of projects does, or does not, have a significant effect on the environment.

(b) The Office of Planning and Research shall review each request and, as soon as possible, shall submit its recommendation to the Secretary of the Natural Resources Agency pursuant to Sections 21083 and 21084. Following the receipt of that recommendation, the Secretary of the Natural Resources Agency may add or delete the class of projects to the list of classes of projects designated pursuant to Section 21084 that are exempt from the requirements of this division.

(c) The addition or deletion of a class of projects, as provided in this section, to the list specified in Section 21084 shall constitute an amendment to the guidelines adopted pursuant to Section 21083.
and shall be adopted in the manner prescribed in Sections 21083 and 21084.
An act to amend Section 2831 of the Fish and Game Code, and to amend Section 1 of Chapter 644 of the Statutes of 2007, relating to wildlife resources.

LEGISLATIVE COUNSEL'S DIGEST

SB 1169, as introduced, Kehoe. Natural community conservation planning.

The Natural Community Conservation Planning Act authorizes the Department of Fish and Game to enter into agreements with any person or public entity for the purpose of preparing a natural community conservation plan, to provide comprehensive management and conservation of multiple wildlife species. The act requires a plan to identify and provide for those measures necessary to conserve and manage natural biological diversity within the plan area while allowing compatible and appropriate economic development, growth, and other human uses. The act requires each natural community conservation plan to include an implementation agreement governing specified matters.

Existing law exempts from specified provisions of the act any natural community conservation plan or subarea plan initiated on or before January 1, 2000, or amendment thereto, by Sweetwater Authority, Helix Water District, Padre Dam Municipal Water District, Santa Fe Irrigation District, or the San Diego County Water Authority, which the department determines is consistent with the approved San Diego Multiple Habitat Conservation Program or the San Diego Multiple Species Conservation Program, if the department finds that the plan has been developed and is otherwise in conformance with the act.
Existing law deems certain lands designated as open-space lands as of January 1, 2008, to be dedicated land under the City Charter of San Diego.

This bill would deem those lands designated as open-space lands as of January 1, 2013, to be dedicated land under the city charter.


The people of the State of California do enact as follows:

SECTION 1. Section 1 of Chapter 644 of the Statutes of 2007 is amended to read:

SECTION 1. The Legislature finds and declares all of the following:
(a) The basis for the lands currently designated as open space by the City of San Diego is a Multiple Species Conservation Program (MSCP) for the City of San Diego.
(b) In 1997, the City of San Diego signed a 50-year agreement with the Department of Fish and Game and the United States Fish and Wildlife Service to conserve approximately 55,000 acres of open space within the City of San Diego under the MSCP. Included in the MSCP are designated and dedicated open-space parcels. The City of San Diego has identified in excess of 15,000 acres of city-owned parcels that were intended to be dedicated open space under the city charter, but have not been converted from designated to dedicated open space. Dedicated open space cannot be sold or exchanged without a two-thirds vote of the people. The In 2007, the Mayor of the City of San Diego and, by a unanimous vote, the city council, have passed a resolution to support this effort to convert those parcels from designated to dedicated open space. Approximately 6,600 acres were converted to dedicated open space with the filing of documents with the County of San Diego Recorder/Clerk prior to January 1, 2008. Approximately 10,000 acres remain on a list established by the City of San Diego in 2006 of places eligible to be converted to dedicated open space-lands. The San Diego City Council voted on January 23, 2012, to support the effort to convert additional city-owned open-space parcels from designated to dedicated open space.
(c) Therefore, in keeping with the desire of the City of San Diego to ensure that the lands currently designated as open space
cannot be sold or exchanged without a vote of the people, and consistent with the Natural Community Conservation Planning Act (Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code), these lands should become dedicated land under state law and the City Charter of the City of San Diego.

SEC. 2. Section 2831 of the Fish and Game Code is amended to read:

2831. (a) Notwithstanding any other provision of law, lands designated as of January 1, 2008, as open-space lands in a document entitled “Declaration of the Dedication of Land” approved by a resolution of the San Diego City Council in the same manner in which the city council processes approval of dedicated open space, reserving to the city council the authority to grant easements for utility purposes in, under, and across dedicated property, if those easements and facilities to be located thereon do not significantly interfere with the park and recreational use of the property, and filed with the Office of the City Clerk for the City of San Diego, and, if required, at the Office of the County of San Diego Recorder/Clerk, are dedicated land under the City Charter of the City of San Diego.

(b) Upon filing of that document in accordance with subdivision (a), the Office of the City Clerk for the City of San Diego, and, if applicable, the County of San Diego Recorder/Clerk, shall make the document available for inspection by the public upon request.
March 14, 2012

Attention: Legislation, Conservation and Outreach Committee

Small Contractor Outreach and Opportunities Program (SCOOP) Committee recommended modifications related to goals for fiscal years 2012 and 2013 (Action)

SCOOP Committee recommendations
1) Establish a 25 percent SCOOP goal for fiscal years 2012 and 2013.
2) Develop a sheltered market procurement program for small businesses on procurements greater than $10,000 and up to $150,000.
3) Evaluate surety bonding requirements on a case-by-case basis based on risk exposure.
4) Contact member agencies to solicit interest in a clearinghouse system.

Alternative
Approve some or none of the SCOOP Committee recommendations.

Fiscal Impact
No fiscal impact.

Background
The purpose of SCOOP is to maximize small business participation on Water Authority contracts and procurements. To achieve that objective, the program focuses on outreach activities such as networking and training small firms on how to do business with the Water Authority.

SCOOP is a race- and gender-neutral, small-business program that does not grant procurement preferences or establish participation goals based on race, color, religion, ethnicity, national origin, or gender. The program complies with Article I, Section 31 of the California Constitution (Proposition 209), which prohibits these preferences on public agency procurements. For statistical purposes, SCOOP tracks and reports minority-owned and women-owned business participation on Water Authority procurements.

The program defines a small business as a business that: 1) is a for-profit entity; 2) is owned and operated independently from any other business concern; 3) is not dominant in its field of operation; and 4) meets the requirements and does not exceed the small business size standards of either the State of California or the U.S. Small Business Administration. The Water Authority accepts both state and federal standards for small businesses. To qualify under State requirements, a small business must have its owner and principal office domiciled in California. The small business must also have either 100 or fewer employees or average annual gross receipts of $14 million or less, over the last three tax years. To qualify under federal requirements, a small business must operate primarily within and have a place of business located in the United States. The small business must also have 500 or fewer employees for most manufacturing and mining industries or meet average gross annual receipts limits for nonmanufacturing industries. Nonmanufacturing industry receipts vary from industry to industry to reflect industry differences, but average about $7 million.
The Water Authority’s Board of Directors provides Board participation and support on SCOOP policies through the SCOOP Committee. The committee ensures that metrics for measuring SCOOP activities are appropriate, progress is reported to the Board on a quarterly basis, and annual and long-term participation goals are discussed for recommendation to the Board.

**Discussion**

**SCOOP Participation Goal**

SCOOP recently conducted several studies to evaluate the effectiveness of the current program, including benchmarking, a small business survey, a SCOOP goal, small business and business community focus groups, and a review of SCOOP processes. The SCOOP Committee reviewed information on these studies and has recommended that the current SCOOP participation goal be increased from 20 percent to 25 percent.

The SCOOP participation goal measures the dollar amount awarded to small businesses (known as “small business participation”) compared to the total dollar amount awarded to all businesses within a two-year budget period.

<table>
<thead>
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<th>Period</th>
<th>Small Business Participation</th>
<th>Small Business $ Awarded</th>
<th>Total $ Awarded</th>
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<tr>
<td>2008</td>
<td>38%</td>
<td>$15,744,673</td>
<td>$41,179,477</td>
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<td>2009</td>
<td>17%</td>
<td>$27,466,189</td>
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<td>FY08-09</td>
<td>28%</td>
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<td>2011</td>
<td>41%</td>
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<td>FY10-11</td>
<td>18%</td>
<td>$37,973,120</td>
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<td>FY08-11</td>
<td>22%</td>
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Figure A-1. Small business participation for fiscal years 2008 through 2011.

In the previous two budget periods, small business participation for fiscal years 2008 through 2011 ranged from 12 percent to 41 percent per year, with an averaged small business participation achievement of 22 percent over the previous four fiscal years (refer to Figure A-1).

A baseline goal is calculated using the following process:

- Review of the number of small businesses in San Diego County in select industries
- Review of the total number of businesses in San Diego County in select industries
- Evaluation of forecasted contract and purchase awards
- Developing the participation goal based on opportunities for available small businesses on forecasted awards
- Adjusting the numbers based on qualifying factors, including historical information

The Water Authority’s new contracts and purchase order awards for fiscal years 2012 and 2013 are estimated to be approximately $72 million, excluding any seawater desalination-related projects.
Potential SCOOP Enhancements
To support an increased goal, the Committee also recommended three program enhancements.

1. **Develop a sheltered market procurement program for small businesses** – A sheltered market program would designate competition for certain small contracts to small, registered, certified businesses only.

   Water Authority procurements are generally classified as public works (construction), professional and general services, and materials and supplies. Public works and material/supply contracts are awarded to the lowest responsive and responsible bidder, while service contracts are awarded on a best value basis that encompasses qualifications, cost, and experience. Procurements for certain types of services are exempt from this process, such as advertising, attorney services, subscriptions, and utility services.

   The sheltered market program would apply to Water Authority procurements that are smaller in nature, do not require Board approval, are greater than $10,000 and up to $150,000, and for which there is a competitive pool of three or more small businesses in The Network, the Water Authority’s e-procurement system.

   To participate in a sheltered procurement, a business would have to be small as defined above, and have an active registered and certified-as-small status in The Network.

2. **Evaluate surety bonding requirements on a case-by-case basis based on risk exposure** – On a case-by-case basis, surety bonding requirements on smaller construction projects may be adjusted based on risk exposure.

   - If there are more than two bids received on a project, the bid bonds in excess of the two apparent-lowest bids shall be released within 15 days. Early release of bid bonds will free up contractors’ bonding capacity.
   - The 100 percent performance bond requirements would be adjusted on a case-by-case basis based upon a risk analysis by the Water Authority.
   - On projects with substantial completion milestones, the Water Authority may utilize the option to partially release performance bond amounts as the project progresses. This will have the net effect of freeing up contractors’ bonding capacity.

   Surety bond adjustments would not apply to payment bond requirements, which are set by statute.

3. **Promote existing small-business registration clearinghouse** – A clearinghouse is a web-based business registration system that is shared by multiple organizations. A clearinghouse would reduce the need for small businesses to register separately with each individual agency. The Network, the Water Authority’s current system, is shared by five other agencies, including three water agencies: Eastern Municipal Water District, Inland Empire Utilities Agency, and West Basin Municipal Water District. It currently functions as a small-scale clearinghouse. The SCOOP Committee recommends that local water agencies be
contacted about utilizing The Network as a clearinghouse for vendor registration purposes. A clearinghouse that expands the number of participating water agencies will provide more opportunities, convenience, and time savings for small businesses by serving as a one-stop application site for small businesses interested in working with public water agencies.

These efforts are meant to provide small businesses with greater access to Water Authority contracts and procurements, expand communication on the SCOOP program, and augment efforts to reach the overall SCOOP participation goal.

Prepared by: Emily Yanushka, SCOOP Manager
Reviewed by: Jason Foster, Director of Public Outreach and Conservation
Frank Belock, Deputy General Manager
Approved by: Vincent Mudd, Chair, SCOOP Committee
March 14, 2012

Attention: Legislation, Conservation and Outreach Committee

Update on Water Authority Communication Resources (Information)

Purpose
This report provides an update on recent additions to Water Authority resources for public outreach.

Background
The Water Authority employs a robust public outreach program to help inform and educate key stakeholders and the public about key water issues facing the region. In recent years community demand for transparency and accountability at the Water Authority and other public agencies has increased. This has heightened the necessity of clearly and effectively communicating important information relating to the Water Authority’s water supply reliability strategy, water rates, cost-control efforts to protect ratepayers, and other issues.

As part of its public outreach program, the Water Authority uses a variety of cost-effective communication tools, ranging from printed fact sheets on specific subjects to online and social media communications. The Water Authority constantly reviews and updates these tools to reflect new water-related information and to adapt to changes in communication trends.

Discussion
Since 2009, the Water Authority has deployed a number of new tools and strategies to enhance general public outreach or to help it support specific programs. These include:

• **Facebook**: The Water Authority launched a Facebook page ([www.facebook.com/SanDiegoCountyWaterAuthority](http://www.facebook.com/SanDiegoCountyWaterAuthority)) in 2009 and regularly updates the page with posts of news releases, capital project updates, upcoming events, photos, and other content.

• **SlideShare**: The Water Authority started its Slideshare page ([www.slideshare.net/waterauthority](http://www.slideshare.net/waterauthority)) in 2009 and since then has posted more than 50 PowerPoint presentations related to water supply diversification, water conservation, capital improvement projects, and other issues.

• **YouTube**: The Water Authority launched its YouTube channel ([www.youtube.com/sdcwavideo](http://www.youtube.com/sdcwavideo)) in 2009. It has posted more than 60 short videos to the channel on a variety of subjects including construction project updates, water conservation tips, the value of water, budgets, local supply development, and more.

• **Annual report**: In April 2010, the Water Authority switched the publishing of its annual report from a print-oriented format to a web-based flipbook. The switch enabled the Water Authority to convey Water Authority milestones and accomplishments in much more
engaging ways (including graphic animations and video) while significantly reducing design and printing costs. The web-based format also enables the Water Authority to promote the report to a larger audience, and it increases public accessibility to the information. The fiscal year 2011 annual report will be published in late March.

- **Website** ([www.sdcwa.org](http://www.sdcwa.org)): In October 2010, the Water Authority launched a completely redeveloped website equipped with social media capabilities. Visitors to the site can instantly share specific pages of the site with their friends or contacts via Facebook, LinkedIn, Twitter and email. Visitors can also sign up for RSS feeds and receive automatic alerts to their email accounts when pages they want to track are updated. A comprehensive index of links to popular content areas on the site is provided in Attachment 1. A web-based user survey to help gauge the effectiveness and usability of the redeveloped website is under way. Staff will use findings from the survey to determine potential enhancements to the site that will make it more effective. A link to the survey is available at [www.sdcwa.org/website-usability-and-social-media-survey](http://www.sdcwa.org/website-usability-and-social-media-survey).

- **Fact Sheets**: In late 2010, the Water Authority redesigned the look of its standard printed fact sheets to a four-color format to make them more visually oriented and interesting to readers. The new design’s color scheme also reflected the look of the redeveloped [www.sdcwa.org](http://www.sdcwa.org) website to provide a more consistent, “branded” look and feel to the Water Authority’s communications. All new fact sheets are being designed in this format, and all existing fact sheets in older formats will be transferred to the new format by this summer as part of their regular update schedule. Moving to full-color fact sheets proved affordable because advancements in color printing technology lowered the cost of color printing. In addition, the Public Outreach and Conservation Department significantly lowered its overall printing budget by producing most fact sheets in house on an as-needed basis, rather than using outside printing services. The Water Authority currently has 25 different fact sheets in its inventory. A full list of these fact sheets with brief descriptions of their subject matter is provided in Attachment 2.

- **Water Talks**: In May 2011 the Water Authority launched “Water Talks,” a series of free community forums that give the public the opportunity to directly discuss key water issues with Board leaders and senior Water Authority staff. The forums are held on a quarterly basis, and rotate to different locations around the county. To expand the reach of these events, presentations from the forum are posted to the Water Authority’s SlideShare page and videos of the presentations are posted to the Water Authority’s YouTube page. The latest information on these forums is available at [www.sdcwa.org/water-talks](http://www.sdcwa.org/water-talks).

- **“Water News” Smartphone Application**: In late 2011 the Water Authority launched its Water News mobile phone application, or “app,” which enhances the convenience of accessing Water Authority news, videos and many Board documents by making them available through users’ smartphones. The “Water News” app is free and available for the iPhone, Android, and BlackBerry smartphone systems. More information on the Water News app is available at [www.sdcwa.org/mobile-news-app](http://www.sdcwa.org/mobile-news-app).
• **Channel H₂O:** The Water Authority debuted Channel H₂O in late 2011 concurrent with the launch of the Water News app. Channel H₂O features brief videos (usually about two minutes in length) on various subjects related to the Water Authority or regional water issues. The videos assist outreach efforts by providing visually oriented updates or explanations on different events and topics, complementing text-based communications such as news releases. Staff produce the videos in-house, and make them available for viewing via YouTube from the home page of [www.sdcwa.org](http://www.sdcwa.org) and through the Water News mobile app. The archive of Channel H₂O videos is available at [www.sdcwa.org/news-center/channelh2o](http://www.sdcwa.org/news-center/channelh2o).

• **Twitter:** This month the Water Authority plans to bolster its social media communications capabilities by launching a Twitter account ([www.twitter.com/sdcwa](http://www.twitter.com/sdcwa)). Twitter is a free social media platform that enables the Water Authority to quickly post brief messages (140 characters or less), or “tweets,” to its Twitter page. “Followers” of the Water Authority – people who are interested in receiving Water Authority news or updates, will see the Water Authority’s tweets on their own Twitter page and can easily share them with their friends, colleagues or others. Twitter use is becoming increasingly popular with the public, and it is being used more and more widely by organizations to help them connect with their stakeholders by posting links to news releases, live updates on meetings or events, and other developments. News media are also increasingly reliant on Twitter for alerting them to breaking news or major announcements.

Staff will continue to evaluate and adjust the Water Authority’s communication tools to achieve the organization’s communication goals as cost-effectively as possible.

Prepared by: Donna Nenow, Public Affairs Supervisor
Reviewed by: Jason Foster, Director of Public Outreach and Conservation
1. The **Board of Directors** ([www.sdcwa.org/board](http://www.sdcwa.org/board)) section of the website includes Board meeting agendas, minutes and other documents, Board biographies, committees, and a notice to the public on Board meeting information and processes.

2. The **Top Issues** section of the home page highlights current issues of high importance. Some issues may have a shorter shelf life than others. Top Issues listed on the home page include:
   - The Board’s support for fixing the Bay-Delta: ([www.sdcwa.org/board-affirms-support-fixing-bay-delta](http://www.sdcwa.org/board-affirms-support-fixing-bay-delta))
   - The Water Authority’s lawsuit against the Metropolitan Water District of Southern California: ([www.sdcwa.org/mwdrate-challenge](http://www.sdcwa.org/mwdrate-challenge))
   - Carlsbad Desalination Project negotiations: ([www.sdcwa.org/issue-desal](http://www.sdcwa.org/issue-desal))

3. The **Who We Are** ([www.sdcwa.org/who-we-are](http://www.sdcwa.org/who-we-are)) section of the Water Authority website hosts the Water Authority’s mission, vision, values, and strategies. Included in this section are frequently asked questions and key facts, Water Authority history, organizational structure, member agency information, legislation, Water Authority offices, and contact information. Also included in this section of the website are the following:
   - Strategic Plan ([www.sdcwa.org/strategicplan/documents/strategicplan.PDF](http://www.sdcwa.org/strategicplan/documents/strategicplan.PDF))
   - Strategic Plan Performance ([www.sdcwa.org/strategicplan](http://www.sdcwa.org/strategicplan))

4. The **Water Management** ([www.sdcwa.org/water-management](http://www.sdcwa.org/water-management)) section of the Water Authority website hosts information on the following:
   - Future Planning, which includes the following plans:
     - Urban Water Management Plan ([www.sdcwa.org/uwmp](http://www.sdcwa.org/uwmp))
     - Regional Water Facility Master Plan ([www.sdcwa.org/rwfmp](http://www.sdcwa.org/rwfmp))
     - Integrated Regional Water Management Plan ([www.sdcwa.org/irwmp](http://www.sdcwa.org/irwmp))
   - Local Water Management – This includes information on conservation, groundwater, recycled water, desalination, reservoirs and rainfall. ([www.sdcwa.org/local-water-management](http://www.sdcwa.org/local-water-management))
   - Imported Water Management ([www.sdcwa.org/imported-water-management](http://www.sdcwa.org/imported-water-management)) includes information on water imported from the Metropolitan Water District of Southern California ([www.sdcwa.org/imported-mwd](http://www.sdcwa.org/imported-mwd)). This section includes information on the State Water Project, Colorado River Water, and Preferential Rights. The Imported Water Management section also includes information on the following:
     - Dry-Year Water Transfers ([www.sdcwa.org/dry-year-water-transfers](http://www.sdcwa.org/dry-year-water-transfers))
     - Colorado River Supplies Management ([www.sdcwa.org/colorado-river-supplies-management](http://www.sdcwa.org/colorado-river-supplies-management)), which provides information on the QSA, canal-lining projects, and water transfers.
• Water Use ([www.sdcwa.org/water-use](http://www.sdcwa.org/water-use)) – This includes total regional water use numbers from 2007 to the most recent month available.
• Water Quality ([www.sdcwa.org/water-quality](http://www.sdcwa.org/water-quality)) – this section includes information on fluoridation, the Water Authority’s Twin Oaks Valley Water Treatment Plant, and member agencies that own and operate treatment plants within the San Diego County.

5. The Projects, Facilities & Operations ([www.sdcwa.org/projects-facilities-operations](http://www.sdcwa.org/projects-facilities-operations)) section includes the following:
• Outreach Projects in Your Area ([www.sdcwa.org/construction-project-outreach](http://www.sdcwa.org/construction-project-outreach)) provides links to the following types of construction projects:
  o Future Projects ([www.sdcwa.org/future-projects](http://www.sdcwa.org/future-projects))
  o Current Projects ([www.sdcwa.org/current-projects](http://www.sdcwa.org/current-projects))
  o Completed Projects ([www.sdcwa.org/completed-projects](http://www.sdcwa.org/completed-projects))
• Environmental Programs & Sustainability ([www.sdcwa.org/environmental-programs-sustainability](http://www.sdcwa.org/environmental-programs-sustainability)) – Includes environmental documents and information on renewable energy, fleet maintenance, greenhouse gas inventory, and the Water Authority’s Climate Action Plan.
• Right of Way ([www.sdcwa.org/right-of-way](http://www.sdcwa.org/right-of-way)) – This section includes information on the Water Authority’s structures and facilities that are located within the Water Authority’s 168 miles of right of way.
• Facilities & Operations ([www.sdcwa.org/facilities-operations](http://www.sdcwa.org/facilities-operations)) -- This section includes information on aqueduct and water operations, asset management, energy production, and emergency preparedness and security.

6. The Outreach & Education ([www.sdcwa.org/outreach-and-education](http://www.sdcwa.org/outreach-and-education)) section includes information on the following programs:
• Community Outreach ([www.sdcwa.org/water-authority-community](http://www.sdcwa.org/water-authority-community)) – Provides information related to outreach programs including the Speaker’s Bureau, Water Talks forums, past presentations, and water-related grants programs.
• Education ([www.sdcwa.org/education](http://www.sdcwa.org/education)) – Includes links to educational presentations and workshops, resources and materials, campaigns, and contests for teachers and students.
• Tours ([www.sdcwa.org/tours](http://www.sdcwa.org/tours)) – Includes information on tours of critical local, regional and statewide water distribution, storage and treatment facilities.


8. The Finance & Investor Relations ([www.sdcwa.org/finance-investor-relations](http://www.sdcwa.org/finance-investor-relations)) section provides information on the following:
• Water rates and charges ([http://www.sdcwa.org/water-rates-charges](http://www.sdcwa.org/water-rates-charges))
• Financial information, including
  o Debt ([http://www.sdcwa.org/debt-information](http://www.sdcwa.org/debt-information))
  o Financial reports, including Comprehensive Annual Financial Reports ([http://www.sdcwa.org/financial-reports](http://www.sdcwa.org/financial-reports))
  o Current budget ([http://www.sdcwa.org/budget](http://www.sdcwa.org/budget))
The following fact sheets are available on the Water Authority website at www.sdcwa.org/publications. Individual links to each fact sheet are provided below.

