Senior Engineering Technician George Smith inspects the condition of a prestressed concrete cylinder pipe that was removed for repairs.
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 July 26, 2012 the afternoon session of Standing Committees will commence at 1:00 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

JULY 26, 2012

MORNING SESSION

Administrative & Finance
Estimated time: 50 minutes
Imported Water
Estimated time: 55 minutes
Water Planning
Estimated time: 1 hour

9:00 a.m. to 12:00 p.m.

LUNCHEON FOR DIRECTORS

12:00 p.m. to 1:00 p.m.

AFTERNOON SESSION

Engineering & Operations
Estimated time: 1 hour 25 minutes
Legislation, Conservation & Outreach
Estimated time: 25 minutes

1:00 p.m. to 3:00 p.m.

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 1:00 p.m., and the following afternoon sessions may start at any time after 1:00 p.m. The Board meeting will start no earlier than 3:00 p.m., or following the conclusion of the last committee meeting.
ADMINISTRATIVE AND FINANCE COMMITTEE

AGENDA FOR

JULY 26, 2012

Barbara Wight – Chair    Farrah Douglas
Jim Bond – Vice Chair    Frank Hilliker
Gary Croucher – Vice Chair    Hershell 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)

2. Adopt Resolution setting the time and date for a Public Hearing to consider amendments to the San Diego County Water Authority Local Conflict of Interest Code.    Dan Hentschke
   Staff recommendation: Adopt Resolution No. 2012-___ setting the August regular meeting of the Administrative and Finance Committee as the time and date of a Public Hearing to consider amendments to the San Diego County Water Authority Local Conflict of Interest Code. (Action)
3. Ratify and approve amendments to Memoranda of Understanding with the represented employees, approve amendments to compensation plan for unrepresented employees, and approve fiscal year 2012-13, 2013-14, and 2014-15 Classification and Salary Schedule, and Salary Table adjustments.

Staff recommendation:
1. Adopt Resolution No. 2012-____
   a) Ratifying and approving amendments to and extension of the Memoranda of Understanding with the Teamsters Local 911 Union representing the Technical/Support, Professional/Administrative, and Managerial/Supervisory Bargaining Units;
   b) Approving Compensation Plan adjustments for Executive, Senior Management, and Confidential Employees; and
   c) Approving Classification and Salary Schedules for the period July 1, 2012 through June 30, 2015.
2. Adopt Resolution No. 2012-__ as required by CalPERS for paying and reporting the value of EPMC.
3. Adopt Resolution No. 2012-__ as required by IRS confirming the tax treatment of payments for employee’s mandatory cost share of employer contributions to CalPERS. (Action)

II. ACTION/DISCUSSION

III. INFORMATION

2. Presentation on Water Authority Grants and Grants Administration Program. Toby Roy
3. Board of Directors’ second quarter 2012 expenses and attendance. Rod Greek
4. Controller’s report on monthly financial statements. Rod Greek
5. Board calendar.
IV. CLOSED SESSION

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.
July 18, 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 June 30, 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 75 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 increased from 0.70 percent to 0.72 percent in June 2012 and continues to exceed the investment benchmark of 0.16 percent in June 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 MASTER SUMMARY

as of June 30, 2012

## 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>$50 Million</td>
<td>15.67%</td>
<td>$ 49,272,428</td>
</tr>
<tr>
<td>Banker's Acceptances</td>
<td>20%</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Treasury Securities</td>
<td>15% - Minimum</td>
<td>19.14%</td>
<td>60,187,100</td>
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<tr>
<td>Agency Securities</td>
<td>85%</td>
<td>48.51%</td>
<td>152,557,177</td>
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<tr>
<td>Reverse Repurchase Agreements</td>
<td>20%</td>
<td>0.00%</td>
<td>-</td>
</tr>
<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>
</tr>
<tr>
<td>Commercial Paper</td>
<td>25%</td>
<td>9.33%</td>
<td>29,391,524</td>
</tr>
<tr>
<td>Medium Term Notes/Corporates</td>
<td>30%</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>JPA Pools (CAMP)</td>
<td>25%</td>
<td>7.19%</td>
<td>22,605,452</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>15%</td>
<td>0.16%</td>
<td>503,072</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$ 314,516,753</td>
</tr>
</tbody>
</table>

Accrued Interest (unavailable for investing)
Checking/Petty Cash/Available Funds (unavailable for investing)

**Subtotal for Pooled Funds:**

$ 314,612,865

## Bond/CP Fund Excluded from Portfolio Percentages:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Actual Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury Securities</td>
<td>-</td>
</tr>
<tr>
<td>Agency Securities</td>
<td>149,405,170</td>
</tr>
<tr>
<td>Certificates of Deposit (CDARS)</td>
<td>-</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>21,035,754</td>
</tr>
<tr>
<td>Local Agency Investment Fund (LAIF)</td>
<td>122,031,981</td>
</tr>
<tr>
<td>JPA Pools (CAMP)</td>
<td>10,803,712</td>
</tr>
<tr>
<td>Money Market Funds and Cash</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>$ 303,276,627</td>
</tr>
</tbody>
</table>

Accrued Interest (unavailable for investing)

**Subtotal for Bond/CP Fund (available for CIP expenditures):**

$ 303,276,627

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

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Actual Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency Securities and Money Market Fund - Series 2004A COPs</td>
<td>38,983,833</td>
</tr>
<tr>
<td>FSA - Reserve (GIC) Series 2002A COPs</td>
<td>18,385,750</td>
</tr>
<tr>
<td>Trinity Plus - Reserve (GIC) Series 1998A COPs</td>
<td>12,240,775</td>
</tr>
</tbody>
</table>

**Subtotal for Debt Service Reserve Funds (unavailable for CIP expenditures):**

$ 69,610,358

## Total Cash and Investments

$ 687,499,850

## 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>
</thead>
<tbody>
<tr>
<td>Portfolio Yield to Maturity - 365 Days</td>
<td>0.48%</td>
<td>0.54%</td>
<td>2.63%</td>
<td>0.72%</td>
</tr>
<tr>
<td>Average Term</td>
<td>561</td>
<td>376</td>
<td>206</td>
<td>443</td>
</tr>
<tr>
<td>Average Days to Maturity (730 Days Maximum)</td>
<td>351</td>
<td>165</td>
<td>17</td>
<td>235</td>
</tr>
</tbody>
</table>

* "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.
Portfolio Characteristics as of June 30, 2012

Asset Allocation

<table>
<thead>
<tr>
<th>Pooled Funds</th>
<th>% of Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Treasury (AAA/AA+)</td>
<td>19.1%</td>
</tr>
<tr>
<td>Agency (AAA/AA+)</td>
<td>48.5%</td>
</tr>
<tr>
<td>Other (AAA)*</td>
<td>7.4%</td>
</tr>
<tr>
<td>AA**</td>
<td>9.3%</td>
</tr>
<tr>
<td>not rated ***</td>
<td>15.7%</td>
</tr>
<tr>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

* Includes money market funds & JPA pools (CAMP)
** Includes commercial paper; the Water Authority’s Investment Policy does not permit investments with a rating below A-
*** Includes LAIF, which is part of the state investment pool, and is not rated

Credit Quality

Project Cash Flows (in Millions) *

<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>
</tr>
</thead>
<tbody>
<tr>
<td>Pooled Funds</td>
<td>$ 314.61</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun 12</td>
<td>10.00</td>
<td>51.58</td>
<td>36.86</td>
<td>24.72</td>
<td>329.33</td>
</tr>
<tr>
<td>July 12</td>
<td>5.00</td>
<td>51.09</td>
<td>40.93</td>
<td>15.17</td>
<td>339.50</td>
</tr>
<tr>
<td>Aug 12</td>
<td>11.00</td>
<td>53.67</td>
<td>41.48</td>
<td>23.19</td>
<td>351.69</td>
</tr>
<tr>
<td>Sept 12</td>
<td>46.00</td>
<td>61.32</td>
<td>91.75</td>
<td>15.57</td>
<td>321.26</td>
</tr>
<tr>
<td>Oct 12</td>
<td>3.50</td>
<td>51.28</td>
<td>38.76</td>
<td>16.02</td>
<td>333.79</td>
</tr>
<tr>
<td>Nov 12</td>
<td>10.81</td>
<td>48.36</td>
<td>38.75</td>
<td>9.61</td>
<td>343.40</td>
</tr>
<tr>
<td>Dec 12</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Bond/CP Fund | $ 303.28 |
| Jul 12 | 16.00 | 0.14 | 14.74 | 1.40 | 288.68 |
| Aug 12 | 10.00 | 0.13 | 12.60 | (2.47) | 276.21 |
| Sept 12 | 10.30 | 0.13 | 14.66 | (4.23) | 261.68 |
| Oct 12 | 21.60 | 0.12 | 12.05 | 9.67 | 249.74 |
| Nov 12 | 5.60 | 0.12 | 13.51 | (7.79) | 236.35 |
| Dec 12 | 10.81 | 0.11 | 13.10 | (2.19) | 223.36 |

Market Notes

On June 20th, the FOMC maintained the target for the federal funds rate at a range of 0-25 basis points. The next meeting is August 1st.
## Portfolio Management
### Portfolio Details - Investments
#### June 30, 2012

<table>
<thead>
<tr>
<th>Managed Pool Accounts</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
<td><strong>CISUP</strong></td>
<td><strong>Investment #</strong></td>
<td><strong>Issuer</strong></td>
<td><strong>Portfolio CWA</strong></td>
<td><strong>Portfolio CWA</strong></td>
<td><strong>Portfolio CWA</strong></td>
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<tr>
<td>CASH5</td>
<td>73</td>
<td>CAMP - OPERATING/POOLED</td>
<td>22,605,452.10</td>
<td>22,605,452.10</td>
<td>22,605,452.10</td>
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<tr>
<td>CASH7</td>
<td>6004</td>
<td>CAMP - 2008A COPS</td>
<td>6,414,989.66</td>
<td>6,414,989.66</td>
<td>6,414,989.66</td>
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<tr>
<td>CASH9</td>
<td>3004</td>
<td>CAMP - 2010A BONDS</td>
<td>222,343.98</td>
<td>222,343.98</td>
<td>222,343.98</td>
</tr>
<tr>
<td>CASH10</td>
<td>4004</td>
<td>CAMP - 2010B BONDS-BABS</td>
<td>4,166,378.10</td>
<td>4,166,378.10</td>
<td>4,166,378.10</td>
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<tr>
<td>CASH11</td>
<td>205</td>
<td>FSA CAPITAL MGMT. SVC. - 2002A</td>
<td>18,385,750.00</td>
<td>18,385,750.00</td>
<td>18,385,750.00</td>
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<tr>
<td>CASH12</td>
<td>3001</td>
<td>GOLDMAN - 2010A BONDS</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>CASH13</td>
<td>4001</td>
<td>GOLDMAN - 2010B BONDS-BABS</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>CASH14</td>
<td>6001</td>
<td>GOLDMAN - 2008A COPS</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>CASH15</td>
<td>0002</td>
<td>GOLDMAN - OPERATING/POOLED</td>
<td>503,072.29</td>
<td>503,072.29</td>
<td>503,072.29</td>
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<tr>
<td>CASH16</td>
<td>72</td>
<td>LAIF - OPERATING</td>
<td>49,272,428.33</td>
<td>49,272,428.33</td>
<td>49,272,428.33</td>
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<tr>
<td>CASH17</td>
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<td>LAIF - 2010A BONDS</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>CASH18</td>
<td>4002</td>
<td>LAIF - 2010B BONDS-BABS</td>
<td>122,031,981.15</td>
<td>122,031,981.15</td>
<td>122,031,981.15</td>
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<tr>
<td>CASH19</td>
<td>204</td>
<td>TRINITY PLUS - 1998A</td>
<td>12,240,775.00</td>
<td>12,240,775.00</td>
<td>12,240,775.00</td>
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<tr>
<td>CASH20</td>
<td>1002</td>
<td>US BANK MONEY MARKET FUND</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>CASH21</td>
<td>208</td>
<td>US BANK MONEY MARKET FUND</td>
<td>241,651.09</td>
<td>241,651.09</td>
<td>241,651.09</td>
</tr>
</tbody>
</table>

Subtotal and Average

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial Paper - Discount</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>36959HJ75</td>
<td>10042</td>
<td>GENERAL ELECTRIC CAPITAL CORP</td>
<td>01/13/2012</td>
<td>6,414,989.66</td>
<td>6,414,989.66</td>
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<tr>
<td>36959HLM7</td>
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<td>4081</td>
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<td>6194</td>
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<td>12/15/2011</td>
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**Portfolio Details - Investments**

**June 30, 2012**
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## Portfolio Details - Cash

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**Average Balance**: 0.00

**Total Cash and Investments**: 721,099,193.75

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**Total**: 687,499,850.10

---

**Portfolio CWA2**

**CC**

Run Date: 07/02/2012
### SDCWA - Fiscal Year 2012
### Portfolio Management
### Activity Summary
### June 2011 through June 2012

<table>
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<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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<td>June</td>
<td>2011</td>
<td>104</td>
<td>801,064,506.57</td>
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<td>July</td>
<td>2011</td>
<td>106</td>
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<td>803,631,936.81</td>
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<td>0.740</td>
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<td>2011</td>
<td>101</td>
<td>771,789,260.82</td>
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<td>782,405,524.38</td>
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<td>0.739</td>
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<td>0.727</td>
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<td>0.717</td>
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<td>0.713</td>
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<td>May</td>
<td>2012</td>
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<td>0.700</td>
<td>0.940</td>
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<td>3</td>
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<td>0.731%</td>
<td>0.982</td>
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<td>4</td>
<td>407</td>
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</table>
July 18, 2012

Attention: Administrative and Finance Committee

Adopt Resolution Setting the Time and Date for a Public Hearing to Consider Amendments to the San Diego County Water Authority Local Conflict of Interest Code. (Action)

Staff recommendation
Adopt Resolution No. 2012-___ setting the August regular meeting of the Administrative and Finance Committee as the time and date of a public hearing to consider amendments to the San Diego County Water Authority Local Conflict of Interest Code.

Alternatives
The Board may choose to hold the public hearing at a meeting of the Board rather than the Administrative and Finance Committee.

Fiscal impact
None.

Background
The state Political Reform Act requires each local agency to adopt a local conflict of interest code and to update its code every two years. The Water Authority last updated its Local Conflict of Interest Code in 2010.

Discussion
The Water Authority's Local Conflict of Interest Code is adopted by Administrative Code § 1.04.120. The code includes an Appendix that designates those employment and consultant positions that are subject to the Local Conflict of Interest Code and the disclosure categories applicable to those positions. Every two years, the Board considers amendments to the Appendix to account for the addition, deletion or modification of designated positions. The procedure for making substantive amendments to conflict of interest codes includes a public hearing. The proposed resolution will set the matter for public hearing at the Administrative and Finance Committee meeting in August. A copy of the proposed revised Appendix listing designated employees and the corresponding disclosure categories is attached. The revised Appendix has been reviewed by the executive staff.

Prepared by: Audrey R. Kroeger, Legal Administrative Assistant
Approved by: Daniel S. Hentschke, General Counsel

Attachment: Resolution No. 2012-___
Proposed Conflict of Interest Code Appendix (2012 Redline)
RESOLUTION NO. 2012-___

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY SETTING THE AUGUST REGULAR MEETING OF THE ADMINISTRATIVE AND FINANCE COMMITTEE AS THE TIME AND DATE OF A PUBLIC HEARING TO CONSIDER AMENDMENTS TO THE SAN DIEGO COUNTY WATER AUTHORITY LOCAL CONFLICT OF INTEREST CODE

The Board of Directors of the San Diego County Water Authority resolves:

1. The agenda of the August regular meeting of the Administrative and Finance Committee shall include a public hearing to consider amendments to the San Diego County Water Authority Local Conflict of Interest Code.

2. The Clerk of the Board is authorized and directed to cause a notice substantially in the following form to be published pursuant to Government Code Section 6066.

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Administrative and Finance Committee of the Board of Directors of the San Diego County Water Authority will hold a public hearing at 9:00 a.m., or as soon thereafter as the matter may be heard, on Thursday, August 23, 2012, at its offices located at 4677 Overland Avenue, San Diego, California 92123.

The purpose of the hearing will be to receive comments from the public regarding proposed amendments to the Water Authority’s Local Conflict of Interest Code. A copy of the proposed amendments is on file in the office of the Clerk of the Board.

San Diego, California

By order of the Board of Directors of the San Diego County Water Authority

Doria F. Lore
Clerk of the Board

APPROVED AND ADOPTED, this 26th day of July, 2012.

AYES:

NOES:

ABSTAIN:
ABSENT:

_______________________________________
Michael T. Hogan, Chair

ATTEST:

_______________________________________
Richard K. Smith, Secretary

I, Doria F. Lore, Clerk of the Board of Directors of the San Diego County Water Authority, certify that vote shown above is correct and that 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
APPENDIX

SAN DIEGO COUNTY WATER AUTHORITY
LOCAL CONFLICT OF INTEREST CODE

List of Designated Positions and Disclosure Requirements
(2012 Update)

SECTION 1: AUTHORITY AND SCOPE

This Appendix is adopted pursuant to and as a part of the San Diego County Water Authority Local Conflict of Interest Code, which adopts by reference the latest provisions of Section 18730 of Title 2 of the California Code of Regulations.

The San Diego County Water Authority Local Conflict of Interest Code contains both requirements for the disclosure of financial interests and disqualification requirements. Violations of the local conflict of interest code are subject to the administrative, criminal and civil sanctions of the Political Reform Act.

This Appendix contains a list of designated positions and disclosure requirements for employees holding designated positions. This Appendix is the "Appendix" referred to in subsection (b)(3) [Disclosure Categories] of 2 Cal. Code of Regs. Section 18730. The General Manager, in consultation with the General Counsel, may add designated positions and establish disclosure requirements for such positions whenever a new job classification is created. Such designation shall be effective pending amendment of the Code or this Appendix by the Board of Directors.

The Members of the Board of Directors, the General Manager, the Director of Finance and the Treasurer are designated as “other public officials who manage public investments” under Government Code Section 87200 and 2 Cal. Code of Regulation Section 18720. Persons in these positions are required to disclose financial interests pursuant to Government Code sections 87200 - 87210 and are, therefore, not included in the list set forth below. However, such persons are subject to the disqualification requirements of the San Diego County Water Authority Local Conflict of Interest Code.

SECTION 2: EFFECTIVE DATE

This 2012 update of the Appendix shall be effective the day following its approval by the code reviewing body. The San Diego County Board of Supervisors is designated by statute as the code reviewing body for the San Diego County Water Authority. Following approval by the code reviewing body, this Appendix remains in effect until repealed or superseded.

SECTION 3: LIST OF DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES

The positions within the Water Authority listed in this section are "designated positions." Any person whose employment position (whether full time, part time or temporary) with the Water Authority is a designated position, is a "designated employee" for the purposes of the local conflict of interest code. Designated employees shall disclose in the manner provided in the local conflict of interest code, those reportable financial interests which are within each of the categories.
representatted by the numerals following each listed position. Each disclosure category is identified by a number and is described below. Disclosure requirements for interests in each disclosure category are set forth in subsection (b)(7) [Manner of Reporting] of 2 Cal. Code of Regs. Section 18730.

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<th>Category Number</th>
<th>Reportable Financial Interests</th>
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<tr>
<td>1</td>
<td>All investments</td>
</tr>
<tr>
<td>2</td>
<td>All sources of income</td>
</tr>
<tr>
<td>3</td>
<td>All interests in real property</td>
</tr>
<tr>
<td>4</td>
<td>All business positions</td>
</tr>
<tr>
<td>5</td>
<td>Investments and business positions in business entities, and sources of income, engaged directly or indirectly, in land development, construction, civil engineering, environmental consulting, land planning, real estate (including without limitation brokerage, sales, marketing, leasing, appraisal, and lending), commercial lending, banking or farming.</td>
</tr>
<tr>
<td>6</td>
<td>Investments and business positions in business entities, and sources of income, engaged, directly or indirectly, in development, distribution, transfer, conservation, storage, treatment, reclamation or marketing of water.</td>
</tr>
<tr>
<td>7</td>
<td>Investments and business positions in business entities, and sources of income, engaged in architecture, engineering, accounting, auditing, law, public relations, provision of temporary employees, office products, telecommunications, computer hardware and software, personnel services, management services, or in the manufacture, production, vending or servicing of goods, materials, machinery or equipment of the type routinely used or purchased by public water agencies; including those entities and sources within the scope of category 8.</td>
</tr>
<tr>
<td>8</td>
<td>Investments and business positions in business entities, and sources of income who have contracted with the Authority within the past two years or who in the future may foreseeably contract with the Authority to provide services, supplies, materials, machinery or equipment. Reporting under this category shall apply to those contracts for services, supplies, materials, machinery or equipment acquisition, the solicitation, negotiation, or administration of which are within the scope of regular and customary job duties of the employee.</td>
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### Designated Positions

#### General Manager’s Office
- Assistant General Manager: 1, 2, 3, 4
- Deputy General Manager: 1, 2, 3, 4
- Executive Administrative Assistant: 8
- Government Relations Manager: 5, 6, 7
- Management Analyst: 5, 6, 7

#### General Counsel’s Office
- General Counsel: 1, 2, 3, 4
- Assistant General Counsel: 1, 2, 3, 4
- Deputy General Counsel: 1, 2, 3, 4
- Legal Administrative Assistant: 8

#### Administrative Services Department
- Director of Administrative Services: 1, 2, 3, 4
- Administrative Services Manager: 1, 2, 3, 4
- Assistant Management Analyst: 7
- Clerk of the Board: 7
- Data Base Administrator: 7
- Deputy Clerk of the Board: 7
- Facilities Services Technician: 7
- Information Systems Manager: 7
- Information Systems Supervisor: 7
- Management Analyst: 7
- Purchasing Manager: 1, 2, 3, 4
- Purchasing Technician I and II: 8
- Risk Manager: 7
- Safety Officer: 8
- Senior Management Analyst: 1, 2, 3, 4
- Warehouse Supervisor: 7

#### Colorado River Program
- **Colorado River Program Manager**
- Engineering (P.E.): 5, 6, 7
- **Management Analyst**: 5, 6, 7
- **Principal Engineer**: 1, 2, 3, 4
- Principal Water Resources Specialist: 6, 7
- Senior Engineer: 5, 6, 7
- Senior Public Affairs Representative: 7
- **Senior Water Resource Specialist**: 6, 8
### Conservation Program

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<th>Pages</th>
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<tr>
<td>Principal Water Resource Specialist</td>
<td>5, 6, 7</td>
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<td>Water Resources Specialist</td>
<td>5, 6, 7</td>
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<tr>
<td>Senior Water Resource Specialist</td>
<td>5, 6, 7</td>
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<td>Project Scheduler</td>
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### Engineering Department

<table>
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<td>Director of Engineering</td>
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<tr>
<td>Assistant Management Analyst</td>
<td>5, 7</td>
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<tr>
<td><strong>Construction Manager</strong></td>
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<td>Cost Estimator</td>
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<tr>
<td>Engineer (P.E.)</td>
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</tr>
<tr>
<td>Engineer I</td>
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<tr>
<td>Engineer II</td>
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<td>Engineering Manager</td>
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<td>Engineering Technician I</td>
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<tr>
<td>Engineering Technician II</td>
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<td>Management Analyst</td>
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<tr>
<td>Principal Construction Manager</td>
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<td>Principal Engineer</td>
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<tr>
<td><strong>Program Control Manager</strong></td>
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<td>Right of Way Agent</td>
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<td>Right of Way Manager</td>
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<td>Senior Engineering Technician</td>
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<tr>
<td>Senior Management Analyst</td>
<td>1, 2, 3, 4</td>
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<td>Senior Project Scheduler</td>
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<td><strong>Senior Right of Way Agent</strong></td>
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<td>Senior Survey Technician</td>
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<td>Supervising Engineering Technician</td>
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<td><strong>Supervising Land Surveyor</strong></td>
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<td>Survey Technician</td>
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### Finance Department

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<td>Accounting Supervisor</td>
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<tr>
<td>Controller</td>
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<tr>
<td><strong>Financial Planning Manager</strong></td>
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<tr>
<td>Financial Unit Resources Manager</td>
<td>1, 2, 3, 4</td>
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<tr>
<td>Investment Analyst</td>
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<tr>
<td><strong>Rate and Budget Analyst</strong></td>
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### Human Resources Department

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<tr>
<td>Director of Human Resources</td>
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<tr>
<td>Human Resources Analyst</td>
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<tr>
<td>Human Resources Assistant</td>
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<tr>
<td>Senior Human Resources Analyst</td>
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### MWD Program

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<td>MWD Program Chief Director</td>
<td>1, 2, 3, 4</td>
</tr>
<tr>
<td>Assistant Water Resources Specialist</td>
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<tr>
<td><strong>MWD Water Policy Manager</strong></td>
<td>5, 6, 7</td>
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<tr>
<td><strong>Public Affairs Senior Manager</strong></td>
<td>5, 6, 7</td>
</tr>
<tr>
<td>Senior Water Resources Specialist</td>
<td>6, 8</td>
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### Operations and Maintenance Department

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<tr>
<td>Director of Operations and Maintenance</td>
<td>1, 2, 3, 4</td>
</tr>
<tr>
<td>Electrical/Electronics Supervisor</td>
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</tr>
<tr>
<td><strong>Fleet Maintenance Supervisor</strong></td>
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</tr>
<tr>
<td>Management Analyst</td>
<td>5, 6, 7</td>
</tr>
<tr>
<td>Operations and Maintenance Manager</td>
<td>5, 7</td>
</tr>
<tr>
<td><strong>Principal Engineer</strong></td>
<td>1, 2, 3, 4</td>
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<tr>
<td>Principal Water Resources Specialist</td>
<td>5, 6, 7</td>
</tr>
<tr>
<td>Senior Electrical/Electronics Technician</td>
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<tr>
<td><strong>Senior Engineer</strong></td>
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<tr>
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<tr>
<td>Senior Maintenance Technician</td>
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<tr>
<td>Senior System Operator</td>
<td>8</td>
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<td><strong>Senior Water Resources Specialist</strong></td>
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<tr>
<td>Supervising Management Analyst</td>
<td>1, 2, 3, 4</td>
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<td>System Maintenance Supervisor</td>
<td>7</td>
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<td>Systems Operations Supervisor</td>
<td>7</td>
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<tr>
<td>Water Resources Specialist</td>
<td>5, 6, 7</td>
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### Public Affairs Outreach and Conservation Department
- Director of Public Affairs Outreach and Conservation 1, 2, 3, 4
- Education Programs Specialist 8
- Education Programs Supervisor 2
- Management Analyst 5, 7
- Principal Water Resources Specialist 5, 6, 7
- Public Affairs Manager 7
- Public Affairs Representative I 8
- Public Affairs Representative II 8
- Public Affairs Supervisor 7
- Senior Public Affairs Representative 7
- Senior Water Resources Specialist 5, 6, 7
- Small Business Contracting Manager 5, 7
- Water Resources Specialist 5, 6, 7

### Right of Way Department
- Director of Right of Way 1, 2, 3, 4
- Right of Way Technician I 5, 7
- Right of Way Technician II 5, 7
- Right of Way Technician III 5, 7
- Right of Way Technician IV 5, 7
- Supervising Land Surveyor 5, 7
- Land Surveyor (P.L.S.) 5, 7
- Management Analyst 5, 7
- Right of Way Supervisor 5, 7
- Right of Way Agent 5, 7
- Right of Way Inspector 5
- Senior Right of Way Agent 5, 7
- Senior Survey Technician 5, 8
- Survey Technician 5, 8

### Water Resources Department
- Director of Water Resources 1, 2, 3, 4
- Assistant Management Analyst 5, 6, 7
- Engineer (P.E.) 5, 6, 7
- Management Analyst 5, 6, 7
- Principal Engineer (P.E.) 1, 2, 3, 4
- Principal Water Resources Specialist 5, 6, 7
- Senior Water Resources Specialist 5, 6, 7
- Water Resources Manager 1, 2, 3, 4
- Water Resources Specialist 5, 6, 7
Consultants

Fair Political Practices Commission regulation [2 Cal. Code of Regs. section 18701(a)] defines "consultant" as an individual whom, pursuant to a contract with a state or local governmental agency:

(a) Makes a governmental decision whether to:

(1) Approve a rate, rule or regulation;
(2) Adopt or enforce a law;
(3) Issue, deny, suspend, or revoke a permit, license, application, certificate, approval, order, or similar authorization or entitlement;
(4) Authorize the agency to enter into, modify, or renew a contract provided it is the type of contract that requires agency approval;
(5) Grant agency approval to a contract which requires agency approval and in which the agency is a party or to the specifications for such a contract;
(6) Grant agency approval to a plan, design, report, study, or similar item;
(7) Adopt, or grant agency approval of, policies, standards, or guidelines for the agency, or for any subdivision of the agency; or

(b) Serves in a staff capacity with the agency and in that capacity participates in making a governmental decision or performs the same or substantially all the same duties for the agency that would otherwise be performed by an individual holding a position specified in the agency's local conflict of interest code.

Disclosure required:

Disclosure required by consultants shall be determined on a case-by-case basis by the General Manager, or in the case of legal service contracts, by the General Counsel. The General Manager, in consultation with the General Counsel, or General Counsel may determine whether a person is a consultant and what disclosure, if any, is required by the consultant. The determination shall be in writing and shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The written determination is a public record and shall be retained for public inspection in the office of the Clerk of the Board. The written determination may be made as a part of the contract pursuant to which the consultant provides services to the Authority. Subject to the foregoing, consultants that meet the definition of paragraph (b), above, generally will disclose financial interests in the same manner as is required for the designated position the duties of which are performed, in whole or in part, by the consultant.
July 18, 2012

Attention: Administrative and Finance Committee

Ratify and approve amendments to Memoranda of Understanding with the represented employees, approve amendments to compensation plan for unrepresented employees, and approve fiscal year 2012-13, 2013-14, and 2014-15 Classification and Salary Schedule, and Salary Table Adjustments. (Action)

Staff recommendation
1. Adopt Resolution No. 2012-______
   a) Ratifying and approving amendments to and extension of the Memoranda of Understanding (MOU) with the Teamsters Local 911 Union representing the Technical/Support, Professional/Administrative, and Managerial/Supervisory Bargaining Units;
   b) Approving Compensation Plan adjustments for Executive, Senior Management, and Confidential Employees; and
   c) Approving Classification and Salary Schedules for the period July 1, 2012 through June 30, 2015.
2. Adopt Resolution No. 2012-__ as required by CalPERS for paying and reporting the value of EPMC.
3. Adopt Resolution No. 2012-__ as required by IRS confirming the tax treatment of payments for employee’s mandatory cost share of employer contributions to CalPERS

Fiscal impact

The fiscal impact of the three year MOU is an increase to the total budget of 0.07% in the first year, 0.08% in the second year, and the third year being dependent upon the Consumer Price Increase (CPI) in San Diego County. The impact for FY2013 of the agreement, $541,350, will be mitigated by projected savings.

Background

The term of the current MOU between the Water Authority and Teamsters Local 911 union representing the Technical/Support, Professional/Administrative, and Managerial/Supervisory bargaining units expired on June 30, 2012. As with many agencies, due to the challenging economy both regionally and nationally, the negotiations of the new Memoranda of Understanding with Water Authority employees were again focused on having to reduce costs or restrict the various components of our compensation packages. This approach has been important as the public has an expectation that the Water Authority will do its part in controlling costs.

With that goal in mind, the Board’s designated representatives have been meeting with the represented employees’ bargaining units and have been able to achieve a multi-year agreement.
The General Manager also met with the unrepresented Executive, Senior Management, and Confidential employees, and is recommending specific modifications to the compensation plans for those classifications for the same period.

**Discussion**

The focus on labor negotiations for all employees, both represented and unrepresented employees, was on four central objectives: two related to minimizing the Water Authority’s employer retirement obligations through increasing the employee’s contributions and creating the authority to implement a second tier in the future. The other objectives related to controlling health benefit costs and having competitive salaries which reflect the scope of responsibilities and complexity of the Water Authority’s work.

In respect to the objectives relating to controlling CalPERS costs, prior to 2006 the employee’s share of the total CalPERS required contribution had been 7%. In July of 2006 it was increased to 8%, with the employees paying the 1% increase. Having the employees pay the initial 7% has been the Board’s focus. In 2010, the MOU were modified to have the employees pay 3 1/2 % of the 7%. The proposed agreement accomplishes the Board’s direction; by the beginning of the 2nd year for Executives and Senior Managers and the 3rd year for the Teamsters and Confidential employees will pay the last 3 ½ % such that the full 8% will be paid by employees. Additionally, the Water Authority now will have the ability to implement a 2nd tier pension formula, with only the impacts being subject to a future meet-and-confer effort.

The proposed health plan modifications will also bring stability to the Water Authority’s health costs. Traditionally our Kaiser plan, which represents the base in the formula that is used to calculate the Water Authority’s costs, have had co-pay requirements that are markedly lower than the Aetna HMO plan. The proposed modifications increase all of the Kaiser co-pays up to the level of the Aetna HMO plan, which will reduce the Water Authority’s future health costs.

**Represented Employees – (Teamsters)**

In respect to compensation, the Board’s objective has been that our salaries remain competitive with other agencies and that they reflect the scope of our employees’ responsibilities and complexity of work. For the represented employees, salary increases of 2.35% in the first year, 2.25% in the second year, and a third year increase related to the CPI (less medical) in San Diego County of between 2 and 3% have been agreed upon. It should be noted that the CPI for 2011 was 3.1%. Additionally, the Water Authority’s contributions to the represented employees deferred compensation and special merit pay will continue to be suspended for the entire term of the MOU.

In addition to the pension, medical, and salary components of the proposed agreements, we also endeavored to address other concerns. The proposed agreement increases the General Manager’s authority for the use of compensatory time, restricts the converting of sick leave and vacation to pay, and addresses selected disciplinary processes. These modifications accomplish the following:
• Increases management’s authority over the use of compensatory time.
• Increases the vacation hours that must be used and the account balance that must remain prior to an employee being able to convert vacation to pay.
• Eliminates any sick leave payout for resignations or terminations.
• Restricts sick leave conversion to vacation to departures related to retirement, layoff, or death.
• Exchanges the Holiday Option for the Cesar Chavez Holiday.
• Increases the amount of time discipline remains in an employee’s file.
• Limits appeals of disciplinary processes to only that which is required by state law.

The Teamsters and the Water Authority negotiating teams successfully reached agreement to extend the MOU for a three year period beginning on July 1, 2012 and expiring on June 30, 2015, subject to the approval of both the Board and the union membership. The membership of the recognized bargaining units represented by Teamsters Local 911 met and ratified the terms of the MOU on July 12, 2012. Copies of the amendments are exhibits to the resolutions that accompany this memorandum.

**Unrepresented Employees**

Similar to the represented employees, the Confidential employees will receive salary increases of 2.35% in the first year, 2.25% in the second year, and a third year increase related to the CPI (less medical) in San Diego County of between 2 and 3% have been agreed upon. Confidential employees will also receive matches for deferred compensation, though in smaller amounts than had been in place in prior years when it was available. The Confidential employees will be subject to the same modifications to compensatory time, leave conversion, sick leave payout, holiday exchange, and discipline as noted above for the represented employees.

In respect to the compensation for Executives and Senior Managers, there will be no cost of living increases (COLAs) for the next three years. Instead these classes of employees will have their ranges increased by 7.5% for the 3 year term, with actual salary increases based solely on an assessment of individual performance. Additionally, beginning in fiscal year 2014, Executives and Senior Managers will no longer receive 7 days of administrative leave and will instead have their ranges increased 1.5%, with actual salary increases again only being based on performance. A comprehensive compensation study will also be initiated for these classes in the fall of 2012 for Board consideration. The Executives and Senior Managers will be subject to the same modifications to leave conversion, sick leave payout, and holiday exchange.

**Classification Modifications**

Five positions will also have their status modified, including the MWD Manager and Colorado River Manager who will be moved into the Executive class and the Financial Planning and Resources Managers who will be moved into the Senior Manager class.
The attached resolutions ratify and approve the MOU, approve the changes to the compensation plans for unrepresented employees, approve corresponding changes to the Classification and Salary Schedule, and approve the necessary changes to our agreement with CalPERS. There are two resolutions relating to CalPERS requirements and the employees increasing their contributions. The first is required by CalPERS and the second by the Internal Revenue Service for tax purposes.

Prepared by: Susan Leone, Director of Human Resources
Reviewed by: Frank Belock, Jr., Deputy General Manager
Approved by: Maureen A. Stapleton, General Manager

Attachment: Resolution No. _____
RESOLUTION NO. 2012-


WHEREAS, in compliance with the Meyers-Milias-Brown Act (Government Code §§ 3500 et seq.) and Water Authority Administrative Code chapter 2.20, Teamsters Local 911 Union and the Water Authority’s Employee Relations Officer have jointly prepared and agreed to the terms and conditions of memoranda of understanding effective July 1, 2012 and continuing until June 30, 2015 for the classifications in the Technical/Support, Professional/Administrative, and Managerial/Supervisory bargaining units; and

WHEREAS, the memoranda of understanding jointly prepared by Teamsters Local 911 Union and the Employee Relations Officer are not be binding except upon ratification and approval by the Water Authority’s Board of Directors; and

WHEREAS, the terms and conditions of the memoranda of understanding are consistent with and implement negotiating instructions and directions of the board of directors; and

WHEREAS, Exhibit A to this resolution is a summary of the changes to salary, benefits, and other terms and conditions of employment contained in the memoranda of understanding;

WHEREAS, the Board of Directors desires to approve and authorize the General Manager to execute the memoranda of understanding for each of the bargaining units represented by Teamsters Local 911 Union; and

WHEREAS, the Water Authority’s Employee Relations Officer has also consulted with unrepresented executive, senior management, and confidential employees regarding salary, benefits, and other terms and conditions of employment; and

WHEREAS, the Board of Directors desires to implement amendments to the compensation plans, including benefits and other terms and conditions of employment for unrepresented executive, senior management, and confidential employees as summarized in Exhibits B and C to this resolution;

THEREFORE, the Board of Directors of the San Diego County Water Authority resolves as follows:
1. The changes to salary, benefits, and other terms and conditions of employment summarized in Exhibit A and as incorporated into the respective memoranda of understanding for the Technical/Support Group, Professional/Administrative Group, and Managerial/Supervisory Group of Teamsters Local 911 Union are ratified and approved.

2. General Manager is authorized to execute each memorandum of understanding respectively prepared for the Technical/Support Group, Professional/Administrative Group, and Managerial/Supervisory Group of Teamsters Local 911 Union which shall be effective for the period July 1, 2012 through June 30, 2015.

3. The changes to the compensation plan for unrepresented executive and senior management employees summarized in Exhibit B are approved.

4. The changes to the compensation plan for confidential employees summarized in Exhibit C are approved.

5. The San Diego County Water Authority Classification and Salary Schedule and corresponding Salary Tables attached hereto are approved for the periods stated therein.

6. The employee cost-share of the employers CalPERS retirement contribution as described in Exhibits A, B, and C shall be accomplished by mandatory deduction from gross pay.

7. The General Manager, and General Counsel for employees in the General Counsel’s office, are authorized to perform all actions necessary to implement this resolution.

APPROVED AND ADOPTED this 26th day of July, 2012.

AYES:

NOES:

ABSTAIN:

ABSENT:

_____________________________
Michael T. Hogan, Chair

ATTEST:

_______________________________________
Richard K. Smith, Secretary
I, Doria F. Lore, Clerk of the Board of Directors of the San Diego County Water Authority, certify that vote shown above is correct and that 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
EXHIBIT A

SUMMARY

CHANGES TO WATER AUTHORITY MOUs

Technical/Support Group
Professional/Administrative Group
Managerial/Supervisory Group

Teamsters Local 911 Union

July 1, 2012 – June 30, 2015

Salary and Wages

Salary Adjustments: The Water Authority shall provide cost of living adjustments for employees in the Technical/Support, Professional/Administrative, and Managerial/Supervisory groups as follows:

2.35% effective the fourteenth (14th) pay period of 2012, 2.25% effective the fourteenth (14th) pay period of 2013, and CPI for San Diego All Urban Consumers minus the medical portion of CPI with a minimum of 2.0%, and maximum of 3.0%, effective the fourteenth (14th) pay period of 2014.

Special Merit Pay: The Water Authority shall suspend special merit pay.

Retirement

Retirement Contribution Cost-Share: The Water Authority and employees previously agreed to cost share the Water Authority’s contribution. Effective the fourteenth (14th) pay period of 2012, employees’ cost-share of the Water Authority’s employer contributions will increase to four and three-quarter percent (4.75%) by mandatory deduction from gross pay and the Water Authority will pay the remainder. Effective the fourteenth (14th) pay period in 2013, employees’ cost share will increase to six percent (6%) by mandatory deduction from gross pay and the Water Authority will contribute the remainder. Effective the fourteenth (14th) pay period in 2014, employees’ cost share will increase to seven percent (7%) by mandatory deduction from gross pay and the Water Authority will contribute the remainder.

Second Tier Pension Plan Formula: During the term of this Agreement the Water Authority reserves the right to decide on a second tier pension formula for new employees. If during the term of this agreement the Water Authority decides to proceed with implementation of a second tier pension plan formula, the Water Authority and Teamsters Local 911 will meet and confer in advance of the implementation date to address matters within the scope of bargaining as required by state law.
Deferred Compensation: The Water Authority shall suspend employee contributions to the 457 deferred compensation program.

Health and Welfare

Medical Plan Design: Effective January 1, 2013 the Kaiser HMO plan will be modified to have the same co-pays as the Aetna HMO plan, as listed on the 2012 Medical Benefit Comparison.

Miscellaneous

Holiday: The Holiday Option will be eliminated effective July 1, 2012 and be replaced with Cesar Chavez Day effective March 31, 2013.

Compensatory Time Use of earned compensatory time shall be at the discretion of the supervisor.

Other Changes

Sick Leave Unused sick leave will only be paid at employment termination due to retirement, layoff, or death.

Restrict sick leave conversion to vacation (at 50% conversion rate) to departures related to retirement, layoff, or death.

Vacation Before an employee can convert vacation to pay, the amount of vacation that must be used in a year increase from 40 to 80 hours and the resulting required balance increase from 40 to 80 hours.

Personnel Files: Derogatory information shall remain in an employee’s personnel file for three years before request for removal.

Appeal of Discipline: Eliminate post-Skelly appeal of disciplinary suspensions of less than six days.
EXHIBIT B

SUMMARY OF PROPOSED CHANGES
TO CONFIDENTIAL GROUP
COMPENSATION PLAN
July 1, 2012 – June 30, 2015

Salary and Wages

Salary Adjustments: The Water Authority shall provide cost of living adjustments for employees in the Confidential group as follows:

2.35% effective the fourteenth (14th) pay period of 2012, 2.25% effective the fourteenth (14th) pay period of 2013, and CPI for San Diego All Urban Consumers minus the medical portion of CPI with a minimum of 2.0%, and maximum of 3.0%, effective the fourteenth (14th) pay period of 2014.