**General**

**2012 Water Issues:** Summarizes several key issues the Water Authority is addressing this year. [www.sdcwa.org/sites/default/files/files/publications/waterissues_fs.pdf](http://www.sdcwa.org/sites/default/files/files/publications/waterissues_fs.pdf)

**Budget at a Glance:** Summarizes the Water Authority’s fiscal years 2012 and 2013 budget and what the Water Authority is doing to control costs. [www.sdcwa.org/sites/default/files/files/publications/budget_at_glance_fs.pdf](http://www.sdcwa.org/sites/default/files/files/publications/budget_at_glance_fs.pdf)

**Canal Linings:** Describes the All-American and Coachella canal lining projects. [www.sdcwa.org/sites/default/files/files/publications/canallining-fs.pdf](http://www.sdcwa.org/sites/default/files/files/publications/canallining-fs.pdf)

**Colorado River Water Transfer Agreement:** Provides an overview of the water transfer agreement between the Water Authority and the Imperial Irrigation District. [www.sdcwa.org/sites/default/files/files/publications/watertransfer-fs.pdf](http://www.sdcwa.org/sites/default/files/files/publications/watertransfer-fs.pdf)

**Everyone’s Investment in a Reliable Water Supply:** Addresses why wholesale water rates are rising; describes water supply reliability investments since 2003 and cost-control measures to manage rate increases. [www.sdcwa.org/sites/default/files/files/publications/reliablewatersupply_fs.pdf](http://www.sdcwa.org/sites/default/files/files/publications/reliablewatersupply_fs.pdf)

**Local Rainfall and Reservoirs:** Describes the importance of local rainfall and surface water storage to help meet the water supply needs of San Diego County. [www.sdcwa.org/sites/default/files/files/publications/rainfall-reservoirs-fs.pdf](http://www.sdcwa.org/sites/default/files/files/publications/rainfall-reservoirs-fs.pdf)

**MWD Water Rate Challenge (Water Authority Fighting for Lawful Water Rates at MWD):** Summarizes the Water Authority’s litigation over MWD’s water rates, and how MWD’s illegal water rates financially harm the region. [www.sdcwa.org/sites/default/files/files/publications/mwdwaterrates-fs.pdf](http://www.sdcwa.org/sites/default/files/files/publications/mwdwaterrates-fs.pdf)


**Quantification Settlement Agreement:** Summarizes the historic 2003 agreement for managing Colorado River supplies, the QSA’s benefits, and status of the agreement. [www.sdcwa.org/sites/default/files/files/publications/qsa-fs.pdf](http://www.sdcwa.org/sites/default/files/files/publications/qsa-fs.pdf)

**Seawater Desalination – Binational:** Explains a proposed bi-national seawater desalination project that would be located in Baja California, Mexico. [www.sdcwa.org/sites/default/files/files/publications/desal-binational-fs.pdf](http://www.sdcwa.org/sites/default/files/files/publications/desal-binational-fs.pdf)

**Seawater Desalination – Camp Pendleton:** Summarizes efforts to determine the feasibility for a proposed seawater desalination project at Marine Corps Base Camp Pendleton. [www.sdcwa.org/sites/default/files/files/publications/desal-camp-pendleton-fs.pdf](http://www.sdcwa.org/sites/default/files/files/publications/desal-camp-pendleton-fs.pdf)

**Seawater Desalination – Carlsbad:** Explains the status of negotiations for a water purchase agreement with the developers of a planned seawater desalination project in Carlsbad. [www.sdcwa.org/sites/default/files/files/publications/desal_carlsbad_fs.pdf](http://www.sdcwa.org/sites/default/files/files/publications/desal_carlsbad_fs.pdf)
**Water Authority Overview:** Describes how the Water Authority was formed and its strategy to enhance the reliability of the region’s water supplies through diversification.

**Water Supply Outlook:** Describes current water supply conditions and summarizes long-term plans to enhance the region’s water supply reliability.

**CIP**

**Emergency Storage Project:** Describes the ESP, a system of reservoirs, pipelines and pumping stations that will make water available if imported water deliveries are interrupted.

**Lake Hodges Projects:** Describes how the projects improve water supply and energy reliability by connecting Lake Hodges and Olivenhain Reservoir.

**Mission Trails Project:** Describes how this project will increase the amount of water delivered to treatment plans serving the central and south sections of the county.

**Olivenhain Dam and Reservoir:** Provides an overview of the region’s first major new dam and reservoir in 50 years and its benefits.

**San Vicente Dam Raise:** Provides an overview of the project, the tallest dam raise in the United States and a key component of the Emergency Storage Project.

**San Vicente Tunnel & Pipeline System:** Provides an overview of these related projects and their benefits for the Emergency Storage Project and regional water conveyance.

**Submerged Membrane Water Treatment:** Explains the submerged membrane water treatment process used at the Twin Oaks Valley Water Treatment Plant.

**Tijuana River Valley Wetlands Mitigation Project:** Describes how the project establishes wetlands to offset impacts created by the ESP and other future Water Authority projects.

**Twin Oaks Valley Water Treatment Plant:** Describes how this submerged membrane water treatment plant provides high-quality drinking water for the San Diego region.
March 14, 2012

Attention: Legislation, Conservation and Outreach Committee

Update on San Diego County Garden Friendly Plant Fairs (Information)

Purpose
This report provides information on the San Diego County Garden Friendly Plant Fair partnership between the Water Authority, participating member agencies and The Home Depot.

Background
Water use efficiency plays a key role in the Water Authority’s strategy to maximize the reliability of the region’s water supply through supply diversification. Since December 2010, the Water Authority has emphasized “core” water use efficiency programs that positively influence the long-term behavior of water users. These programs include residential surveys, K-12 education, landscape audits, and the development of technical resources and tools that show homeowners and others how they can become more water efficient. In addition, the Water Authority looks for opportunities to leverage its resources through appropriate, cost-effective partnerships with other organizations.

In March 2011, the Water Authority produced *A Homeowner’s Guide to a WaterSmart Landscape*, a free, step-by-step guide that helps show homeowners how to reduce outdoor water use yet design and maintain a beautiful and appropriate landscape for our region. The guidebook, available online at [http://www.sdcwa.org/landscape-guide-flipbook/](http://www.sdcwa.org/landscape-guide-flipbook/), shows residents the process for converting their landscapes from turf into more water-efficient alternatives and provides them with a comprehensive list of low-water-use plants. However, one of the key barriers preventing more residents from converting their landscapes is the perceived lack of easy access to low-water-use plants.

Last year, water agencies in the Inland Empire began an outreach program with home improvement retailer The Home Depot to promote greater use of low-water-use plants. The outreach program consisted of a series of special events at different The Home Depot locations at which water agencies provided information on their water conservation programs and resources, while The Home Depot offered discounts on varieties of low-water-use plants approved by the local water agencies. In fall 2011, staff from the Water Authority and a number of its member agencies met with regional representatives from The Home Depot to discuss implementing a similar program in San Diego County.

Discussion
For the Water Authority and its member agencies, partnerships with large, well-known national retailers such as The Home Depot help to achieve the region’s long-term water use efficiency goals by catalyzing the landscape market transformation process. By working together, public water agencies and private sector retailers increase consumer awareness and demand for low-water-use plants in the mainstream marketplace in a manner that is cost effective for the region’s ratepayers.
After the initial meeting with representatives from The Home Depot, the Water Authority gauged interest among its member agencies for participating in a pilot promotion with the retailer in the spring of 2012 to promote greater awareness and use of low water use plants. Eleven member agencies responded that they wanted to participate, including Carlsbad Municipal Water District, city of Escondido, Helix Water District, Olivenhain Municipal Water District, Otay Water District, Rainbow Municipal Water District, Rincon del Diablo Municipal Water District, city of San Diego, San Dieguito Water District, Vallecitos Water District and Valley Center Municipal Water District.

Together the Water Authority, the participating member agencies and The Home Depot began planning for a series of “San Diego County Garden Friendly Plant Fairs” beginning in February 2012 at selected The Home Depot locations throughout the San Diego region. The plant fairs allow residents who are interested in transforming their yards and gardens into more attractive and climate-appropriate landscapes opportunities to meet with member agency staff and gardening experts and save money on select varieties of low-water-use plants that are listed as ‘very low’ or ‘low’ water users in the Water Authority’s *A Homeowner’s Guide to a WaterSmart Landscape*.

The plant fairs will take place on various Saturdays through early May 2012. The plant fairs are jointly promoted by the participating water agencies and The Home Depot. The water agencies are promoting the fairs through no-cost or low-cost methods, such as bill stuffers, fliers, email notifications and newsletters, website postings, and news releases. The Home Depot is promoting the events through advertising, on-site signage and fliers put into shoppers’ bags in the weeks leading up to the plant fair at a specific location.

At the plant fairs, staff members from The Home Depot set up the events and provide booths for the water agencies and vendors, stock the plants, and continue to promote the events to store customers throughout the day. Landscape industry experts provide customers with information on landscape design, water-efficient irrigation principles, appropriate plant selection, and how to plant and maintain low-water-use plants. Nursery consultants host informative how-to workshops and member agency staff provide customers with information on water conservation programs and services.

The scheduled dates and locations for the San Diego County Garden Friendly Plant Fairs are:

<table>
<thead>
<tr>
<th>Date</th>
<th>The Home Depot Location</th>
<th>Host Water Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 25</td>
<td>Lemon Grove</td>
<td>Helix WD</td>
</tr>
<tr>
<td>March 3</td>
<td>Otay Mesa</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>March 10</td>
<td>Encinitas</td>
<td>Carlsbad MWD</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Olivenhain MWD</td>
</tr>
<tr>
<td></td>
<td></td>
<td>San Dieguito WD</td>
</tr>
<tr>
<td>March 17</td>
<td>San Marcos</td>
<td>Vallecitos WD</td>
</tr>
</tbody>
</table>
The partnership with The Home Depot is the first of its kind in the San Diego region and is a good example of how the Water Authority and its member agencies are collaboratively pursuing public-private partnerships that have regional water supply benefits. The water agencies and The Home Depot are discussing plans for another series of plant fairs for the fall season. Water Authority staff also continue to seek other regional partnership opportunities. Additional information on the plant fairs can be found at www.watersmartsd.org.

Prepared by:  Jeff Stephenson, Senior Water Resources Specialist
Reviewed by:  Meena Westford, Public Affairs Senior Manager
Reviewed by:  Jason Foster, Director of Public Outreach and Conservation
March 14, 2012

Attention: Legislation, Conservation and Outreach Committee

Small Contractor Outreach and Opportunities Program (SCOOP) Quarterly Report (Information)

Background
The purpose of SCOOP is to maximize small business participation on Water Authority contracts and procurements. This report provides a summary of SCOOP program metrics and activities from July 1, 2011 through December 31, 2011.

Discussion
Outreach Activities
Throughout the quarter, Water Authority representatives reached out to 32 organizations at 37 separate events, including the Urban League Equal Opportunity Diversity Summit, the National Society of Black Engineers, and the Blue Book General Contractor Showcase. Each event attracted several hundred participants and helped to create awareness for SCOOP and Water Authority procurements.

Small businesses continue to be interested in learning how to work with the Water Authority. A total of 241 attendees, representing 120 firms, attended SCOOP training during the reporting period. Sixty-one small businesses also participated in SCOOP’s online courses outside of the classroom; e-training currently represents 42 percent of training attendance.

Program Measurements
The Water Authority’s cumulative contract and purchase order awards through the second quarter of fiscal year 2012 was approximately $37 million. Small businesses received approximately $11 million, or 30 percent, of total dollars awarded, with $2 million awarded in construction, $8 million awarded for professional services, and $1 million awarded for purchase orders. Minority and women-owned businesses received $848,327. Further details of SCOOP statistics are given in Exhibit A (SCOOP Measurements Summary). Information on minority-owned and women-owned businesses is made available to the Board for statistical purposes only.

Prepared by:  Emily Yanushka, SCOOP Manager
Reviewed by:  Jason Foster, Director of Public Outreach and Conservation

Attachments
1. Exhibit A – SCOOP Program Measurements Summary
## EXHIBIT A

### SCOOP Measurements Summary

July 1, 2011 – December 31, 2011

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<tr>
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<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Small</td>
</tr>
<tr>
<td>1. Number of qualified small businesses capable of bidding on Water Authority projects</td>
<td>5,795</td>
<td>2,434</td>
</tr>
<tr>
<td>2. Number of bidders submitting bids and proposals for contracts</td>
<td>143</td>
<td>60</td>
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<tr>
<td>3. Number of businesses participating on Water Authority procurements (contracts and purchase orders)</td>
<td>227</td>
<td>82</td>
</tr>
<tr>
<td>4. Number of contracting opportunities</td>
<td>33</td>
<td>15</td>
</tr>
<tr>
<td>5. Amount committed to small businesses</td>
<td>$36,955,202</td>
<td>$11,149,681</td>
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</tbody>
</table>

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<th></th>
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<tbody>
<tr>
<td></td>
<td>Total</td>
<td>M/W</td>
</tr>
<tr>
<td>1. Number of qualified M/W businesses capable of bidding on Water Authority projects</td>
<td>5,795</td>
<td>1,565</td>
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<td>2. Number of bidders submitting bids and proposals for contracts</td>
<td>143</td>
<td>9</td>
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<td>3. Number of businesses participating on Water Authority procurements (contracts and purchase orders)</td>
<td>227</td>
<td>32</td>
</tr>
<tr>
<td>4. Number of contracting opportunities</td>
<td>33</td>
<td>4</td>
</tr>
<tr>
<td>5. Amount committed to minority and women-owned businesses</td>
<td>$36,905,202</td>
<td>$848,327</td>
</tr>
</tbody>
</table>
March 14, 2012

Attention: Legislation, Conservation and Outreach Committee

Quarterly report on Public Outreach and Conservation activities (Information)

Background
From December 2011 through February 2012, the Public Outreach and Conservation Department supported Water Authority conservation and outreach programs and projects, assisted member agencies, worked with communities directly affected by Water Authority construction projects, conducted media relations activities, worked on education programs, and supplied information through various means, including publications and online communications.

Discussion
During the quarter, Public Outreach and Conservation staff worked on a variety of projects. They included organizing and promoting a series of “San Diego County Garden Friendly Plant Fairs” hosted in partnership with 11 member agencies and home improvement retailer The Home Depot that began in late February (see separate Legislation, Conservation and Outreach Committee memo on the subject this month). Staff also provided timely news releases and updates to the media and other stakeholders on subjects ranging from the status of the Water Authority’s legal challenge with the Metropolitan Water District of Southern California, to updates on the San Vicente Dam Raise project, to progress with the Carlsbad Desalination Project. Staff also completed work on a short animated video, “It’s Perfectly Clear,” that helps educate viewers on how advanced treated recycled water is a safe and reliable potential future drinking water source for the region.

Highlights of department activities are listed below.

Media Relations
During this quarter, the Water Authority distributed 13 news releases. The subjects were:

- Water Authority Board Affirms Support for Fixing Bay-Delta
- Water Agencies Host San Diego County Garden Friendly Plant Fairs
- Court Reaffirms Prior Order Granting Discovery in Water Authority’s Rate Case Against Metropolitan Water District of Southern California
- Carlsbad Desalination Project Negotiations, Due Diligence Proceeding on Schedule
- Water Authority Responds to San Diego Taxpayers Educational Foundation Report
- Water Authority Encourages Students to Enter Essay and Art Contest
- Wildlife Agencies, Water Authority Sign 55-year Habitat Conservation Agreement
- Court Grants Discovery in Water Authority’s Rate Case Against MWD
- Court Ruling Allows New Claims to Remain in Water Authority’s Case Against MWD
- Web-based Camera System Provides Time Lapse Progress of San Vicente Dam Raise
- San Diego County’s Water Supply Outlook Brightens for 2012
- Appellate Court Upholds Historic Water Authority Transfer with Imperial Irrigation District
Update: The San Diego Union-Tribune Corrects Oct. 30 Pipeline Story

Water Use Efficiency Programs
Residential and HOA How-To Guides
The Water Authority issued two Requests for Proposals, one for the development of water efficiency “how to” guides for residential water users and for homeowners associations, and the other for marketing the guides. Michael Uhrhammer Communications was awarded the contract to develop the guides. Work on the residential guide has begun and is scheduled for completion by summer 2012. The marketing contract is expected to be awarded by early April and will produce marketing plans to promote both guides.

WaterSmart Field Services Program
Staff issued a task order to the regional contractor, Mission Resource Conservation District, to evaluate and refine the existing field services program. Mission will work closely with the Water Authority and the member agencies to identify and implement program refinements that will increase the quality of site information provided to survey and audit participants. The revised program will be ready by early fiscal year 2013.

WaterSmart Online Water Use Calculator
The Water Authority has been developing a calculator tool that shows residential water users how much water they may be using inside and outside the home, and provides tips and resources for saving water. The Alliance for Water Efficiency, in partnership with The Field Museum, launched an online water use calculator in January. The Water Authority, a member of AWE, is collaborating with AWE’s staff to modify the calculator so it is more applicable to the San Diego County region. Funding for these modifications will come from a Hans and Margaret Doe Charitable Trust grant.

San Diego County Garden Friendly Plant Fairs
Water Authority and member agency staff worked with The Home Depot to plan a series of plant fairs. The plant fairs will take place on Saturdays from 9 a.m. to 2 p.m. at different. A separate board memo this month discusses this item in more detail.

Energy Assessments
A partnership agreement between the Water Authority and San Diego Gas & Electric allowed the Water Authority to facilitate the identification of six water agencies to receive SDG&E-funded energy assessments. The energy assessments include an identification of energy conservation measures, savings potential, and implementation recommendations. Follow-up services include preparation of a scope of work for agencies that move forward with energy assessment recommendations, preparation of specifications for energy conservation measures, and assistance with preparation of incentive and grant applications. Five of the energy assessments are under way, and the sixth energy assessment is pending.

MWD Programs and Funding
In December 2011, using Bureau of Reclamation and Department of Water Resources grant funds, MWD added a Turf Removal Program to both its residential and CII regional programs.
MWD provides $0.30 per square foot of matching funds and the grant provides $0.70 per square foot so the customer receives a total of $1 per square foot. Because of the Water Authority’s rate litigation against MWD, MWD is excluding the Water Authority and its member agencies from its matching funds and is requiring the Water Authority and its member agencies to pay the $0.30 per square foot of matching funds in order to gain access to the grant funding. Five Water Authority member agencies have decided to participate using their own funds to access MWD’s grant funding. Water Authority staff are facilitating the agreements.

**Publications and Online Communications**
Staff distributed *WaterSource*, the Water Authority’s water issues e-newsletter, and the 20-Gallon Challenge conservation-focused e-newsletter. Staff also completed monthly distributions of *GM’s News and Notes* to board members and member agency general managers and an edition of *Connections* to Water Authority employees. Staff also produced nine short “Channel H2O” videos on a variety of subjects and posted them to the Water Authority’s website, Water News smartphone application, and YouTube.

**Community Relations**
Board members participated in several events during this quarter, including the San Diego County Taxpayers Association Breakfast Forum, “Media’s Impact on Public Policy,” and the Regional Chamber of Commerce’s Annual Dinner. Staff members also attended the Asian Business Association’s Lunar New Year Celebration.

Chair Hogan hosted a quarterly “Water Talks” community forum in January. The theme was “Building and Securing Water Reliability” and focused on major capital projects, the Emergency Storage Project, and pipeline monitoring and maintenance. Approximately 40 people attended. The South County Economic Development Council co-hosted the event, held at the Chula Vista Civic Library.

Staff provided presentations in the community on a variety of topics including water conservation, Water Authority overview and the current water supply outlook. Organizations that received presentations include the Mission Valley Rotary, Tierrasanta Kiwanis, and the San Diego City College Drip Irrigation Class. Staff also provided MWD rate challenge presentations to member agencies, city councils, and regional business organizations.

Staff also hosted a delegation from the Industry and Information Committee of Jiangi Province, China, in coordination with the Global Leadership Institute at the University of California, San Diego. The delegation heard staff presentations on the Water Authority’s supply diversification strategy, and regional and state water use efficiency programs and policies. The delegation also toured the Twin Oaks Valley Water Treatment Plant.

**School Education**
During this quarter, education programs reached 49 schools, 498 teachers and 14,664 students. The two theater programs, Dr. Wilderness and Shows that Teach, continue to conduct their assembly programs to public and private elementary schools throughout the county. The education team conducted the second Water Quality workshop for this school year. Staff have also begun to develop posters and other classroom materials to help teachers continue to convey
water conservation, water cycle, and water source information to their students as it begins to transition away from conducting classroom presentations with in-house staff. A $23,000 Hans and Margaret Doe Charitable Trust grant is funding the development and distribution of these materials.

**MWD/Water Authority Inspection Trips**
Director Keith Lewinger and Director Doug Wilson hosted the first inspection trip of 2012 on January 27-28. Thirty-three participants received several presentations and visited the Oroville Dam, Feather River Fish Hatchery, Delta Cross Channel, Twitchell Island, and the Banks Pumping Plant. On February 25-26, Director Fern Steiner hosted a Hoover Dam tour which included several presentations and visits to Hoover Dam, Copper Basin, Whitsett Intake Pumping Plant, the Colorado River Aqueduct, and San Vicente Reservoir.

**Joint Public Information Council**
Staff hosts joint meetings for JPIC and conservation coordinators every other month to provide a forum for member agency staff to share program information, provide input on emerging Water Authority programs and receive updates on MWD conservation programs. Meetings took place in December and February. Attendees and staff discussed a range of topics including use of social media, graywater, updates on the Quantification Settlement Agreement and the MWD rate litigation, MWD’s turf removal program, and the San Diego County Garden Friendly Plant Fair partnership with The Home Depot.

**CIP Projects**

**San Vicente Projects**
Staff hosted 12 San Vicente Dam Raise tours during December, January and February for members of the public. Director of Engineering Bill Rose hosted an additional tour for the East County Leadership Program. The tours typically address the Water Authority’s water supply diversification program, MWD rate lawsuit and the Emergency Storage Project in addition to construction on the dam raise. Ten additional tours are scheduled through April 2012. Staff produced a Channel H₂O video on construction progress at San Vicente Dam that is posted on the Water Authority’s website and is available on YouTube.

**Carlsbad Desalination Project**
Staff delivered notices to homes in a San Marcos neighborhood where Pipeline 3 inspection activities required partial excavation of the pipeline. If the Water Authority enters into a water purchase agreement with Poseidon Resources, the project’s private developer, Pipeline 3 would be used to deliver desalinated seawater from the Carlsbad plant north to the Twin Oaks Valley Water Treatment Plant.

Prepared by: Meena Westford, Public Affairs Senior Manager
Donna Nenow, Public Affairs Supervisor
Reviewed by: Jason Foster, Director of Public Outreach and Conservation
March 14, 2012

Attention: Legislation, Conservation and Outreach Committee

Government Relations Update (Information)

Discussion
This report is an update of the Water Authority’s government relations program.

State Budget
Legislative committees have been meeting to consider the Governor’s proposed budget. The committees have rejected the Governor’s recommended cuts to social services. Legislative leaders, however, have endorsed the Governor’s ballot initiative for November that would increase certain taxes to apply to public education.

The Governor’s Budget recommends that the Colorado River Board be eliminated and its duties be moved into the Natural Resources Agency. The water agencies that are members of the Colorado River Board and provide its funding are working to retain the Colorado River Board or to find an alternative structure that would accomplish the same purposes. The water agencies, which include the Water Authority, Metropolitan Water District, Imperial Irrigation District, and Coachella Valley Water District, provide all the funding for the Colorado River Board, so the state would not achieve any cost savings by moving it into the Natural Resources Agency.

Water Bond
The water bond measure that was passed as part of the 2009 Delta bill package is currently scheduled for the November 2012 general election ballot. The Governor and various interested organizations have been conducting polling on the bond measure. The polling indicates some support for the water bond, but not enough to be certain that the water bond will pass in November. However, the polling indicates that the water bond will not interfere with the Governor’s tax increase initiative. Additional polling results should be available in late March.

Polling results indicate that voters are concerned about the size of the water bond and about the perception that there are a lot of earmarked accounts that benefit supporters of members of the Legislature. An analysis by ACWA indicates that this water bond is, in fact, one of the most competitive, least earmarked, water bonds ever, with over 80 percent being allocated to competitive purposes.

The Senate President pro tem and the Assembly Speaker recently met with a number of parties interested in the water bond. They asked that stakeholders join together in groups to determine whether the bond can be reduced from its current amount of $11.14 billion to the $8 to $9 billion range. ACWA has formed a “Water Interests Team.” Water Authority staff and legislative advocates are members of the team, in order to protect funding that is allocated directly to San Diego region purposes. To reduce the amount of the water bond will require a two-thirds vote of
the Legislature. If the water bond cannot be reduced, and if the polling indicates that the water bond is unlikely to pass in 2012 without being reduced, the Legislature still has an option of moving the water bond to the 2014 or 2016 ballot.

**Bay-Delta**
The Natural Resources Agency has released an administrative draft of the Bay-Delta Conservation Plan and its associated EIR/EIS. The administrative draft includes the effects analysis and conservation plans, which are the heart of the BDCP. The two drafts consist of over 5,000 pages each. The drafts are not the formal public release drafts, but the agency says they will accept comments anyway.

The BDCP considers nine alternative water conveyance structures through, around, or under the Delta. The effects analysis and conservation plans are based on the largest alternative, which consists of two 33 foot diameter tunnels, with a combined capacity of 15,000 cubic feet per second. Water would be supplied to the tunnels by five 3,000 cfs intakes on the Sacramento River. The preferred alternative has not been decided yet, and this alternative is not necessarily what DWR will recommend as the preferred alternative. The state and federal governments are scheduled to announce the preferred alternative in June or July 2012.

The administrative draft BDCP identifies the total cost of the BDCP over 50 years at $23.1 billion. Of this amount, the cost of construction of the largest conveyance facility is estimated at $13 billion, which includes environmental mitigation costs. That amount is allocated to the state and federal water contractors. The remaining $10 billion is the estimated cost of providing habitat to recover the listed species over the next 50 years. The BDCP estimates that $700 million will have to be spent upfront for environmental mitigation costs before construction can begin. The BDCP anticipates that the improved conveyance system will be able to deliver an annual average of 5.9 million acre feet of water to the state and federal water contractors.

**Lobbyist Activities**
Jonathan Clay of Carpi and Clay will provide a separate report of the firm’s monthly activities.

Bob Giroux of Lang, Hansen, O’Malley & Miller reports that he performed the following lobbying activities on behalf of the Water Authority in February:

- Provided strategic advice and information regarding the Water Authority’s legislative interests.

John White’s activities in February included:

- Provided strategic advice and information regarding the Water Authority’s legislative interests.
In late February, the House of Representatives passed HR 1837 by Congressman Nunes. The bill would reverse the 2008 federal district court decisions by Judge Wanger that restrict exports of water from the Delta and exempt water exports from portions of the Endangered Species Act. The bill would also amend the Central Valley Project Improvement Act (CVPIA) to restore 800,000 acre feet of water that was dedicated to the environment in the early 1990s. Although this bill would eliminate certain federal roadblocks to exporting water from the Delta and presumably improve water supply reliability, it is opposed by Senators Boxer and Feinstein, as well as the President. It is considered extremely unlikely that the bill will advance in the Senate, let alone pass out of the Senate.

Ken Carpi of Carpi & Clay will provide a separate report of the firm’s monthly activities in Washington, D.C.

Prepared by:  Jeffrey A. Volberg, Government Relations Manager
Reviewed by: Dennis A. Cushman, Assistant General Manager
March 14, 2012

Attention: Legislation Conservation and Outreach Committee

Status Report on Legislation and Legislative Positions (Information)

Background
Water Authority staff is currently reviewing 118 bills in the Legislature for potential impact on the organization and its member agencies. Some of these bills are placeholder bills that do not propose substantive changes in the law, but which may be amended to propose such changes. The Water Authority’s staff and legislative advocates review each bill in the context of the adopted 2012 Legislative Policy Guidelines. The Legislative Policy Guidelines provide direction to staff and the Water Authority’s legislative advocates to communicate support or opposition to legislation and amendments. Bills for which staff recommends a position are brought before the Legislation, Conservation and Outreach Committee and the Board for consideration.

The state Legislature reconvened for the second half of the 2011-2012 biennial session on January 4, 2012. The deadline for bills to be introduced in the Legislature was February 24, 2012. Assembly and Senate policy committees must hear and report on fiscal bills in their respective houses by April 27, and on non-fiscal bills by May 11. The United States Congress is in the second session of the 112th Congress.

Discussion
During the 2011 legislative session, the Water Authority Board sponsored two bills and adopted positions on 19 bills, including 16 state bills and three federal bills. The Water Authority’s sponsored bill, SB 759 (Lieu), passed in the Legislature but was vetoed by the Governor. Of the four bills the Water Authority adopted a Support position on, two were signed into law, one was vetoed, and one was carried into 2012. No legislation that was opposed by the Water Authority passed in the Legislature during the 2011 session. The Hoover Power Allocation Act of 2011, H.R. 470 ( Heck), was signed into law by the President in December 2011. The Water Authority Board had adopted a Support position on S. 519 (Reid), the companion (identical) bill in the Senate.

Water Authority staff and its legislative advocates will continue to track and monitor bills throughout the legislative session to ensure consistency with board policies, positions and the 2012 Legislative Policy Guidelines. Attached is a matrix outlining current positions on legislation of interest to the Water Authority as of March 6, 2012. Also attached is a comprehensive list of bills that are under review and are being monitored by staff and legislative advocates.

Prepared by: Alexandra Schnell, Management Analyst
Reviewed by: Jeffrey A. Volberg, Government Relations Manager
Reviewed by: Dennis A. Cushman, Assistant General Manager

Attachments:
1. Matrix summarizing the Water Authority’s current positions on 2011-2012 legislation as of March 6, 2012
2. List of legislation under review by Water Authority staff as of March 6, 2012
San Diego County Water Authority  
Summary of Current Positions on 2011-2012 Legislation  
as of March 6, 2012

<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Author</th>
<th>Bill Title, Summary &amp; Status</th>
<th>SDCWA Position (Date of Board Action)</th>
</tr>
</thead>
</table>
| AB 19       | Fong   | *Water Charges and Meters: multiunit residential structures*  
AB 19 requires the Department of Housing and Community Development to develop building standards for water submeters in multi-unit residential structures. The bill requires water agencies to adopt policies that require landowners to install water submeters and charge their tenants separately for water by the volume of water delivered. The sought amendment would allow water providers to collect a fee for time spent inspecting the installation of submeters.  
**Status:**  
Dead; failed to meet the deadline for a 2-year bill to pass out of the house of origin. | Support, if amended (24-Mar-11) |
| AB 134      | Dickinson | *Appropriation of Water: Sacramento Regional County Sanitation District*  
AB 134 allows the Sacramento Regional County Sanitation District (SRCSD) to file an application to obtain a permit to appropriate an amount of water equal to the amount of treated wastewater discharged, less carriage losses, if water is redirected from the Sacramento River or Sacramento-San Joaquin Delta. The author has amended the bill to remove the Water Authority's concerns. As amended, the bill's language is procedurally consistent with existing law to ensure appropriate review by the SWRCB prior to the award of a permit.  
**Status:**  
Chapter 212, Statutes of 2011 | Neutral  
(Original position of 'Oppose' (adopted by Board 24-Feb-11) removed; bill has been amended to address the Water Authority's concerns). |
| AB 229      | Lara   | *Controller: audits*  
**Status:**  
Bill was amended (7/1/2011) to subject matter no longer relevant to the Water Authority. | Support, if amended (26-May-11) |
### San Diego County Water Authority

**Summary of Current Positions on 2011-2012 Legislation**

as of March 6, 2012

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<tbody>
<tr>
<td><strong>AB 275</strong></td>
<td>Solorio</td>
<td><strong>Rainwater Capture Act of 2011</strong>&lt;br&gt;AB 275 authorizes landowners to install and operate rain barrel systems for the collection of rainwater. The collected rainwater may be used for outside uses such as landscape irrigation, or for limited indoor uses such as toilet flushing. The bill also authorizes certified landscape contractors to install rain barrel systems. <strong>Status:</strong> Vetoed by Governor</td>
<td>Support (24-Mar-11)</td>
</tr>
<tr>
<td><strong>AB 342</strong></td>
<td>Atkins</td>
<td><strong>Office of Planning and Research</strong>&lt;br&gt;In 2006, an executive order was issued by Governor Schwarzenegger that designated the Office of Planning and Research (OPR) as the state executive branch's liaison to the Department of Defense (DOD). AB 342 would put this relationship into statute. The Water Authority seeks amendments to the bill to clarify that OPR shall act as a conduit between local governments, state agencies, and DOD when dealing with federal issues as well as local matters that have impacts on federal activities. <strong>Status:</strong> Senate Third Reading</td>
<td>Support and seek amendments (28-Apr-11)</td>
</tr>
<tr>
<td><strong>AB 457</strong></td>
<td>Wagner</td>
<td><strong>Public Works Contracts: relief for bidders</strong>&lt;br&gt;AB 457 would provide attorney's fees to a public works bidder who is not awarded a contract for a public project, but who successfully challenges the bidding process for the project in court. Strict guidelines detail how public agencies, including the Water Authority and its member agencies, award contracts. AB 457 would encourage meritless bid protests and increase construction costs as a result of the resulting construction delays. The proposed law is likely to result in an increase in bid protests and subsequent lawsuits against public entities. <strong>Status:</strong> Dead; failed to meet the deadline for a 2-year bill to pass out of the house of origin</td>
<td>Oppose (28-Apr-11)</td>
</tr>
</tbody>
</table>
# San Diego County Water Authority

## Summary of Current Positions on 2011-2012 Legislation

### as of March 6, 2012

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<tbody>
<tr>
<td><strong>AB 550</strong></td>
<td>Huber</td>
<td><strong>Sacramento-San Joaquin Delta: peripheral canal</strong>&lt;br&gt;AB 550 would undo a portion of the 2009 Bay-Delta bill package, by prohibiting the construction of a &quot;peripheral canal&quot; as defined in the bill, unless it is explicitly authorized by the Legislature. The 2009 Bay-Delta bill package, supported by the Water Authority, provides a process by which a facility can be approved and built to move water under or around the Delta, without further debate and authorization by the Legislature. The bill package was the result of extensive negotiations and compromise among the stakeholders in the Delta, and is intended to avoid the need for further legislative action on the issue. A requirement for further legislative approval could only delay or jeopardize the construction of a project to achieve the co-equal goals of water supply reliability and environmental restoration.</td>
<td>Oppose&lt;br&gt;(24-Mar-11)</td>
</tr>
<tr>
<td><strong>AB 576</strong></td>
<td>Dickinson</td>
<td><strong>Delta Stewardship Council: Delta Plan: financing</strong>&lt;br&gt;The Bay-Delta bill package (Nov. 2009) created the Delta Stewardship Council. The Council is charged with preparing a Delta Plan and ensuring that actions in the Delta conform to the plan. No funding has been set aside to cover the Council’s administrative and planning costs. AB 576 provides short-term funding for the Council through a fee on the State Water Project (SWP) and Central Valley Project (CVP) contractors. The Water Authority’s Legislative Policy Guidelines state that the Water Authority will oppose a bill that “imposes 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.” This bill imposes a fee solely on the SWP and CVP contractors, although the benefits will extend to many more users of the Delta. The California Urban Water Agencies (CUWA) has developed a table of the many beneficiaries of state activities in the Delta, which could be used to spread the costs across a much wider base. As amended, the bill should:&lt;br&gt;• Include other beneficiaries besides the SWP and CVP contractors in the proposed initial fee;&lt;br&gt;• Spread the Council’s planning and administrative costs more broadly to all persons or groups that benefit from or cause impacts to the Delta watershed;&lt;br&gt;• Require that any fees recommended by the Council be developed through an open, transparent public process and be adopted by the Legislature; and&lt;br&gt;• Include a funding cap and sunset clause for the initial fee.</td>
<td>Oppose, unless amended&lt;br&gt;(24-Mar-11)</td>
</tr>
<tr>
<td><strong>AB 685</strong></td>
<td>Eng</td>
<td><strong>State Water Policy: Regional Water Management</strong>&lt;br&gt;<strong>Status:</strong>&lt;br&gt;Senate Appropriations Committee</td>
<td>No position taken; amendments sought&lt;br&gt;(25-Aug-11)</td>
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</tbody>
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# San Diego County Water Authority
## Summary of Current Positions on 2011-2012 Legislation
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<tr>
<td>AB 1048</td>
<td>Harkey</td>
<td><strong>Water Quality: recycled water and wastewater: fluoride</strong>&lt;br&gt;The state's regional water quality control boards maintain standards for the concentration of fluoride in recycled and waste water discharges. These standards are maintained in the regional boards' basin plans. AB 1048 was intended to prevent the regional boards from requiring that wastewater or recycled water contain a concentration of fluoride that is less than the concentration required to be maintained in drinking water. State Water Resources Control Board staff identified this to be an issue for the San Diego area only. The bill was amended to require the San Diego Regional Water Quality Control Board (RWQCB) to address levels of fluoride in recycled water and wastewater as part of the board's review of the Water Quality Control Plan for the San Diego Basin. The Water Authority is continuing discussions with the San Diego RWQCB on this matter.</td>
<td>Sponsor (27-Jan-11)</td>
</tr>
<tr>
<td>AB 1354</td>
<td>Huber</td>
<td><strong>Public Works: payment: retention</strong></td>
<td>Oppose (28-Apr-11)</td>
</tr>
<tr>
<td>SB 34</td>
<td>Simitian</td>
<td><strong>California Water Resources Investment Act of 2011</strong>&lt;br&gt;SB 34 would impose a charge on each retail water agency, based on the volume of water it serves for non-agricultural purposes, or on the number of acres served for agricultural purposes. The revenues from the charge would be placed in a Water Resources Investment Fund (WRIF), from which half would be allocated to eleven regions, based on the regional water quality control board regions, for distribution to integrated regional water management planning entities within each region. The remaining half would be used by the state to finance various state programs and projects. The Water Authority's Legislative Policy Guidelines state that the Water Authority will oppose a bill that &quot;imposes 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.&quot; SB 34 imposes an open-ended fee on water users to fund the state's share of water infrastructure and water quality projects and programs, as well as to provide funding for integrated regional water management plans, regulated by the Department of Water Resources.</td>
<td>Oppose (28-Apr-11)</td>
</tr>
</tbody>
</table>

**Status:**
Dead; failed to meet the deadline for a 2-year bill to pass out of the house of origin.
# San Diego County Water Authority
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<tr>
<td><strong>SB 200</strong></td>
<td>Wolk</td>
<td>Sacramento-San Joaquin Delta: Bay Delta Conservation Plan</td>
<td>Support, if amended (28-Apr-11)</td>
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<tr>
<td></td>
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<td><strong>Status:</strong></td>
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<tr>
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<td>Bill was amended (1/4/2012) to subject matter no longer relevant to the Water Authority.</td>
<td></td>
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<tr>
<td><strong>SB 215</strong></td>
<td>Huff</td>
<td>Invasive Aquatic Species: mussels</td>
<td>Support (26-May-11)</td>
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<tr>
<td></td>
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<td><strong>Status:</strong></td>
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<td></td>
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<td>Chapter 332, Statutes of 2011</td>
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<tr>
<td><strong>SB 328</strong></td>
<td>Kehoe</td>
<td>Eminent Domain: conservation easements</td>
<td>Support (24-Mar-11)</td>
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<tr>
<td></td>
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<td><strong>Status:</strong></td>
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<td>Chapter 589, Statutes of 2011</td>
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<tr>
<td>Bill Number</td>
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<td>Bill Title, Summary &amp; Status</td>
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<tr>
<td><strong>SB 607</strong></td>
<td>Walters</td>
<td><strong>State Water Resources Control Board: water quality: brackish groundwater treatment</strong>&lt;br&gt;Existing law requires the State Water Resources Control Board (SWRCB) to adopt an Ocean Plan and update it every three years. SB 607 would require the SWRCB to amend the Ocean Plan to address the discharge of wastewater resulting from the treatment of brackish groundwater for potable use. This would result in the adoption of a statewide policy that would prevent the inconsistent application of standards by the regional water quality control boards.&lt;br&gt;The Water Authority seeks an amendment that would add the discharge of water resulting from desalination treatment of recycled water to what is addressed in the Ocean Plan.</td>
<td>Support and seek amendments (26-May-11)</td>
</tr>
<tr>
<td><strong>SB 759</strong></td>
<td>Lieu</td>
<td><strong>Common Interest Developments: artificial turf</strong>&lt;br&gt;SB 759 would ban homeowners' associations (HOA's) from outright prohibiting the use of artificial turf for landscaping purposes, while allowing HOA's to implement design guidelines.&lt;br&gt;This bill is essentially the same as AB 1793 (Saldaña), sponsored by the Water Authority in 2010. AB 1793 was vetoed by Governor Schwarzenegger; however, there is an improved likelihood that Governor Brown will sign the bill if it passes in the Legislature this year.</td>
<td>Sponsor (27-Jan-11)</td>
</tr>
</tbody>
</table>
## San Diego County Water Authority
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</table>
| SB 900      | Steinberg | **California Regional Water Quality Control Boards: members**  
Under existing law, no person may be a member of a regional water quality control board if the person has received a significant portion of his or her income during the past two years from an entity that is subject to waste discharge permitting requirements. SB 900 would remove this prohibition. Regional water quality control boards issue permits to dischargers of “waste” into waters within the boards’ jurisdiction. Under existing law, having received income from a permittee is considered a conflict of interest that disqualifies a person from being a member of a board. Unfortunately, this law disqualifies most of the people with the most relevant knowledge and experience. The permitting decisions made by regional water quality control boards have a significant impact on urban and agricultural water agencies. Former employees of water agencies, however, are disqualified from serving on the boards for two years. Removal of this prohibition would broaden the pool of qualified applicants for positions on the board and would increase the knowledge, experience, and sophistication of the boards in making permitting decisions.  
**Status:**  
Assembly Inactive File | Support  
(23-Jun-11) |
| SB 931      | Vargas | **Public Employee Organizations**  
**Status:**  
Bill was amended (8/31/2011) to subject matter no longer relevant to the Water Authority. | Oppose  
(25-Aug-11) |
| H.R. 2018   | Mica | **Clean Water Cooperative Federalism Act of 2011**  
The Clean Water Cooperative Federalism Act of 2011 is a bipartisan bill that would require the Environmental Protection Agency to accept water quality standards established by a state. H.R. 2018 would give each state the final say in whether a revised state water-quality standard satisfies the Clean Water Act. EPA would not be able to veto a permitting decision made by a state under the Clean Water Act, including decisions on section 401 and 404 permits. The bill was introduced to ensure that the EPA works cooperatively with the states in regulating water quality. In recent years, the EPA has overridden state water quality standards, set new criteria and timelines for Clean Water Act permits, and vetoed state permitting decisions. The federal government, through the EPA and Army Corps of Engineers, has been asserting ever-increasing jurisdiction over water through the Clean Water Act. This has resulted in delays and increased costs of infrastructure projects, even though the states have their own water quality standards and permit requirements. H.R. 2018 is intended to restore the balance between EPA and state water quality jurisdiction as intended in the original Clean Water Act.  
**Status:**  
Senate Legislative Calendar | Support  
(28-Jul-11) |
<table>
<thead>
<tr>
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<th>SDCWA Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>H.R. 2664</td>
<td>Napolitano</td>
<td><strong>Reauthorization of Water Desalination Act of 2011</strong></td>
<td>Support (25-Aug-11)</td>
</tr>
</tbody>
</table>
|             |             | H.R. 2664 reauthorizes the Water Desalination Act of 1996. It authorizes federal expenditure of $2 million per year through 2016 for federal desalination research projects. The existing law has funded 38 projects in California since 1996. The projects are intended to perfect desalination technologies and reduce the cost of producing new water from the ocean and brackish groundwater resources. Discoveries under the federal research program include "determining how to dispose of saline wastewater, establishing uniform industry standards for common desalination components, funding 'brackish' water projects to desalinate ground water, discovering how to withdraw sea water from below the sea floor to minimize environmental damage, and developing reverse osmosis membrane pretreatment to improve desalination."
|             |             | The actual bill only refers to brackish groundwater desalination. Representative Napolitano's office, however, states that the bill is intended to include seawater desalination and will be amended to make that clear. |
|             |             | **Status:** House Committee on Natural Resources (Subcommittee on Water & Power); additionally referred to House Committee on Science, Space, & Technology |
| S. 519 *    | Reid        | **Hoover Power Allocation Act of 2011**                                                                                                                                                                                   | Support (28-Apr-11) |
|             |             | Provides for the continued allocation of power from the Hoover Dam power plant to existing users and to some new users after the current contracts expire in 2017. Electrical power from Hoover Dam is a vital power resource for more than 29 million people in California, Arizona, and Nevada. The Metropolitan Water District (MWD) is a major contractor for Hoover power, which it uses to move water from the Colorado River to the coastal plain of Southern California. This bill provides for continued contracts starting in 2017 and continuing for a period of 50 years. Hoover power is a low-cost, clean, and renewable source of power. The bill allocates five percent of the existing allocations to various federally recognized Indian tribes and other eligible entities. On the whole, the bill provides long-term certainty of power supply for MWD and other water suppliers that depend on Hoover power to ensure efficient and reliable Colorado River water deliveries. |
|             |             | **Status:** H.R. 470 was enacted by the President 12/20/2011; Public Law No. 112-72 |
|             |             | * H.R. 470 (Heck) is the companion (identical) bill in the House of Representatives. |
Legislation Under Review by the Water Authority as of March 6, 2012

CA AB 19  
**AUTHOR:** Fong [D]  
**TITLE:** Building Standards: Water Meters: Multiunit Structures  
**FISCAL COMMITTEE:** no  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 12/06/2010  
**LAST AMEND:** 01/04/2012  
**DISPOSITION:** Failed  
**LOCATION:** ASSEMBLY  
**SUMMARY:** Requires a water purveyor providing water service to a newly constructed multiunit residential structure or mixed-use residential and commercial structure, including a structure that is part of a common interest development, that submits and application for a water connection after a specified date, to require the installation of the meter to measure water to each unit as a condition of new water service. Exempts certain buildings from these requirements.  
**STATUS:** 02/01/2012 Died pursuant to Art. IV, Sec. 10(c) of the Constitution. 02/01/2012 From Committee: Filed with the Chief Clerk pursuant to JR 56.  
**NOTES:** Position: Support if amended (3-24-11)

CA AB 23  
**AUTHOR:** Smyth [R]  
**TITLE:** Local Agency Meetings: Compensation Disclosure  
**FISCAL COMMITTEE:** no  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 12/06/2010  
**ENACTED:** 07/25/2011  
**DISPOSITION:** Enacted  
**LOCATION:** Chaptered  
**CHAPTER:** 91  
**SUMMARY:** Amends the Ralph M. Brown Act which requires each legislative body of a local agency to provide the time and place for holding regular meetings. Authorizes a convened legislative body whose membership constitutes a quorum of any other legislative body to convene a meeting of the subsequent legislative body, simultaneously or in serial order, only if a clerk or member announces the amount of compensation or stipend, if any, each member will receive as a result of convening simultaneous or serial meetings.  
**STATUS:** 07/25/2011 Signed by GOVERNOR. 07/25/2011 Chaptered by Secretary of State. Chapter No. 91

CA AB 54  
**AUTHOR:** Solorio [D]  
**TITLE:** Drinking Water  
**FISCAL COMMITTEE:** yes  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 12/06/2010  
**ENACTED:** 10/07/2011  
**DISPOSITION:** Enacted  
**LOCATION:** Chaptered  
**CHAPTER:** 512
SUMMARY:
Requires a mutual water company that operates a public water system to submit a map depicting approximate service boundaries. Disallows expansion without approval. Requires a company financial reserve fund. Requires board member training. Relates to projects funded under the Safe Drinking Water Revolving Fund and application processing. Relates to annexation. Relates to safe drinking water standards compliance. Requires an assessment by such company to pay water quality violation related civil fines.