Retirement

Retirement Contribution Cost-Share: The Water Authority and employees previously agreed to cost share the Water Authority’s contribution. Effective the fourteenth (14th) pay period of 2012, employees’ cost-share of the Water Authority’s employer contributions will increase to four and three-quarter percent (4.75%) by mandatory deduction from gross pay and the Water Authority will pay the remainder. Effective the fourteenth (14th) pay period in 2013, employees’ cost share will increase to six percent (6%) by mandatory deduction from gross pay and the Water Authority will contribute the remainder. Effective the fourteenth (14th) pay period in 2014, employees’ cost share will increase to seven percent (7%) by mandatory deduction from gross pay and the Water Authority will contribute the remainder.

Second Tier Pension Plan Formula: During the term of this Agreement the Water Authority reserves the right to decide on a second tier pension formula for new employees. If during the term of this agreement the Water Authority decides to proceed with implementation of a second tier pension plan formula, the Water Authority and Teamsters Local 911 will meet and confer in advance of the implementation date to address matters within the scope of bargaining as required by state law.

Deferred Compensation: The Water Authority shall make contributions to employee 401(a) deferred compensation of $200 in July 2012, $250 in July 2013, and $300 in July 2014.
Health and Welfare

Medical Plan Design: Effective January 1, 2013 the Kaiser HMO plan will be modified to have the same co-pays as the Aetna HMO plan, as listed on the 2012 Medical Benefit Comparison.

Miscellaneous

Holiday: The Holiday Option will be eliminated effective July 1, 2012 and be replaced with Cesar Chavez Day effective March 31, 2013.

Vacation Before an employee can convert vacation to pay, the amount of vacation that must be used in a year increase from 40 to 80 hours and the resulting required balance increase from 40 to 80 hours.

Sick Leave: Unused sick leave will only be paid at employment termination due to retirement, layoff, or death.

Restrict sick leave conversion to vacation (at 50% conversion rate) to departures related to retirement, layoff, or death.

Personnel Files: Derogatory information shall remain in an employee’s personnel file for three years before request for removal.

Appeal of Discipline: Eliminate post-Skelly appeal of disciplinary suspensions of less than six days.
EXHIBIT C

SUMMARY OF PROPOSED CHANGES
TO COMPENSATION PLAN FOR
EXECUTIVE AND SENIOR MANAGEMENT GROUP EMPLOYEES
July 1, 2012 – June 30, 2015

Term of Compensation Plan

The Plan of Compensation shall be for three (3) years effective July 1, 2012 to June 30, 2015, unless changes are mandated by the Board of Directors in the exercise of the Board’s authority.

Salary

Salary Schedule: The Executive and Senior Management salary ranges shall be increased by 7.5% for FY2013-2015. Individual salary adjustments in 2012-13, 2013-14, and 2014-15 will be merit based. Ranges will be increased by an additional 1.5% in FY 2014.

Compensation Study: The Water Authority shall conduct a labor market compensation study of Senior Management and Executive level classifications during fiscal year 2013.

Health and Welfare

Medical Plan Design: Effective January 1, 2013 the Kaiser HMO plan will be modified to have the same co-pays as the Aetna HMO plan, as listed on the 2012 Medical Benefit Comparison.

Retirement

Retirement Contribution Cost-Share: The Water Authority and employees previously agreed to cost share the Water Authority’s contribution. Effective the fourteenth (14th) pay period of 2012, employees’ cost-share of the Water Authority’s employer contributions will increase to five and one-quarter percent (5.25%) by mandatory deduction from gross pay and the Water Authority will pay the remainder. Effective the fourteenth (14th) pay period in 2013, employees’ cost share will increase to seven percent (7%) by mandatory deduction from gross pay and the Water Authority will contribute the remainder.

Second Tier Pension Plan Formula: During the term of this Agreement the Water Authority reserves the right to decide on a second tier pension formula for new employees. If during the term of this agreement the Water Authority decides to proceed with implementation of a second tier pension plan formula, the Water Authority and Teamsters Local 911 will meet and confer in advance of the implementation date to address matters within the scope of bargaining as required by state law.
**Miscellaneous**

**Holiday:** The Holiday Option will be eliminated effective July 1, 2012 and be replaced with Cesar Chavez Day effective March 31, 2013.

**Sick Leave:** Unused sick leave will only be paid at employment termination due to retirement, layoff, or death.

Restrict sick leave conversion to vacation (at 50% conversion rate) to departures related to retirement, layoff, or death.

**Vacation**

Before an employee can convert vacation to pay, the amount of vacation that must be used in a year increase from 40 to 80 hours and the resulting required balance increase from 40 to 80 hours.

**Personnel Files:** Derogatory information shall remain in an employee’s personnel file for three years before request for removal.

**Meritorious Leave**

Meritorious Leave will be eliminated in July 2013.
# San Diego County Water Authority

## Classification and Salary Schedule

### Executive

<table>
<thead>
<tr>
<th>Classification</th>
<th>Range</th>
<th>Classification</th>
<th>Range</th>
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<tbody>
<tr>
<td>General Manager</td>
<td>Set by Board of Directors</td>
<td>Supervising Management Analyst</td>
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<tr>
<td>General Counsel</td>
<td>Set by Board of Directors</td>
<td>Senior Management Analyst</td>
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<tr>
<td>Deputy General Manager</td>
<td>A</td>
<td>Management Analyst</td>
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<td>Assistant General Manager</td>
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<td>Assistant General Counsel</td>
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<td>COUNSEL</td>
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<tr>
<td>Director of Engineering</td>
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<td>Deputy General Counsel</td>
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<td>Director of Finance/Treasurer</td>
<td>C</td>
<td>Education Programs Specialist</td>
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<td>Director of Water Resources</td>
<td>D</td>
<td>COUNSEL</td>
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<tr>
<td>Director of Operations and Maintenance</td>
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<td>COUNSEL</td>
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<tr>
<td>Director of Administrative Services</td>
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<td>Director of Human Resources</td>
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<td>Director of Public Affairs</td>
<td>E</td>
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<tr>
<td>Director of the Colorado River Program</td>
<td>E</td>
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<tr>
<td>Director of the MWD Program</td>
<td>E</td>
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### Senior Management

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<td>Controller</td>
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<td>Electrical/Electronics Supervisor</td>
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<td>Engineering Manager</td>
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<td>Sr. Electrical/Electronics Technician</td>
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<td>Government Relations Manager</td>
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<td>Electrical/Electronics Technician II</td>
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<td>Inter-Agency Program Manager</td>
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<td>Operations &amp; Maintenance Manager</td>
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<td>ENGINEERING</td>
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<td>Information Systems Manager</td>
<td>G</td>
<td>Principal Engineer</td>
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<td>Financial Planning Manager</td>
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<td>Government Relations Manager</td>
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<td>Engineer (P.E.)</td>
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<td>Administrative Services Manager</td>
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<td>Supervising Engineering Technician</td>
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<td>Public Affairs Manager</td>
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<td>Risk Manager</td>
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<td>Contract Manager</td>
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<td>Purchasing Manager</td>
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### Accounting

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<td>Accountant</td>
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<td>Rate and Debt Administrator</td>
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<td>Accounting Assistant I</td>
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## Classification and Salary Schedule

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*Level III: Range 22 Steps 7-13
*Level IV: Range 28 Steps 6-13
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Monthly salary is hourly rate x 2080 hours / 12

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<td>48515.20</td>
<td>49239.88</td>
<td>50064.56</td>
<td>50899.32</td>
<td>51734.08</td>
<td>52568.84</td>
</tr>
</tbody>
</table>

Annual salary is hourly rate x 2080 hours

6-24-12 Annually

COLA = 2.35%
Monthly salary is hourly rate x 2080 hours / 12

6-23-13 Monthly

COLA = 2.25%
<table>
<thead>
<tr>
<th>SALARY RANGE</th>
<th>SALARY RATES</th>
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</table>
RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS

Whereas, the Board of Directors of the San Diego County Water Authority has the authority to implement California Government Code section 20636(c)(4) pursuant to California Government Code section 20691; and

Whereas, the Board of Directors has a written labor policy or agreement which specifically provides for a portion of the normal member contribution to be paid by the employer and reported as additional compensation; and

Whereas, one of the steps in the procedures to implement section 20691 is the adoption by the Board of Directors of a resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC) pursuant to CCR title 2 section 571(a)(1); and

Whereas, the Board of Directors previously adopted Resolution 2005-22 to implement its election to pay EPMC;

Whereas, after adoption of Resolution No. 2005-22, pursuant to a written labor policy or agreement, the amount of the normal contribution increased from 7% to 8% with the EPMC remaining at 7% and the employees paying 1%; and

Whereas, with the intention of maintaining the EPMC benefit, the Board of Directors of the San Diego County Water Authority has identified the following conditions for the purpose of its election to pay EPMC:

1. This benefit shall apply to all employees of the San Diego County Water Authority.

2. This benefit shall consist of paying 7% of normal contributions as EPMC and reporting the same designated amount (value) of compensation earnable [excluding Government Code section 2036(c)(4)] as additional compensation.

3. The effective date of this resolution shall be July 1, 2006.
NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the San Diego County Water Authority from and after the effective day has elected to pay and report the value of EPMC as set forth above.

APPROVED AND ADOPTED, this 26th day of July, 2012.

AYES:

NOES:

ABSTAIN:

ABSENT:

______________________________
Michael T. Hogan, Chair

ATTEST:

______________________________
Richard K. Smith, Secretary

I, Doria F. Lore, Clerk of the Board of Directors of the San Diego County Water Authority, certify that vote shown above is correct and that 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
RESOLUTION NO. 2012 - _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY CONFIRMING TAX TREATMENT OF MANDATORY EMPLOYEE COST SHARE OF RETIREMENT BENEFITS

WHEREAS, the Water Authority Board of Directors has adopted Resolution 2010-10 a Resolution of the Board of Directors of the San Diego County Water Authority Ratifying and Approving the Amendments to and Extension of the Memoranda of Understanding for the Period from June 30, 2010 to July 1, 2012 with the Teamsters Local 911 Union Representing The Technical/Support, Professional/Administrative, and Managerial/Supervisory Bargaining Units; Approving Compensation Plan Adjustments for Executive, Senior Management, and Confidential Employees; and Approving Classification and Salary Schedules, and further has approved employment agreement amendments with the Water Authority employees reporting directly to the board of directors, which amended MOUs, plan, and employment agreements are referred to herein as the Labor Agreements; and

WHEREAS, the Water Authority Board of Directors has adopted Resolution 2012-__ a Resolution of the Board Of Directors of the San Diego County Water Authority ratifying and approving the Memoranda of Understanding with the Teamsters Local 911 Union Representing the Technical/Support, Professional/Administrative, and Managerial/Supervisory Bargaining Groups; approving Compensation Plan adjustments for Executive, Senior Management, and Confidential Employees; and approving Classification and Salary Schedules all for the period from July 1, 2012 to June 30, 2015, and further has approved employment agreements with the Water Authority employees reporting directly to the board of directors, which amended MOUs, compensation plan, and employment agreements are referred to herein as the Labor Agreements;

WHEREAS, the Water Authority has the authority to implement Government Code section 20516(f), which authorizes the Water Authority and its employees to share the costs of optional benefits of the CalPERS retirement benefit plan (“Plan”); and

WHEREAS, the Water Authority has adopted optional benefits to be provided to its employees pursuant to the Plan; and

WHEREAS, pursuant to section 20516(f), Water Authority employees will contribute a certain percentage of their base salary as specified for each employee in the applicable Labor Agreement towards the Water Authority’s employer’s cost of the Plan benefit provided for such employees (“Contributions”); and

WHEREAS, section 20516(f) authorizes the Water Authority to implement the cost-sharing arrangement without amending its existing pension contract with CalPERS; and

WHEREAS, pursuant to the terms of the Plan, the Contributions shall continue to be designated as an employer contribution; and
WHEREAS, sections 3121(a)(5)(A) and 3401(a)(12)(A) of the Internal Revenue Code ("Code"), exclude employer contributions from an employee’s wages until such time as such contributions are distributed to the employee; and

WHEREAS, as a result of the preceding, the Contributions will be taken on a pre-tax basis since the Contributions are considered by the Plan to be employer contributions; and

WHEREAS, if the IRS takes a contrary position, concluding that the Contributions should be characterized as employee contributions rather than employer contributions, the Water Authority wishes to ensure that the Contributions are not treated as currently taxable to the employee; and

WHEREAS, notwithstanding its position that the Contributions are employer contributions and excludable from an employee’s income until distributed, the Water Authority wishes to implement the provisions of section 414(h)(2) of the Code; and

WHEREAS, pursuant to section 414(h)(2), employee contributions to a public employer pension plan may be picked up on a pre-tax basis by the public employer and excluded from an employee’s gross income if the employer specifies that the contributions, although designated as employee contributions to the plan, are being paid by the employer in lieu of contributions by the employee, and the employee cannot choose to receive the amounts directly instead of having them paid by the employer; and

WHEREAS, the Water Authority has determined that, even though the implementation of the provisions of section 414(h)(2) is not required by law, the tax benefits of section 414(h)(2) in reducing taxable employee gross income should be provided to its employees who are members of CalPERS; and

WHEREAS, Internal Revenue Service Revenue Ruling 2006-43 requires that the Water Authority take contemporaneous action evidencing an intent to establish a proper pick-up under section 414(h)(2); and

WHEREAS, the Water Authority intended to take such contemporaneous action when it adopted and approved the Labor Agreements;

THEREFORE, the Board of Directors of the San Diego County Water Authority resolves as follows:

Section 1. A Water Authority employee shall be permitted to make an irrevocable and binding election not to receive the “Contributions” in cash AND in lieu thereof to have the Water Authority pick up and contribute such Contributions to the Plan towards the employer’s cost of the CalPERS retirement benefit provided for such employees. “Contributions" mean those payments to the Public Employees' Retirement System which are deducted from the salary of employees and are credited to the employer account pursuant to California Government Code section 20516(f).
Section 2. The Water Authority will implement the provisions of section 414(h)(2) Code with respect to the Contributions. If the Contributions are designated as employee contributions by the Internal Revenue Service, the Contributions will be picked up on a pre-tax basis by the Water Authority in lieu of employee contributions so that such Contributions are treated as employer contributions.

Section 3. An employee not subject to a memorandum of understanding between the Water Authority and a recognized employee organization as specified by Resolution 2012-__ must elect, by executing a one-time, binding and irrevocable agreement to have the Contribution contributed to the Plan as a pick up under Section 414(h)(2) of the Code.

Section 4. An employee may not elect to receive such Contributions directly instead of having them paid by the Water Authority to the Plan.

Section 5. Amounts picked up by the Water Authority shall be paid from the same sources of funds as used in paying salary.

Section 6. Resolution 2010-21 remains in effect.

Section 7. The effective date of the pick up by the Water Authority is deemed to be July 1, 2010, for those mandatory cost share payments subject to Resolution 2010-21, and July 1, 2012 or such other later date as provided in the Labor Agreements up which increased pick up amounts become effect according to the terms of the Labor Agreements.

APPROVED, and ADOPTED this 26th day of July 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
July 18, 2012

Attention: Administrative and Finance Committee

Annual report on the 2015 Business Plan performance. (Information)

Purpose
The purpose of this memo is to provide fiscal year 2012 performance information on the 2008 Strategic Plan and the 2015 Business Plan.

Background
The 2008 Strategic Plan has helped guide the Water Authority over the past several years. The planning document is divided into three key result areas - Water Supply Diversification, Leadership, and Asset Management. Underlying these three key result areas are 11 strategies and 21 objectives. All of the objectives are linked to one or more goals in the 2015 Business Plan to ensure staff’s efforts and focus align with the Strategic Plan.

The Business Plan is the tactical plan used by the General Manager to implement the Board’s strategy and direction. It is a rolling five year plan divided into three focus areas - Water Supplies Portfolio, Water Facilities, and Core Business. The Business Plan is updated every two years to maintain flexibility in the planning process, currency in the goals, and relevancy of the document. The Business Plan is also linked to the Water Authority’s two-year budget cycle and ensures operating budgets support the Board’s strategic direction.

The new 2017 Business Plan will be available at the August 23, 2012 Board meeting. The Business Plan was updated to reflect the current environment in which the Water Authority now operates. The current environment consists of reduced water sales volumes; increased water costs; transition from a building to an operating organization; impacts of the economic recession; ratepayer fatigue; and long-term water reliability.

Discussion
Overall, the Strategic Plan performance is on track, with 15 objectives completed and 6 on track for completion (see Attachment 1). The six objectives that are on track but yet to be completed will be incorporated into the new 2017 Business Plan.

The 2015 Business Plan contains 129 goals of which 65 are complete, 39 are on track, and 25 are not on track or have been deleted or delayed due to a decision by the Water Authority Board (see Attachment 2).
The goals that have been accomplished include:

- Adoption of the Bay-Delta Policy/Principles;
- Acceptance of the Coachella Canal Lining Project by U.S. Bureau of Reclamation;
- Completion of the emergency local water supply implementation plan;
- Integration of the San Vicente Projects into aqueduct operations;
- Development of best management practices for the Capital Improvement Program;
- Development of an online water quality reporting system;
- Award of $1 million in grants to advance conservation and water supply awareness; and
- Completion of the Natural Community Conservation and Habitat Conservation Plans and receipt of long term habitat permits.

The goals that are not on track, or deleted or delayed due to a decision by the Water Authority Board, include:

- Annual distribution and beneficial reuse of 30,000 acre-feet of recycled water by the end of 2012. Due to decreased water demands, the need for water transfers has diminished.
- Resolution of judicial ruling related to the Quantification Settlement Agreement contracts.
- Completion of the San Vicente Dam Raise and Carryover Storage project on schedule. The contractor has submitted a recovery schedule which is being audited weekly to identify and address issues.
- Achievement of the Rate Stabilization Fund target fund balance. The target fund balance remains the same; however, with the adoption of the Fiscal Year 2014 and 2015 Budget and the calendar year 2013 rates, the target will not be met.

The Water Authority’s strategic planning documents can be found online at http://www.sdcwa.org/mission-vision-values-strategies.

Prepared by: Matthew S. Brown, IT Manager; John J. Galleher, O&M Manager; Kelly L. Rodgers, Senior Engineer
Reviewed by: Sandra L. Kerl, Deputy General Manager
Approved by: Maureen A. Stapleton, General Manager

Attachment 1: Strategic Plan Performance Summary Report
Attachment 2: Business Plan Performance Report
### Water Supply Diversification - Key Result Area 1

<table>
<thead>
<tr>
<th>No.</th>
<th>KRA and Strategy</th>
<th>Objective</th>
<th>Long Term</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>WATER SUPPLY DIVERSIFICATION Conservation</td>
<td>All municipal water agencies within the Water Authority service area will approve, implement and enforce uniform outdoor water conservation standards within their statutory authority.</td>
<td>Sep 2010</td>
<td>14 agencies</td>
</tr>
<tr>
<td>2</td>
<td>WATER SUPPLY DIVERSIFICATION Conservation</td>
<td>The average regional per capita water consumption will be reduced by 10% from the current 10-year regional average.</td>
<td>Jan 2015</td>
<td>161 gallons per capita day</td>
</tr>
<tr>
<td>3</td>
<td>WATER SUPPLY DIVERSIFICATION Conservation</td>
<td>75% of the region’s residents can identify water conservation as one of their most important civic obligations.</td>
<td>Jan 2015</td>
<td>75% of residents</td>
</tr>
<tr>
<td>4</td>
<td>WATER SUPPLY DIVERSIFICATION Desalination</td>
<td>The Water Authority will have facilitated and/or developed local seawater and brackish groundwater desalination facilities that represent 10% of the region’s total water supply requirements.</td>
<td>Jan 2020</td>
<td>10% of total supply via desal</td>
</tr>
<tr>
<td>5</td>
<td>WATER SUPPLY DIVERSIFICATION Non Potable Reuse</td>
<td>Member agencies, with the assistance of the Water Authority, will supply at least 6% of the region’s total water supply through non potable reuse.</td>
<td>Jan 2025</td>
<td>6% of total supply via non potable</td>
</tr>
<tr>
<td>6</td>
<td>WATER SUPPLY DIVERSIFICATION Water Transfers</td>
<td>Obtain 30,000 acre-feet of short-term water transfers and groundwater banking to meet dry year supply needs.</td>
<td>Jan 2011</td>
<td>30,000 acre-feet</td>
</tr>
</tbody>
</table>

### Leadership - Key Result Area 2

<table>
<thead>
<tr>
<th>No.</th>
<th>KRA and Strategy</th>
<th>Objective</th>
<th>Long Term</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>LEADERSHIP Political Influence</td>
<td>Adopt and implement a biennial water policy agenda directed toward MWD, the state, the seven basin states, and various federal agencies.</td>
<td>Jun 2009</td>
<td>100% complete</td>
</tr>
<tr>
<td>8</td>
<td>LEADERSHIP Political Influence</td>
<td>The Board and staff will conduct a series of briefings/workshops for agency boards and other interested local officials to provide a comprehensive overview of Water Authority issues and the region’s water supply.</td>
<td>Jan 2012</td>
<td>1 workshop/biennially</td>
</tr>
<tr>
<td>9</td>
<td>LEADERSHIP Political Influence</td>
<td>At least 75% of the region's local government policy makers understand the importance of connecting development with good water policy, support the Water Authority's long-term direction, and endorse water conservation.</td>
<td>Jan 2012</td>
<td>75% of policy makers</td>
</tr>
<tr>
<td>10</td>
<td>LEADERSHIP Regional Growth &amp; Development</td>
<td>Approve regional landscape model ordinance for local land-use agencies to apply to new residential and commercial construction projects and major improvements to existing developments.</td>
<td>Sep 2012</td>
<td>14 agencies</td>
</tr>
<tr>
<td>11</td>
<td>LEADERSHIP Regional Growth &amp; Development</td>
<td>Encourage local land-use agencies to enforce the model outdoor water program.</td>
<td>Sep 2010</td>
<td>14 agencies</td>
</tr>
<tr>
<td>12</td>
<td>LEADERSHIP Regional Growth &amp; Development</td>
<td>Encourage local land-use agencies to adopt development standards and programs that reduce the average per capita water consumption for that jurisdiction.</td>
<td>Jan 2015</td>
<td>161 gallons per capita day</td>
</tr>
<tr>
<td>13</td>
<td>LEADERSHIP Public Awareness</td>
<td>Periodic public surveys show continuing increases in public support for Water Authority programs.</td>
<td>Jan 2012</td>
<td>55% support</td>
</tr>
<tr>
<td>No.</td>
<td>KRA and Strategy</td>
<td>Objective</td>
<td>Long Term</td>
<td>Performance</td>
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<td></td>
<td></td>
<td>Status</td>
<td>Target Date</td>
</tr>
<tr>
<td>14</td>
<td>LEADERSHIP Public Awareness</td>
<td>A majority of residents will know, understand and believe that indirect potable reuse is already part of the existing water supply, and is a safe and acceptable part of the region's water supply.</td>
<td>1</td>
<td>Jan 2012</td>
</tr>
<tr>
<td>15</td>
<td>LEADERSHIP Public Awareness</td>
<td>Create broad public support for and awareness of issues surrounding water, water resources, and water infrastructure.</td>
<td>2</td>
<td>Jan 2015</td>
</tr>
<tr>
<td>16</td>
<td>LEADERSHIP Workforce Planning</td>
<td>The Water Authority will revisit the work force management issues identified in the Water Authority Business Plan.</td>
<td>1</td>
<td>Jun 2010</td>
</tr>
</tbody>
</table>