STATUS:
10/07/2011 Signed by GOVERNOR.
10/07/2011 Chaptered by Secretary of State. Chapter No. 512

CA AB 83

AUTHOR: Jeffries [R]
TITLE: Environment: CEQA Exemption: Recycled Water Pipeline
FISCAL COMMITTEE: yes
URGENCY Clause: no
INTRODUCED: 01/05/2011
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY:
Amends existing law regarding California Environmental Quality Act environmental impact reports. Exempts a project for the installation of a new pipeline for the distribution of recycled water within an improved public street, highway, or right-of-way.

STATUS:
02/01/2012 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/01/2012 From Committee: Filed with the Chief Clerk pursuant to JR 56.

CA AB 134

AUTHOR: Dickinson [D]
TITLE: Sacramento Regional County Sanitation District
FISCAL COMMITTEE: yes
URGENCY Clause: no
INTRODUCED: 01/12/2011
ENACTED: 09/06/2011
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 212
SUMMARY:
Authorizes the Sacramento Regional County Sanitation District to file an application for a permit to appropriate a specified amount of water that is based on the volume of treated wastewater that the district discharges into the Sacramento River and recovers for reuse. Authorizes the State Water Resources Control Board to grant a permit to appropriate that treated wastewater upon terms and conditions determined by the board. Requires the board to comply with specified related requirements.

STATUS:
09/06/2011 Signed by GOVERNOR.
09/06/2011 Chaptered by Secretary of State. Chapter No. 212
NOTES: Position: Neutral - bill was amended to address Water Authority’s concerns (original Oppose position, 2-24-11)

AUTHOR: Jeffries [R]
CA AB 157

**TITLE:** Safe, Clean and Reliable Drinking Water Supply Act

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 01/19/2011

**DISPOSITION:** Failed

**LOCATION:** ASSEMBLY

**SUMMARY:**
Reduces the total amount of bonds authorized to be issued pursuant to the Safe, Clean and Reliable Drinking Water Supply Act of 2012. Makes conforming reductions to amounts specified to be allocated from these bond funds for certain purposes.

**STATUS:**
02/01/2012 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/01/2012 From Committee: Filed with the Chief Clerk pursuant to JR 56.

CA AB 246

**AUTHOR:** Wieckowski [D]

**TITLE:** Income Taxes: Credit: Hiring

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/03/2011

**LAST AMEND:** 02/13/2012

**DISPOSITION:** Pending

**LOCATION:** Senate Governance and Finance Committee

**SUMMARY:**
Redefines, under the Personal Income Tax and Corporation Tax laws, the term qualified employer to mean a disabled veteran business enterprise, a disadvantaged business enterprise, a microbusiness, or small business. Allows a credit for each net increase in full-time employees, who are paid qualified wages according to specified hourly wage rates.

**STATUS:**
03/01/2012 Re-referred to SENATE Committee on GOVERNANCE AND FINANCE.

CA AB 275

**AUTHOR:** Solorio [D]

**TITLE:** Rainwater Capture Act of 2011

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/07/2011

**VETOED:** 10/09/2011

**DISPOSITION:** Vetoed

**LOCATION:** Vetoed

**SUMMARY:**
Enacts the Rainwater Capture Act of 2011. Authorizes residential, commercial, and governmental landowners to install, maintain, and operate rain barrel systems and rainwater capture systems for specified purposes. Requires a local agency to notify a public water system of any permit program. Authorizes a landscape contractor to enter into a prime contract for the construction of such system, if it is used exclusively for landscape irrigation. Authorizes such contractors to design and install exterior parts.

**STATUS:**
10/09/2011 Vetoed by GOVERNOR.
CA AB 307

Includes a federally recognized Indian tribe as an agency that may enter into a joint powers agreement. Prohibits any joint powers authority that includes a federally recognized Indian tribe from authorizing or issuing bonds pursuant to the Marks-Roos Local Bond Pooling Act unless the public improvements to be funded by the bonds will be owned and maintained by the authority or one or more of its public agency members, and the revenue streams pledged to repay the bonds are derived from certain entities.

CA AB 342

Requires the Office of Planning and Research, which is the coordinating agency for environmental justice programs, to serve as the state's liaison to the United States Department of Defense in order to facilitate coordination regarding issues that are of significant interest to the state and department.

CA AB 356

Prohibits any local agency from mandating that any portion or percentage of work on a public works project be performed by local residents or persons residing within particular areas if any portion of that project will take place
outside the geographical boundaries of the agency. Requires a local agency to fund any public works project cost increase where the project is funded with state funds and the agency implements a local resident hiring policy.

**STATUS:**
02/01/2012 Died on Inactive File.

**CA AB 359**

**AUTHOR:** Huffman [D]

**TITLE:** Groundwater Management Plans

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/14/2011

**ENACTED:** 10/08/2011

**DISPOSITION:** Enacted

**LOCATION:** Chaptered

**CHAPTER:** 572

**SUMMARY:**
Requires a local groundwater management agency to provide a copy of a resolution of intention to adopt a groundwater management plan to the Department of Water Resources. Authorizes any person to be placed on the list to receive plan preparation notices. Requires the existing plan to remain in effect if the new plan is not implemented. Requires the department to post specified related information on its Web site. Specifies that groundwater projects shall include projects of the regional water plan.

**STATUS:**
10/08/2011 Chaptered by Secretary of State. Chapter No. 572

**CA AB 380**

**AUTHOR:** Chesbro [D]

**TITLE:** Resources: Watersheds

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/14/2011

**LAST AMEND:** 06/22/2011

**DISPOSITION:** Pending - Carryover

**LOCATION:** Senate Appropriations Committee

**SUMMARY:**
Require the Department of Forestry and Fire Protection and the Board of Forestry and Fire Protection, when implementing a pilot project to protect and restore the riparian zone in watersheds with listed anadromous salmonids, to provide the industry, agencies, and the public with the opportunity to participate in the development of the project in a transparent manner and to ensure certain project goals. Requires certain documents to be placed on the department's Internet Web site. Requires regulations.

**STATUS:**
08/25/2011 In SENATE Committee on APPROPRIATIONS: Held in committee.

**CA AB 403**

**AUTHOR:** Campos [D]

**TITLE:** Public Drinking Water Standards: Hexavalent Chromium

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/14/2011

**LAST AMEND:** 07/12/2011

**DISPOSITION:** Pending
Requires the Department of Public Health to post its progress on the establishment of primary drinking water standard hexavalent chromium on the department's Internet Web site. Includes the adoption of a primary drinking water standard for hexavalent chromium among the proposed regulations relating to maximum contaminant levels for primary or secondary water standards that are subject to a review by the Department of Finance of not more than 90 days.

CA AB 457

Entitles a bidder who successfully challenges the award of a public works contract determined to be invalid due to errors or omissions of the public entity to recover costs and attorney's fees incurred in pursuing the challenge. Allows attorney's fees and costs to be awarded to the public entity under specified circumstances.

CA AB 467

Amends existing law that requires the State Department of Public Healthy, in collaboration with the Department of Toxic Substances Control and the State Water Resources Control Board, to develop and adopt regulations governing the repayment of costs that are subsequently recovered from parties responsible for the contamination of groundwater. Requires the State of Department of Public Health to develop guidelines governing this repayment. Authorizes the department to enter into a cost recovery contract.
Passed ASSEMBLY. ****To SENATE. (77-0)

CA AB 531

AUTHOR: Olsen [R]
TITLE: Groundwater
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/15/2011
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY:
Makes technical, nonsubstantive changes to existing law relating to groundwater management which encourages local agencies to work cooperatively to manage groundwater resources.
STATUS:
02/01/2012 Died at Desk.

CA AB 550

AUTHOR: Huber [D]
TITLE: Sacramento-San Joaquin Delta: Peripheral Canal
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/16/2011
LAST AMEND: 01/04/2012
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY:
Prohibits the construction of a peripheral canal that conveys water from a diversion point in the Sacramento River to a location south of the Sacramento-San Joaquin Delta, unless expressly authorized by the Legislature. Requires the Legislative Analyst’s Office to complete an economic feasibility analysis prior to the enactment of a statute authorizing the construction of a peripheral canal. Prohibits the construction and operation of a peripheral canal from diminishing water quality.
STATUS:
02/01/2012 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/01/2012 From Committee: Filed with the Chief Clerk pursuant to JR 56.
NOTES:
Position: Oppose (3-24-11)

CA AB 576

AUTHOR: Dickinson [D]
TITLE: Delta Plan: Financing
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/16/2011
LAST AMEND: 03/31/2011
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY:
Requires the Delta Stewardship Council to develop a long-term finance plan to pay for the costs of implementing the Delta Plan by a specified date. Prohibits the council from adopting new fees for these purposes unless authorized by statute. Authorizes the council, before adopting and collecting long-term revenue sources, to seek to obtain early funding contributions from entities that may benefit from implementation of the Plan and to track those contributions.
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| STATUS:                                                                 | To SENATE Committee on ENVIRONMENTAL QUALITY. |

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use commission be consistent with a safety and noise standard in an Air Installation Compatible Use Zones if the standards were adopted on or after a specified date, pursuant to a public process that resulted in adoption of an environmental impact statement pursuant to the federal National Environmental Policy Act of 1969.

**STATUS:**

02/01/2012 Died on Inactive File.

**CA AB 685**

**AUTHOR:** Eng [D]

**TITLE:** State Water Policy: Regional Water Management

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/17/2011

**LAST AMEND:** 01/13/2012

**DISPOSITION:** Pending

**LOCATION:** Senate Appropriations Committee

Requires all specified relevant state agencies to advance the implementation of state policy regarding the right to safe, clean, affordable, and accessible water, upon revising existing, and upon adopting or establishing new policies, regulations, and funding criteria, when such actions are pertinent to the use of water as described.

**STATUS:**

01/13/2012 From SENATE Committee on APPROPRIATIONS with author's amendments.

01/13/2012 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

**NOTES:** Amendments being sought (8-25-2011)

**CA AB 741**

**AUTHOR:** Huffman [D]

**TITLE:** Onsite Wastewater Disposal

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/17/2011

**ENACTED:** 07/25/2011

**DISPOSITION:** Enacted

**LOCATION:** Chaptered

**CHAPTER:** 106

SUMMARY:

Amends an existing law authorizing a property owner included within an assessment district for construction of a main trunkline or collector sewer lines, to request construction plumbing to connect his or her property to the adjoining public sewer system, and creates a lien. Relates to funding. Authorize defined entities, to use this provision for the purpose of converting properties from onsite septic systems and connecting them to the sewer system and for replacing or repairing existing sewer laterals.

**STATUS:**

07/25/2011 Signed by GOVERNOR.

07/25/2011 Chaptered by Secretary of State. Chapter No. 106

**CA AB 745**

**AUTHOR:** Valadao [R]

**TITLE:** California Water Plan

**FISCAL COMMITTEE:** no
Makes technical, substantive changes to existing law requiring the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development and use of water resources of the state, which is known as the California Water Plan.

STATUS:
02/01/2012 Died at Desk.

CA AB 763

AUTHOR: Berryhill B [R]
TITLE: Water Rights: Administrative Procedures
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/17/2011
LAST AMEND: 04/12/2011
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY: Authorizes the Water Resources Control Board to employ administrative law judges to conduct hearings and issue decisions and orders relating to water rights. Authorizes a person who files an application relating to the appropriation of water to appeal specified determinations for review by a member of the board or an administrative law judge before the board takes final action on the application or petition.

STATUS:
02/01/2012 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/01/2012 From Committee: Filed with the Chief Clerk pursuant to JR 56.

CA AB 779

AUTHOR: Fletcher [R]
TITLE: Municipal Water Districts: Oversight
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/17/2011
LAST AMEND: 03/30/2011
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY: Authorizes a municipal water district to establish an independent oversight committee to assist in tracking and reviewing revenues of the district to advance capital improvements, operations and maintenance of district facilities, and allocation methodologies. Authorizes an independent oversight committee to perform specified functions for those purposes.

STATUS:
02/01/2012 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/01/2012 From Committee: Filed with the Chief Clerk pursuant to JR 56.

CA AB 834

AUTHOR: Hernandez R [D]
TITLE: Local Government Contracts
Requires the legislative body of a city, county, or district to review any contract with a private party with a specified total value, that contains an automatic renewal clause on or before the annual date by which the contract may be rescinded.

STATUS:

02/01/2012 Died on Inactive File.

CA AB 838

AUTHOR: Hill [D]

TITLE: Public Utilities Commission: Public Safety

SUMMARY: Requires the Public Utilities Commission to appoint an Assistant Executive Director for Public Safety to coordinate all actions of all divisions of the commission to ensure public safety is a primary goal in all proceedings held by the commission and to advise the commission and each commissioner in regard to all matters that may effect public safety.

STATUS:

02/16/2012 To SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.

CA AB 849

AUTHOR: Gatto [D]

TITLE: Water: Use Efficiency: Graywater Building Standards

SUMMARY: Repeals the authority of a city, county, or other local agency to adopt building standards that prohibit entirely the use of graywater. Authorizes the adoption of standards that are more restrictive than required under state requirements. Requires that an ordinance enacted pursuant to this authority include the local climatic, geological, or topographical conditions requiring different building standards. Requires the local entities consult with the local public health department prior to permit issuance.

STATUS:

10/08/2011 Chaptered by Secretary of State. Chapter No. 577

CA AB 903

AUTHOR: Berryhill B [R]
Sacramento-San Joaquin Delta: Dredging

Makes legislative findings relative to the importance of dredging the Sacramento-San Joaquin Delta. Requires the State Water Resources Control Board to provide priority review of dredging permits in the Delta.

STATUS:
02/01/2012 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/01/2012 From Committee: Filed with the Chief Clerk pursuant to JR 56.

CA AB 938

AUTHOR: Perez V [D]
TITLE: Public Water Systems
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
ENACTED: 10/07/2011
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 514
SUMMARY: Amends existing law that establishes the Safe Drinking Water State Revolving Fund and requires total funding of a single project to be determined by an assessment of affordability. Adds environmental documentation to the costs of a single project that is required to be determined by that assessment. Requires the public notice given by a public water system be in specified languages and media outlets. Establishes specified presumptions of compliance if a water system takes certain actions.

STATUS:
10/07/2011 Signed by GOVERNOR.
10/07/2011 Chaptered by Secretary of State. Chapter No. 514

CA AB 955

AUTHOR: Huber [D]
TITLE: Onsite Sewage Treatment Systems
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 06/13/2011
DISPOSITION: Pending - Carryover
LOCATION: Senate Environmental Quality Committee
SUMMARY: Requires the regulations or standards of the State Water Resources Control Board for the permitting and operation of specified onsite sewage treatment systems to consist of a risk-based, tiered approach. Specifies that the exemption criteria to be contained in the regulations may also be established by the state board in addition to the regional boards. Deletes from the local agency implementation provision the condition that the local agency request authorization.
CA AB 963

AUTHOR: Valadao [R]
TITLE: Safe Drinking Water: Contaminated Groundwater
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 04/12/2011
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY:
Requires the State Department of Public Health to develop guidelines to fund projects for disadvantaged or severely disadvantaged communities and to govern the selection of projects that considered demonstrated prevention of illness and adverse public health effects. Requires the department to guidelines for improving replacement drinking water system in areas with contaminated groundwater that may not be economically remediated for drinking water purposes and water acquisition by small communities.
STATUS:
02/01/2012 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/01/2012 From Committee: Filed with the Chief Clerk pursuant to JR 56.

CA AB 977

AUTHOR: Harkey [R]
TITLE: Harbors and Ports: Loans: OC Dana Point Harbor
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 03/31/2011
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY:
Relates to the acquisition, construction, and operation of small craft harbors. Requires the Department of Boating and Waterways to extend all phases of certain loan contracts for such purposes between the department and the County of Orange, OC Dana Point Harbor.
STATUS:
02/01/2012 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/01/2012 From Committee: Filed with the Chief Clerk pursuant to JR 56.

CA AB 983

AUTHOR: Perea [D]
TITLE: Safe Drinking Water State Revolving Fund
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
ENACTED: 10/07/2011
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 515
SUMMARY: Amends existing law that establishes the Safe Drinking Water State Revolving Fund. Authorizes the State Department of Public Health to take specified actions to improve access to financial assistance for small community water systems and not-for-profit nontransient noncommunity water systems serving disadvantaged communities. Requires such systems to be eligible to receive up to 100% of eligible project costs in the form of a grant, to the extent the system cannot afford a loan.
STATUS:
10/07/2011 Signed by GOVERNOR.
10/07/2011 Chaptered by Secretary of State. Chapter No. 515

CA AB 1002
AUTHOR: Butler [D]
TITLE: California Water Plan: Stormwater Recovery
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY: Relates to the California Water Plan. Requires the Department of Water Resources to include in the plan a discussion of strategies relating to stormwater recovery.
STATUS:
02/01/2012 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/01/2012 From Committee: Filed with the Chief Clerk pursuant to JR 56.

CA AB 1045
AUTHOR: Norby [R]
TITLE: Local Government: Bonds
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
DISPOSITION: Pending - Carryover
LOCATION: Senate Governance and Finance Committee
SUMMARY: Prohibits a local agency from entering into a financial advisory, legal advisory, underwriting, or similar relationship with an individual or firm that provided or will provide bond campaign services, as defined, to the bond campaign.
STATUS:
06/22/2011 In SENATE Committee on GOVERNANCE AND FINANCE: Reconsideration granted.

CA AB 1048
AUTHOR: Harkey [R]
TITLE: Water Quality: San Diego: Recycled and Wastewater
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 02/18/2011
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY:
Requires the State Regional Water Quality Board, San Diego Region, to address levels of fluoride in recycled water and wastewater as part of the board's review of the Water Quality Control Plan for the San Diego Basin.

**STATUS:**

02/01/2012 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/01/2012 From Committee: Filed with the Chief Clerk pursuant to JR 56.

**NOTES:**

Position: Sponsor (1-27-11)

CA AB 1058

**AUTHOR:** Smyth [R]

**TITLE:** Water Quality: Salinity: Agricultural Use

**FISCAL COMMITTEE:**

yes

**URGENCY CLAUSE:**

no

**INTRODUCED:** 02/18/2011

**LAST AMEND:** 03/31/2011

**DISPOSITION:** Failed

**LOCATION:** ASSEMBLY

**SUMMARY:**

Requires the State Water Resources Control Board to adopt a statewide policy establishing a statewide water quality objective and plan for implementation for chloride and other measures of salinity that may affect the suitability of water used for agricultural purposes, in accordance with prescribed requirements.

**STATUS:**

02/01/2012 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/01/2012 From Committee: Filed with the Chief Clerk pursuant to JR 56.

CA AB 1109

**AUTHOR:** Chesbro [D]

**TITLE:** Drinking Water: Point-of-Use Devices

**FISCAL COMMITTEE:**

yes

**URGENCY CLAUSE:**

no

**INTRODUCED:** 02/18/2011

**LAST AMEND:** 03/31/2011

**DISPOSITION:** Failed

**LOCATION:** ASSEMBLY

**SUMMARY:**

Amends existing law that authorizes the State Department of Public Health to develop limited emergency regulations governing the permitted use of point-of-entry and point-of-use treatment by public water systems in lieu of centralized treatment and limits these regulations to public waters systems with a specified amount of service connections. Limits the regulations to public waters systems with an increased amount of service connections. Permits the regulations to stay in effect until a specified date.

**STATUS:**

02/01/2012 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/01/2012 From Committee: Filed with the Chief Clerk pursuant to JR 56.

CA AB 1152

**AUTHOR:** Chesbro [D]

**TITLE:** Groundwater

**FISCAL COMMITTEE:**

yes

**URGENCY CLAUSE:**

no

**INTRODUCED:** 02/18/2011

**SUMMARY:**

Amends existing law that authorizes the State Department of Public Health to develop limited emergency regulations governing the permitted use of point-of-entry and point-of-use treatment by public water systems in lieu of centralized treatment and limits these regulations to public waters systems with a specified amount of service connections. Limits the regulations to public waters systems with an increased amount of service connections. Permits the regulations to stay in effect until a specified date.

**STATUS:**

02/01/2012 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/01/2012 From Committee: Filed with the Chief Clerk pursuant to JR 56.
Amends existing law that authorizes specified entities to assume responsibility for monitoring and reporting groundwater elevations in all or a part of a groundwater basin or subbasin to add to the list of those entities. Authorizes such entity to report elevations using alternate monitoring techniques for groundwater basins and subbasins meeting prescribed conditions. Requires that entity to submit information on alternate techniques use. Deletes provisions regarding groundwater monitoring functions.

Amends the State Global Warming Solutions Act of 2006 to require the State Air Resources Board to adopt a compliance offset protocol that meets specified criteria if the board adopts a cap-and-trade program that allows the use of offsets for compliance under that program.

Requires the Department of Water Resources to include a specified safe drinking water plan prepared by the State Department of Public Health in updates of the State Water Plan. Requires the department to contract with the Department of Public Health for that purpose.
Amends the Calderon-Sher Safe Drinking Water Act of 1996. Includes cooking, preparing food and washing food in the definition of human consumption. Exempts certain public water systems that sell water obtained from a public water system that is subject to the act, through a submetered distribution system, if each user of the system is charged no more than the rate the user would be charged by the public water system. Relates to violation citations and penalties.

STATUS:
10/07/2011  Signed by GOVERNOR.
10/07/2011  Chaptered by Secretary of State.  Chapter No. 516

CA AB 1200

Amends existing law that requires that each member of a county central committee for the Democratic, Republican, and American Independent Parties take and subscribe to an oath or affirmation and that the oath or affirmation may be taken before the officer authorized to administer oaths. Provides that the oath or affirmation may be taken before the chairperson of the county central committee, the immediate predecessor of the chairperson, or a designee of the chairperson or the immediate predecessor.

STATUS:
03/05/2012  From ASSEMBLY Committee on ELECTIONS AND REDISTRICTING:  Recommend concurrence in SENATE amendments. (6-0)
03/05/2012  In ASSEMBLY.  Urgency clause adopted.  ASSEMBLY concurred in SENATE amendments.  To enrollment. (73-0)
03/05/2012  Enrolled.
03/05/2012  *****To GOVERNOR.

CA AB 1283

Declares the intent of the Legislature to enact legislation relating to the Safe, Clean, and Reliable Drinking Water Supply Act of 2012.
STATUS:
02/01/2012 Died at Desk.

CA AB 1287
AUTHOR: Buchanan [D]
TITLE: Local Government: Audits
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY:
Requires local agencies, defined to include cities, counties, a city and county, special districts, authorities, or public agencies, to comply with General Accounting Office standards for financial and compliance audits and prohibits an independent auditor from engaging in financial compliance audits unless the auditor completes a quality control review.
STATUS:
02/01/2012 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/01/2012 From Committee: Filed with the Chief Clerk pursuant to JR 56.

CA AB 1354
AUTHOR: Huber [D]
TITLE: Civil Procedure: Discovery: Objections
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 01/04/2012
DISPOSITION: Pending
LOCATION: Senate Judiciary Committee
SUMMARY:
Amends the Civil Discovery Act. Requires a responding party, when that party objects to a demand on the basis of privilege or work product, to provide sufficient factual information in its response for other parties to evaluate the merits of that claim, if necessary, a privilege log.
STATUS:
02/02/2012 To SENATE Committee on JUDICIARY.
02/02/2012 Position: Oppose (4-28-11)

CA AB 1514
AUTHOR: Lowenthal B [D]
TITLE: Public Works: Excavations: Violations
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/13/2012
DISPOSITION: Pending
LOCATION: Assembly Utilities and Commerce Committee
SUMMARY:
Amends existing law that generally requires any person planning to conduct an excavation to contact a regional notification center prior to excavation, and, if practical, to delineate the areas to be excavated. Authorizes the Attorney General, a district attorney, or the state or a local agency that issued a permit to excavate to bring an action for the enforcement of a civil penalty against an operator or excavator who negligently or knowingly and willfully violates these and related provisions.
CA AB 1540

STATUS: 02/09/2012 To ASSEMBLY Committee on UTILITIES AND COMMERCE.

AUTHOR: Buchanan [D]

TITLE: Sacramento-San Joaquin Delta: Invasive Weeds

FISCAL COMMITTEE: yes

URGENCY CLAUSE: no

INTRODUCED: 01/24/2012

DISPOSITION: Pending

LOCATION: Assembly Water, Parks and Wildlife Committee

SUMMARY: Designates the Department of Boating and Waterways as the lead agency in cooperating with other agencies in controlling South American Spongeplant (Limnobium laevigatum) in the delta, its tributaries, and the marsh.

STATUS: 02/02/2012 To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.

CA AB 1558

STATUS: 02/09/2012 To ASSEMBLY Committee on NATURAL RESOURCES.

AUTHOR: Eng [D]

TITLE: Liability: Flood Control-Water Conservation Facilities

FISCAL COMMITTEE: yes

URGENCY CLAUSE: no

INTRODUCED: 01/26/2012

DISPOSITION: Pending

LOCATION: Assembly Judiciary Committee

HEARING: 03/20/2012 9:00 am

SUMMARY: Extends the operation of existing law that provides that neither a public agency that operates flood control and water conservation facilities nor its employees shall be liable for injuries caused by the condition or use of unlined flood control channels or adjacent groundwater recharge spreading grounds under prescribed conditions. Provides an exception.

STATUS: 02/02/2012 To ASSEMBLY Committee on JUDICIARY.

CA AB 1570

AUTHOR: Perea [D]

TITLE: Environmental Quality Act: Proceedings Record

FISCAL COMMITTEE: yes

URGENCY CLAUSE: no

INTRODUCED: 02/01/2012

DISPOSITION: Pending

LOCATION: Assembly Natural Resources Committee

SUMMARY: Amends the California Environmental Quality Act (CEQA). Requires the lead agency when producing an Environmental Impact Report (EIR) to prepare a record of proceedings concurrently with the preparation and certification of the EIR, at the request of a project applicant.

STATUS: 02/09/2012 To ASSEMBLY Committee on NATURAL RESOURCES.

CA AB 1606

AUTHOR: Perea [D]

TITLE: Local Public Employee Organization: Impasse Proceedings

FISCAL COMMITTEE: yes

URGENCY CLAUSE: no
Amends the Meyers-Milias-Brown Act governing collective bargaining for local represented employees. Authorizes an employee organization, if the parties are unable to effect settlement of the controversy within 30 days after the appointment of a mediator, or if the dispute was not submitted to mediation within 30 days after the date that either party provided the other with written notice of a declaration of impasse, to request that the parties' differences be submitted to a factfinding panel.

CA AB 1607

AUTHOR: Galgiani [D]

TITLE: Water Rights: Reconsideration of a Decision or Order

FISCAL COMMITTEE: no

URGENCY CLAUSE: no

INTRODUCED: 02/07/2012

DISPOSITION: Pending

LOCATION: ASSEMBLY

SUMMARY:
Makes a technical, nonsubstantive change to existing law specifying procedures under which a person may be subject to administrative civil liability for unauthorized diversion or use of water and specifies procedures under which the State Water Resources Board is authorized to order a reconsideration of all or part of its decision or order.

CA AB 1639

AUTHOR: Hill [D]

TITLE: Retirement: Public Employees

FISCAL COMMITTEE: yes

URGENCY CLAUSE: no

INTRODUCED: 02/13/2012

DISPOSITION: Pending

LOCATION: Assembly Public Employees, Retirement and Social Security Committee

SUMMARY:
Amends the Public Employees' Retirement System and the State Teachers' Retirement System. Specifies that the maximum salary, compensation, or payrate for any year shall not exceed the amount permitted to be taken into account under a specified provision of federal law. Prohibits a public employer from making contributions to any qualified public retirement plan based on any portion of compensation that exceeds the amount specified in that federal provision.

STATUS:
02/23/2012 To ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.

AUTHOR: Smyth [R]
CA AB 1649

TITLE: Public Employees Retirement: Reciprocity
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/13/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY

SUMMARY: Makes a technical, nonsubstantive change to existing law requiring the average monthly salary during any period of service as a member of a county retirement system to be considered compensation earnable by a member of the Public Employees' Retirement System for purposes of computing final compensation.

STATUS: 02/13/2012 INTRODUCED.

CA AB 1653

AUTHOR: Cook [R]
TITLE: Public Employees: Pensions: Forfeiture
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/13/2012
DISPOSITION: Pending
LOCATION: Assembly Public Employees, Retirement and Social Security Committee

SUMMARY: Requires any person employed at-will for the purposes of providing services to an elected public officer who takes public office, or is reelected to public office, as specified, who is convicted of any specified felony arising directly out of his or her official duties, to forfeit all rights and benefits under, and membership in, any public retirement system in which he or she is a member, effective on the date of final conviction.

STATUS: 02/23/2012 To ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.

CA AB 1669

AUTHOR: Perea [D]
TITLE: Safe Drinking Water and Water Quality Projects
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/14/2012
DISPOSITION: Pending
LOCATION: Assembly Water, Parks and Wildlife Committee

SUMMARY: Relates to grants for projects to prevent or reduce the contamination of groundwater that serves as a source of drinking water. Eliminates the requirement that they be immediate projects needed to protect public health, as prescribed.

STATUS: 02/23/2012 To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.

CA AB 1750

AUTHOR: Solorio [D]
TITLE: Rainwater Capture Act of 2012
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
Enacts the Rainwater Capture Act of 2012. Authorizes residential, commercial and governmental landowners to install, maintain, and operate rain barrel systems and rainwater capture systems for specified purposes, provided that the systems comply with specified requirements. Authorizes a landscape contractor working within the classification of his or her license to enter into a prime contract for the construction of a rainwater capture system if the system is used exclusively for landscape irrigation.

SUMMARY:

Makes technical, nonsubstantive changes to the Porter-Cologne Water Quality Control Act providing for the regional administration of water quality laws and, for that purpose, dividing the state into 9 regions with prescribed boundaries and establishing a California regional water quality board within each region whose activities are overseen by the State Water Resources Control Board.

SUMMARY:

Requires the Department of Water Resources to prepare and submit to the appropriate committees of the Legislature a report that includes recommendations relating to drought preparedness and to conduct an annual survey of public and private water suppliers relating to water supply reliability in the event of a drought.

SUMMARY:

Makes a technical, nonsubstantive change to existing law establishing the Delta Stewardship Council as an independent agency under the Sacramento-San Joaquin Delta Reform Act.
Joaquin Delta Reform Act of 2009 of the state.

**STATUS:**
02/22/2012 INTRODUCED.

**CA AB 2056**

**AUTHOR:** Chesbro [D]

**TITLE:** Drinking Water: Point-of-Entry, Point-of-Use treatments

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/23/2012

**DISPOSITION:** Pending

**LOCATION:** ASSEMBLY

**SUMMARY:**
Concerns the Safe Drinking water Act. Relates to existing law requiring the Department of Public Health to adopt regulations allowing public water systems to use point-of-entry and point-of-use treatment instead of centralized treatment if the use of centralized treatment is not economically feasible. States the bill not require a water system to demonstrate that centralized treatment is economically infeasible and not require the water system to submit a preapplication with the department for funding.

**STATUS:**
02/23/2012 INTRODUCED.

**CA AB 2063**

**AUTHOR:** Alejo [D]

**TITLE:** Regional Water Quality Control Boards

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/23/2012

**DISPOSITION:** Pending

**LOCATION:** ASSEMBLY

**SUMMARY:**
States the intent of the Legislature to permit the interaction and communication between board members of a regional water quality control board and interested parties that are members of the community so that the board conducts its affairs in an open objective manner, under the Porter-Cologne Water Quality Control Act.

**STATUS:**
02/23/2012 INTRODUCED.

**CA AB 2157**

**AUTHOR:** Mansoor [R]

**TITLE:** Drinking Water Act

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/23/2012

**DISPOSITION:** Pending

**LOCATION:** ASSEMBLY

**SUMMARY:**
Makes technical, nonsubstantive changes to the Safe Water Drinking Act, providing for the operation of public water systems and imposes on the State Department of Public Health various responsibilities and duties.

**STATUS:**
02/23/2012 INTRODUCED.
CA AB 2180

AUTHOR: Alejo [D]
TITLE: State Safe Drinking Water Act
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/23/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY: Makes technical, nonsubstantive changes to provisions of the Calderon-Sher Safe Drinking Water Act of 1996, establishing primary drinking water standards.
STATUS: 02/23/2012 INTRODUCED.

CA AB 2238

AUTHOR: Perea [D]
TITLE: Public Water Systems: Drinking Water
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY: Requires the State Department of Public Health to promote the consolidation and merger of small community water systems that serve disadvantaged communities. Requires the studies performed prior to a construction project to include the feasibility of consolidating or merging community water systems. Requires the department to give priority to funding projects involving managerial consolidation or merger when the consolidation of merger would further specified goals.
STATUS: 02/24/2012 INTRODUCED.

CA AB 2334

AUTHOR: Fong [D]
TITLE: State Water Plan: Drinking Water & Wastewater Services
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY: Requires the Department of Water Resources to perform an analysis of possible mechanisms to address the lack of affordability of drinking water and wastewater services in updates of the State Water Plan.
STATUS: 02/24/2012 INTRODUCED.

CA AB 2398

AUTHOR: Hueso [D]
TITLE: Water Recycling
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:
Enacts the Water Recycling Act of 2012. Establishes a statewide goal to recycle a total of 1.5 million acre-feet of water per year by the year 2020 and 2.5 million acre-feet of water per year by the year 2030. Requires the State Water Resources Control Board and regional boards, the department, the PUC, the Department of Water Resources, and other state agencies to exercise the authority and discretion granted to them to encourage the use of recycled water and meet the goals of the act.

STATUS:
02/24/2012 INTRODUCED.

CA AB 2421

AUTHOR: Berryhill B [R]
TITLE: Sacramento-San Joaquin Delta: Peripheral Canal
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY

SUMMARY:
Requires the Legislative Analyst's Office to complete a prescribed economic feasibility analysis prior to the enactment of a statute authorizing the construction of a peripheral canal.

STATUS:
02/24/2012 INTRODUCED.

CA AB 2446

AUTHOR: Perea [D]
TITLE: Parks and Recreation: Grants: Water Conservation
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY

SUMMARY:
Makes technical, nonsubstantive changes to existing law requiring criteria and procedures for evaluating applications for certain grants made available relating to the development of neighborhood, community, and regional parks and recreation lands to include recommendations that the grant applicant consider water conservation measures in their proposed project.

STATUS:
02/24/2012 INTRODUCED.

CA AB 2529

AUTHOR: Beall [D]
TITLE: Safe Drinking Water: Revolving Fund
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY

SUMMARY:
Authorizes the State Department of Public Health to adopt interim regulations relating to the Safe Drinking Water State Revolving Fund. Requires an applicant for funding to demonstrate that it has the technical, managerial, and financial capacity to operate and maintain its water system for a specified number of years. Authorizes an applicant to receive up to the full cost of a project in the
form of a loan.

STATUS:
02/24/2012 INTRODUCED.

CA AB 2595

AUTHOR: Hall [D]
TITLE: Desalination
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:
Requires the Ocean Protection Council to report to the Legislature on opportunities for streamlining the statewide permitting process for seawater desalination facilities. Requires the council to convene the Seawater Desalination Permit Streamlining Task Force. Appropriates specified bond funds to pay the costs of convening the Task Force and preparation of the report.

STATUS:
02/24/2012 INTRODUCED.

CA SB 34

AUTHOR: Simitian [D]
TITLE: Water Resources Investment Act of 2011
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 12/06/2010
LAST AMEND: 04/13/2011
DISPOSITION: Failed
LOCATION: SENATE
SUMMARY:
Requires revenues and charges collected under the Water Resources Investment Program to be deposited in the state Water Resources Investment Program Fund and a number of regional investment accounts within the fund. Requires money in the regional accounts be for water-related projects and programs. Requires state account moneys be appropriated for specified statewide water-related programs and the Delta plan, mercury contamination in the Sacramento-San Joaquin Delta, and for related bond debt service.

STATUS:
01/31/2012 In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.

NOTES:
Position: Oppose (4-28-11)

CA SB 52

AUTHOR: Steinberg [D]
TITLE: Environmental Quality: Jobs and Economic Improvement
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 12/15/2010
LAST AMEND: 01/31/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:
Amends the Environmental Quality Act. Requires that a project result in a specified minimum financial investment that is spent on planning, design, and
construction of the project. Requires a lead agency to place the highest priority on feasible measure that will reduce greenhouse gas emissions on the site and in the neighboring communities of the project site. Relates to judicial review of an environmental impact report. Relates to the Judicial Council's reporting requirements.

STATUS:
01/31/2012  In SENATE.  Urgency clause failed adoption. (24-4)
01/31/2012  In SENATE.  Motion to reconsider.
01/31/2012  In SENATE.  Reconsideration granted.
01/31/2012  In SENATE.  Read third time and amended. Senate Rule 29.3 suspended. To third reading.
01/31/2012  In SENATE.  Read third time. Passed SENATE. *****To ASSEMBLY. (24-4)

CA SB 194

AUTHOR: Governance and Finance Cmt
TITLE: Local Government: Omnibus Bill
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/08/2011
ENACTED: 09/30/2011
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 382
SUMMARY:
Authorizes a county to accept payments by credit card, debit card, or EFT. Relates to public records. Amends the County Budget Act. Relates to the maximum amount that a local legislative body may transfer from a special fund to the general fund, invest in a foreign bank, community service district boards, general plan public meetings, Subdivision Map Act and conveyances of land, sanitation employees, local taxation, facilities improvements, local construction contracts, and business improvement districts.

STATUS:
09/30/2011  Signed by GOVERNOR.
09/30/2011  Chaptered by Secretary of State.  Chapter No. 382

CA SB 200

AUTHOR: Wolk [D]
TITLE: Delta Levee Maintenance
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/08/2011
LAST AMEND: 01/24/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:
Declares the legislative intent to reimburse eligible local agencies up to a specified percentage of maintenance or improvement or project or no project levees in the Sacramento-San Joaquin Delta until an specified date and to increase the reimbursement rate on and after that date. Extends the authorization of the Reclamation Board to provide funds to an eligible local agency in the form of an advance in an amount that does not exceed a specified percentage of the estimated state share.

STATUS:
01/26/2012  In SENATE.  Read third time. Passed SENATE.  *****To
CA SB 214

Wolk [D]
Infrastructure Financing Districts: Voter Approval

Position: Support, if amended (4-28-11)

Revises provisions governing the public facilities that may be financed. Eliminates the requirement of voter approval to issue bonds to finance infrastructure facilities. Authorizes the legislative body to create an infrastructure financing district, adopt a financing plan, and issue the bonds by resolutions. Authorizes a district to finance specified actions and projects. Prohibits the district from providing financial assistance to a vehicle dealer or big box retailer.

STATUS:
09/09/2011 In ASSEMBLY. To Inactive File.

CA SB 215

Huff [R]
Invasive Aquatic Species: Mussels

Extends the repeal date of existing law that generally prohibits a person from possessing, importing, shipping, or transporting, 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 Game or his or her designee to engage in enforcement activities. Provides that a person who violates, resists, delays, obstructs, or interferes with the implementation of these provisions is subject to a penalty.

STATUS:
09/26/2011 Signed by GOVERNOR.
09/26/2011 Chaptered by Secretary of State. Chapter No. 332
09/26/2011 Position: Support (5-26-11)
CHAPTER: 122
SUMMARY: Authorizes a water conservation district with a board of directors consisting of 7 directors, to reduce the number of directors to 5, consistent with specified requirements. Provides that these provisions do not apply to districts within the County of Ventura.
STATUS: 07/25/2011 Signed by GOVERNOR.
07/25/2011 Chaptered by Secretary of State. Chapter No. 122

CA SB 250
AUTHOR: Rubio [D]
TITLE: Sacramento-San Joaquin Delta: Delta Plan: Facility
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/10/2011
LAST AMEND: 08/29/2011
DISPOSITION: Pending - Carryover
LOCATION: Assembly Rules Committee
SUMMARY: Amends the Sacramento-San Joaquin Delta Reform Act of 2009 which requires the incorporation of the Bay Delta Conservation Plan into the Delta Plan and requires the Bay Plan to include a review and analysis of Delta conveyance alternatives including specified canals and pipelines. Requires the Department of Water Resources development of certain Delta conveyance facilities to be completed on or before a specified date, and the construction of those facilities to be completed by a specified date.
STATUS: 08/29/2011 To ASSEMBLY Committee on RULES.
08/29/2011 From ASSEMBLY Committee on RULES with author’s amendments.
08/29/2011 In ASSEMBLY. Read second time and amended. Re-referred to Committee on RULES.

CA SB 328
AUTHOR: Kehoe [D]
TITLE: Eminent Domain Law: Conservation Easement
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/15/2011
ENACTED: 10/08/2011
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 589
SUMMARY: Revises the Eminent Domain Law to establish requirements for acquisition of property subject to a conservation easement. Requires the person seeking to acquire the property to give the holder of the conservation easement a notice containing specified information and an opportunity to comment on the acquisition. Requires the notice of the hearing on the resolution of necessity to be sent to any holder of the conservation easement and public entity. Specifies the easement holder is entitled to compensation.
STATUS: 10/08/2011 Chaptered by Secretary of State. Chapter No. 589
NOTES: Position: Support (3-24-11)
### CA SB 434

**Author:** Anderson [R]

**Title:** Undocumented Criminal Immigrants: Costs: Data

**Fiscal Committee:** yes

**Urgency Clause:** no

**Introduced:** 02/16/2011

**Last Amend:** 03/24/2011

**Disposition:** Failed

**Location:** SENATE

**Summary:**
Requires the Secretary of the Department of Corrections and Rehabilitation to annually bill the federal government for the costs of incarcerating undocumented criminal immigrants. Requires the Attorney General to utilize all available legal resources to obtain reimbursement if the federal government fails to make payment. Requires the Department of Justice to collect data on the total number of undocumented immigrant inmates in all state and local correctional institutions and publish it on its Web site.

**Status:**
01/31/2012 In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.

### CA SB 475

**Author:** Wright [D]

**Title:** Infrastructure Financing

**Fiscal Committee:** no

**Urgency Clause:** no

**Introduced:** 02/17/2011

**Last Amend:** 06/20/2011

**Disposition:** Pending - Carryover

**Location:** Assembly Local Government Committee

**Summary:**
Authorizes a local governmental agency to enter into an agreement with a private entity for financing for specified types of revenue generating infrastructure projects. Requires an agreement to include adequate financial resources to perform the agreement. Permits the agreements to lease or license to, or provide other permitted uses by, the private entity.

**Status:**
06/29/2011 In ASSEMBLY Committee on LOCAL GOVERNMENT: Failed passage.
06/29/2011 In ASSEMBLY Committee on LOCAL GOVERNMENT: Reconsideration granted.

### CA SB 494

**Author:** Fuller [R]

**Title:** California Regional Water Quality Control Boards

**Fiscal Committee:** no

**Urgency Clause:** no

**Introduced:** 02/17/2011

**Disposition:** Failed

**Location:** SENATE

**Summary:**
Declares the intent of the Legislature to enact legislation that would transfer responsibility for the investigation and remediation of perchloroethylene contamination to the regional boards.

**Status:**

CA SB 496

| AUTHOR: | Fuller [R] |
| TITLE: | State Water Resources Development System |
| FISCAL COMMITTEE: | no |
| URGENCY CLAUSE: | no |
| INTRODUCED: | 02/17/2011 |
| DISPOSITION: | Failed |
| LOCATION: | SENATE |

SUMMARY: Makes technical, nonsubstantive changes to a provision that authorizes the issuance of bond funds in a specified amount for the purposes of the State Water Resources Development System.

STATUS: 01/31/2012 In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.

CA SB 571

| AUTHOR: | Wolk [D] |
| TITLE: | Water Commission: Water Plan: Water Resources |
| FISCAL COMMITTEE: | yes |
| URGENCY CLAUSE: | no |
| INTRODUCED: | 02/17/2011 |
| LAST AMEND: | 04/13/2011 |
| DISPOSITION: | Failed |
| LOCATION: | SENATE |

SUMMARY: Provides for the organization of the State Water Commission as a separate agency in state government. Enacts the Water Resources Investment Planning Act to establish regional water planning agencies and a state water investment plan. Provides the frequency for plan updates. Requires the State Department of Water Resources and regional agencies to submit related reports to the commission. Prescribes the contents of the reports and the purpose for developing the reports.

STATUS: 01/31/2012 In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.

CA SB 585

| AUTHOR: | Kehoe [D] |
| FISCAL COMMITTEE: | no |
| URGENCY CLAUSE: | yes |
| INTRODUCED: | 02/17/2011 |
| ENACTED: | 09/22/2011 |
| DISPOSITION: | Enacted |
| LOCATION: | Chaptered |
| CHAPTER: | 312 |

SUMMARY: Amends existing law that requires the Public Utilities Commission, under the State Solar Initiative, to ensure the cost over the duration of the program does not exceed a specified sum, and imposes monetary limits on programs funded by charges collected from customers of certain electrical corporations. Requires, prior to collecting additional ratepayer funds, funding program shortfalls by
allocating interest accumulated from customer collections and increasing collections. Sets the rate for interest.

**STATUS:**

09/22/2011 Signed by GOVERNOR.
09/22/2011 Chaptered by Secretary of State. Chapter No. 312

**CA SB 597**

**AUTHOR:** Fuller [R]
**TITLE:** Water Companies
**FISCAL COMMITTEE:** no
**URGENCY CLAUSE:** no
**INTRODUCED:** 02/17/2011
**DISPOSITION:** Failed
**LOCATION:** SENATE

**SUMMARY:**

Makes technical, nonsubstantive changes to provisions making every person, firm, or corporation, their lessees, trustees, receivers, or trustees appointed by any court, owning, controlling, operating or managing any water system within the state subject to the jurisdiction, control and regulation of the Public Utilities Commission.

**STATUS:**

01/31/2012 In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.

**CA SB 607**

**AUTHOR:** Walters [R]
**TITLE:** Water Resources Board: Brackish Groundwater Treatment
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** no
**INTRODUCED:** 02/17/2011
**ENACTED:** 09/06/2011
**DISPOSITION:** Enacted
**LOCATION:** Chaptered
**CHAPTER:** 241

**SUMMARY:**

Requires the Water Resources Control Board to either amend the State Ocean Plan, or adopt separate standards, to address water quality objectives and effluent limitations that are specifically appropriate for brackish groundwater treatment system facilities that produce municipal water supplies for local use.

**STATUS:**

09/06/2011 Signed by GOVERNOR.
09/06/2011 Chaptered by Secretary of State. Chapter No. 241

**NOTES:**

Position: Support and seek amendments (5-26-11)

**CA SB 665**

**AUTHOR:** LaMalfa [R]
**TITLE:** Lake and Streambed Alternation: Endangered species
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** no
**INTRODUCED:** 02/18/2011
**LAST AMEND:** 03/24/2011
**DISPOSITION:** Failed
**LOCATION:** SENATE

**SUMMARY:**

Prohibits the installation of a new natural flow diversion or means of diversion or substantial alternation that will substantially after a river, stream, or lake, unless
prescribed requirements are met. Exempts from agreements activity involving
drainage, flood control, or waste water treatment facilities in existence prior to
2008, unless fish and wildlife are adversely affected. Requires suggesting the
use of alternative means of operating those facilities. Relates to accidental take
rules.

STATUS:
01/31/2012   In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.

CA SB 710

AUTHOR: LaMalfa [R]
TITLE: State Water Project: County Services
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 03/25/2011
DISPOSITION: Failed
LOCATION: SENATE
SUMMARY:

Authorizes a county to prepare and adopt a county services impact report
containing a description of the costs of county services related to the operation
of specified dams and reservoirs as State Water Project facilities within the
county. Requires the department to compensate the county for those costs by
compensating the county directly, providing the county with specified services
and facilities, or contracting with the county or service provider to provide the
services or facilities within the county.

STATUS:
01/31/2012   In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.