**Asset Management - Key Result Area 3**

<table>
<thead>
<tr>
<th>No.</th>
<th>KRA and Strategy</th>
<th>Objective</th>
<th>Long Term</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>ASSET MANAGEMENT Facilities Planning</td>
<td>Update the Water Facilities Master Plan in conjunction with the 2015 Urban Water Management Plan.</td>
<td>1</td>
<td>Jan 2012</td>
</tr>
<tr>
<td>18</td>
<td>ASSET MANAGEMENT Capital Financing</td>
<td>Prepare a Long Range Financing Plan to determine the best fit and structure of an upcoming debt issue. Take into account such things as reserves, bond ratings, coverage ratios, insurance, and political climate to position the Water Authority to achieve the minimum net cost of funds when debt financing capital improvements.</td>
<td>1</td>
<td>Jun 2008</td>
</tr>
<tr>
<td>19</td>
<td>ASSET MANAGEMENT Capital Financing</td>
<td>Conduct outreach programs to investors and credit rating agencies to assure them of our financial stability and ability to pay our obligations.</td>
<td>1</td>
<td>Jun 2010</td>
</tr>
<tr>
<td>20</td>
<td>ASSET MANAGEMENT Facilities Operation &amp; Maintenance</td>
<td>Adopt an integrated asset management plan that will be used to support all budget proposals related to water assets for the next two-year budget.</td>
<td>1</td>
<td>Jan 2009</td>
</tr>
<tr>
<td>21</td>
<td>ASSET MANAGEMENT Facilities Operation &amp; Maintenance</td>
<td>Water Authority board will adopt a policy regarding funding of asset replacement.</td>
<td>1</td>
<td>Jan 2010</td>
</tr>
</tbody>
</table>

ʉ/1 = Objective met ʉ/2 = Objective on track ʉ/3 = Objective not met
## Business Plan Performance Report for Fiscal Year 2011-2012

### Water Supplies Portfolio - Bay Delta - Jeffrey Volberg - Dennis Cushman

<table>
<thead>
<tr>
<th>#</th>
<th>Goal</th>
<th>Target Date</th>
<th>Revised Date</th>
<th>Long Term Status</th>
<th>Long Term Target</th>
<th>Fiscal Year Target</th>
<th>Fiscal Year Actual</th>
<th>Prior Year Actual</th>
<th>Qualifier</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Develop and adopt an updated work plan for 2012.</td>
<td>2012-Feb</td>
<td></td>
<td>1</td>
<td>100</td>
<td>100</td>
<td></td>
<td></td>
<td>% complete</td>
<td>Board adopted Bay-Delta policy principles on February 23, 2012.</td>
</tr>
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<td>2</td>
<td>Participate in the Bay-Delta Conservation Plan process and advocate for the completion of the environmental documentation process.</td>
<td>2012-Jan</td>
<td></td>
<td>2</td>
<td>100</td>
<td>10</td>
<td>50</td>
<td></td>
<td>% complete</td>
<td>Staff continues to monitor the progress of the BDCP. Staff has commented on the EIR and Chapter 8 (Finance).</td>
</tr>
<tr>
<td>3</td>
<td>Support efforts to implement interim Bay-Delta fixes by 2012.</td>
<td>2012-Jun</td>
<td></td>
<td>2</td>
<td>100</td>
<td>50</td>
<td>25</td>
<td></td>
<td>% complete</td>
<td>Staff continues to support interim solutions to Bay-Delta.</td>
</tr>
<tr>
<td>4</td>
<td>Evaluate costs and cost effectiveness of a long-term Delta fix when compared to other supply alternatives.</td>
<td>2012-Jun</td>
<td></td>
<td>2</td>
<td>100</td>
<td>50</td>
<td>25</td>
<td></td>
<td>% complete</td>
<td>Staff has commented on Chapter 8 (Finance) of the BDCP.</td>
</tr>
<tr>
<td>5</td>
<td>Support and monitor the Delta Governance process, including support for San Diego’s representation on the Delta Stewardship Council.</td>
<td>2014-Jun</td>
<td></td>
<td>2</td>
<td>100</td>
<td>25</td>
<td>50</td>
<td></td>
<td>% complete</td>
<td>Staff continues to monitor the Delta Governance process. Staff commented on the Delta Plan and the Delta Plan EIR. San Diego is represented on the DSC.</td>
</tr>
<tr>
<td>6</td>
<td>Effectively communicate and advocate the Water Authority’s position with California Urban Water Agencies on Delta strategies.</td>
<td>2014-Jul</td>
<td></td>
<td>1</td>
<td>100</td>
<td>10</td>
<td>100</td>
<td></td>
<td>% complete</td>
<td>Staff has successfully advocated for inclusion of CUWA’s Delta Financing Principles during public comment periods. Staff is on drafting team for CUWA finance white paper.</td>
</tr>
</tbody>
</table>

1= Long term target has been achieved.
2= Goal is either on track or ahead of schedule to meet current year target, and to meet long term target by original date.
3= Goal is not on track to meet current year target or to meet long term target by original date.
4= Goal deleted or delayed due to a decision by the Water Authority Board.
### Water Supplies Portfolio - Brackish and Seawater Desalination - Cesar Lopez - Ken Weinberg

<table>
<thead>
<tr>
<th>#</th>
<th>Goal</th>
<th>Target Date</th>
<th>Revised Date</th>
<th>Long Term Status</th>
<th>Long Term Target</th>
<th>Fiscal Year Target</th>
<th>Fiscal Year Actual</th>
<th>Prior Year Actual</th>
<th>Qualifier</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Complete Desalinated Water Conveyance and Integration Study for the Camp Pendleton Seawater Desalination project as part of the update to the Regional Water Facilities Master Plan.</td>
<td>2012-Jan</td>
<td>2013-Jan</td>
<td>100</td>
<td>100</td>
<td>75</td>
<td>10</td>
<td>% complete</td>
<td></td>
<td>Work is proceeding within the scope of the Master Plan Update. Master Plan Update completion date was delayed because of a Board decision.</td>
</tr>
<tr>
<td>2</td>
<td>Negotiate, execute, and implement Water Purchase Agreement with Poseidon for the delivery of water from the Carlsbad Desalination Project to the Water Authority's aqueduct system.</td>
<td>2012-Dec</td>
<td></td>
<td>100</td>
<td>75</td>
<td>75</td>
<td>30</td>
<td>% complete</td>
<td></td>
<td>WPA negotiations under way. Project specific information needed to complete the agreement are not available.</td>
</tr>
<tr>
<td>3</td>
<td>Complete hydrogeologic, geotechnical, and oceanographic studies for the Camp Pendleton Seawater Desalination project.</td>
<td>2012-Dec</td>
<td></td>
<td>100</td>
<td>75</td>
<td>75</td>
<td>10</td>
<td>% complete</td>
<td></td>
<td>Data collection and all major field activities have been completed. Information gathered is being evaluated and overall, work is proceeding as planned to meet the target completion date.</td>
</tr>
<tr>
<td>4</td>
<td>Achieve annual production of 8,000 acre feet of water supplies from brackish groundwater desalination.</td>
<td>2012-Dec</td>
<td></td>
<td>8000</td>
<td>6000</td>
<td>6400</td>
<td>8000</td>
<td>acre feet of annual production</td>
<td></td>
<td>Oceanside's expanded Mission Basin Desalter is now running at full capacity. Construction of Sweetwater's Reynolds Plant expansion on hold pending resolution of lawsuits filed by the City of San Diego.</td>
</tr>
<tr>
<td>5</td>
<td>Obtain Board approval of Environmental Documentation for CEQA/NEPA compliance for the Camp Pendleton Seawater Desalination project.</td>
<td>2015-Jun</td>
<td></td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>% complete</td>
<td></td>
<td>Should the Board decide to proceed, staff anticipates procuring an environmental consultant in early 2013, following the completion of the Technical Studies as part of the Master Plan Update.</td>
</tr>
</tbody>
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<tbody>
<tr>
<td>1</td>
<td>Obtain U.S. Bureau of Reclamation's project acceptance for Reaches 2 and 3 of the All-American Canal Lining project.</td>
<td>2010-Nov</td>
<td>2012-Oct</td>
<td>3</td>
<td>100</td>
<td>100</td>
<td>95</td>
<td>90</td>
<td>% complete</td>
<td>Although USBR acceptance has not been obtained, all retention funds have been received.</td>
</tr>
<tr>
<td>2</td>
<td>Obtain U.S. Bureau of Reclamation's project acceptance for Reach 1 of the All-American Canal Lining project.</td>
<td>2010-Nov</td>
<td>2012-Oct</td>
<td>3</td>
<td>100</td>
<td>100</td>
<td>95</td>
<td>90</td>
<td>% complete</td>
<td>Although USBR acceptance has not been obtained, all retention funds have been received.</td>
</tr>
<tr>
<td>3</td>
<td>Develop and implement the Cracked Panel Repair Procedure for the Coachella Canal Lining project.</td>
<td>2011-Apr</td>
<td>2012-Apr</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>75</td>
<td>% complete</td>
<td>Settlement Agreement executed November 2011. Cracked Panel Repair completed January 2012.</td>
</tr>
<tr>
<td>4</td>
<td>Obtain storage ability in Lake Mead through the establishment of an Intentionally Created Surplus (ICS) sub-account.</td>
<td>2011-Jun</td>
<td>2012-Jun</td>
<td>4</td>
<td>25</td>
<td>25</td>
<td></td>
<td></td>
<td>% complete, ongoing discussion will MWD produce agreement for storage.</td>
<td>Discussions on hold due to pending matters such as QSA litigation and Metropolitan's rate case.</td>
</tr>
<tr>
<td>5</td>
<td>Obtain U.S. Bureau of Reclamation's project acceptance for the Coachella Canal Lining project.</td>
<td>2011-Oct</td>
<td>2012-Oct</td>
<td>1</td>
<td>100</td>
<td>75</td>
<td>100</td>
<td>50</td>
<td>% complete</td>
<td>Executed Settlement Agreement November 2011 which allowed project acceptance by USBR. Cracked Panel Repair began December 2011 and completed January 2012.</td>
</tr>
<tr>
<td>6</td>
<td>In cooperation with funding partner agencies and Mexico, complete Phase 2 of the Binational Desalination Plant project in Baja California, Mexico.</td>
<td>2011-Dec</td>
<td>2012-Jun</td>
<td>4</td>
<td>100</td>
<td>50</td>
<td>0</td>
<td>0</td>
<td>% complete of Phase 2</td>
<td>Negotiations continue with the funding agencies.</td>
</tr>
<tr>
<td>7</td>
<td>Obtain resolution of judicial ruling related to the Quantification Settlement Agreement contracts.</td>
<td>2011-Dec</td>
<td></td>
<td>4</td>
<td>66</td>
<td>66</td>
<td></td>
<td></td>
<td>% complete -18 month process</td>
<td>In December 2011, the appellate court confirmed the constitutional legality of the QSA. CEOA challenges are pending in the Sacramento Superior Court and trial on those challenges is expected in 2012.</td>
</tr>
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## Water Supplies Portfolio - Colorado River Water Supplies - Halla Razak - Maureen Stapleton (continued)

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<tr>
<td>8</td>
<td>Transfer 150,000 acre feet of water as described in the Transfer Agreement Schedule for calendar years 2010 and 2011.</td>
<td>2011-Dec</td>
<td>March 2012</td>
<td>1</td>
<td>150000</td>
<td>15000</td>
<td>10000</td>
<td>acre feet</td>
<td>70,000 AF transferred for calendar year 2010. 65,000 AF of the 80,000 AF scheduled transferred for calendar year 2011.</td>
</tr>
<tr>
<td>9</td>
<td>Participate in continuing discussions with the Seven Basin States and federal government regarding the feasibility of water supply augmentation projects and make recommendations to the Water Authority for participation where appropriate.</td>
<td>2012-Jun</td>
<td>100</td>
<td>100</td>
<td>85</td>
<td>63</td>
<td></td>
<td>% complete, discussions produce realistic projects.</td>
<td>Discussions continue.</td>
</tr>
<tr>
<td>10</td>
<td>Administer the Quantification Settlement Agreement Joint Powers Authority and fund reasonable environmental mitigation costs to sustain environmental permits.</td>
<td>2012-Jun</td>
<td>19753051</td>
<td>19753051</td>
<td>12468755</td>
<td>$ funded</td>
<td></td>
<td></td>
<td>Fully funded the costs to implement mitigation projects and sustain environmental permits.</td>
</tr>
<tr>
<td>11</td>
<td>Administer Water Authority's portion of operations, maintenance, and repair costs for All-American and Coachella Canal Lining projects and ensure costs are within contractual obligations for the next two fiscal years.</td>
<td>2012-Jun</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td>Executed CCLP and AACLMP MOA on O&amp;M Baseline Index.</td>
</tr>
<tr>
<td>12</td>
<td>Develop an action plan to evaluate the potential extension of Metropolitan Water District-San Diego County Water Authority Exchange Agreement for decision by December 2017.</td>
<td>2012-Jun</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Action Plan to be developed after Metropolitan's rate case concludes.</td>
</tr>
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<tr>
<td>1</td>
<td>Execute a comprehensive MWD Inspection Trip and Education Plan.</td>
<td>2010-Sep</td>
<td>2011-Mar</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>75</td>
<td>75</td>
<td>% complete</td>
<td>Completed two State Water Project, two Colorado River Aqueduct and one Hoover/CRA Inspection Trips, which included stops at Water Authority facilities. Through these trips, the Water Authority was able to host over 150 participants from targeted community organizations, companies and local agencies.</td>
</tr>
<tr>
<td>2</td>
<td>Complete agreement with the Department of Water Resources and other State Water Contractor agencies, as needed, to deliver transfer water into the Water Authority's Groundwater Bank Program in Kern County.</td>
<td>2011-Mar</td>
<td></td>
<td>4</td>
<td>100</td>
<td>100</td>
<td>25</td>
<td>25</td>
<td>% complete</td>
<td>As a result of improved local supply conditions and reduced water demands, efforts to secure delivery agreements from DWR to move water supplies to the Water Authority's Semitropic groundwater programs has been deferred until further notice. However, staff continues to monitor DWR and SWP activities for potential opportunities to transport water into its storage program.</td>
</tr>
<tr>
<td>3</td>
<td>Conduct biennial MWD Delegates and Water Authority planning session to identify water policy strategies and integrate into the MWD Program Work Plan for 2011/2012.</td>
<td>2012-Apr</td>
<td></td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>% complete</td>
<td>The updated Two-Year MWD Work Plan was reviewed and approved by the Officers and Delegates December 8, 2010. Staff regularly reviews MWD issues with board members and accompanied Directors to MWD committee and board meetings.</td>
</tr>
<tr>
<td>4</td>
<td>Secure Northern and Central California water to ensure adequate supplies during dry-years and obtain requisite approvals to convey the water.</td>
<td>2012-Jun</td>
<td></td>
<td>4</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>50</td>
<td>% complete</td>
<td>As a result of decreased water demands and improved local supply conditions, the need for Northern and Central California dry-year water transfers for Calendar Year 2011 and 2012 diminished. Will continue to monitor conditions, however.</td>
</tr>
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### Water Supplies Portfolio - Metropolitan Water District Water Supplies - Amy Chen - Dennis Cushman (continued)

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<tr>
<td>5</td>
<td>Identify and make recommendations to the Water Authority on potential partners for joint groundwater storage opportunities to achieve water reliability and build alliances as appropriate.</td>
<td>2012-Jun</td>
<td></td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>% complete</td>
<td>Reviewed, analyzed and determined that purchase of Palo Verde Irrigation District property and its associated water rights does not fit Water Authority objectives at this time. Will continue to seek and review potential opportunities.</td>
</tr>
<tr>
<td>6</td>
<td>Identify, assess, and make recommendations to the Water Authority on key MWD issues that impact rates and charges, financial contributions, equitable distribution of water supply, supply reliability, and cost efficient opportunities (Integrated Resource Plan, supply programs, annual budget and rates, incentive programs, etc.).</td>
<td>2012-Jun</td>
<td></td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>% complete</td>
<td>Completed assessment, discussed with Board Officers and MWD Delegates, and wrote position and comment letters to MWD on the FY 2012/13 and 2013/14 Biennial Budget and Associated Rates and Charges, cost of service review, Official Statement, the Water Authority's Annexation to MWD, Local Resources Programs, and water conservation incentives. Also reviewed and provided evaluation on MWD's water supply conditions, participation in Bay-Delta issues, real property and income generating proposals, and legislative items.</td>
</tr>
<tr>
<td>7</td>
<td>Implement a Water Authority Directors' instructional plan on MWD issues. As part of the plan, accompany three Directors per year, at the minimum, to MWD Committee and/or Board meetings.</td>
<td>2012-Jun</td>
<td></td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>% complete</td>
<td>Reviewed MWD issues with new board members and accompanied Directors Topolovac and Lamb at MWD during the March and June MWD Committee and Board meetings. Exceeded expectations of hosting directors at MWD meetings, more than 16 directors participated this fiscal year. Director instructional plan is complete, and will be updated as needed.</td>
</tr>
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<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>1</td>
<td>Conduct and prepare a minimum of five Customer Site Inspections and Site Review Reports to encourage recycled water use in the commercial, industrial, and institutional sectors.</td>
<td>2011-Jun</td>
<td></td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>Site Review Reports</td>
<td>Goal completed in FY 11.</td>
</tr>
<tr>
<td>2</td>
<td>In conjunction with the Regional Quality Control Board, the Southern California Salinity Coalition, and member agencies, develop standards and guidelines for the development of Salinity and Nutrient Management Plans.</td>
<td>2011-Dec</td>
<td></td>
<td>100</td>
<td>0</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td>Final Salinity and Nutrient Management Plan Guidelines were completed in Nov. 2010.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Achieve annual distribution and beneficial reuse of 30,000 acre feet of recycled water by the end of 2012.</td>
<td>2012-Dec</td>
<td></td>
<td>3</td>
<td>30000</td>
<td>29000</td>
<td>24200</td>
<td>27103</td>
<td>acre feet of annual demand</td>
<td>Similar to overall demands, recycled water use has also been suppressed due to the economy, weather, rate increases, and overall efficiency message.</td>
</tr>
<tr>
<td>4</td>
<td>Develop and implement a stakeholder information plan to characterize and address market barriers to Potable Reuse.</td>
<td>2014-Dec</td>
<td></td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>% complete</td>
<td>Developed an IPR video for both internal and Member Agencies' use. Obtained Board sponsorship of potable reuse permit streamlining legislation. Goal Complete.</td>
</tr>
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## Water Supplies Portfolio - Water Conservation – Jason Foster - Jason Foster

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<tr>
<td>1</td>
<td>Ensure 100% of the local land use planning jurisdictions within the Water Authority's service area will adopt the regional model landscape ordinance.</td>
<td>2010- Sep</td>
<td></td>
<td>100</td>
<td>0</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td></td>
<td>Goal has been completed.</td>
</tr>
<tr>
<td>2</td>
<td>Implement 15 sites throughout the service area of water efficient landscaping that meet the regional landscape ordinance.</td>
<td>2011- Jun</td>
<td></td>
<td>15</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>sites</td>
<td></td>
<td>This project was not included in the Board priorities established December 2010.</td>
</tr>
<tr>
<td>3</td>
<td>Reduce per capita water use by 8.4 gallons per capita day by 2012 to stay on course to reach state mandated 2015 target of 161 gallons per capita day.</td>
<td>2012- Jun</td>
<td></td>
<td>161</td>
<td>161</td>
<td>142</td>
<td>154</td>
<td>gallons per capita per day</td>
<td></td>
<td>Regional gallons per capita per day is within target.</td>
</tr>
<tr>
<td>4</td>
<td>As needed, plan and implement programs that will achieve short-term water savings to meet anticipated or mandated regional targets if the previous year's annual gallons per capita day target is exceeded by 5% or more.</td>
<td>2012- Jun</td>
<td></td>
<td>100</td>
<td>50</td>
<td>50</td>
<td>0</td>
<td>% complete</td>
<td></td>
<td>Current gallons per capita per day does not dictate the need for programs to achieve short-term water savings.</td>
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</tr>
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<tbody>
<tr>
<td>1</td>
<td>Complete emergency local water supply implementation plan.</td>
<td>2011-Dec</td>
<td></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>30</td>
<td>% complete</td>
<td></td>
<td>Final draft complete. Final Department management review under way. No further work anticipated at this time due to improved supply conditions.</td>
</tr>
<tr>
<td>2</td>
<td>Prepare a 3 year water supply outlook with dry-year supply estimates for short-term water transfers, groundwater banking, and carryover storage in 2011 and 2012.</td>
<td>May 2012</td>
<td>2011-April</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td></td>
<td>Favorable 3-year supply outlook presented to Board March 2011. With deactivation of WSDRP, goal is complete.</td>
</tr>
<tr>
<td>3</td>
<td>Identify shortage management actions based on water supply conditions in 2011 and 2012.</td>
<td>2012-May</td>
<td>2011-April</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td></td>
<td>Management actions approved by the Board in April 2011: deactivate WSDRP; suspend allocations; declare end to drought levels; reinforce conservation. With deactivation of WSDRP, goal is complete.</td>
</tr>
<tr>
<td>4</td>
<td>Administer and update Metropolitan Water District and Water Authority water supply allocation programs in 2011 and 2012.</td>
<td>2012-Jun</td>
<td></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>% complete</td>
<td></td>
<td>Goal complete. Participated in MWD WSAP review (completed September 2011). Board approved modifications to Water Authority's Allocation Methodology in April 2012.</td>
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<tr>
<td>1</td>
<td>Complete condition assessment of 97 Flow Control Facilities and develop a rehabilitation/repair schedule.</td>
<td>2011-Jun</td>
<td>1</td>
<td>97</td>
<td>0</td>
<td>0</td>
<td>97</td>
<td>% complete</td>
<td>Facilities</td>
<td>The team has completed condition assessment of 97 Flow Control Facilities. Currently the team is finalizing a project portfolio which will include a rehabilitation and repair schedule for all Flow Control Facilities.</td>
</tr>
<tr>
<td>2</td>
<td>Develop comprehensive asset management budget and update the project portfolio as part of the fiscal year 2012/2013 budget process.</td>
<td>2011-Jun</td>
<td>1</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td>% complete</td>
<td>Updated the project portfolio with the 2012/2013 two year budget. This includes $500k for valve and venturi meter replacements found during the completion of Goal 1 above.</td>
</tr>
<tr>
<td>3</td>
<td>Complete condition assessment of 400 pipeline appurtenances and develop a rehabilitation/repair schedule.</td>
<td>2011-Aug</td>
<td>1</td>
<td>400</td>
<td>0</td>
<td>0</td>
<td>400</td>
<td>Appurtenances</td>
<td>Fac 1</td>
<td>The team has completed field condition assessment of over 400 pipeline appurtenances. A proposed rehabilitation/repair schedule has been finalized.</td>
</tr>
<tr>
<td>4</td>
<td>Complete condition assessment of 35 major hydraulic control, pumping, and hydroelectric facilities and develop a rehabilitation/repair schedule.</td>
<td>2012-Jul</td>
<td>2</td>
<td>35</td>
<td>35</td>
<td>0</td>
<td>0</td>
<td>Facilities</td>
<td>Preliminary planning and document research has been completed. Field work has begun.</td>
<td></td>
</tr>
</tbody>
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## Water Facilities - Capital Improvement Program - Jeff Shoaf - Frank Belock

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<tbody>
<tr>
<td>1</td>
<td>Complete the San Vicente Pumping Facilities projects within budget and prior to completion of the San Vicente Pipeline, to provide a means to pump emergency and carryover storage to the second aqueduct from the San Vicente Reservoir.</td>
<td>2010-Oct</td>
<td>2011-Mar</td>
<td>1</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td>Project complete. Notice of Completion for the equipment supplier was filed in March 2011. Final testing and integration of the facility into the Water Authority's Aqueduct system was completed in April 2011.</td>
</tr>
<tr>
<td>2</td>
<td>Complete San Vicente Pipeline on revised schedule and budget to provide a means to transport emergency and carryover storage to and from the second aqueduct and the San Vicente Reservoir.</td>
<td>2010-Nov</td>
<td>2011-Jan</td>
<td>1</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td>Project complete. Notice of Completion was filed in January 2011.</td>
</tr>
<tr>
<td>3</td>
<td>Complete the Lake Hodges facilities on revised schedule and budget to link Lake Hodges to the Water Authority's aqueduct system, ultimately providing 20,000 acre feet of emergency storage for regional use.</td>
<td>2011-Jun</td>
<td>2012-Jul</td>
<td>3</td>
<td>100</td>
<td>100</td>
<td>99</td>
<td>90</td>
<td>% complete</td>
<td>Repairs of the surge shaft lining are expected to be completed by June 2012. Following the completion of facility testing, both units are scheduled to be operational in July 2012. Minor construction activities may continue while the facility is in service.</td>
</tr>
<tr>
<td>4</td>
<td>Develop best management practices to execute a successful Capital Improvement Program.</td>
<td>2011-Dec</td>
<td>2011-Jun</td>
<td>1</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td>The CIP Best Management Practices document has been completed and is posted on the intranet's CIP page.</td>
</tr>
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<tr>
<td>5</td>
<td>Complete the San Vicente Dam Raise and Carryover Storage project on schedule and within budget and initiate filling of the expanded reservoir to ultimately provide 152,000 acre feet of emergency and carryover storage.</td>
<td>2013-Apr</td>
<td></td>
<td>3</td>
<td>100</td>
<td>80</td>
<td>66</td>
<td>25</td>
<td>% complete</td>
<td>Construction is currently 57% complete (total project is 66% complete inclusive of planning and design). The main dam raise is expected to be completed by the end of this calendar year with start-up and testing anticipated to begin late winter/early spring. Production rates for RCC have been lower than anticipated. The contractor has developed a recovery plan which includes extended work hours and performing other construction activities concurrently. We have formally put the contractor on notice about the schedule and are conducting weekly schedule audits and executive sponsor level meetings with the contractor to address the issue.</td>
</tr>
<tr>
<td>6</td>
<td>Complete the San Vicente Marina Facilities project on schedule and within budget to replace the existing marina facilities removed as part of the San Vicente Dam Raise and Carryover Storage project.</td>
<td>2014-Dec</td>
<td></td>
<td>2</td>
<td>100</td>
<td>15</td>
<td>15</td>
<td>4</td>
<td>% complete</td>
<td>Design is being performed in-house by Water Authority staff. Mid-point design is now complete. Submittal to the City of San Diego's Development Services Department for building permit review is anticipated for July 2012.</td>
</tr>
<tr>
<td>7</td>
<td>Complete the San Vicente Bypass Pipeline project on schedule and within budget to replace the existing bypass pipeline inundated as part of the San Vicente Dam Raise and Carryover Storage project.</td>
<td>2015-Dec</td>
<td></td>
<td>2</td>
<td>100</td>
<td>5</td>
<td>5</td>
<td>0</td>
<td>% complete</td>
<td>Preliminary design is proceeding and a draft report was completed in early June 2012. The mid-point design submittal is expected to be received in the Fall. The construction phase has been deferred to FY2015 by the Board.</td>
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<tr>
<td>1</td>
<td>Complete Golden Guardian 2011 Catastrophic Flood multi-jurisdictional emergency response exercise.</td>
<td>2011-Jun</td>
<td></td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td>ARKStorm exercise completed June 13, 2011 at MCAS Miramar.</td>
</tr>
<tr>
<td>2</td>
<td>Complete Golden Guardian 2012 Catastrophic Earthquake multi-jurisdictional emergency response exercise.</td>
<td>2012-Jun</td>
<td></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>0</td>
<td>% complete</td>
<td>The Golden Guardian 2012 exercise was completed on May 15 &amp; 16, 2012. The Water Authority focused on business continuity, public information, and testing of our alternate control room during this exercise.</td>
</tr>
<tr>
<td>3</td>
<td>Develop the Water Annex segment of the San Diego County Operational Area Plan for emergency response.</td>
<td>2011-Aug</td>
<td></td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td>The Water Annex was completed and adopted by the County Board of Supervisors.</td>
</tr>
<tr>
<td>4</td>
<td>Update existing vulnerability assessment of critical facilities, in accordance with the Department of Homeland Security Protected Critical Infrastructure Information program.</td>
<td>2013-Dec</td>
<td></td>
<td>100</td>
<td>80</td>
<td>50</td>
<td>50</td>
<td>% complete</td>
<td>Received assessment report from Department of Homeland Security. Report under review.</td>
</tr>
<tr>
<td>5</td>
<td>Update existing Supervisory Control and Data Acquisition System (SCADA) vulnerability assessment using the Department of Homeland Security's Control System Cyber Security Self-Assessment Tool, comparing results with past SCADA assessments.</td>
<td>2012-Dec</td>
<td></td>
<td>100</td>
<td>80</td>
<td>60</td>
<td>50</td>
<td>% complete</td>
<td>Initial coordination meeting and training completed. Prioritizing recommendations for implementation. Working on preparing cost estimates to implement recommended upgrades.</td>
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## Water Facilities - Operations and Maintenance - Joe Wegand - Gary Eaton

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<tbody>
<tr>
<td>1</td>
<td>Complete the implementation of the online water ordering project.</td>
<td>2010-Jul</td>
<td></td>
<td></td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td>Goal completed. Online water ordering system is operational.</td>
</tr>
<tr>
<td>2</td>
<td>Integrate the Hodges Pumped Storage project into aqueduct operations.</td>
<td>2010-Dec</td>
<td>2012-Jun</td>
<td>3</td>
<td>100</td>
<td>100</td>
<td>92</td>
<td>90</td>
<td>% complete</td>
<td>Although we anticipate commercial operation will occur by June 2012, there is a leak on the one operational unit and it is down for an unspecified time. The second unit is in the testing phase.</td>
</tr>
<tr>
<td>3</td>
<td>Complete construction and integration of the Communication Facilities Capital project with existing data communication system.</td>
<td>2011-Sep</td>
<td>Sep 2013</td>
<td>2</td>
<td>100</td>
<td>50</td>
<td>50</td>
<td></td>
<td>% complete</td>
<td>The Radio Path Study has been completed. The design should be completed by September 2012 with construction anticipated to begin in January 2013.</td>
</tr>
<tr>
<td>4</td>
<td>Resolve six right-of-way encroachment cases.</td>
<td>2012-Jun</td>
<td></td>
<td>2</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>cases</td>
<td>Four of six cases have been resolved and it is anticipated that the remaining two cases will be completed by June 2012 as scheduled.</td>
</tr>
<tr>
<td>5</td>
<td>Integrate the San Vicente projects into Aqueduct Operations.</td>
<td>2012-Dec</td>
<td></td>
<td>1</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td>Operational testing is complete. CDPH has issued an amended system permit to add San Vicente as a regional source of water. The pipeline is being routinely used to convey water to the Helix Treatment Plant.</td>
</tr>
<tr>
<td>6</td>
<td>Develop an online reporting system that allows member agencies to access Water Quality information.</td>
<td>2012-Dec</td>
<td></td>
<td>1</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td>The system is complete and is being used successfully by member agency staff.</td>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Obtain new Federal Energy Regulatory Commission permit for San Vicente Pumped Storage project.</td>
<td>2010-Jul</td>
<td>2010-Jul</td>
<td>1</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td>Complete. 2009 baseline calculation will form basis for Climate Action Plan being prepared as part of 2012 Water Facility Master Plan.</td>
</tr>
<tr>
<td>2</td>
<td>Calculate greenhouse gas baseline inventory, including direct and indirect emissions.</td>
<td>2011-Dec</td>
<td>2011-Dec</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>90</td>
<td>% complete</td>
<td>Field audits at multiple SDCWA facilities completed. Reviewing energy savings measures.</td>
</tr>
<tr>
<td>3</td>
<td>Conduct first energy audit, in participation with SDG&amp;E and member agencies, to maximize energy efficiencies.</td>
<td>2011-Apr</td>
<td>2012-Jul</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td># of audits complete</td>
<td>To be included with Master Plan update which will conclude summer 2013.</td>
</tr>
<tr>
<td>4</td>
<td>Evaluate and recommend changes to water supply planning and design standards to incorporate impacts of climate change.</td>
<td>2011-Jun</td>
<td>2013-Jun</td>
<td>2</td>
<td>100</td>
<td>50</td>
<td>10</td>
<td>10</td>
<td>% complete</td>
<td>To be included as part of Climate Action Plan due summer 2013.</td>
</tr>
<tr>
<td>5</td>
<td>Reduce waste from facilities by 5% through recycling efforts.</td>
<td>2013-Dec</td>
<td>2013-Dec</td>
<td>2</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>% reduction in waste</td>
<td>On hold pending additional discussions with SDGE.</td>
</tr>
<tr>
<td>6</td>
<td>Complete San Vicente Pumped Storage Feasibility Study.</td>
<td>2011-Dec</td>
<td>2011-Dec</td>
<td>3</td>
<td>100</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>% complete</td>
<td>Scripps Institution and SDSU modeling effort funded through San Diego Foundation grant. Progress slowed due to multiple model integration and calibration. New completion date to be determined.</td>
</tr>
<tr>
<td>7</td>
<td>Determine a range of climate change impacts to water supplies through improved modeling and regional downscaling techniques, to meet the needs for the long-term water resource planning.</td>
<td>2012-Jun</td>
<td>2012-Jun</td>
<td>3</td>
<td>100</td>
<td>100</td>
<td>30</td>
<td>0</td>
<td>% complete</td>
<td>Complete. For period ending November 2011, solar facilities produced 1235 MwH. Total operating consumption this same period was 2540 MwH.</td>
</tr>
<tr>
<td>8</td>
<td>Provide 20% of facility electrical needs via cost effective solar power contracts.</td>
<td>2013-Dec</td>
<td>2013-Dec</td>
<td>1</td>
<td>20</td>
<td>0</td>
<td>0</td>
<td>48</td>
<td>% of facility electrical needs provided from solar</td>
<td></td>
</tr>
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## Core Business - Environmental Management - Larry Purcell - Ken Weinberg