CA SB 759

AUTHOR: Lieu [D]
TITLE: Common Interest Developments: Artificial Turf
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
VETOED: 07/13/2011
DISPOSITION: Vetoed
LOCATION: Vetoed
SUMMARY:

Provides that a provision of any of the governing documents of a common
interest development shall be void and unenforceable if it prohibits or includes
conditions that have the effect of prohibiting, the use of artificial turf or any
other synthetic surface that resembles grass. Provides the prohibition would not
preclude the association from applying landscape rules and regulations in
governing documents regarding the installation of such turf.

STATUS:
07/13/2011   Vetoed by GOVERNOR.
             Position: Sponsor (1-27-11)

CA SB 833

AUTHOR: Vargas [D]
TITLE: Solid Waste: Disposal Facilities: San Diego County
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
Prohibits the construction or operation of a solid waste landfill disposal facility in the County of San Diego if the facility is located within a specified distance of the San Luis Rey River or an aquifer that is hydrologically connected to that river and is within a specified distance of a site that is considered sacred or a spiritual or cultural importance to a tribe and is listed in the State Native American Heritage Commission Sacred Lands Inventory.

CA SB 834

Author: Wolk [D]
Title: Integrated Regional Water Management Plans: Contents
Fiscal Committee: no
Urgency Clause: no
Introduced: 02/18/2011
Vetoed: 10/02/2011
Disposition: Vetoed
Location: Vetoed
Summary: Requires an integrated regional water management plan to address specified water quality and water supply matters and identify the manner in which the plan furthers a specified state policy concerning reducing reliance on the Sacramento-San Joaquin Delta for water supply and improving regional self-reliance for water, if the region depends on water for the watershed. Requires integrated regional water management plans to incorporate that requirement. Relates to plan funding.

Status: 10/02/2011 Vetoed by GOVERNOR.

CA SB 837

Author: Blakeslee [R]
Title: Residential Real Property Disclosures
Fiscal Committee: no
Urgency Clause: no
Introduced: 02/18/2011
Enacted: 06/30/2011
Disposition: Enacted
Location: Chaptered
Chapter: 61
Summary: Revises the disclosure form to require that a transferor of single-family residential property built and available for use on or before a specified date, disclose whether or not the property is equipped with water-conserving plumbing fixtures.

Status: 06/30/2011 Signed by GOVERNOR.
07/01/2011 Chaptered by Secretary of State. Chapter No. 61

CA SB 846

Author: Berryhill T [R]
Title: California Water Plan: Water Data
Fiscal Committee: yes
URGENCY CLAUSE: no  
INTRODUCED: 02/18/2011  
LAST AMEND: 05/03/2011  
DISPOSITION: Pending - Carryover  
LOCATION: Assembly Appropriations Committee  
SUMMARY:
Requires the Department of Water Resources to include in the California Water Plan an assessment of the state's water data system and would prescribe requirements relating to the content and conduct of the assessment.  
STATUS: 08/17/2011 In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.

CA SB 877

AUTHOR: Anderson [R]  
TITLE: Public Water Systems: Point-of-use Treatment  
FISCAL COMMITTEE: yes  
URGENCY CLAUSE: no  
INTRODUCED: 02/18/2011  
DISPOSITION: Failed  
LOCATION: SENATE  
SUMMARY:
Amends existing law authorizing the Department of Public Health to develop limited emergency regulations governing the permitted use of point-of-entry and point-of-use treatment by public water systems in lieu of centralized treatment and requires that these emergency regulations remain in effect until a specified date. Limits these regulations to the public water systems with less than 2,500 services connections. Permits the emergency regulations to remain in effect until the earlier of a specified date.

STATUS: 01/31/2012 In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.

CA SB 900

AUTHOR: Steinberg [D]  
TITLE: Regional Water Quality Control Boards: Members  
FISCAL COMMITTEE: Regional Water Quality Control Boards: Members  
URGENCY CLAUSE: no  
INTRODUCED: 02/18/2011  
LAST AMEND: 05/09/2011  
DISPOSITION: Pending - Carryover  
FILE: A-1  
LOCATION: Assembly Inactive File  
SUMMARY:
Amends the Porter-Cologne Water Quality Control Act. Deletes provisions of the act prohibiting a board member from participating in actions that involve the member or a waste discharger with which the member is connected. Specifies that the limitation on the member's financial interest applies only to a disqualifying financial interest within the Political Reform Act. Relates to requirements, qualifications, and to disqualifying factors for regional board members.

STATUS: 07/01/2011 In ASSEMBLY. To Inactive File.  
NOTES: Position: Support (6-23-11)
CA SB 904

**AUTHOR:** Yee [D]

**TITLE:** Environment: Agency

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/18/2011

**DISPOSITION:** Failed

**LOCATION:** SENATE

**SUMMARY:** Makes a statutory change consistent with the plan that provides that the California Environmental Protection Agency, created pursuant to the Governor’s Reorganization Plan No. 1 of 1991, consists of the State Air Resources Board, the Office of Environmental Health Hazard Assessment, the State Water Resources Control Board, and each California regional water quality control board, and the departments of, Pesticide Regulation, Toxic Substances Control, and Resources Recycling and Recovery.

**STATUS:**

01/31/2012 In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.

CA SB 962

**AUTHOR:** Anderson [R]

**TITLE:** Public Water System: Point of Use Treatment

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 01/11/2012

**DISPOSITION:** Pending

**LOCATION:** Senate Environmental Quality Committee

**SUMMARY:** Limits regulations under the Safe Drinking Water Act to public water systems with less than 2,500 service connections. Requires emergency regulations to remain in effect until a specified date or the effective date of required nonemergency regulations.

**STATUS:**

02/02/2012 To SENATE Committee on ENVIRONMENTAL QUALITY.

CA SB 964

**AUTHOR:** Wright [D]

**TITLE:** State Water Resources Control Board

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 01/11/2012

**DISPOSITION:** Pending

**LOCATION:** Senate Environmental Quality Committee

**SUMMARY:** Provides that the exemption for the adoption of regulations for the issuance, denial or revocation of specified waste discharge requirements and permits shall not apply to any waste discharge requirements, general permits and waivers that apply on a statewide, regionwide, or industrywide basis, thereby, requiring the State Water Resources control Board and the regional water quality control boards to comply with provisions that require the adoption of regulations under those circumstances.

**STATUS:**

02/02/2012 To SENATE Committee on ENVIRONMENTAL QUALITY.

**AUTHOR:** Wright [D]
CA SB 965

<table>
<thead>
<tr>
<th>TITLE:</th>
<th>Water Resources Control Board</th>
</tr>
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<tbody>
<tr>
<td>FISCAL COMMITTEE:</td>
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<tr>
<td>URGENCY CLAUSE:</td>
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<td>01/11/2012</td>
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<tr>
<td>DISPOSITION:</td>
<td>Pending</td>
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<tr>
<td>LOCATION:</td>
<td>Senate Environmental Quality Committee</td>
</tr>
<tr>
<td>SUMMARY:</td>
<td>Establishes that the issuance, denial, or revocation of certain waste discharge requirements, permits, or waivers by the State Water Resources Control Board and the regional water quality boards that apply statewide, regionwide or industrywide, and not to a person are not within the meaning of a decision, as defined under the Administrative Procedure Act.</td>
</tr>
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<td>STATUS:</td>
<td>02/02/2012 To SENATE Committee on ENVIRONMENTAL QUALITY.</td>
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CA SB 972

<table>
<thead>
<tr>
<th>AUTHOR:</th>
<th>Simitian [D]</th>
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<tbody>
<tr>
<td>TITLE:</td>
<td>Environmental Quality Act: Scoping Meeting</td>
</tr>
<tr>
<td>FISCAL COMMITTEE:</td>
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<tr>
<td>URGENCY CLAUSE:</td>
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<td>INTRODUCED:</td>
<td>01/18/2012</td>
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<td>DISPOSITION:</td>
<td>Pending</td>
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<tr>
<td>COMMITTEE:</td>
<td>Senate Environmental Quality Committee</td>
</tr>
<tr>
<td>HEARING:</td>
<td>03/19/2012 1:30 pm</td>
</tr>
<tr>
<td>SUMMARY:</td>
<td>Amends existing law that requires a lead agency to provide an organization or individual who has filed a written request a notice of at least one scoping meeting for projects of statewide, regional, or areawide significance. Requires the lead agency to provide the notice to an entity that has filed a written request for the notice.</td>
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<td>STATUS:</td>
<td>02/02/2012 To SENATE Committee on ENVIRONMENTAL QUALITY.</td>
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CA SB 973

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<tr>
<th>AUTHOR:</th>
<th>Vargas [D]</th>
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<tbody>
<tr>
<td>TITLE:</td>
<td>Environmental Quality Act: Exemption: Limited Duration</td>
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<td>FISCAL COMMITTEE:</td>
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<td>DISPOSITION:</td>
<td>Pending</td>
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<tr>
<td>LOCATION:</td>
<td>Senate Environmental Quality Committee</td>
</tr>
<tr>
<td>SUMMARY:</td>
<td>Exempts from the California Environmental Quality Act the approval of a park use or special events permit for a limited duration event, for specified purposes, that is located on public property, within a public right of way, or within a defined event venue.</td>
</tr>
<tr>
<td>STATUS:</td>
<td>02/02/2012 To SENATE Committee on ENVIRONMENTAL QUALITY.</td>
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CA SB 984

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<tr>
<th>AUTHOR:</th>
<th>Simitian [D]</th>
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<tbody>
<tr>
<td>TITLE:</td>
<td>Environmental Quality Act: Proceedings Record</td>
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<tr>
<td>FISCAL COMMITTEE:</td>
<td>yes</td>
</tr>
<tr>
<td>URGENCY CLAUSE:</td>
<td>yes</td>
</tr>
<tr>
<td>INTRODUCED:</td>
<td>01/30/2012</td>
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</table>
Amends the California Environmental Quality Act (CEQA) regarding the completion of an environmental impact report (EIR). Requires the lead agency, at the request of a project applicant, to prepare a record of proceedings concurrently with the preparation and certification of an EIR.

**STATUS:**
02/16/2012 To SENATE Committee on ENVIRONMENTAL QUALITY.

**AUTHOR:** Kehoe [D]
**INTRODUCED:** 02/22/2012
**SUMMARY:**
Amends the Natural Community Conservation Planning Act requiring certain natural community conservation plans to include an implementation agreement governing specified matters. Deems certain lands designated as open-space lands to be dedicated land under the City Charter of San Diego.

**STATUS:**
03/01/2012 To SENATE Committee on NATURAL RESOURCES AND WATER.

**AUTHOR:** Evans [D]
**INTRODUCED:** 02/23/2012
**SUMMARY:**
States the intent of the Legislature to enact legislation to require the Department of Fish and Game to develop a new statewide quagga mussel prevention and management plan dependent on criteria, including, but not limited to, inspection protocols and the tracking of vessels.

**STATUS:**
02/23/2012 INTRODUCED.

**AUTHOR:** Simitian [D]
**INTRODUCED:** 02/24/2012
**SUMMARY:**
Requires the Department of Public Health to include in the Safe Drinking water Plan a discussion of current and post bond moneys available and spent to improve California's water quality and an accounting of which water systems received bond moneys and the types of projects that were funded.

**STATUS:**
02/24/2012 INTRODUCED.
CA SCA 7

**AUTHOR:** Yee [D]
**TITLE:** Public Bodies: Meetings
**FISCAL COMMITTEE:**
**URGENCY CLAUSE:** yes
**INTRODUCED:** 01/10/2011
**LAST AMEND:** 04/13/2011
**DISPOSITION:** Pending - Carryover
**LOCATION:** Assembly Appropriations Committee

**SUMMARY:**
Proposes an amendment to the Constitution to include in the Constitution the requirement that each public body provide public notice of its meetings and disclose any action taken.

**STATUS:**
08/25/2011 In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

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**Federal Legislation**

**US HR 1042**

**SPONSOR:** Baca [D]
**TITLE:** Certain Species be Treated as Extinct
**INTRODUCED:** 03/11/2011
**DISPOSITION:** Pending
**LOCATION:** House Natural Resources Committee

**SUMMARY:**
Amends the Endangered Species Act of 1973 to require that certain species be treated as extinct for purposes of that Act if there is not a substantial increase in the population of a species during the 15-year period beginning on the date the species is determined to be an endangered species, and for other purposes.

**STATUS:**
03/11/2011 INTRODUCED.
03/11/2011 To HOUSE Committee on NATURAL RESOURCES.

**US HR 1251**

**SPONSOR:** Costa [D]
**TITLE:** Water Relief in the State of California
**INTRODUCED:** 03/30/2011
**DISPOSITION:** Pending
**LOCATION:** House Natural Resources Committee

**SUMMARY:**
Provides congressional direction for implementation of the Endangered Species Act as it relates to operation of the Central Valley Project and the California State Water Project and for water relief in the State of California.

**STATUS:**
03/30/2011 INTRODUCED.
03/30/2011 To HOUSE Committee on NATURAL RESOURCES.

**US HR 1604**

**SPONSOR:** Denham [R]
**TITLE:** Projects in the Central Valley Project
**INTRODUCED:** 04/15/2011
**DISPOSITION:** Pending
**LOCATION:** House Judiciary Committee

**SUMMARY:**
Relates to the Central Valley Project (CVP); relates to permits issued in accordance with the California Environmental Quality Act; provides that the
Bureau of Reclamation shall not be required to cease activity pending a review or legal challenge of a CVP project; relates to judicial proceedings regarding an authorized CVP project; and defines terms.

STATUS:
04/15/2011 INTRODUCED.
04/15/2011 To HOUSE Committee on NATURAL RESOURCES.
04/15/2011 Additionally referred to HOUSE Committee on JUDICIARY.

US HR 1837
RELATED: US HRES 566
SPONSOR: Nunes [R]
TITLE: Water-Related Concerns on the San Joaquin River
INTRODUCED: 05/11/2011
LAST AMEND: 02/29/2012
DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:
Addresses certain water-related concerns on the San Joaquin River, and for other purposes.

STATUS:
03/05/2012 In SENATE. Read second time.
03/05/2012 In SENATE. Placed on SENATE Legislative Calendar.

US HR 2018
RELATED: US HRES 347
SPONSOR: Mica [R]
TITLE: State Water Quality Standards
INTRODUCED: 05/26/2011
LAST AMEND: 07/13/2011
DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:
Amends the Federal Water Pollution Control Act to preserve the authority of each State to make determinations relating to the State's water quality standards, and for other purposes.

STATUS:
07/18/2011 In SENATE. Read second time.
07/18/2011 In SENATE. Placed on SENATE Legislative Calendar.

NOTES:
Position: Support (7-28-2011)

US HR 2664
SPONSOR: Napolitano [D]
TITLE: Reauthorization of Water Desalination Act of 2011
INTRODUCED: 07/27/2011
DISPOSITION: Pending
LOCATION: House Science, Space, and Technology Committee
SUMMARY:
Relates to the Reauthorization of Water Desalination Act of 2011; reauthorizes the Water Desalination Act of 1996.

STATUS:
07/27/2011 INTRODUCED.
07/27/2011 To HOUSE Committee on NATURAL RESOURCES.
07/27/2011 Additionally referred to HOUSE Committee on SCIENCE, SPACE, AND TECHNOLOGY.
NOTES:
Position: Support (8-25-11)
IDENTICAL: US HR 470
SPONSOR: Reid [D]
TITLE: Hydroelectric Power Generated at Hoover Dam
INTRODUCED: 03/09/2011
DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:
Relates to the Hoover Power Allocation Act of 2011; further allocates and expands the availability of hydroelectric power generated at Hoover Dam, and for other purposes.
STATUS:
08/30/2011 From SENATE Committee on ENERGY AND NATURAL RESOURCES: Reported by Senator Bingaman as amended.
08/30/2011 Reported in SENATE. Printed version.
08/30/2011 In SENATE. Placed on SENATE Legislative Calendar.
(Companion Bill: H.R. 470); Position: Support (4-28-11)

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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.

March 22, 2012

3:00 p.m.

1. Call to Order.

2. Salute to the flag.

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

4. Additions to agenda. (Government code Sec. 54954.2(b)).

5. Approve the minutes of the Special Water Planning Committee meeting of February 9, 2012 and the Formal Board of Directors’ meeting of February 23, 2012.

6. Opportunity for members of the public who wish to address the Board on matters within the Board’s jurisdiction.

7. PRESENTATIONS & PUBLIC HEARINGS
   7-A Retirement of Director. Adopt Resolution No. 2012-__ honoring Ralph McIntosh upon his retirement from the Board of Directors.
   7-C Appointment of Director. Dennis Sanford representing Rainbow Municipal Water District. Term expires February 14, 2015.

8. REPORTS BY CHAIRS
   8-A Chairs report: Chair Hogan.

   8-B Report by Committee Chairs
   Water Planning Committee Director Dion
   Engineering and Operations Committee Director Knutson
   Administrative and Finance Committee Director Wight
   Imported Water Committee Director Watton
   Legislation, Conservation and Outreach Committee Director Saxod
9. CONSENT CALENDAR

9- 1. Amendments to professional services contracts for the 2012 Regional Water Facilities Optimization and Master Plan Update.

   Approve an amendment to the professional services contract with CH2M Hill to provide additional planning services for preparation of the 2012 Regional Water Facilities Optimization and Master Plan Update for a not-to-exceed amount of $266,900. Approve an amendment to the professional services contract with HCG, LLC to provide additional environmental planning services for the preparation of the Program Environmental Impact Report for the 2012 Regional Water Facilities Optimization and Master Plan Update for a not-to-exceed amount of $45,000. Increase the current Capital Improvement Program 2-year appropriation and life budget for the 2012 Regional Water Facilities Optimization and Master Plan Update by $410,000.


   Authorize the General Manager to award a contract to ProTrans USA, LLC, a wholly owned subsidiary of SNC-Lavalin for operations and maintenance of the Lake Hodges Pumped Storage Projects, for an amount not-to-exceed $8,035,340 for 62 months with the option to renew for an additional 24 months.

9- 3. Treasurer’s report.

   Note and file the monthly Treasurer’s report.

9- 4. Adopt positions on various state bills:

   1. Co-sponsor and adopt a position of Support on AB 2398 (Hueso)
   2. Adopt a position of Support on AB 2595 (Hall)
   3. Adopt a position of Support on SB 250 (Rubio)
   4. Adopt a position of Support on SB 1169 (Kehoe)

9- 5. Small Contractor Outreach and Opportunities Program Committee recommended modifications related to goals for fiscal years 2012 and 2013.

   Establish a 25 percent SCOOP goal for fiscal years 2012 and 2013. Develop a sheltered market procurement program for small businesses on procurements greater than $10,000 and up to $150,000. Evaluate surety bonding requirements on a case-by-case basis based on risk exposure. Contact member agencies to solicit interest in a clearinghouse system.
10. **ACTION / DISCUSSION**

10-A **Approve the Audit Committee’s recommendation of Macias Gini and O’Connell, LLP as independent auditor for a five-year period covering the financial audits of FY 2012 – FY 2016.**

Audit Committee recommendation: Approve the selection of Macias Gini and O’Connell, LLP as the Water Authority’s and QSA JPA’s independent auditor, and authorize the General Manager to enter into an agreement with Macias Gini and O’Connell, LLP, for independent audits for a five-year period from April 1, 2012 through March 31, 2017, for a not-to-exceed amount of $393,059.  (Action)

11. **CLOSED SESSION(S)**

11-A **CLOSED SESSION:**
Conference with Labor Negotiator, Government Code §54957.6
Agency Designated Representatives: Frank Belock; Susan Leone; Richard Bolanos, Liebert Cassidy Whitmore
Employee Organization: California Teamsters Public, Professional and Medical Employees Union Local 911

11-B **CLOSED SESSION:**
Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(a) - SDCWA v Metropolitan Water District of Southern California; Case No. CPF-10-510830

11-C **CLOSED SESSION:**
Conference with Legal Counsel – Existing Litigation Government Code §54956.9(a)
Name of Case: QSA Judicial Council Coordination Proceeding No. 4353

12. **Action following Closed Session**

13. **SPECIAL REPORTS**
13-A GENERAL MANAGER’S REPORT – Ms. Stapleton
13-B GENERAL COUNSEL’S REPORT – Mr. Hentschke
13-C SANDAG REPORT – Director Saunders
   SANDAG Subcommittee: Borders/Regional Planning Committee – Director Saxod
13-D AB 1234 Compliance Reports – Directors

14. **OTHER COMMUNICATIONS**
15. **ADJOURNMENT**

Doria F. Lore  
Clerk of the Board

**NOTE:** The agendas for the Formal Board meeting and the meetings of the Standing Committees held on the day of the regular Board meeting are considered a single agenda. All information or possible action items on the agenda of committees or the Board may be deliberated by and become subject to consideration and action by the Board.
CALL TO ORDER/ROLL CALL
Chair Dion called the Special Water Planning Committee Meeting to order at 1:30 p.m. Committee members present were Chair Dion, Vice Chairs Price and Saunders and Directors Boyle, Hogan, Jungreis, Lamb, Linden, Pocklington*, Steiner*, Watton and Williams. Director Heidel was absent. Also present were Directors Arant, Bond, Brady, Croucher, Dailey, Hilliker, Knutson, Lewinger, Miller, Morrison, Mudd*, Saxod, Smith, Topolovac, Tu, Weston and Wilson. At that time, there was a quorum of the Board.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Director of Water Resources Weinberg, Water Resources Managers Purcell and Roy, Principal Water Resources Specialist Friehauf, Principal Engineer Chamberlain, and Senior Water Resources Specialists Bombardier, Gebert and Gage.

PUBLIC COMMENT
There were no comments made by the public.

CHAIR’S REPORT
Chair Dion advised that much material would be covered at this meeting. With respect to the 2012 Regional Water Facilities Optimization and Master Plan update, he advised the material should be regarded as an overview and more information would be presented at future meetings. Regarding the proposed modifications to the Water Authority’s Supply Allocation Methodology, Chair Dion remarked that while the existing allocation methodology system has worked overall, modifications would be required to adapt to legislation, the future direction of water supply and to align with the MWD Water Supply Allocation Plan.

*Director Pocklington and Director Steiner arrived at 1:35 p.m. and 1:38 p.m. respectively.

DIRECTORS’ COMMENTS
There were no Directors’ comments.

I. CONSENT CALENDAR
There were no Consent Calendar items.
II. ACTION/DISCUSSION

1. Proposed modifications to the Water Authority’s Supply Allocation Methodology.

Mr. Weinberg provided an overview of the allocation methodology and modification process, providing context with current precipitation conditions. Ms. Friehauf presented background information on the allocation review process. Following a description of the allocation methodology concept, Ms. Friehauf and Mr. Bombardier reviewed seven proposed modification areas including base period definition, growth adjustment, loss of local supply adjustment, conservation adjustment, MWD’s Water Supply Allocation Plan adjustment and carryover storage program allocation.

*Director Mudd arrived at 1:45 p.m.

Staff responded to comments and clarifying questions posed by Directors Bond, Tu, Weston, Lewinger, Jungreis, Pocklington, Saunders, Arant, and Croucher.

Chair Dion called for a break at 2:30 p.m., and the meeting resumed at 2:40 p.m.

2. 2012 Regional Water Facilities Optimization and Master Plan update.

Chair Dion advised the most important thing about the plan going forward was that it embodies adaptive management strategies including cost and risk assessments of varying scenarios. He added more information and analysis would be provided over the course of the next year for further understanding and input.

Mr. Weinberg provided introductory remarks concerning the development of the plan and the significance that it would be based on factors such as changing demands, optimizing existing facilities and operations and linking to the 2010 Urban Water Management Plan and the Capital Improvements Plan. Mr. Chamberlain provided an orientation to existing facilities, current planning perspectives and Urban Water Management Plan elements. Mr. Gebert reported on key challenges, planning consideration, facilities evaluation, the planning process, scenario development, evaluation metrics, adaptive planning, and initial modeling observations.

Staff responded to comments and clarifying questions posed by Directors Saunders, Jungreis, Lewinger, Arant and Weston related to treated and untreated water supply, linking the Master plan update to the Long Range Finance plan, and maintaining flexibility.