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<tbody>
<tr>
<td>1</td>
<td>Develop and recommend strategy to integrate AB32 greenhouse gas reduction requirements into CEQA environmental compliance activities.</td>
<td>2011-Jun</td>
<td></td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td>Complete. Strategy to be implemented through Climate Action Plan</td>
</tr>
<tr>
<td>2</td>
<td>Complete Natural Communities Conservation Plan/Habitat Conservation Plan and obtain long-term Endangered Species Act permits for construction and operation of facilities.</td>
<td>2011-Dec</td>
<td></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>90</td>
<td>% complete</td>
<td>Complete. Permits received.</td>
</tr>
<tr>
<td>3</td>
<td>Complete wetland mitigation banking agreements for construction and operation of facilities.</td>
<td>2012-Dec</td>
<td>2013-Dec</td>
<td>100</td>
<td>70</td>
<td>22</td>
<td>20</td>
<td>% complete</td>
<td>Regulators requiring this goal to be combined with Goal #4.</td>
</tr>
<tr>
<td>4</td>
<td>Obtain long-term Clean Water Act and Fish and Game wetland permits for construction and operation of facilities.</td>
<td>2013-Jun</td>
<td>2013-Dec</td>
<td>100</td>
<td>50</td>
<td>12</td>
<td>5</td>
<td>% complete</td>
<td>Regulators requiring this goal to be combined with Goal #3. Slow progress on conceptual permit due to limited RWQCB staff resources.</td>
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<td>1</td>
<td>Complete the Comprehensive Reliability and Cost Assessment process to confirm the level and cost of service elements of the Water Authority's rates and charges.</td>
<td>2011-Mar</td>
<td></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td>This year's CRACA process was modified to focus on the CIP was completed in 2011.</td>
</tr>
<tr>
<td>2</td>
<td>Achieve an annual average interest rate on long-term fixed rate debt that is lower than the adjusted 30-year average of Municipal Market Data (5.73%).</td>
<td>2012-Jul</td>
<td></td>
<td>5.73</td>
<td>5.73</td>
<td>3.8</td>
<td>4.7</td>
<td>interest rate</td>
<td>The Water Authority's cost of funds continues to outperform the long-term adjusted 30-year average rate. The debt portfolio's performance is enhanced by the recent refundings, which lowered the cost of funds from the last reported rate of 4.7% to 3.80%.</td>
</tr>
<tr>
<td>3</td>
<td>Achieve an 80% customer satisfaction score on the annual Member Agency Finance Officer Customer Service Survey for calendar years 2010 and 2011.</td>
<td>2012-Jan</td>
<td></td>
<td>80</td>
<td>80</td>
<td>100</td>
<td>100</td>
<td>customer satisfaction</td>
<td>A customer service satisfaction level of 100% achieved in the 2011 survey.</td>
</tr>
<tr>
<td>4</td>
<td>Address expiring liquidity facilities for the Water Authority's Series 2 and 3 Commercial Paper (e.g. renegotiate, replace, etc.).</td>
<td>2012-Dec</td>
<td>2011-Dec</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td>In March, the Board approved a short-term debt strategy that included issuing a short-term fixed rate note. In July, the Water Authority issued 5-year fixed rate notes to refund $100M of outstanding commercial paper. The Board approved short-term debt strategy was fully executed upon the issuance of the 5-year fixed note.</td>
</tr>
<tr>
<td>5</td>
<td>Achieve the Rate Stabilization Fund target fund balance.</td>
<td>2013-Jun</td>
<td></td>
<td>100</td>
<td>90</td>
<td>79</td>
<td></td>
<td>% of target fund balance</td>
<td>Based upon the current water sales projection, the RSF year-end balance is not expected to achieve the target level. A new target date will be developed based upon adopted calendar year 2013 rates and charges and updated water sales data.</td>
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<tr>
<td>6</td>
<td>Address expiring liquidity facility for the Water Authority's Series 1 Commercial Paper (e.g. renegotiate, replace, etc.).</td>
<td>2013-Jul</td>
<td></td>
<td></td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>% complete</td>
<td>This goal is on schedule.</td>
</tr>
<tr>
<td>7</td>
<td>Obtain Board approval of the updated Long-Range Financing Plan.</td>
<td>2013-Dec</td>
<td></td>
<td></td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>% complete</td>
<td>This goal is on schedule.</td>
</tr>
<tr>
<td>8</td>
<td>Secure a &quot;one notch&quot; credit rating upgrade by one of the three credit rating agencies.</td>
<td>2014-Jun</td>
<td></td>
<td></td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>% complete</td>
<td>This goal is on schedule.</td>
</tr>
<tr>
<td>9</td>
<td>Achieve and maintain 50% of the top 20 municipal bond investors in our investor base.</td>
<td>2014-Jun</td>
<td></td>
<td></td>
<td>50</td>
<td>50</td>
<td>70</td>
<td>85</td>
<td>% of investors</td>
<td>Based upon recent investor data 14 of the top 20 institutional municipal bond holders are invested in Water Authority debt.</td>
</tr>
<tr>
<td>10</td>
<td>Achieve 1-1/2 times investor subscription on negotiated long-term debt issues.</td>
<td>2014-Jun</td>
<td></td>
<td></td>
<td>1.5</td>
<td>1.5</td>
<td>1.32</td>
<td>7</td>
<td>times subscribed</td>
<td>As a result of difficult market conditions and a very aggressively priced refunding, the Series 2011B was only 1.32x times subscribed. While the target of 1.5x was not achieved, the transaction was priced well and achieved a PV savings of $5.2M.</td>
</tr>
<tr>
<td>11</td>
<td>Expand investor base by a minimum of five new investors for each new long-term debt issue.</td>
<td>2014-Jun</td>
<td></td>
<td></td>
<td>5</td>
<td>5</td>
<td>9</td>
<td>0</td>
<td>investors</td>
<td>The Series 2011B investors included 9 new investors. The new municipal investors were bond fund/money managers, asset managers, retail trusts, asset managers and arbitrage accounts. Expanding the investor base to enhance demand for the Water Authority's debt is important to ensure a low cost of funds is achieved.</td>
</tr>
<tr>
<td>12</td>
<td>Issue debt as necessary to fund the Capital Improvement Program.</td>
<td>2015-Jun</td>
<td></td>
<td></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% funded</td>
<td>This goal is on schedule.</td>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Work for the passage of two Water Authority sponsored bills in the 2012 legislative session.</td>
<td>2012-Sep</td>
<td></td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td></td>
<td>sponsored bills</td>
<td>One sponsored bill for 2012 did not pass out of the Legislature. The other bill is being co-sponsored with a number of other agencies.</td>
</tr>
<tr>
<td>2</td>
<td>Obtain board approval for updated Legislative Policy Guidelines for 2013.</td>
<td>2012-Dec</td>
<td></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td></td>
<td>% complete</td>
<td>The Board approved the 2011 Legislative Policy Guidelines at its meeting on December 8, 2010.</td>
</tr>
<tr>
<td>3</td>
<td>Provide speakers to at least 75% of the region's local government policy makers to ensure they understand the importance of connecting development with good water policy, support the Water Authority's long-term direction, and endorse water conservation.</td>
<td>2012-Dec</td>
<td></td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td></td>
<td>% of policy makers</td>
<td>Water Authority staff and directors have met with a wide variety of local and regional policy makers.</td>
</tr>
<tr>
<td>4</td>
<td>Provide at least one briefing for each San Diego, state, and federal legislators on the Water Authority Capital Improvement Program projects, its efforts to ensure water supply reliability and deal with drought conditions and regulatory restrictions, and the need to diversify the region's water supply portfolio.</td>
<td>2012-Sep</td>
<td></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% of legislators</td>
<td></td>
<td></td>
<td>Water Authority staff and legislative advocates have met several times with each of the region's legislative delegation in support of the Water Authority's issues.</td>
</tr>
<tr>
<td>5</td>
<td>Pursue and secure a federal appropriation of $1.5 million for a desalination facility at Camp Pendleton, $5 million per year for member agency recycling projects under Title XVI, and appropriations for other Water Authority projects.</td>
<td>2012-Oct</td>
<td></td>
<td>6.5</td>
<td>0</td>
<td>0</td>
<td>millions of $</td>
<td></td>
<td></td>
<td>Ongoing process. Staff and legislative advocates are monitoring the federal appropriations process.</td>
</tr>
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<tr>
<td>6</td>
<td>Secure $100 million in water bond funding for San Vicente Dam Raise</td>
<td>2011-Dec</td>
<td>4</td>
<td>100</td>
<td>100</td>
<td>0</td>
<td>millions of $</td>
<td></td>
<td></td>
<td>The water bond measure was moved from the 2010 ballot to the 2012 ballot. It is in process of being moved to the 2014 ballot.</td>
</tr>
<tr>
<td>7</td>
<td>Pursue and secure $115 million in state funding, including water</td>
<td>2015-Jan</td>
<td>2</td>
<td>115</td>
<td>115</td>
<td>0</td>
<td>millions of $</td>
<td></td>
<td></td>
<td>This effort is continuing. The water bond measure is being moved to 2014.</td>
</tr>
<tr>
<td></td>
<td>bond funding, to support regional and local projects and programs,</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>including water recycling, conservation, and seawater desalination.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Pursue and secure federal Water Resources Development Act authorizations for Water Authority and member agency projects.</td>
<td>2015-Jun</td>
<td>2</td>
<td>10</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td>authorizations</td>
<td>This effort is ongoing.</td>
</tr>
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<tr>
<td>1</td>
<td>Implement Recovery Time Objectives better than industry standards for major applications.</td>
<td>2010-Dec</td>
<td></td>
<td>1</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td>Complete. Recovery Time Objectives are the time period required to reactivate a major application after a disruption. Our backup server room to house our critical applications is located in Escondido Facility and is fully operational.</td>
</tr>
<tr>
<td>2</td>
<td>Go live on the upgraded Peoplesoft Enterprise Resource Planning software.</td>
<td>2010-Dec</td>
<td>2011-Jan</td>
<td>1</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td>PeopleSoft went live in January 2011. The project was a complete success and was completed under budget. Staff has already adapted to the new software version and business processes.</td>
</tr>
<tr>
<td>3</td>
<td>Go live on an upgraded Electronic Document Management System.</td>
<td>2011-Jun</td>
<td></td>
<td>1</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td>The Onbase Document Management System was completed. This software is now the repository of record for our critical documents, including Board documents and member agency agreements.</td>
</tr>
<tr>
<td>4</td>
<td>Achieve an Information Technology Risk rating of &quot;low,&quot; according to industry standard vulnerability assessment methodology.</td>
<td>2012-Nov</td>
<td></td>
<td>2</td>
<td>100</td>
<td>60</td>
<td>50</td>
<td>30</td>
<td>% complete</td>
<td>Staff is continuing to work on an action plan to lower our IT security risk. Our latest assessment in 2009 resulted in an &quot;average&quot; rating.</td>
</tr>
<tr>
<td>5</td>
<td>Go live on an upgraded Maximo Computerized Maintenance Management System.</td>
<td>2013-Jul</td>
<td>2014-Jul</td>
<td>3</td>
<td>100</td>
<td>25</td>
<td>0</td>
<td>0</td>
<td>% complete</td>
<td>As part of last year's budget process, the Maximo upgrade was deferred to save costs. Options to keep, replace, or upgrade Maximo were evaluated over 2012 fiscal year. Current IT Policy Group approved plan is to upgrade by July 2014.</td>
</tr>
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<td>1</td>
<td>Complete an untreated water availability assessment and a treated water service area enhancement study as part of the Regional Water Facilities Master Plan.</td>
<td>2011-Jun</td>
<td></td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td></td>
<td>% complete</td>
<td>A preliminary untreated water availability assessment has been completed. Results will be included in the Master Plan Update.</td>
</tr>
<tr>
<td>2</td>
<td>Complete the updated Regional Water Facilities Master Plan.</td>
<td>2012-Jun</td>
<td>2012-Dec</td>
<td>100</td>
<td>85</td>
<td>50</td>
<td>25</td>
<td></td>
<td>% complete</td>
<td>Work on the Master Plan Update is proceeding on schedule to meet the revised completion date. The date was revised to align with preparation of a Climate Action as part of the Master Plan Program Environmental Impact Report.</td>
</tr>
<tr>
<td>3</td>
<td>Complete an operating plan to manage the Water Authority's combined 170,000 acre feet of surface and groundwater carryover storage pools.</td>
<td>2012-Dec</td>
<td></td>
<td>100</td>
<td>50</td>
<td>30</td>
<td>0</td>
<td></td>
<td>% complete</td>
<td>Storage requirements are being evaluated in the 2012 Master Plan Update. Work is proceeding on the Master Plan to meet the target completion date.</td>
</tr>
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<tr>
<td>1</td>
<td>Complete upgraded website development project for sdcwa.org and launch redeveloped site with improved navigation, design, functionality, and content management system.</td>
<td>2010-Nov</td>
<td></td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td>New website launched in October 2010.</td>
</tr>
<tr>
<td>2</td>
<td>Complete 2010 evaluation and an internal communications tactics and launch internal communications plan that strengthens staff alignment with Strategic Plan and Business Plan goals.</td>
<td>2010-Dec</td>
<td></td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td>Employee survey completed by September 30, 2010. Plan implemented in Spring 2011</td>
</tr>
<tr>
<td>3</td>
<td>Plan and launch an outreach campaign in support of Water Conservation’s water efficient landscape demonstration site project.</td>
<td>2011-Jun</td>
<td></td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>% complete</td>
<td>Board decided not to move program forward.</td>
</tr>
<tr>
<td>4</td>
<td>Mobilize local business leaders and groups to provide advocacy or other support to at least two key Water Authority goals, projects, or milestones. (Water Authority goals to be identified annually.)</td>
<td>2011-Dec</td>
<td></td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>1</td>
<td># of issues receiving support</td>
<td>Received business community support for four Water Talks forums, MWD rate litigation outreach, and a partnership with the San Diego Foundation to provide tours for business leaders to support the San Vicente Dam Raise and long term water management.</td>
</tr>
<tr>
<td>5</td>
<td>Achieve or exceed small business participation percentage, based on total procurement dollars as established by the Board of Directors for two-year budget periods.</td>
<td>2011-Dec</td>
<td></td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>41</td>
<td>% participation, not including contracts awarded for San Vicente.</td>
<td>20% of total contract and purchase order dollars awarded ($14.5M/$71M) projected through June 2012. The goal for FY 12 was 20% and will become 25% in FY 13.</td>
</tr>
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<tr>
<td>6</td>
<td>Conduct public outreach that achieves or sustains more than 80% support for the water supply diversification strategies contained in the Strategic Plan.</td>
<td>2012-Jun</td>
<td></td>
<td>1</td>
<td>80</td>
<td>80</td>
<td>80</td>
<td>80</td>
<td>% support</td>
<td>Received 80% support in April 2011 public opinion poll. That will be the baseline for the next poll. Next poll is scheduled for July 2012.</td>
</tr>
<tr>
<td>7</td>
<td>Support Water Resources conservation programs and policies with communications and community relations initiatives that help sustain 90% or greater public acceptance of water conservation as an important civic duty.</td>
<td>2012-Jun</td>
<td></td>
<td>1</td>
<td>90</td>
<td>90</td>
<td>92</td>
<td></td>
<td>% acceptance</td>
<td>Next poll is scheduled for July 2012.</td>
</tr>
<tr>
<td>8</td>
<td>Obtain $1 million in grants, sponsorships, in-kind, or other contributions to advance conservation and water supply awareness.</td>
<td>2012-Jun</td>
<td></td>
<td>1</td>
<td>1000000</td>
<td>1000000</td>
<td>1003200</td>
<td>871200</td>
<td>$ or in-kind sponsorships obtained</td>
<td>Received Hans Doe grants; Home Depot plant sale partnership; San Diego foundation grant for tour support; WaterSmart essay contest funds. Total = $132,000 for FY12. $1,003,200 in funds received cumulatively over 5 year period (with approximately $300,000 in DROP DWR funding still in process).</td>
</tr>
<tr>
<td>9</td>
<td>Conduct outreach activities that build 50% or greater support among business, community leaders, and other key audiences that support Board actions to adopt the necessary water rates and charges.</td>
<td>2012-Dec</td>
<td></td>
<td>2</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>0</td>
<td>% support</td>
<td>Outreach being conducted via quarterly Water Talks forums and social media, mobile app, Facebook, Twitter, speakers' bureau, and media relations. Board action to adopt rates scheduled for 6/28/12.</td>
</tr>
<tr>
<td>10</td>
<td>Support achievement of Strategic Plan conservation goals by conducting conservation-themed education programs that reach 1,500 teachers and 50,000 students in the San Diego County region.</td>
<td>2012-Dec</td>
<td>June 2012</td>
<td>1</td>
<td>51500</td>
<td>51500</td>
<td>59566</td>
<td>113537</td>
<td># of students and teachers reached annually</td>
<td>2,007 teachers and 57,549 students reached. Long term target reached: 287,748 students and 10,036 teachers reached over last 5 year period.</td>
</tr>
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<td>11</td>
<td>Plan and execute public outreach strategies, plans, and tactics that achieve or sustain 67% or greater awareness among residents that indirect potable reuse is a safe and acceptable part of the region’s drinking water supply.</td>
<td>2014-Jun</td>
<td>2</td>
<td>67</td>
<td>67</td>
<td>67</td>
<td>53</td>
<td>% of residents who believe it is safe to drink</td>
<td>Results of April 2011 Public Opinion Poll indicate 67% acceptance of advanced treated recycled water as an addition to the drinking water supply.</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>As needed, plan and execute drought management marketing and advertising campaigns if Water Resources determines that water use projects may exceed regional allocation targets.</td>
<td>2014-Jun</td>
<td>4</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>% complete</td>
<td>Did not need to activate outreach this year.</td>
<td></td>
</tr>
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<td>1</td>
<td>Complete water demand forecast model update, taking into account potential climate change impacts.</td>
<td>2010-Dec</td>
<td>2011-June</td>
<td>1</td>
<td>100</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td>Goal complete. Water demand forecast included in 2010 UWMP. Revised date reflects SB 1478 6-month extension.</td>
</tr>
<tr>
<td>3</td>
<td>Secure the San Diego Planning region's allocated share of Integrated Regional Water Management grant funding from Proposition 84.</td>
<td>2011-Jun</td>
<td>2015-Jun</td>
<td>2</td>
<td>100</td>
<td>15</td>
<td>15</td>
<td>5</td>
<td>Awarded Prop 84 IRWM Planning and Implementation grant funds totaling $8.4 million in first round (full amount requested). Anticipate finalizing contract with DWR in July 2012. Revised date reflects updated DWR timeline on availability of funds.</td>
</tr>
<tr>
<td>4</td>
<td>Update the San Diego Integrated Regional Water Management Plan in accordance with state requirements.</td>
<td>2011-Dec</td>
<td>2013-Nov</td>
<td>2</td>
<td>100</td>
<td>25</td>
<td>25</td>
<td>2</td>
<td>Awarded Prop 84 IRWM Planning grant. Revised date in order to apply for and utilize DWR grant. Work began in October 2011 on Plan Update. IRWM Summit held Feb. 2012 to initiate public input on Plan development. Work is on track to meet target.</td>
</tr>
<tr>
<td>5</td>
<td>Complete Annual Water Supply Reports in 2011 and 2012 as required by Water Authority Administrative Code Section 8.00.050 (except during Urban Water Management Plan year).</td>
<td>2012-Dec</td>
<td></td>
<td>2</td>
<td>100</td>
<td>20</td>
<td>20</td>
<td>0</td>
<td>With the deadline for completion of UWMP extended into 2011, Annual Water Supply Report for 2011 was not required. 2012 Report will be completed according to goal.</td>
</tr>
<tr>
<td>6</td>
<td>Implement a long-term water demand and supply database to replace the PRIMA software currently used.</td>
<td>2013-Jun</td>
<td></td>
<td>2</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>% complete</td>
<td>Goal is on track.</td>
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<th>Goal</th>
<th>Target Date</th>
<th>Revised Date</th>
<th>Long Term Status</th>
<th>Long Term Target</th>
<th>Fiscal Year Target</th>
<th>Fiscal Year Actual</th>
<th>Prior Year Actual</th>
<th>Qualifier</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gain agreement to memoranda of understanding with bargaining groups in accordance with Board direction.</td>
<td>2010-Jul</td>
<td></td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td>Goal is completed.</td>
</tr>
<tr>
<td>2</td>
<td>Evaluate and deploy competency management e-solution and implement associated management reporting.</td>
<td>2010-Sep</td>
<td></td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td>Goal is completed.</td>
</tr>
<tr>
<td>3</td>
<td>Achieve employee turnover less than 6% after factoring out retirements for calendar years 2010 and 2011.</td>
<td>2011-Dec</td>
<td></td>
<td>1</td>
<td>6</td>
<td>6</td>
<td>4</td>
<td>.7</td>
<td>less than 6% vacancy rate</td>
<td>4% (does not include layoffs) 5% (includes layoffs).</td>
</tr>
<tr>
<td>4</td>
<td>Achieve 50% of vacancies for which internal candidates successfully compete for calendar years 2011 and 2012.</td>
<td>2011-Dec</td>
<td></td>
<td>1</td>
<td>50</td>
<td>50</td>
<td>81</td>
<td>50</td>
<td>%</td>
<td>81% of vacancies were filled with internal candidates.</td>
</tr>
<tr>
<td>5</td>
<td>Integrate a mentoring program into Water Authority business practices.</td>
<td>2011-Dec</td>
<td></td>
<td>1</td>
<td>100</td>
<td>70</td>
<td>100</td>
<td>10</td>
<td>% complete</td>
<td>Goal is completed.</td>
</tr>
<tr>
<td>6</td>
<td>Complete cross-departmental workforce forecast for fiscal years 2011 and 2012.</td>
<td>2012-Jun</td>
<td></td>
<td>1</td>
<td>100</td>
<td>50</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td>Integrated with budget process.</td>
</tr>
<tr>
<td>7</td>
<td>Graduate five employees from the Certified Public Management Program.</td>
<td>2013-Aug</td>
<td></td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>0</td>
<td>3</td>
<td># of graduates</td>
<td>Budget constraints and Center schedule preclude completion.</td>
</tr>
</tbody>
</table>

1= Long term target has been achieved.
2= Goal is either on track or ahead of schedule to meet current year target, and to meet long term target by original date.
3= Goal is not on track to meet current year target or to meet long term target by original date.
4= Goal deleted or delayed due to a decision by the Water Authority Board.
July 18, 2012

Attention: Administrative and Finance Committee

Report on Water Authority Grants and Grants Administration Program (Information)

Purpose
This report provides an update of the Grant Management Efficiency Project and an overview of the Water Authority Grants Administration Program.

Background
The Water Authority has been successful in finding new revenue sources through grant funding programs and supporting member agency efforts to obtain funding for essential and beneficial water supply related projects in the region. These funds were provided by programs of various government agencies and other organizations for specified purposes. The Water Authority, its member agencies, local special districts and municipalities and non-profit organizations have been awarded approximately $449 million from these funding sources. These funds support projects that improve water use efficiency, expand reliable water supplies for the region, enhance water quality and protect the environment.

Numerous projects, which have been funded primarily by agencies such as the Department of Water Resources (DWR) and U.S. Bureau of Reclamation (BOR), were made possible through the Water Authority’s partnerships and coordination with member agencies, non-profit organizations, the federal and state government, private entities and disadvantaged community organizations. These efforts, which include the canal lining projects, conjunctive use programs, the Integrated Regional Water Management (IRWM) Program, federal Title XVI and various local conservation and public affairs outreach programs, were successful in part due to the financial support received through grants that often were passed through by the Water Authority to its partners. DWR and USBR will continue to be important funding agencies for future grants.

As an off-budget year project, staff established project efficiency teams to assess and identify areas of organizational process improvements. In August 2009, a grant administration team was put together to lead the Grant Management Efficiency Project. The project’s goal was to clearly define the management structure, work processes and staffing requirements to effectively manage the entire lifecycle for each grant from application to closeout. Based on the team’s assessment, the findings and recommendations were focused on the following: standardization of grant management processes and procedures across departments, identification of core roles and responsibilities, staffing requirements and the establishment of a grant review committee.

During this same time period, the Water Authority was designated as the San Diego IRWM Program’s lead agency for the purpose of applying for IRWM grants and administering grant funding in the San Diego region. Aside from the $33.4 million awarded under Prop 50 and Prop 84, about $56 million in additional Prop 84 IRWM grants are scheduled to be awarded to the region. To address the team’s recommendations, properly manage existing and future IRWM grants and...
enhance the Water Authority’s ability to seek and receive funds from other revenue sources, the Water Authority established the Grant Administration Program in June 2010 as a multi-departmental endeavor.

**Discussion**

The Grant Administration Program’s vision is to establish a centralized grant administration process that covers everything from acquisition to implementation of grants involving the Water Authority. It supports the organization’s overall mission through effective management of the grant administration process as well as ensuring proper fiscal management of grants.

The program is led by a Grant Administrator, housed in Water Resources, and a staff member from the Finance Department. A Grant Review Committee composed of representatives from five departments was established to focus funding applications toward grants that provide the greatest value to the organization and the region considering the grant amount, use of the funds and administrative requirements. As part of the program, Water Resources also works in conjunction with the Finance Department to administer the IRWM Grant, ensuring proper oversight and financial controls.

Since the program’s inception, staff in the program developed a grant resource database and web tools that monitor new grants and manage the grant implementation process effectively through budgeting, billings and reporting performance data. A Grants Administration Manual was also developed as a guideline to acquiring, implementing and closing out grant projects. To date, the program has reviewed and evaluated over 15 grant funding opportunity announcements worth over $13 million dollars, and submitted several proposals. Staff has assisted over 30 local project partners with contract processing and amendments, deliverable submittals, project reporting and payment disbursement in the amount of $5.2 million.

Since 1999, the Water Authority has received and managed the following grants:

- **IRWM Grants**: The Water Authority was awarded $25 million in IRWM implementation grant funding from DWR in 2008. This grant supports 19 high-priority water-related projects managed by public agencies and non-profit organizations in the San Diego region, including three sponsored by the Water Authority and nine by Water Authority member agencies. This ongoing grant is being administered by the Water Authority. As these projects are completed, they will optimize water supply reliability and protect and enhance water quality while providing stewardship of natural resources in the region. Since the Grant Administration Program was established, the Water Authority was awarded an additional $1 million planning grant and a $7.9 million implementation grant supporting the 2007 IRWM plan update and 11 local projects. The Water Authority receives three percent of these IRWM funds to cover administrative costs associated with the management of these grants.
• **Title XVI Grant Program**: The San Diego region has received more than $125 million to support water recycling projects from the BOR Title XVI Grant Program. Although the Water Authority is not a direct recipient of the majority of Title XVI funding to the region, staff has assisted member agencies in securing funding by sending support letters for area projects, working in conjunction with BOR staff to provide input on budgeting, expenditure projections and assisting in grant solicitation. Staff and the Water Authority’s legislative advocates have been involved in coordinating activities to secure both new and continuing federal funding. The Water Authority was also awarded Title XVI funding in the amount of $590,000 for its Camp Pendleton Seawater Desalination Feasibility Studies. An additional $150,000 Title XVI Camp Pendleton Seawater Desalination feasibility study grant has been awarded since inception of the Grant Administration Program.

• **The Canal Lining Projects**: DWR provided $254 million for the planning, design and construction of the All American and Coachella Canal Lining Projects. This funding was distributed to the Water Authority, Coachella Valley Water District and the Imperial Irrigation District to construct these projects. The Water Authority obtained the water supply benefits from the canal lining projects as a result of the execution of the Quantification Settlement Agreement in 2003. These projects will collectively supply the Water Authority with 80,200 acre-feet of conserved water per year for 110 years.

• **Public Outreach and Conservation Projects**: The Water Authority manages one of the most comprehensive water conservation programs in California. This program has been awarded approximately $4.5 million in grant funding from BOR, SDG&E, the Hans and Margaret Doe Foundation and DWR. The program’s emphasis has shifted from offering incentives to purchase water-saving devices to supporting devices that require performance in advance of incentives, thereby take a holistic approach to water savings. With this combined funding support, the Water Authority is poised to achieve its 11 percent water supply goal from conservation projects by 2015. IRWM funding provided an additional $2.1 million to support conservation programs and the most recent IRWM implementation grant will make available another $1.02 million.

• ** Conjunctive Use Program**: Some $35 million from the 1998 California Water Use Plan funding was allocated to fund groundwater conjunctive use programs. Of this amount, $30.5 million was made available to the Water Authority. In 2008, the contract value was expended to implement two groundwater conjunctive use agreements and a water purchase agreement.

Primary future funding opportunities for the San Diego region are expected to be focused on IRWM and BOR (including Title XVI and WaterSmart) programs. The Hans and Margaret Doe Foundation and EPA-sponsored programs will continue as a focus of the Grant Administration Program’s grant acquisition activities as well as any other applicable opportunities that arise. About $56 million in IRWM funds from DWR is expected to be available in the next three years to support San Diego regional projects in the areas of water supply, water quality and ecosystem stewardship. The fiscal
impact to the Water Authority of future IRWM grants is unknown and will be determined as projects are selected to be included in future grant proposals.

The Grant Administration Program will continue to focus on implementation of a centralized and coordinated Grants Program that supports the Water Authority’s overall mission through effective grant management. The program will continue to assist the region’s efforts to position itself to compete successfully for funding opportunities across the state and the nation.

Prepared by: Loisa Burton, Grant Administrator
Reviewed by: Toby Roy, Water Resources Manager
Reviewed by: Ken Weinberg, Director of Water Resources

Attachment: Water Authority Grants Award Status Report
<table>
<thead>
<tr>
<th>Grant/Project Name</th>
<th>Granting Agency</th>
<th>Status</th>
<th>If Completed, Date of Completion</th>
<th>Lifetime Grant Budget</th>
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<tbody>
<tr>
<td>IRWM Prop 50</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>IRWM Prop 84 Planning Grant</td>
<td>DWR</td>
<td>Active</td>
<td>-</td>
<td>$ 1,000,000</td>
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<td>IRWM Prop 84 Planning Grant Total</td>
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<td>$ 1,000,000</td>
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<td>IRWM Prop 84 Implementation Grant, Round 1</td>
<td>DWR</td>
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<td>-</td>
<td>$ 7,900,000</td>
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<td>IRWM Prop 84 Planning Grant Total</td>
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<td>$ 7,900,000</td>
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<td>Title XVI Grant Program</td>
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<td>Active</td>
<td>-</td>
<td>125,000,000</td>
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<tr>
<td>Title XVI Grant Program Total</td>
<td></td>
<td></td>
<td></td>
<td>$ 125,000,000</td>
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<tr>
<td>Camp Pendleton Seawater Desalination Feasibility Study</td>
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<td>Completed</td>
<td>12/31/09</td>
<td>301,614</td>
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## Water Authority Grant Awards Status Report

<table>
<thead>
<tr>
<th>Grant/Project Name</th>
<th>Granting Agency</th>
<th>Status</th>
<th>Date of Completion</th>
<th>Lifetime Grant Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Camp Pendleton Seawater Desalination Feasibility Study</td>
<td>BOR</td>
<td>Active</td>
<td>-</td>
<td>150,000</td>
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<tr>
<td>Camp Pendleton Seawater Desalination Feasibility Study</td>
<td>BOR</td>
<td>Active</td>
<td>-</td>
<td>150,000</td>
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</table>

<table>
<thead>
<tr>
<th>Grant/Project Name</th>
<th>Granting Agency</th>
<th>Status</th>
<th>Date of Completion</th>
<th>Lifetime Grant Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Coachella Canal Lining Project</td>
<td>DWR</td>
<td>Completed</td>
<td>04/01/07</td>
<td>83,650,000</td>
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<tr>
<td>*All American Canal Lining Project</td>
<td>DWR</td>
<td>Completed</td>
<td>04/01/10</td>
<td>170,390,000</td>
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</tbody>
</table>

| Canal Lining Projects Total                     |                 |              |                    | $ 740,041             |

<table>
<thead>
<tr>
<th>Public Outreach and Conservation Grants</th>
<th></th>
<th></th>
<th></th>
<th>$ 254,040,000</th>
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<tbody>
<tr>
<td>Reuben H. Fleet Science Center and space rental</td>
<td>Hans &amp; Margaret Doe Charitable Trust</td>
<td>Completed</td>
<td>FY2000</td>
<td>$ 49,000</td>
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<tr>
<td>Splash Lab</td>
<td>Hans &amp; Margaret Doe Charitable Trust</td>
<td>Completed</td>
<td>FY2001</td>
<td>$ 40,000</td>
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<tr>
<td>water history book</td>
<td>Hans &amp; Margaret Doe Charitable Trust</td>
<td>Completed</td>
<td>FY2002</td>
<td>$ 30,000</td>
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<tr>
<td>Splash Lab</td>
<td>Hans &amp; Margaret Doe Charitable Trust</td>
<td>Completed</td>
<td>FY2003</td>
<td>$ 16,000</td>
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<tr>
<td>Dr. Wilderness Magic Show video equipment</td>
<td>Hans &amp; Margaret Doe Charitable Trust</td>
<td>Completed</td>
<td>FY2004</td>
<td>$ 12,000</td>
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<tr>
<td>Grant/Project Name</td>
<td>Granting Agency</td>
<td>Status</td>
<td>If Completed, Date of Completion</td>
<td>Lifetime Grant Budget</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>----------------------------------------</td>
<td>------------</td>
<td>----------------------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>Splash Lab and creation of new work stations</td>
<td>Hans &amp; Margaret Doe Charitable Trust</td>
<td>Completed</td>
<td>FY2008</td>
<td>$45,000</td>
</tr>
<tr>
<td>Water conservation/watershed student workbook</td>
<td>Hans &amp; Margaret Doe Charitable Trust</td>
<td>Completed</td>
<td>FY2009</td>
<td>$30,000</td>
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<tr>
<td>Education Programs H2O Where Did You Go</td>
<td>Hans &amp; Margaret Doe Charitable Trust</td>
<td>Completed</td>
<td>FY2010</td>
<td>$54,000</td>
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<tr>
<td>California Friendly CD</td>
<td>USBR</td>
<td>Completed</td>
<td>10/30/07</td>
<td>$23,250</td>
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<tr>
<td>Smart Landscape Grant Program</td>
<td>DWR</td>
<td>Completed</td>
<td>06/30/09</td>
<td>$1,125,000</td>
</tr>
<tr>
<td>Water Budget Software &amp; Landscape Measurement Tool</td>
<td>USBR</td>
<td>Completed</td>
<td>09/30/09</td>
<td>$55,574</td>
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<tr>
<td>Smart Landscape Grants (CLIP)</td>
<td>USBR</td>
<td>Completed</td>
<td>10/31/09</td>
<td>$298,701</td>
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<tr>
<td>Water/Energy Partnership Program</td>
<td>SDG&amp;E</td>
<td>Completed</td>
<td>02/28/10</td>
<td>$746,000</td>
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<td>Residential Water Budgets (w/Rincon)</td>
<td>USBR</td>
<td>Completed</td>
<td>02/28/11</td>
<td>$67,400</td>
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<tr>
<td>Landscape Audits (Mini Audits)</td>
<td>USBR</td>
<td>Completed</td>
<td>06/30/11</td>
<td>$60,000</td>
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<tr>
<td>Landscape Retrofit Technical Assistance Program</td>
<td>USBR</td>
<td>Active</td>
<td>06/30/12</td>
<td>$100,000</td>
</tr>
<tr>
<td>High Efficiency Washing Maching Incentives</td>
<td>SDG&amp;E</td>
<td>Cancelled</td>
<td>03/31/13</td>
<td>$1,516,769</td>
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<tr>
<td>Water Budget Assistance to Member Agencies</td>
<td>DWR</td>
<td>Active</td>
<td>12/31/13</td>
<td>$200,000</td>
</tr>
</tbody>
</table>
## Grant/Project Name

**Water Use Calculator**  
Hans & Margaret  
Doe Charitable Trust  
Active  
-  
$10,000

**WaterSmart Landscape Lab**  
Hans & Margaret  
Doe Charitable Trust  
Active  
-  
$15,000

**How-To Guides for Water-Efficient Homes**  
Hans & Margaret  
Doe Charitable Trust  
Active  
-  
$14,000

**Dr. Wilderness Education Program for 2011/2012**  
Hans & Margaret  
Doe Charitable Trust  
Active  
-  
$16,000

**Total Public Outreach and Conservation Total**  
$4,523,694

## Groundwater Conjuctive Use Project

**Groundwater Conjuctive Use Project**  
DWR  
Completed  
03/01/09  
$30,484,000

**Groundwater Conjuctive Use Project Total**  
$30,484,000

**Total Grant Awards To Date**  
$448,687,735

* Grant funding for Coachella Canal is $83.5 million, $3.5 million went to MWD

** Grant funding for All American Canal went directly to IID
July 18, 2012

Attention:  Administrative and Finance Committee

Board of Directors’ Second Quarter 2012 Expenses and Attendance.  (Information)

Discussion
The second quarter 2012 expenses report includes payments made during each month of the quarter, but not necessarily expenses incurred during that quarter. Some Board members batch their claims and submit them all at once, while others submit them on a regular basis. As a result, some reimbursements include expenses incurred outside the reporting period. Board members are allowed up to ninety days to submit reimbursement for meetings attended, however no Board members have been paid in excess of ten a month.

The Special Assignment column indicates Board officers and Board members who represented the Water Authority at outside boards during the second quarter 2012 such as: Bud Pocklington at San Diego Area Wastewater Management District; Javier Saunders and John Linden at SANDAG; Elsa Saxod and Bud Pocklington at SANDAG Borders Committee and SANDAG Regional Planning Committee; Bill Knutson and Jim Bond at Colorado River Board; and Yen Tu and Frank Hilliker at the Water Conservation Garden JPA.

The attendance report shows the number of formal and special Board meetings held during the first quarter 2012 and the attendance record of each Board member.

Prepared by: Darlene Flynn, Accounting Assistant
Doria F. Lore, Clerk of the Board

Reviewed by: Rod Greek, Controller

Attachments: Board of Directors’ 2nd Quarter 2012 Expenses
Board of Directors’ 2nd Quarter 2012 Attendance
## San Diego County Water Authority
### Board of Directors
#### 2nd Quarter 2012 Expenses
##### April, May, June

<table>
<thead>
<tr>
<th>Director</th>
<th>Per Diem Payments</th>
<th>Mileage &amp; Parking</th>
<th>Travel &amp; Meetings</th>
<th>TOTAL</th>
<th>MWD Rep</th>
<th>Assignment</th>
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</thead>
<tbody>
<tr>
<td>ARANT, Gary</td>
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<td>0.00</td>
<td>0.00</td>
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<td>BAILEY, Roger</td>
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<td>181.25</td>
<td>181.25</td>
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<td>BARNUM, David</td>
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<td>BOND, James</td>
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<td>116.55</td>
<td>360.00</td>
<td>1,226.55</td>
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<td>DION, Mitch</td>
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<td>HILLIKER, Frank</td>
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<td>2,510.48</td>
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<td>KNUTSON, W.D.</td>
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This report includes expenses paid directly to, or on behalf of each Director, during the months of April, May, and June 2012.
<table>
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<th>Special Board (2)</th>
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July 18, 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 eleven month period of July 1, 2011 through May 31, 2012 (Attachment D). Attachment D has been modified to include information on the source of funding for capital projects. The Multi-Year Budget Status Report compares actual revenues and expenditures to the adopted budget, as amended by the Board. Budgeted amounts for the eleven 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 eleven months ended May 31, 2012 was $122.7 million, and the period-to-date budgeted amount was $114.9 million, a difference of $7.8 million or 7% 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 390,867 AF for the eleven months ended May 31, 2012, and actual water sales volumes were 394,311 AF, a difference of 3,444 AF or 1% more volume (Attachment A). Water Sales revenue for the eleven months ended May 31, 2012 were $395.3

1 All information regarding water sales volumes, revenues and costs are based on the adopted fiscal years 2012 and 2013 multi-year budget.
million, which is $3.9 million or 1% more than budgeted sales revenue of $391.4 million (Attachment B). Both water sales volumes and revenue for fiscal year 2012 are on track as shown on Attachments A and B.

Total Water Purchases and Treatment costs were budgeted to be $276.5 million for the eleven months ended May 31, 2012, but actual costs were less at $272.7 million, a difference of $3.8 million or 1% less than budgeted (Attachment C). The variance from budget to actual is 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 $32.6 million for the 77,502 AF of water purchased from IID, as well as $55.6 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 $92.4 million for the eleven months ended May 31, 2012, but actual revenues were significantly less at $79.0 million, a difference of $13.4 million or 14% 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 $9.2 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 eleven months ended May 31, 2012, or 11/12ths (92%) of the fiscal year 2012 budget. Actual revenues which were below the period-to-date budgeted amounts for the eleven months ended May 31, 2012 includes Investment Income and Contributions in Aid of CIP. Investment Income has a variance of $2.3 million due to continued historic low interest rates. Contributions in Aid of CIP are below budgeted by $2.4 million due to less than anticipated receipts during this fiscal year.

Actual revenues which exceeded the period-to-date budgeted amounts for the eleven months ended May 31, 2012 includes Hydroelectric Revenue and Capacity Charges. 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) budget. As a result, Hydroelectric Revenue is trending higher than budgeted by $0.2 million due to hydroelectric power sales from the Lake Hodges Pumped Storage Facility (Hodges Hydro) which began earning revenue in September 2011. Capacity Charges is trending higher than budgeted by $0.5 million due to an increase in the number of permits issued.

**Expenditures**

As shown in Attachment D, Total Expenditures were budgeted to be $191.0 million for the eleven months ended May 31, 2012, but actual costs were significantly less at $165.2 million, a difference of $25.8 million or 14% 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 $17.2 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 eleven months ended May 31, 2012, or 11/12ths (92%) of the fiscal year 2012 budget. Actual expenditures which were significantly below the period-to-date budgeted
amounts for the eleven months ended May 31, 2012 include Hodges Pumped Storage, Equipment Replacement, and Stored Water Purchases. Hodges Pumped Storage had minimal costs during the eleven month period because the facility is not operational yet. Equipment Replacement is trending less than budgeted during the eleven month period as well. Stored Water Purchases were budgeted at $3.2 million for fiscal year 2012 for the Lake Hodges Hydroelectric Facility and San Vicente Reservoir; however, no water purchases are anticipated this fiscal year. In addition, stored water purchases for San Vicente Reservoir were originally forecasted to occur towards the end of fiscal year 2013 and are dependent on the dam raise project schedule.

The General Counsel Department is currently trending higher than budgeted due to the timing of expenditures for legal services rendered to date as of the eleven months ended May 31, 2012.

Attachment D also shows that CIP Expenditures were budgeted to be $197.3 million for the eleven months ended May 31, 2012, but actual costs were significantly less at $102.7 million or 48% less than budgeted primarily due to the timing of expenditures during the eleven month period. The CIP multi-year adopted budget has been increased, as amended by the Board, by the following amounts for fiscal year 2012: $2.8 million for the Carlsbad Desalination Project approved at the January 2012 Board meeting; and $0.2 million for the 2012 Regional Water Facilities Optimization and Master Plan Update approved at the March 2012 Board meeting. As previously mentioned, Attachment D now includes information on the source of funding for these capital projects.

Cash and Investments
For the months ended May 31, and April 30, 2012, the Water Authority’s cash and investments had an overall balance of $707.1 million and $782.7 million, respectively (Attachment F). The decrease is primarily due to debt service payments in the amount of $77.9 million. 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 May 31, 2012, the Rate Stabilization Fund is funded at $43.8 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>
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<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>
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<td>1%</td>
<td>-1%</td>
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<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
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<tr>
<td>% Difference (b/a)</td>
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<td>1%</td>
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*Budgeted amounts are based on the adopted two year budget.

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

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<th>Mar-12</th>
<th>Apr-12</th>
<th>May-12</th>
<th>Jun-12</th>
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<td>(6.3)</td>
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* Budgeted amounts are based on the adopted two year budget.
**Budgeted amounts are based on the adopted two year budget.**

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

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<th>Sep-11</th>
<th>Oct-11</th>
<th>Nov-11</th>
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<th>Apr-12</th>
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<td>(7.6)</td>
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<td>-8%</td>
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<td>-4%</td>
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*Budgeted amounts are based on the adopted two year budget.
## San Diego County Water Authority
### Fiscal Year 2012 Budget Status Report

For the 11 Months Ended May 31, 2012

### Net Water Sales Revenue

<table>
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<tr>
<th>Description</th>
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<th>FY 12 Actual</th>
<th>Variance with Amended Period-to-Date</th>
<th>% Actual/Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Sales</td>
<td>$434,683,593</td>
<td>$391,393,708</td>
<td>$395,336,871</td>
<td>91%</td>
</tr>
<tr>
<td>Water Purchases &amp; Treatment</td>
<td>308,237,029</td>
<td>276,524,761</td>
<td>272,654,073</td>
<td>88%</td>
</tr>
<tr>
<td>Total Net Water Sales Revenue</td>
<td>$126,446,564</td>
<td>$114,868,947</td>
<td>$122,682,798</td>
<td>97%</td>
</tr>
</tbody>
</table>

### Revenues and Other Income

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 12 Amended Budget</th>
<th>FY 12 Actual</th>
<th>Variance with Amended Period-to-Date</th>
<th>% Actual/Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Water Sales Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Purchases &amp; Treatment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Net Water Sales Revenue</td>
<td>$126,446,564</td>
<td>$114,868,947</td>
<td>$122,682,798</td>
<td>97%</td>
</tr>
<tr>
<td>Revenues and Other Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure Access Charges</td>
<td>$27,700,000</td>
<td>$25,484,000</td>
<td>$25,338,740</td>
<td>91%</td>
</tr>
<tr>
<td>Property Taxes and In-Lieu Charges</td>
<td>10,194,800 (c)</td>
<td>10,062,770 (o)</td>
<td>9,634,456</td>
<td>95%</td>
</tr>
<tr>
<td>Investment Income</td>
<td>6,230,000 (d)</td>
<td>5,731,600</td>
<td>3,473,945</td>
<td>56%</td>
</tr>
<tr>
<td>Hydroelectric Revenue</td>
<td>900,000 (e)</td>
<td>828,000</td>
<td>1,061,743</td>
<td>118%</td>
</tr>
<tr>
<td>Other Income</td>
<td>24,970,960 (f)</td>
<td>22,973,283</td>
<td>3,473,945</td>
<td>118%</td>
</tr>
<tr>
<td>Capital Contributions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity Charges</td>
<td>10,576,000 (g)</td>
<td>10,072,070 (o)</td>
<td>10,576,000</td>
<td>105%</td>
</tr>
<tr>
<td>Water Standby Availability Charges</td>
<td>11,105,000 (h)</td>
<td>6,219,200</td>
<td>3,473,945</td>
<td>56%</td>
</tr>
<tr>
<td>Contributions in Aid of CIP</td>
<td>6,760,000 (i)</td>
<td>6,219,200</td>
<td>3,473,945</td>
<td>56%</td>
</tr>
<tr>
<td>Total Revenues and Other Income</td>
<td>$98,436,760</td>
<td>$92,432,937</td>
<td>$79,031,408</td>
<td>80%</td>
</tr>
</tbody>
</table>

### Expenditures

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 12 Amended Budget</th>
<th>FY 12 Actual</th>
<th>Variance with Amended Period-to-Date</th>
<th>% Actual/Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues Before Capital Improvement Program (CIP)</td>
<td>$224,883,324</td>
<td>$207,301,884</td>
<td>$201,714,206</td>
<td>90%</td>
</tr>
<tr>
<td>Stored Water Purchases</td>
<td>$3,190,000</td>
<td>$2,934,800</td>
<td>$2,934,800</td>
<td>0%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>138,437,000 (j)</td>
<td>129,488,840 (o)</td>
<td>126,696,218</td>
<td>92%</td>
</tr>
<tr>
<td>QSA Mitigation</td>
<td>6,025,000 (k)</td>
<td>3,880,000</td>
<td>2,934,800</td>
<td>0%</td>
</tr>
<tr>
<td>Hodges Pumped Storage</td>
<td>2,786,948</td>
<td>2,563,992</td>
<td>1,061,743</td>
<td>118%</td>
</tr>
<tr>
<td>Equipment Replacement</td>
<td>696,238</td>
<td>640,539</td>
<td>362,635</td>
<td>77%</td>
</tr>
<tr>
<td>Other Expenditures</td>
<td>13,394,960 (l)</td>
<td>12,323,363</td>
<td>942,232</td>
<td>7%</td>
</tr>
<tr>
<td>Operating Departments (see detail below)</td>
<td>43,490,186 (m)</td>
<td>40,010,972</td>
<td>34,142,652</td>
<td>79%</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$208,020,332</td>
<td>$191,047,506</td>
<td>$165,230,708</td>
<td>79%</td>
</tr>
</tbody>
</table>

### CIP Expenditures

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 12 Amended Budget</th>
<th>FY 12 Actual</th>
<th>Variance with Amended Period-to-Date</th>
<th>% Actual/Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues Before Capital Improvement Program (CIP)</td>
<td>$214,447,904 (n)</td>
<td>$197,292,072</td>
<td>$102,742,001</td>
<td>48%</td>
</tr>
<tr>
<td>Pay As You Go Fund</td>
<td>$8,415,141</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CIP/Bond Construction Funds</td>
<td>94,326,860</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total CIP Expenditures by Funding Source</td>
<td>$102,742,001</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Operating Departments Detail

<table>
<thead>
<tr>
<th>Department</th>
<th>FY 12 Amended Budget</th>
<th>FY 12 Actual</th>
<th>Variance with Amended Period-to-Date</th>
<th>% Actual/Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Services</td>
<td>$5,638,715</td>
<td>$5,167,618</td>
<td>$4,841,747</td>
<td>86%</td>
</tr>
<tr>
<td>Colorado River Program</td>
<td>1,254,208</td>
<td>1,153,871</td>
<td>859,000</td>
<td>77%</td>
</tr>
<tr>
<td>Engineering</td>
<td>3,363,825</td>
<td>3,094,719</td>
<td>2,792,802</td>
<td>83%</td>
</tr>
<tr>
<td>Finance</td>
<td>2,237,064</td>
<td>2,058,099</td>
<td>1,737,206</td>
<td>78%</td>
</tr>
<tr>
<td>General Counsel</td>
<td>3,070,190</td>
<td>2,824,575</td>
<td>3,006,946</td>
<td>98%</td>
</tr>
<tr>
<td>General Manager &amp; Board of Directors</td>
<td>2,523,881</td>
<td>2,321,971</td>
<td>1,908,998</td>
<td>76%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>1,372,715</td>
<td>1,262,898</td>
<td>851,259</td>
<td>62%</td>
</tr>
<tr>
<td>MWD Program</td>
<td>1,708,626</td>
<td>1,571,936</td>
<td>1,310,564</td>
<td>77%</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>14,396,641</td>
<td>13,244,910</td>
<td>11,016,967</td>
<td>77%</td>
</tr>
<tr>
<td>Public Outreach and Conservation</td>
<td>4,032,963</td>
<td>3,710,326</td>
<td>2,889,532</td>
<td>72%</td>
</tr>
<tr>
<td>Water Resources</td>
<td>3,891,358</td>
<td>5,580,409</td>
<td>3,473,945</td>
<td>77%</td>
</tr>
<tr>
<td>Total Operating Departments</td>
<td>$43,490,186 (m)</td>
<td>$40,010,972</td>
<td>$34,142,652</td>
<td>79%</td>
</tr>
</tbody>
</table>
Notes to the Budget Status Report:

a) Period-to-date budgeted amounts are 11/12ths (92%) 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 for Bonds and Certificates of Participation includes interest payments due semi-annually on November 1 and May 1 and principal payments due annually on May 1. Subordinate Lien Water Revenue Refunding Bonds, Series 2011S-1 due July 1 and January 1. Debt Service includes principal, interest expense, and debt service fees. Amortization expense relating to long-term debt, such as discounts, premiums, 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) Fiscal year 2012 CIP budget increased $2.8 million for Carlsbad Desalination Project and $0.2 million for the 2012 Regional Water Facilities Optimization and Master Plan Update.
o) Period-to-date budgeted amounts adjusted based on items occurring on a periodic basis.
San Diego County Water Authority
Comparison of Adopted Budget and Period-to-Date Budget (92% Overall)
to Actual Operating Expenditures by Departments
For the 11 Months Ended May 31, 2012