Mr. Gebert provided additional information on the planning process including identifying and analyzing four scenarios of supply and demand, and system requirements and constraints. Staff responded to comments and questions from Directors Lewinger, Tu and Arant. Director Mudd requested, and Directors Jungreis, Wilson and Watton supported, including in the plan an analysis that incorporated a fifth scenario of accessing water from the east by using past Water Authority studies updated for current technology. Staff responded to additional questions posed by Director Lewinger.
Mr. Weinberg provided a schedule of upcoming activities that would likely change by adding additional scenario planning as requested. He added that information on the Environmental Impact Report components of the plan would be included at a future meeting.

III. INFORMATION
There were no Information items.

IV. ADJOURNMENT
There being no further business, Chair Dion adjourned the meeting at 3:40 p.m.

Mitchell S. Dion, Chair
MINUTES OF THE FORMAL BOARD OF DIRECTORS’ MEETING
FEBRUARY 23, 2012

WATER PLANNING COMMITTEE
CALL TO ORDER/ROLL CALL

Chair Dion called the Water Planning Committee Meeting to order at 9:02 a.m. Committee members present were Chair Dion, Vice Chair Price and Directors Boyle, Heidel, Hogan*, Linden, Pocklington, Steiner* and Watton*. Also present were Directors Bailey*, Bond, Brady, Dailey, Douglas, Knutson*, Lewinger, Miller, Saxod, Smith, Topolovac, Tu*, Weston, Wight*, Wilson and Wornham*.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Water Resources Director Weinberg, Water Resources Managers Purcell, Roy and Yamada and Water Resources Specialist Dobalian.

PUBLIC COMMENT

There were two public comment slips submitted for Item III-1.

*Directors Hogan and Watton arrived at 9:04 a.m.

DIRECTORS’ COMMENTS

There were no comments made by Directors.

CHAIR’S REPORT

Chair Dion reported that the state had reduced the Table A State Water Project allocation from 60% to 50%, noting that normally the allocation would initially be conservative then increased later as conditions improved. Chair Dion thanked committee and board members for attending the Feb 9, 2012 Special Meeting of the committee, adding that staff would bring action items for consideration in March on both the Water Authority’s allocation methodology and the scope of services and schedule of the Master Facilities Plan, which would also include analysis of the pipeline to the east.

I. CONSENT CALENDAR

There were no items for the Consent Calendar.

II. ACTION/DISCUSSION

There were no items for Action/Discussion.

III. INFORMATION

1. Status report on Carlsbad Desalination Project.

Mr. Weinberg reported on the status of negotiations with Poseidon for the water purchase agreement and the status of due diligence activities.
*Directors Steiner and Bailey arrived at 9:16 a.m. and 9:20 a.m., respectively.

Mr. Weinberg and staff responded to questions and comments posed by Directors Pocklington, Heidel, Price, Lewinger and Bond. Director Watton requested a sensitivity analysis be obtained regarding rates in keeping with AB 32, constrained power generation, and the electric utility market, and then discuss how it would impact price and the related potential rate increase.

Mr. Weinberg continued his report on the status of Water Authority distribution improvements needed for the project, significance of the 30-year commitment the project would represent, and cost allocation that would ensure long-term fiscal sustainability and rate-payer equity.

Mr. Weinberg and staff responded to questions and comments posed by Directors Price, Pocklington, Bond, Lewinger and Watton.

*Directors Wight and Knutson arrived at 9:40 a.m. and 9:43 a.m. respectively.

Mr. Weinberg concluded with scheduled milestone dates that would include the release of the water purchase agreement on April 23, 2012 for a 60-day review period for agencies that would consider the water as a local supply, a Water Planning Committee workshop on May 14 and a full Board workshop on June 14, 2012, followed by Board consideration of the water purchase agreement at the June or July 2012 meeting.

Chair Dion called upon Livia Borak, Coastal Environmental Rights Foundation, and Julie Chunn-Heer, Surfrider San Diego, who spoke on the scheduled workshops. Director Heidel commented that the committee would continually conduct its due diligence by holding public meetings, with the opportunity for input. Director Heidel inquired, and Mr. Weinberg confirmed, that the workshops, scheduled would be meaningful because clearer information, such as costs, terms and price, would be better known at that time.

2. Presentation on Basin Plan update.

Chair Dion continued the presentation on the Basin Plan update to the March 22, 2012 meeting.

*Director Tu arrived at 10:00 a.m.

3. Presentation on Natural Community Conservation Plan/Habitat Conservation Plan implementation.

Mr. Purcell provided information on the planned administration, activities, species and geographical boundaries of the Natural Community Conservation Plan/Habitat Conservation Plan implementation. Mr. Purcell responded to a question posed by Director Wilson.
*Director Watton arrived at 10:18 a.m.

4. Water supply and demand conditions.

Ms. Dobalian reported on the state Table A allocation reduction, state and local reservoir storage and precipitation, Colorado River conditions, and Metropolitan Water District storage.

The following item was received and filed:


IV. CLOSED SESSION
There were no Closed Session items.

V. ADJOURNMENT
Chair Dion adjourned the meeting at 10:23 a.m.

IMPORTED WATER COMMITTEE
CALL TO ORDER / ROLL CALL
Chair Watton called the Imported Water Committee meeting to order at 10:35 a.m. Committee members present were Vice Chair Tu and Directors Bond, Brady, Heidel, Knutson, Lewinger, Linden*, Steiner, Weston, Wight, and Wilson. Vice Chair Arant and Directors McIntosh and Morrison were absent. Also present were Directors Bailey, Boyle, Croucher, Dailey, Dion, Hilliker, Hogan, Jungreis, Miller, Price, Saxod, Smith, Topolovac, and Wornham. At that time, there was a quorum of the full Board, and the meeting was conducted as a meeting of the Board, however, only committee members participated in the vote.

Staff present included General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Colorado River Program Director Razak, MWD Program Chief Chen, Government Relations Manager Volberg, and others.

*Director Linden arrived at 10:36 a.m.

ADDITIONS TO AGENDA
There were no additions to the agenda.

PUBLIC COMMENT
There were no public comments.

CHAIR’S REPORT
Chair Watton informed everyone about an article in the Sacramento Bee by Matt Weiser on the updated costs for Delta tunnels. Chair Watton also reported that the Department of Water Resources had lowered the State Water Project Table A allocation to 50 percent from 60 percent for calendar year 2012. DWR attributed the decrease to the below average statewide snowpack
and precipitation. Also, he reported that Imperial Irrigation District approved the environmental cost-sharing agreement with the Water Authority to fund environmental analysis of proposed changes in the agencies’ water transfer agreement.

In addition, Chair Watton reported that the Bureau of Reclamation released two technical reports that are part of its water supply and demand study, which projects basin water demands through 2060. The entire study was projected to be completed by July 2012.

DIRECTORS’ COMMENTS
There were no comments by Directors.

I. CONSENT CALENDAR
There were no items on the consent calendar.

II. ACTION/DISCUSSION
1. Bay-Delta.
   1-A Adopt Delta policy principles.
   Staff recommendation: Adopt Delta Policy principles to guide staff in evaluating Bay-Delta initiatives and the Water Authority’s advocacy to ensure as successful implementation of a Delta solution.

   After discussion there was a slight modification made to one of the Policy principles. Director Steiner made a motion and Director Lewinger seconded the motion. The motion passed unanimously to approve the Policy principles as modified.

   2-A Metropolitan Water District Delegates report.

   The Delegates reported on the discussions and actions taken at the recent MWD board meetings.

   2-B Update on Metropolitan Water District’s Proposed 2012/13 and 2013/14 Budget and associated Rates and Charges.

   Ms. Chen provided an update on Metropolitan Water District’s proposed fiscal years 2012/13 and 2013/14 budget and associated rates and charges. Following the presentation, Directors asked questions and made comments.

3. Colorado River Programs.
   3-A Colorado River Board representative’s report.

   Director Knutson announced the report was available in the board supplemental materials packet.
III. INFORMATION
The following information items were noted and filed:
1. Metropolitan Water District Program report.
2. Bay-Delta quarterly update.

Mr. Hentschke took the Committee into closed session at 11:30 a.m.

IV. CLOSED SESSION
1. CLOSED SESSION:
   Conference with Legal Counsel – Existing Litigation
   Government Code §54956.9(a)
   Name of Case: QSA Judicial Council Coordination Proceeding No. 4353

2. CLOSED SESSION:
   Conference with Legal Counsel – Existing Litigation
   Government Code §54956.9(a) – SDCWA v Metropolitan Water District of Southern California; Case No. CPF-10-510830

Mr. Hentschke brought the Committee out of closed session at 12:42 p.m. and stated that there was no reportable action.

V. ADJOURNMENT
   There being no further business to come before the Imported Water Committee, Chair Watton adjourned the meeting at 12:42 p.m.

LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE
CALL TO ORDER/ROLL CALL
   Chair Saxod called the Legislation, Conservation and Outreach Committee to order at 1:25 p.m. Committee members present were Chair Saxod, Vice Chair Hilliker and Directors Boyle, Croucher, Dailey, Miller, Topolovac, Weston and Wornham. Committee members absent were Vice Chair Jungreis and Directors Douglas Mudd and Tu. Other Board members present were Directors Arant, Bailey, Bond, Brady, Dion, Heidel, Hogan, Knutson, Lewinger, Linden, Morrison, Pocklington, Price, Smith, Watton, Wight, and Wilson. At that time, there was a quorum of the Board and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

   Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Public Outreach and Conservation Foster, Public Affairs Manager Westford, and Government Relations Manager Volberg.

ADDITIONS TO AGENDA
   There were no additions to the agenda.
PUBLIC COMMENT  
There were no members of the public who wished to address the Committee.

CHAIR’S REPORT  
Chair Saxod announced Director Mudd was out of town and because he was the Chair of the SCOOP Committee, Action/Discussion item number two would be continued to the March 22, 2012 Board meeting. She stated on March 8, 2012 there would be a Special Meeting of the Legislation, Conservation and Outreach Committee at 1:30 p.m. in the Board room. The topic would be “Proposed Water Authority Water Use Efficiency Policy Principles.” She reminded the Board of the upcoming San Diego County Garden Friendly Plant Fairs, and announced the Water Authority would be conducting an online survey to gather public feedback on the usability of the Water Authority’s website. She reviewed the recent Taxpayer’s Association meeting she had attended about the changing role of the media.

DIRECTORS’ COMMENTS  
There were no Directors’ comments.

I. CONSENT CALENDAR  
There were no items on the Consent Calendar.

II. ACTION/DISCUSSION  
1. Legislative Issues.  
   1-A  Report by Carpi and Clay.

   Mr. Clay reported on issues in Sacramento and Mr. Carpi reported on issues in Washington, D. C.

   2. Small Contractor Outreach and Opportunities Program Committee recommended modifications related to goals for fiscal years 2012 and 2013.  
      SCOOP Committee recommendations:  
      1) Establish a 25 percent SCOOP goal for fiscal years 2012 and 2013.  
      2) Develop a sheltered market procurement program for small businesses on procurements greater than $10,000 and up to $150,000.  
      3) Evaluate surety bonding requirements on a case-by-case basis based on risk exposure.  
      4) Contact member agencies to solicit interest in a clearinghouse system.  

      This item was continued to the March 22, 2012 Board meeting.

III. INFORMATION  
The following item was received and filed:  

IV. ADJOURNMENT
There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Saxod adjourned the meeting at 1:45 p.m.

**ADMINISTRATIVE AND FINANCE COMMITTEE**

**CALL TO ORDER / ROLL CALL**

Director Wight called the Administrative and Finance Committee meeting to order at 1:50 p.m. Committee members present were Chair Wight, Vice Chairs Bond and Croucher and Directors Arant, Bailey, Brady, Dion, Hilliker, Price, Smith, Topolovac and Wornham. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Also present were Directors Dailey, Hogan, Heidel, Knutson, Lewinger, Linden, Miller, Morrison, Pocklington, Saxod, Watton, Weston, Williams, and Wilson. Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Finance/Treasurer Sandler, Controller Greek, Director of Human Resources Leone, and Director of Administrative Services Young.

**ADDITIONS TO AGENDA**

There were no additions to the agenda.

**PUBLIC COMMENT**

There were no members of the public who wished to speak.

**CHAIR’S REPORT**

Chair Wight announced the Director of Finance, Eric Sandler would be leaving the Water Authority and thanked Mr. Sandler for his years of service and success at the Water Authority.

Chair Wight also announced due to Mr. Sandler leaving, the Fiscal Sustainability Workgroup would be suspended.

**DIRECTORS’ COMMENTS**

There were no Directors’ comments.

**CONSENT CALENDAR**

1. **Treasurer’s Report.**
   
   **Staff recommendation:** Note and file the monthly Treasurer’s report.

   Director Price moved, Director Croucher seconded, and the motion passed unanimously to approve the consent calendar.
II. ACTION/DISCUSSION
1. Policy recommendation regarding disbursement of potential proceeds resulting from Metropolitan Water District rate litigation.
   **Staff recommendation:** Adopt a policy approving the allocation and distribution to Water Authority Member Agencies of any net refund proceeds, less legal expenses incurred by the Water Authority, resulting from the outcome of the MWD rate litigation, with the funds being distributed to each member agency based upon its proportional share if M&I Melded Supply water deliveries for each year during the period of the litigation.

Ms. Stapleton gave a brief presentation explaining the guiding principles of the recommendation.

Director Croucher moved the motion to approve the recommendation, Vice Chair Bond seconded, and the motion passed unanimously to approve the staff recommendation.

III. INFORMATION
1. Controller’s report.
2. Board Calendar

Chair Wight pointed out a change in the Controller’s Report from a request made during the prior budget season. The request was to show budgeted items based on seasonality rather than straight lined to make analyzing variances to actual easier. Chair Wight stated the results could be found under Footnote “O” in the Controller’s Report. She thanked Mr. Greek and staff for providing that information.

Mr. Hentschke took the Committee into Closed Session at 1:50 p.m.

IV. CLOSED SESSION
1. CLOSED SESSION
   Conference with Labor Negotiator, Government Code §54957.6
   Agency Designated Representatives: Frank Belock, Susan Leone; Richard Bolanos, Liebert Cassidy Whitmore
   Employee Organization: California Teamsters Public, Professional and Medical Employees Union Local 911

Mr. Hentschke brought the Committee out of Closed Session at 2:35 p.m., and announced the Committee provided instructions to the negotiating team.

V. ADJOURNMENT
There being no further business to come before the Administrative and Finance Committee, Chair Wight adjourned the meeting at 2:35 p.m.
CALL TO ORDER/ROLL CALL

Chair Knutson called the Engineering and Operations Committee meeting to order at 2:40 p.m. Committee members present were Chair Knutson, Vice Chairs Dailey and Pocklington and Directors Bailey, Hogan, Miller, Morrison, Saxod, Smith, and Wilson. Committee members absent were Directors Lamb, Lewinger, McIntosh, Mudd, and Williams. At that time, there was a quorum of the Board, however only Committee members participated in the vote. Also present were Directors Arant, Bond, Brady, Croucher, Dion, Heidel, Hilliker, Linden, Price, Steiner, Topolovac, Tu, Watton, Weston, Wight, and Wornham.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Engineering Rose, Director of Operations and Maintenance Eaton, Engineering Manager Bousquet, and Operations and Maintenance Manager Wegand.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no members of the public who wished to speak.

CHAIR’S REPORT

There was no Chair’s report.

DIRECTORS’ COMMENTS

There were no Director’s comments.

I. CONSENT CALENDAR

1. Professional services contract with Tony Demaria Electric, Inc. for annual electrical preventative maintenance inspection, testing, on-call and emergency repair services.

Staff recommendation: Award a two-year professional services contract (with optional third year) to Tony Demaria Electric, Inc. for an amount not-to-exceed $350,435 for annual electrical preventative maintenance inspection, testing, on-call and emergency repair services.

Director Morrison moved, seconded by Vice Chair Dailey, and the motion passed unanimously to approve the consent calendar.

Chair Knutson announced the agenda order had been revised, beginning with Information Item III-1: Presentation on the San Vicente Dam Raise Construction update, followed by the Action/Discussion Items and the Closed Session.
III. INFORMATION

1. Presentation on San Vicente Dam Raise Construction update.

Mr. Rose stated the update would cover project activities since the last update provided to the Board at the January 2012 meeting. He reviewed the progress of five items: 1) repair of the conveyor system which failed on January 7, 2012; 2) placement of roller-compacted-concrete (RCC); 3) construction of the outlet tower; 4) construction of the downstream control facility; and 4) the Contractor’s recovery plan.

Mr. Rose stated the Contractor had achieved their recovery schedule and stressed the importance that they maintain momentum in the schedule as it would be increasingly more challenging to place RCC at higher points along and above the existing dam structure.

Mr. Rose highlighted key points of the Contractor’s recovery plan which included implementing continuous preventative maintenance, working concurrently on different elements of the project, implementing shortened work durations with more manpower, conducting start up and testing, and obtaining Division of Safety of Dam (DSOD) acceptance to fill the reservoir. There were no questions following the presentation.

The following item was noted and filed.

2. Advertisement for bids for Pipelines 3 and 4 Relining Project – State Route 52 to Lake Murray.

Chair Knutson encouraged Committee members to review Information Item 2 materials provided in the Board packet.

II. ACTION/DISCUSSION

1. Lake Hodges.

1-A Lake Hodges Pumped Storage Project update.

Mr. Bousquet stated the update would cover activities since the last update to the Board at the November 2011 meeting. He reviewed the statuses of Units 1 and 2 of the pumped storage facility. Both units required repairs to their connections and additional construction to improve the design. He stated the Lake Hodges Subcommittee meets monthly to review issues and status of the project. The subcommittee was comprised of Chair Knutson, Directors Bailey, McIntosh, Smith, Williams, and Wilson.

Mr. Bousquet outlined project next steps, which include: 1) completing paperwork to reinitiate operations on Unit 1; 2) completing Unit 2 commissioning; 3) coordinating warranty issues; 4) closing out the Contractor, Archer Western, once both units become operational; 4) supporting litigation efforts; and 5) completing post-construction facility improvements.
Mr. Bousquet reviewed a list of post construction facility improvements and their associated costs. Mr. Bousquet stated the project had budgeted funds to last another 6-months and would undergo a mid-year budget assessment to determine if budget adjustments were needed. There were no questions following the presentation.

1-B Presentation on possible amendment to SDG&E Agreement.

Mr. Belock provided information on a possible amendment to the Power Purchase agreement with SDG&E. Mr. Belock provided background on the agreement which was entered into January 2004, and amended December 2008. He described the ancillary services component of the agreement. He stated the Water Authority had engaged Navigant, a consulting firm, to conduct a study to define ancillary services markets, estimate potential revenues, identify associated operating costs, determine potential profitability, and incorporate all into an economic model. The draft study would be provided to the Lake Hodges Subcommittee. He stated an amendment to the Power Purchase Agreement would likely come before the Board in the next two or three months to better define ancillary services, adjust maintenance restrictions, and address timing requirements. There were no questions following the presentation.

Mr. Hentschke took the Committee into Closed Session at 2:55 p.m.

IV. CLOSED SESSION

1. CLOSED SESSION:

   Conference with Legal Counsel – Existing Litigation
   Government Code §54956.9(a) – SDCWA v MWH Americas, Inc. et al
   Case No. 37-2011-00090504-CU-BC-CTL

Mr. Hentschke brought the Committee out of closed session at 3:40 p.m. and announced there were no reportable actions.

Prior to adjournment, Mr. Eaton provided a brief presentation on the status of the Lake Hodges operations and maintenance contract negotiations with SNC-Lavalin. Mr. Eaton informed the Board of staff’s intent to bring the contract to the Board in March for approval.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Chair Knutson adjourned the meeting at 3:50 p.m.

FORMAL BOARD OF DIRECTORS’ MEETING OF FEBRUARY 23, 2012

1. CALL TO ORDER Chair Hogan called the Formal Board of Directors’ meeting to order at 3:55 p.m.

2. SALUTE TO THE FLAG Director Arant led the salute to the flag.
3. **ROLL CALL, DETERMINATION OF QUORUM**
Secretary Smith called the roll. Directors present were Arant, Bailey, Bond, Croucher, Dailey, Dion, Heidel, Hilliker, Hogan, Knutson, Lewinger, Linden, Miller, Pocklington, Price, Saxod, Smith, Steiner, Topolovac, Tu, Waton, Weston, Wight, Wilson, and Wornham. Directors absent were Boyle, Brady, Douglas, Jungreis, Lamb, McIntosh, Morrison, Mudd, Saunders, Williams and Representative Slater-Price.

3-A **Report on proxies received.** Director Arant was the proxy for the Rainbow Municipal Water District, Director Weston was the proxy for Director McIntosh, and Director Dion was the proxy for Director Lamb.

4. **ADDITIONS TO AGENDA** There were no additions to the agenda.

5. **APPROVAL OF MINUTES** Director Lewinger moved, Director Knutson seconded, and the motion carried at 89.89% of the vote to approve the minutes of the Special Imported Water Committee meeting of January 12, 2012 and the Formal Board of Directors’ meeting of January 26, 2012.

6. **OPPORTUNITY FOR MEMBERS OF THE PUBLIC WHO WISH TO ADDRESS THE BOARD ON MATTERS WITHIN THE BOARD’S JURISDICTION**
Mr. Peter Nelson of the Coachella Valley Water District spoke on the importance of holding the State of California responsible for their portion of the Salton Sea restoration. Debi Livesay of the Torres Martinez Desert Cahuilla Indian Tribe read a letter to the Board dated February 19, 2012 regarding mitigation water and the Salton Sea.

7. **PRESENTATIONS AND PUBLIC HEARINGS**

7-A Recognition of Tim Dyer, Cost Estimator, employee of the 2nd quarter. Mr. Dyer was recognized as the Employee of the 2nd quarter.

8. **REPORTS BY CHAIRS**

8-A Chairs report: Chair Hogan reported he had attended the Chamber of Commerce award event, and the San Diego Taxpayers event. He announced the recent passing of Board member Gerald Walson.

8-B Report by Committee Chairs.

Water Planning Committee. Director Dion reviewed the meeting and stated no action was taken.

Imported Water Committee. Director Watton reviewed the meeting and the actions taken.

Legislation, Conservation and Outreach Committee. Director Saxod reviewed the meeting and stated there were no actions taken.

Administrative and Finance Committee. Director Wight reviewed the meeting and the actions taken.

Engineering and Operations Committee. Director Knutson reviewed the meeting and the actions taken.
9. **CONSENT CALENDAR**
Director Knutson moved, Director Bond seconded, and the motion carried at 89.89% of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.

9- 1. **Adopt Delta policy principles.**
The Board adopted Delta Policy principles to guide staff in evaluating Bay-Delta initiatives and the Water Authority’s advocacy to ensure as successful implementation of a Delta solution.

9- 2. **Small Contractor Outreach and Opportunities Program Committee recommended modifications related to goals for fiscal years 2012 and 2013.**
This item was continued to the March 22, 2012 Board meeting.

9- 3. **Treasurer’s report.**
The Board noted and filed the monthly Treasurer’s report.

9- 4. **Policy recommendation regarding disbursement of potential proceeds resulting from Metropolitan Water District rate litigation.**
The Board adopted a policy approving the allocation and distribution to Water Authority Member Agencies of any net refund proceeds, less legal expenses incurred by the Water Authority, resulting from the outcome of the MWD rate litigation, with the funds being distributed to each member agency based upon its proportional share of M&I Melded Supply water deliveries for each year during the period of the litigation.

9- 5. **Professional services contract with Tony Demaria Electric, Inc. for annual electrical preventative maintenance inspection, testing, on-call and emergency repair services.**
The Board awarded a two-year professional services contract (with optional third year) to Tony Demaria Electric, Inc. for an amount not-to-exceed $350,435 for annual electrical preventative maintenance inspection, testing, on-call and emergency repair services.

10. **ACTION/DISCUSSION**
There were no items under Action/Discussion this month.

11. **CLOSED SESSION(S)**

11-A **CLOSED SESSION:**
Conference with Legal Counsel – Existing Litigation Government Code §54956.9(a)
Name of Case: QSA Judicial Council Coordination Proceeding No. 4353
11-B CLOSED SESSION:
Conference with Legal Counsel - Existing Litigation and Potential Litigation
Government Code §54956.9(a) - SDCWA v Metropolitan Water District of Southern California;
Case No. CPF-10-510830
Government Code §54956.9(c) - One Case

11-C CLOSED SESSION:
Conference with Labor Negotiator, Government Code §54957.6
Agency Designated Representatives: Frank Belock, Sandy Kerl, Susan Leone
Employee Organization: California Teamsters Public, Professional and Medical Employees Union Local 911

11-D CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(a) – SDCWA v MWH Americas, Inc. et al
Case No. 37-2011-00090504-CU-BC-CTL

Mr. Hentschke announced there was no need for the Board to go into Closed Session.

12. ACTION FOLLOWING CLOSED SESSION

13. SPECIAL REPORTS
13-A GENERAL MANAGER’S REPORT – Ms. Stapleton reminded the Board about the upcoming Special meeting of the Legislation, Conservation and Outreach Committee on March, 8 2012.
13-B GENERAL COUNSEL’S REPORT – No report was given.
13-C SANDAG REPORT – Director Linden reported as the alternate on the most recent meeting.
SANDAG BORDERS/REGIONAL PLANNING COMMITTEE – Director Saxod announced at the most recent meeting no water issues were discussed.
13-D AB 1234 COMPLIANCE REPORTS – Director Bond reported on the Chamber of Commerce event.

14. OTHER COMMUNICATIONS - None.
15. **ADJOURNMENT**
There being no further business to come before the Board, Chair Hogan adjourned the meeting at 4:20 p.m.

__________________________________  _______________________________
Michael T. Hogan, Chair    Richard K. Smith, Secretary

_______________________________
Doria F. Lore, Clerk of the Board
RESOLUTION NO. 2012-_______

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN DIEGO COUNTY WATER AUTHORITY
HONORING RALPH McINTOSH
UPON HIS RETIREMENT FROM THE BOARD OF DIRECTORS

WHEREAS, Ralph McIntosh served as a member of the Board of Directors of the San Diego County Water Authority, representing the Ramona Municipal Water District, from February 2, 2009 to his retirement on March 5, 2012; and

WHEREAS, he served as a member on the Engineering and Operations Committee, and the Imported Water Committee; and

WHEREAS, he served as a member on the Audit Subcommittee; and

WHEREAS, his contributions to the community extend beyond the activities with the San Diego County Water Authority; and

WHEREAS, his service, both public and private, has resulted in benefit to all people of San Diego County.

NOW, THEREFORE, BE IT RESOLVED, that on behalf of its individual members, past and present, its staff, and the people of San Diego County, the Board of Directors offers its most sincere appreciation to Ralph McIntosh for his dedicated service to the San Diego region.

PASSED, APPROVED, and ADOPTED this 22nd day of March, 2012.

Ayes:

Noes:

Abstain:

Absent:
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 Resolution No. 2012- _____ was duly adopted at the meeting of the Board of Directors on the date stated above.

____________________________________
Doria F. Lore
Clerk of the Board
DATE: March 14, 2012

TO: Board of Directors

FROM: Daniel S. Hentschke, General Counsel

RE: Credentials of David Barnum
Ramona Municipal Water District

Transmitted herewith is information submitted appointing David Barnum to the Water Authority’s Board of Directors. His term will expire on September 8, 2012.

The credentials furnished are sufficient for the qualifications of Mr. Barnum as a member of the Water Authority Board.

Daniel S. Hentschke
General Counsel

dfl

Attachment
MINUTES FOR THE MEETING
OF THE BOARD OF DIRECTORS
OF THE RAMONA MUNICIPAL WATER DISTRICT
JANUARY 24, 2012

PRESENT

Bryan Wadlington  President
Darrell Beck      Vice President
Red Hager        Secretary
Joe Zenovic      Treasurer
Kit Kesinger     Director

Also present: David Barnum, General Manager; Sophie Akins, Legal Counsel; Annette Finley, Human Resources Manager; Richard Hannasch, Finance Manager; John Brean, Water Operations Superintendent; Mike Metts, Engineering Consultant; Ricardo Soto, Engineering Consultant; Burke Kremensky, Fire Chief; Saul Villagomez, Fire Marshal; and Patty Bevers, Recording Secretary.

A. Opening of Meeting

A.1. Call to Order and Pledge of Allegiance

The Regular Meeting of the Board of Directors of the Ramona Municipal Water District was called to order by President Wadlington at 4:30 p.m., at the Ramona Community Center, 434 Aqua Lane, Ramona, County of San Diego, State of California.

President Wadlington led the Board and members of the audience in the Pledge of Allegiance.

A.2. Consideration of Non-Agenda Items Which Arose Subsequent to the Posting of the Agenda

None.

A.3. Adoption of Agenda for Meeting of January 24, 2012

MOTION TO ADOPT AGENDA (Zenovic/Hager) Approved 5-0

A.4. Opportunity for Members of the Public to Address the Board on any Subject within its Jurisdiction but not on the Agenda

None.

A.5 Announcements and/or Informational Reports from Board and/or Staff

A.5.a. General Manager's Report

None.

A.5.b. Committee Reports

None.

A.5.c. Staff Reports
A.5.c.-1 Status Report on the Santa Maria Sewer Service Area Facilities Improvements.

Recommendation: None.

No further action.

B. Ministerial Items

B.1. Consent Calendar

(All matters on the consent calendar are to be approved by one motion unless a Board Member requests separate action on a specific item)

Director Hager pulled Agenda Item B.1.b.

B.1.a. Adoption of the Regular Board Meeting Minutes for January 10, 2012

Recommendation: That the Board adopt the Minutes for January 10, 2012.

M\S\C MOTION TO APPROVE B.1.a. (Kesinger/Beck) Approved 5-0

B.1.b. Approval of Amendment to the Dudek and Associates Professional Services Agreement

Recommendation: That the Board increase the professional services Agreement with Dudek to $300,000.

M\S\C MOTION TO APPROVE B.1.b. (Hager/Zenovic) Approved 5-0

C. Public Hearing/Bid Openings

(This space on the agenda is reserved in the event there is a public hearing or bid opening)

D. Agenda Items which Anticipate Possible Input from Members of the Public

(This space on the agenda is reserved in the event a member of the public is scheduled to address the Board)

E. Agenda Items which Anticipate Possible Input from Other Agencies/Consultants

(This space on the agenda is reserved in the event another agency/consultant is scheduled to address the Board)

F. Agenda Items which Anticipate Possible Input from Staff

F.1. Discussion and Possible Action on the Adoption of Resolution No. 12-1457 Adopting the Proposed Ramona Municipal Water District Division Redistricting Plan

Recommendation: That the Board adopt Resolution 12-1457 approving the proposed redistricting plan as prepared by Sheppard and Staats and direct staff to submit the final plan to the San Diego Registrar of Voters.

M/S/C MOTION TO ADOPT RESOLUTION NO. 12-1457 ADOPTING THE PROPOSED RAMONA MUNICIPAL WATER DISTRICT DIVISION REDISTRICTING PLAN (Hager/Zenovic) Approved 5-0

F.2. Discussion and Possible Action on the Ramona Municipal Water District Representative to the San Diego County Water Authority Board of Directors
Recommendation: That the Board appoint the current General Manager, David Barnum, as the RMWD representative to the SDCWA effective March 1, 2012.

M/S/C

MOTION TO APPOINT THE CURRENT GENERAL MANAGER, DAVID BARNUM, AS THE RMWD REPRESENTATIVE TO THE SDCWA EFFECTIVE MARCH 1, 2012 (Zenovic/Hager) Approved 5-0

F.3. Discussion and Possible Action on Resolution 12-1458 Approving the 2010 Urban Water Management Plan Year Update

Recommendation: That the Board of Directors approve Resolution 12-1458 adopting the 2010 Urban Water Management Plan, and to authorize the General Manager to execute the administrative posting and submittal requirements as outlined in the Resolution.

M/S/C

MOTION TO APPROVE RESOLUTION 12-1458 APPROVING THE 2010 URBAN WATER MANAGEMENT PLAN YEAR UPDATE (Kesinger/Zenovic) Approved 5-0

G. Remaining Agenda Items

G.1. Directors' Comments
Directors' comments are comments by directors concerning District business which may be of interest to the Board. Directors' comments are placed on the agenda to enable individual members to convey information to the Board and the public. There is to be no discussion or action taken on comments made by Board members.

G.2. Directors' Reports of Meetings
Pursuant to Legislative Code Section 2.08.140, members of the Board who receive reimbursement from the District for their actual and necessary expenses for attending meetings outside the District shall either prepare a written report to be submitted at the next subsequent Board meeting or make a verbal report during the next regular Board meeting. The report shall detail the information that may be of benefit to the District that was presented at the meeting.

H. Closing Agenda Items

H.1. Items for Subsequent Meetings
Director Zenovic stated he would like staff to submit an agenda memo seeking direction from the Board of Directors to research alternatives to maximize the benefits of the District's recycled water supply.

H.2. Date and Time for the Next Regular Meeting

February 14, 2012 - 4:30 p.m.

Adjourn

M/S/C

MOTION TO ADJOURN MEETING AT 5:08 P.M. (Zenovic/Kesinger) Approved 5-0

_____________________________
Bryan Wadlington, President
Board of Directors
RAMONA MUNICIPAL WATER DISTRICT
DATE: March 14, 2012

TO: Board of Directors

FROM: Daniel S. Hentschke, General Counsel

RE: Credentials of Dennis Sanford
Rainbow Municipal Water District

Transmitted herewith is a copy of Resolution No. 12-04 submitted by the Rainbow Municipal Water District appointing Dennis Sanford to the Water Authority’s Board of Directors. His term will expire on February 14, 2015.

The credentials furnished are sufficient for the qualifications of Mr. Sanford as a member of the Water Authority Board.

[Signature]
Daniel S. Hentschke
General Counsel

dfl
Attachment
SECRETARY’S CERTIFICATE

I, Dawn Washburn, Secretary of the Board of Directors of the Rainbow Municipal Water District, County of San Diego, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution adopted at a meeting of the Board of Directors of the District duly held at the regular meeting place thereof on February 28, 2012, by the following vote:

AYES:    Director McManigle, Director Brazier, Director Griffiths, and Director Lucy
NOES:    None
ABSTAIN: Director Sanford
ABSENT:  None

An agenda of the meeting was posted at least 72 hours before the meeting at 3707 Old Highway 395, Fallbrook, California, a location freely accessible to members of the public, and a brief description of the resolution appeared on the agenda.

The resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: March 1, 2012

[Signature]
Secretary of the Board of Directors of the Rainbow Municipal Water District
RESOLUTION NO. 12-04

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RAINBOW MUNICIPAL WATER DISTRICT APPOINTING DENNIS SANFORD AS ITS REPRESENTATIVE TO THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY

WHEREAS, the Board of Directors, has designated and appointed Dennis Sanford at the Regular Board meeting of February 28, 2012, to serve as its representative on the San Diego County Authority Board of Directors; and

WHEREAS, the Rainbow Municipal Water District Board of Directors desires to consent to and approve said designation and appointment;

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED by the Board of Directors of Rainbow Municipal Water District to concur in his appointment and support the representation of Dennis Sanford for service to the SDCWA Board of Directors, beginning on February 28, 2012 for the unfulfilled term expiring February 14, 2015 and;

BE IT FURTHER RESOLVED that the District Secretary is hereby directed to transmit a certified copy of this resolution to the SDCWA, 4677 Overland Avenue, San Diego, California, 92123, forthwith. Resolution 11-04 is hereby rescinded by Resolution 12-04.

PASSED, APPROVED AND ADOPTED at a special meeting of the Board of Directors of the Rainbow Municipal Water District held on the 28th day of February, 2012 by the following vote, to wit:

AYES: Director McManigle, Director Brazier, Director Griffiths, and Director Lucy
NOES: None
ABSENT: None
ABSTAIN: Director Sanford

George McManigle, Board President

ATTEST:
Dawn Washburn, Board Secretary
March 14, 2012

Attention: Board of Directors

Approve the Audit Committee’s recommendation of Macias Gini & O’Connell, LLP as independent auditor for a five-year period covering the financial audits of FY2012-FY2016. (Action)

Audit Committee Recommendation
Approve the selection of Macias Gini & O’Connell, LLP (MGO) as the Water Authority’s and QSA JPA’s independent auditor, and to authorize the General Manager to enter into an agreement with MGO, for independent audits for a five-year period from April 1, 2012 through March 31, 2017, for a not-to-exceed amount of $393,059.

Alternatives
Do not accept the Audit Committee’s recommendation and direct staff to reissue the Request for Proposals.

Fiscal impact
Funds for financial audits for FY2012 and FY2013 are in the approved budget. Funding for future years will be requested during subsequent bi-annual budget processes. Included in the not-to-exceed amount is $58,420 for QSA JPA audits, for which the Water Authority will be reimbursed.

Background
The Board approved the establishment of an Audit Committee in August 2009 driven by the desire to separate oversight responsibilities for the audit function from the Administrative and Finance Committee, which is responsible for oversight of financial policy such as budgeting, financing, rates and charges. One of the key roles of the Audit Committee includes the responsibility for recommending selection and providing oversight of the accounting firm assigned to perform the annual audit. This includes the Committee approving the Request for Proposals (RFP) for Audit Services before it is released and having the Committee Chair (or a designated representative) participate on the selection panel.

At its April 27, 2011 meeting the Audit Committee unanimously approved 1) the draft RFP for a five-year audit services contract, 2) allowing the current audit firm, Lance, Soll & Lunghard, LLP (LSL) to submit a response to the RFP, and 3) appointed Director Wilson to serve on the selection panel.

LSL, the Water Authority’s current auditors, have performed the audits for the fiscal years ending 2006 through 2010, and as a result of re-bidding the audit contract, are currently performing the audit for fiscal-year end 2011. Prior to LSL, Conrad and Associates, LLP, performed the audits for fiscal years ending 2000 through 2005.
Previous Board Actions:

On October 27, 2011, the Board approved the Audit Committee’s recommendation of McGladrey & Pullen, LLP as independent auditor for a five year period covering the financial audits of FY2012-FY2016. In addition, the Board approved the Audit Committee’s recommendation of LSL, the current auditors, to perform any needed Agreed Upon Procedures services for a five year period beginning April 1, 2012 through March 31, 2017.

On January 27, 2011, the Board approved rescinding the retention of the MHM five year audit contract for one year pending the outcome of MHM’s peer review. In addition, the Board authorized staff to retain LSL, the current auditors, to perform the FY 2011 financial audits of the Water Authority and the QSA JPA, and any needed Agreed Upon Procedures services for an amount not to exceed $131,467.

On January 12, 2011, the Audit committee reconsidered the pending contract with MHM pending the outcome of their peer review. The item was moved for action at the full board meeting on January 27, 2011.

On October 28, 2010 the Board approved the Audit Committee’s recommendation of MHM as independent auditor for a five-year period covering both the financial audits of FY2011-FY2015 and Agreed Upon Procedures (AUP) services.

On September 9, 2010, the Audit Committee voted to approve the Selection Committee’s recommendation of MHM as independent auditor, and to recommend the selection to the full Board of Directors at its regular meeting in October, 2010.

On April 23, 2009 the Board authorized the General Manager to extend an existing professional services contract with Lance, Soll & Lunghard for a two-year period from June 1, 2009 through May 31, 2011, and to increase the contract by $294,800 for a not-to-exceed amount of $737,110 to provide the Water Authority and QSA JPA with independent audits and agreed-upon procedures and services.

On May 17, 2006 the Board awarded a Professional Services Contract to Lance, Soll & Lunghard, LLP for auditing and agreed-upon procedures services for a three-year period for a not-to-exceed amount of $442,310, with an option to extend two additional years.

Discussion

The Request for Proposals (RFP) for Audit Services was advertised and issued on June 21, 2011 with a Pre-proposal meeting held on July 5, 2011. Thirty-two firms received notifications through their registration on the Network, the Water Authority’s collaborative online vendor registration system. In addition, the RFP was advertised in the Daily Transcript. Seven firms submitted proposals by the deadline of July 18, 2011. The responding firms included Brown Armstrong Accountancy Corporation; Baker Tilly Virchow Krause, LLP.; Crowe Horwath, LLP.; Macias Gini & O’Connell, LLP; Mayer Hoffman McCann P.C.; McGladrey & Pullen, LLP.; and Maze & Associates.
On July 26, 2011 the San Diego County Water Authority completed the evaluation of proposals which had been received in response to the RFP for Audit Services. Respondents were evaluated using selection criteria, which included qualifications and experience of their staff, enterprise fund audit experience, audit plan and approach, continuity of staff and commitment, Single Audit experience, and municipal bond and official statement review experience.

Based on staff’s evaluations and ratings of the proposals, a short-list of three firms was developed and interviews were conducted on Monday, August 1, 2011. The three firms interviewed included Brown Armstrong Accountancy Corporation; Macias Gini & O’Connell, LLP (MGO); and McGladrey & Pullen, LLP. (MP). The interview panel and Auditor Selection Committee included the Director of Finance, Eric Sandler, and four CPA’s: Director Wilson, Audit Committee Member; and staff included Controller Greek; and Accounting Supervisors Cerezo and Ziomek.

After the evaluation of the RFP’s and the completion of oral interviews, the Auditor Selection Committee recommended the selection of MP to provide independent audit services for fiscal-year ends 2012 through 2017. Following approval by the full Board, staff has been working diligently to negotiate contract terms with the selected firm. Recently, negotiations came to a conclusion and staff informed the General Manager that MP was unwilling to agree to the terms in the Indemnity clause of the contract as previously provided to all firms in the RFP document.

The selection panel reconvened and brought forward a recommendation to the Audit Committee to recommend awarding a contract to the second ranked firm of MGO to perform Independent Auditor services for the Water Authority and QSA JPA for fiscal-year ends 2012 through 2016. On March 5, 2012, the Audit Committee approved the recommendation and is forwarding to the Full Board the recommendation to authorize the General Manager to award a contract with the second ranked firm of MGO to perform Independent Auditor services for the Water Authority and QSA JPA for fiscal-year ends 2012 through 2016.

Founded in 1987, MGO is a statewide certified public accounting and business management firm with offices in Sacramento, Walnut Creek, Oakland, Century City, Newport Beach and San Diego and a staff of over 230 professionals. They perform more large government audits in California than any other regional firm. In 2011, the firm was recognized as a top 100 firm by the national publication of Inside Public Accounting, and was ranked 15th on CalCPA’s top 50 accounting firms list.

MGO’s proposal price for auditing services is 10% less than MP’s. Due to the special circumstances for this type of service, SCOOP outreach requirements were not applicable.

Prepared by: Rod Greek, Controller
Reviewed by: Sandy Kerl, Deputy General Manager
Approved by: Maureen A. Stapleton, General Manager
March 14, 2012

Attention: Board of Directors

General Counsel’s Report – February/March 2012

Purpose
This report discusses certain legal matters receiving attention during the months of February-March 2012.

Significant Developments in Pending Litigation
MWD Rate Case. Judge Kramer held a further case management conference on February 17, 2012. At that hearing, the parties confirmed their agreement to use retired San Francisco Superior Court Judge James Warren as a discovery referee and discussed the scope of Judge Warren’s assignment. MWD continued to oppose any discovery, despite Judge Kramer’s prior rulings permitting the discovery process to begin. Judge Kramer did not impose any limits on discovery, but left the scope of discovery largely to be decided by Judge Warren. Since then, the Water Authority has served its initial discovery requests on MWD and also served third-party subpoenas on Malcolm Pirnie and Cordoba Group, two consultants working for the MWD member agencies. Under Judge Kramer’s prior order, the Water Authority will not receive any responses to that discovery until objections are resolved by Judge Warren and, if necessary, after appeal to Judge Kramer. On Tuesday, March 6, 2012, MWD took yet another step designed to block discovery by filing a petition for a writ of mandate in the court of appeal challenging Judge Kramer’s January 6, 2012 order granting IID’s motion for discovery under California Water Code § 1813. IID is preparing an opposition to the writ. On Wednesday, March 7, 2012, the Water Authority served MWD with a proposed Second Amended Petition/Complaint. The Second Amended Petition/Complaint clarifies that the factual basis of the Water Authority’s claims includes the procedural breakdowns at MWD that have resulted in water rates designed to discriminate against San Diego. MWD has promised to decide by March 13 whether to stipulate to the filing of the Second Amended Petition/Complaint. If it does not, special counsel will file a motion to obtain judicial approval for the filing, as was done with the First Amended Petition/Complaint. The next case management conference before Judge Kramer is scheduled to take place May 10, 2012.

State QSA Litigation. Petitions for review were filed on January 17 and 18. Unless it gives itself more time, up to 30 days, the Supreme Court will decide whether to grant review on or before March 19. Briefing on the merits will occur only if the Supreme Court grants review. Filing the petitions does not affect the status of the water transfers contemplated by the QSA.

**Special Counsel Expenditures**
Funds approved for payments to special counsel during February-March 2012 from the General Counsel’s Operating Budget totaled $304,121.71 for work related to the Metropolitan rate dispute, Metropolitan public records request, and QSA litigation. In addition, $643.00 was approved for payment from the Human Resources Operating Budget for work related to personnel issues. CIP expenditures during February-March 2012 were $133,471.12 for work related to the Olivenhain-Lake Hodges Pump Storage Project, SDG&E contract and desalination.

Prepared by: Daniel S. Hentschke

Attachment: Special Counsel Expenditure Report
<table>
<thead>
<tr>
<th>Special Counsel</th>
<th>Project</th>
<th>Total $ Expended FYs 10 &amp; 11 (Fees &amp; Costs)</th>
<th>OP Budget Invoices Approved for Payment this Period</th>
<th>CIP Budget Invoices Approved for Payment this Period</th>
<th>Total $ Expended FYs 12 &amp; 13 (Fees &amp; Costs)</th>
<th>Budget Allocation FYs 12 &amp; 13 for Legal Services $4,700,000.00</th>
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* Concluded matters or assignments.

Not included in totals, legal expenses related to proposed desalination project are coming out of Water Resources budget, not GC budget.

1 Not included in totals, legal expenses related to personnel issue are coming out of Human Resources budget, not GC budget.
<table>
<thead>
<tr>
<th>Special Counsel</th>
<th>Project</th>
<th>Total $ Expended FYs 08 &amp; 09 (Fees &amp; Costs)</th>
<th>OP Budget Invoices Approved for Payment this Period</th>
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<td>Procopio Cory Hargreaves &amp; Savitch</td>
<td>Traylor/Shea Joint Venture (TSJV)</td>
<td>$282,821.75 (CIP)</td>
<td></td>
<td></td>
<td>$53,009.55 (CIP)</td>
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<tr>
<td></td>
<td>Multiple Tunnel Shift Pay</td>
<td>$255,921.33 (CIP)</td>
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<td>$251,359.61 (CIP)</td>
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<tr>
<td></td>
<td>Audit Letter</td>
<td>$547.50 (OP)</td>
<td></td>
<td></td>
<td>$1,073.50 (OP)</td>
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<tr>
<td>Reilly &amp; Associates</td>
<td>Personnel Issue</td>
<td>$11,160.00 (OP)</td>
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<td></td>
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<tr>
<td>Richards Watson &amp; Gershon</td>
<td>Water Conveyance Dispute *</td>
<td>$46,139.82 (CIP)</td>
<td></td>
<td></td>
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<tr>
<td>Townsend</td>
<td>Trademark *</td>
<td>$13,471.27 (OP)</td>
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<tr>
<td>Wiener, Howard (Mediator)</td>
<td>MWD RSI Mediation</td>
<td>$6,000.00 (OP)</td>
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<tr>
<td>Total</td>
<td></td>
<td>$3,355,678.55 (OP)</td>
<td>$304,121.71</td>
<td>$133,471.12</td>
<td>$1,573,252.00 (OP)</td>
<td>$994,063.63 (OP)</td>
</tr>
</tbody>
</table>

* Concluded matters or assignments.

1 Not included in totals, legal expenses related to copyright matter are coming out of Conservation budget, not GC budget

4 Not included in totals, legal expenses related to personnel issue are coming out of Human Resources budget, not GC budget