Actual Operating Expenditures to Adopted Budget in Percentages (%)

FY 12 Adopted Budget $43.5 Million
Period-To-Date Adopted Budget $40.0 Million
Period-to-Date Actual Operating Expenditures $34.1 Million
San Diego County Water Authority  
Schedule of Cash and Investments  
As of May 31, and April 30, 2012

<table>
<thead>
<tr>
<th>Fund</th>
<th>May</th>
<th>April</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Fund</td>
<td>$96,597,798</td>
<td>$152,656,977</td>
<td>$67,000,000 (2)</td>
</tr>
<tr>
<td>Stored Water Fund</td>
<td>44,650,019</td>
<td>44,650,448</td>
<td></td>
</tr>
<tr>
<td>Equipment Replacement Fund</td>
<td>8,573,612</td>
<td>8,720,082</td>
<td></td>
</tr>
<tr>
<td>Rate Stabilization Fund</td>
<td>43,753,972</td>
<td>43,754,392</td>
<td>55,100,000 (3)</td>
</tr>
<tr>
<td><strong>Total Unrestricted Funds</strong></td>
<td><strong>27%</strong></td>
<td><strong>193,575,401</strong></td>
<td><strong>249,781,899</strong></td>
</tr>
<tr>
<td>Pay As You Go Fund</td>
<td>131,412,460</td>
<td>129,076,407</td>
<td></td>
</tr>
<tr>
<td>CIP/Bond Construction Funds</td>
<td>312,591,081</td>
<td>334,332,475</td>
<td></td>
</tr>
<tr>
<td>Debt Service Reserve Funds</td>
<td>69,483,822</td>
<td>69,498,907</td>
<td></td>
</tr>
<tr>
<td><strong>Total Restricted Funds</strong></td>
<td><strong>73%</strong></td>
<td><strong>513,487,363</strong></td>
<td><strong>532,907,789</strong></td>
</tr>
<tr>
<td><strong>Total Cash and Investments</strong></td>
<td><strong>$707,062,764</strong></td>
<td><strong>$782,689,688</strong></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

AUGUST 2012
• 9 Special Board meeting regarding Carlsbad Desalination Project – 1:30 p.m.
• 15 MWD Delegates – 11:00 a.m. (falls later this month due to MWD Board schedule)
• 23 Regular Board meeting – 3:00 p.m.

SEPTEMBER 2012
• 4 SCOOP meeting – 9:30 a.m.
• 5 MWD Delegates – 11:00 a.m.
• 13 Special Board meeting regarding Carlsbad Desalination Project – 1:30 p.m.
• 27 Regular Board meeting – 3:00 p.m.

OCTOBER 2012
• 3 MWD Delegates – 11:00 a.m.
• 11 Special Board meeting regarding Carlsbad Desalination Project – 1:30 p.m.
• 25 Regular Board meeting – 3:00 p.m.
IMPORTED WATER COMMITTEE

AGENDA FOR

JULY 26, 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 Metropolitan Water District Delegates report.
   (Information)  (supplemental materials)

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

III. INFORMATION

1. Bay-Delta Quarterly update. Jeff Volberg
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 Nos. CPF-10-510830 and BS137830

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

   Conference with Legal Counsel - Existing Litigation
   Government Code §54956.9(a)
   Name of Case:  State Water Resources Control Board (SWRCB)
   Imperial Irrigation District and San Diego County Water Authority
   Joint Petition for Modification of Revised Order WRO 2002-0013
   (Permit 7643, Application 7482)

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.
July 18, 2012

Attention: Imported Water Committee

Water Management Discussions with Mexico update. (Information)

Purpose
This report provides information on the status of Binational Water Management discussions and process involving the U.S. federal government, seven Colorado River basin states, and the Mexican federal, state, and local agencies. It also provides an update on the seawater desalination efforts that are under way at Rosarito Beach in Baja California, Mexico.

Background
Staff representing California are participating in a series of discussions with other Colorado River U.S. agencies and representatives from Mexico on a number of proposals intended to improve river water management. The current focus is on proposals to implement shortage guidelines for Mexico, ways to store Mexican river water in U.S. reservoirs, and salinity management. These efforts are intended to result in a formal agreement between the two countries in 2012. Additionally, several U.S. water agencies are working with the Bureau of Reclamation, the Republic of Mexico, and the International Boundary and Water Commission (IBWC) to determine the feasibility of constructing a large-scale seawater desalination plant in Rosarito Beach. The first phase of this four-phase study was completed in 2010. This effort is part of the binational process to review a number of Colorado River water supply augmentation projects.

Discussion
Both U.S. and Mexican negotiating teams have expressed a strong interest to conclude negotiations successfully and reach an agreement on binational water management by the end of 2012. To that end, a binational workshop was held on May 29th through June 1st. Although the technical representatives did not complete the necessary technical discussions of each of the elements in each country’s proposal, significant progress was made in understanding each approach and the linkages contained in both proposals. At the end of the workshop it was agreed that there was enough common ground to continue the discussions and to hold another technical workshop to complete the discussion of each of the elements to be contained in the proposed Minute 319.

The second workshop was held in San Diego, California, on June 20th through June 22nd. During this workshop, significant progress was made in developing a common understanding of the elements that need to be included in Minute 319. Additional discussions were needed to occur regarding the proposed Pilot project(s), surplus and shortage volumes and options, water for the environment, and the equation related to calculating the salinity differential at the Northerly International Boundary.

The third workshop was held on July 5th and 6th in Tijuana, Mexico. The intent was to cover all of the outstanding issues so that the representatives of the two countries can begin to negotiate the details to be included within the proposed Minute 319 and start the actual drafting process.
In Spring of this year, Mexican water agencies began working on the second phase of a Rosarito Beach binational desalination study. As part of the second phase, Mexico is studying potential alignments for pipelines that could convey water from Rosarito Beach to San Diego County. Mexico is expending $180,000 for this study and is analyzing four different alternatives, Right of Way impacts, pipeline materials and cost considerations. A final report is expected by fall of this year. Con Agua (the Mexican Federal agency) has budgeted $400,000 to study the Rosarito desalination plant environmental impacts. Mexico anticipates starting this work in 2013.

While the U.S. agencies have fully participated in second phase review and analysis, they have focused their efforts on Draft Minute 319 negotiations before proceeding with the second phase implementation of the project.

Prepared by:    Halla Razak, Colorado River Programs Director
Approved by:    Maureen A. Stapleton, General Manager
Attention: Imported Water Committee

Bay-Delta Quarterly update. (Information)

Background
This quarterly update discusses activities that are taking place in the Bay-Delta region.

Discussion

Delta Stewardship Council
The Delta Stewardship Council released a Sixth Staff Draft of the Delta Plan in May. The Council met twice in June to discuss the Sixth Staff Draft and is working to complete a final draft in July or later. The Sixth Staff Draft is a great improvement over the Fifth Staff Draft, but still needs improvement. The Sixth Staff Draft no longer relies as heavily on demand reduction to improve water supply reliability and increased flows for ecosystem restoration.

Water Authority staff have been working with an Ag-Urban Coalition through the Association of California Water Agencies to make changes for the final draft. Some of ACWA’s proposals have already been accepted by the Council, and others are still being negotiated.

Bay-Delta Conservation Plan
The Resources Agency released an administrative draft of the BDCP in late February, including an effects analysis and conservation plan. The administrative draft identified and analyzed the effects of a project that would include a set of twin tunnels under the Delta with a combined capacity of 15,000 cubic feet per second, with five 3,000 cfs intakes on the Sacramento River.

The California Department of Fish and Game and the federal NOAA Fisheries and Fish and Wildlife Service agencies expressed concerns about the size of the project. The federal fisheries agencies issued “red flag” memos, stating that they could not issue permits under the Endangered Species Act to a project as large as the proposed project. The Natural Resources Agency announced at a public meeting on June 20 that the project being analyzed will now be a set of twin tunnels with a combined capacity of 9,000 cubic feet per second, with three 3,000 cfs intakes on the Sacramento River. The smaller capacity tunnels will also be gravity-fed, instead of being supplied and pressurized by pumps.

Smaller capacity tunnels will yield a smaller amount of water on average, although the larger tunnels would only rarely be filled to capacity, except in very wet years. The larger tunnels were estimated to yield an annual average of 5.9 million acre feet, where the smaller tunnels are estimated to yield an annual average of between 4.5 million acre feet and 5.3 million acre feet. The current yield under existing ESA restrictions is 4.9 million acre feet. The state and federal water contractors have to decide whether the reduced average yield is sufficient to justify the $13 billion investment in the project.
The Natural Resources Agency and the federal Department of the Interior are expected to announce the preferred alternative project in July. The Natural Resource Agency expects to release a public review draft of the BDCP and its accompanying EIS/EIR in September.

**Financing the BDCP**

The Administrative Draft of the BDCP included a chapter on financing – Chapter 8. The chapter lays out the estimates of costs of the water infrastructure project, the environmental improvements, and the operation and maintenance of the infrastructure project. Costs are projected forward for 50 years.

Chapter 8 also describes funding sources for the BDCP. The construction costs of the infrastructure project will be paid by the state and federal water contractors, who have all indicated they are willing to pay. The Metropolitan Water District is expected to pay half of the state water contractors’ share, or a quarter of the cost of the entire project. Chapter 8 does not address the capacity of the contractors to pay. Water Authority staff have sent comments to the Natural Resources Agency expressing concern that the MWD may have difficulty paying its share because it does not have contracts committing its member agencies to bearing fixed portions of the costs of the BDCP.

The Natural Resources Agency commissioned a study by Dr. David Sunding, an economist at the University of California at Berkeley. The study is intended to analyze the benefits to the state and federal water contractors of building the water infrastructure associated with the BDCP. Although the study is not complete, Dr. Sunding reported on its tentative findings at the public meeting on June 20.

The scope of the analysis is to determine whether it is cost-effective for the state and federal water contractors to invest in the BDCP conveyance project. In other words, are the benefits of the BDCP sufficient to justify the costs to the agencies that will receive the water? The analysis also examines whether the public good benefits are sufficient to justify public expenditures by the state and federal governments. The analysis is in the context of financing the BDCP, and is not a statewide cost-benefit analysis.

Dr. Sunding’s analysis assumes the 9,000 cubic feet per second alternative, with average exports of 5.3 million acre feet. He evaluated losses at the individual water agency level, including the 26 MWD member agencies and nine other SWP contractor agencies. He used ratepayer responses to rates and shortages to determine the value of avoiding future shortages. Using the MWD-MAIN model, he projected future retail water rates, land use forecasts, and conservation projections. Using figures from SACOG and SANDAG, he projected future population growth. Based on those figures, he projects that Southern California will need an additional one million acre feet by 2050 to meet demand.

The analysis looks at what consumers are willing to pay to avoid future shortages. Shortages may be caused by drought, water quality degradation (salinity), and seismic risk. The most significant cause of shortages, according to the analysis, is regulatory uncertainty.
The analysis shows that the consequences of losing one maf are much greater than the benefits of receiving an additional one maf. A twenty percent reduction in exports could cost as much as $9 billion to the urban sector and $2.7 billion to agriculture. Mr. Sunding assesses the benefits of the BDCP in terms of avoiding further losses of supply, rather than in terms of adding more supply. He also says the benefit of avoiding regulatory uncertainty is of greater value than the benefits of avoiding drought, water quality degradation, and seismic risk.

In terms of “public good” benefits, Dr. Sunding evaluated whether values of recreation and habitat restoration derived from the BDCP are greater than what the state and federal governments would pay to preserve. He set a range of $12.7 billion to $55 billion for the values of recreation and habitat restoration that would be created by the BDCP.

Dr. Sunding’s conclusions are that:

- The benefits of the BDCP in avoiding future losses of supply significantly exceed the costs to the state and federal contractors of building the project.
- The public good benefits exceed the costs the state and federal governments would be willing to pay for preservation of habitat and recreational values.

The focus on the direct benefits to those paying for the project is appropriate given the financing decisions the state and federal contractors need to make. However, the study will also show that there are significant indirect benefits to local communities and the Delta as a place.

In contrast to Dr. Sunding’s study, Dr. Jeffrey Michael from the University of the Pacific released a benefit-cost analysis on June 14. Dr. Michael’s report states that Dr. Sunding’s study ignores the costs of negative impacts to third parties such as in-Delta and upstream interests. Dr. Michael looks at several of the benefits examined by Dr. Sunding, but does not go into the value of avoiding future losses of supply. Factoring in costs to Delta agriculture, Dr. Michael reaches a benefit-cost ratio of 0.4, meaning there are $2.50 of costs for every $1.00 in economic benefits.

Prepared by: Jeffrey Volberg, Government Relations Manager
Reviewed by: Dennis Cushman, Assistant General Manager
July 18, 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 July 9 and 10 meetings of the MWD Board of Directors.   The next committee and board meetings will take place August 20 and 21, 2012.

Authorized Entering into a Water Sale Agreement with the United States Forest Service.
MWD entered into an agreement with the United States Forest Service (USFS) to provide a maximum of one acre-foot of water per year to the River Gorge Trailhead Project. This agreement will supply water for drinking and sanitation at the River Gorge Trailhead in the Cleveland National Forest near Ramona. The Water Authority, Ramona Municipal Water District (Ramona), MWD, and USFS have negotiated an agreement to provide water service to the planned facilities. This trailhead is outside of Ramona’s, the Water Authority’s, and MWD’s service area. Because the project requires such a small amount of water, a service contract is recommended rather than formal annexation. USFS will pay MWD’s rate per acre-foot for the class of water that is delivered to the trailhead in addition to a capital facility charge and a minimum monthly standby rate. Furthermore, MWD will be held harmless from all claims and damages resulting from interruptions in water deliveries as well as all damages resulting from MWD’s delivery of water. Both the Water Authority and Ramona were supportive of this agreement. On June 28, 2012, the Water Authority board authorized the general manager to execute the agreement for the sale and delivery of water to USFS for this project.

Authorized Entering into a Water Sale Agreement with Southern California Edison.  
The MWD Board authorized an agreement to sell a maximum of 1,000 acre-feet of supplemental water between 2012 and 2031, with a maximum of 500 acre-feet in any year, to Southern California Edison (Edison). Edison is required to purchase supplemental water supplies to offset any impacts to local water supplies resulting from its 500/22- kilovolt Colorado River Substation, which is part of Edison’s larger Devers-Palo Verde No. 2 Transmission Line Project (DPV2). The DPV2 will serve as the primary transmission line that brings renewable energy generated in solar energy-rich Eastern Riverside County to the power grid, helping California achieve its renewable energy goals of 33 percent by 2020. Edison proposes to use local water supplies via a groundwater well for construction and operation. In the event that the groundwater levels trigger Edison to obtain supplemental water, Edison will notify MWD of its need and pay MWD’s Full Service Untreated Tier 2 rate for all water delivered to the substation in additional to a marginal power charge and a Capital Facilities Charge.
Authorized an Agreement with the California Department of Water Resources to Provide Services for State Water Project Facilities.
The MWD board authorized a five-year reimbursable agreement for an amount not to exceed $25 million with the California Department of Water Resource (DWR) for State Water Project (SWP) operations and maintenance activities. MWD has carried-out machining, fabrication, and coating services for the repair and rehabilitation of SWP equipment since 1983. All labor, materials, additives, overhead, and related subcontractor expenses that MWD incurs from repairing, maintaining, and rehabilitating SWP facilities will be reimbursed by DWR. Under this new agreement, MWD is also authorized to hire subcontractors and consultants as needed, but may not expend more than $1.5 million per year on such services.

The MWD Committees and Board also:
- Appropriated $1.68 million; and award $1,053,900 construction contract to Dahl, Taylor & Associates to replace the standby generator at the Julian Hinds Pumping Plant;
- Authorized payment up to $570,485 for support of the Colorado River Board and the Colorado River Authority of California for fiscal year 2012/13;
- Authorized the purchase of approximately 2,175 acres in Riverside and Imperial Counties; and
- Authorized staff to proceed with negotiation with the Los Angeles Department of Water and Power (LADWP) to develop a 50-year use agreement for MWD use of LADWP solids lagoons at the Joseph Jensen Water Treatment Plant.

State Water Contractors. The State Water Contractors (SWC) met on June 21. DWR Deputy Director Carl Torgersen reported on activities related to the operation of the SWP, including a study focused on Critical Administrative Issues faced by DWR. The study will be conducted in four phases: 1) identifying the critical issues; 2) providing alternatives to address these issues; 3) evaluating and ranking the alternatives, and 4) recommending an implementation plan. The study is also expected to be the foundation of SWP governance discussions. The final report is anticipated in March 2013.

DWR staff provided a presentation on the status of the Oroville turbines; a number of the generating units are experiencing forced outages. SWP operations have been limited to using two (out of six) turbines for releases from the Dam. Two more units are expected to come back on-line this July. The outages have resulted in lost energy generation. The SWC’s Energy Committee is working with DWR to assess the economic impact of the outages.

DWR staff also reported that the period of severe export limitations came to an end on June 1. Currently (per June 21 report), SWP exports are limited by the Delta Smelt OCAP biological opinion, although the D-1641 export-inflow ratio is also close to being constrained. Exports are expected to increase starting July 1, and should result in pumping essentially at capacity through September.

For information on actions by the SWC, see Attachment 1. The next SWC meeting is scheduled for July 19.

Prepared by: Liz Mendelson, Assistant Water Resources Specialist
Reviewed by: Amy I. Chen, MWD Program Chief
STATE WATER CONTRACTORS
BOARD OF DIRECTORS
BOARD ACTIONS
JUNE 21, 2012

The following actions were taken at the State Water Contractors (SWC) Board of Directors June 21, 2012 meeting upon motions duly made, seconded and unanimously passed.


2. Authorized the General Manager to contribute 50% of the cost towards mediation services and meeting facilities costs related to resolution of Bay Delta Conservation Program issues. San Luis&Delta-Mendota Water Authority (SLDMWA) will contribute the remaining 50% cost of the total $285,000 costs.

3. Authorized the General Manager to contribute 50% of the cost towards consulting services to prepare material for State Water Resources Control Board Phase 2 Water Quality Control Plan workshops in Summer and Fall 2012. SLDMWA will contribute the remaining 50% of the total $320,000 costs which will be taken from the SWP-CVP Coordinated Projects Fund for FY 2012-13.

4. Authorized the SWC General Manager to enter into or amend the consulting contracts for Hanson Environmental for $100,000 from the SWC Bay-Delta Fund.

5. Authorized the SWC General Manager to enter into or amend the consulting contracts for Waterworks Consulting, Fiona Hutton and Associates, Deborah Kollars, Kennedy/Jenks Consultants and Nancy Clemm from the SWC Dues Fund totaling $324,000.

6. Authorized the SWC General Manager to enter into or amend the consulting contracts for Dick Jones, Craig Jones, Diana Mahmud, Dick Ferreira and the California Municipal Utilities Association totaling $227,000 from the SWC Energy Fund.

7. Authorized the General Manager to contribute 50% of the cost towards facilitation services to resolve ongoing water rights and fisheries flow issues on the San Joaquin River. The Export Contractors have jointly been allocated a 20% share of costs, expected to total $100,000. San Luis&Delta-Mendota Water Authority will contribute the remaining 50% of the allocated Export Contractors $20,000 costs, which will be taken from the SWP-CVP Coordinated Projects Fund for FY 2012-2013.

8. Authorized the General Manager to contribute 50% of the cost for consulting services in support of methylmercury and mercury control studies. SLDMWA will contribute the remaining 50% of the total $25,000 cost, which will be taken from the SWP-CVP Coordinated Projects Fund for FY 2012-2013. SWC Board approval is contingent on SLDMWA support for paying for their 50% share of costs.

Other Actions:

1. Requested that the SWC Legal Committee review the proposed SWC consulting contracts for legal services and provide input on initial level of effort for Fiscal Year 2012-2013.

2. Requested that DWR send the Water Commission PowerPoint to SWC Staff for distribution to SWC Member Agencies.
July 18, 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 Nos. CPF-10-510830 and BS137830

Purpose
This memorandum is to recommend a closed session, pursuant to Government Code §54956.9(a) to discuss the above-referenced matters at the July 26, 2012, 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
July 18, 2012

Attention: Imported Water Committee

CLOSED SESSIONS:

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

Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(a)
Name of Case: State Water Resources Control Board (SWRCB)
Imperial Irrigation District and San Diego County Water Authority
Joint Petition for Modification of Revised Order WRO 2002-0013
(Permit 7643, Application 7482)

Purpose
This memorandum is to recommend closed sessions, pursuant to Government Code §54956.9(a) to discuss the above-referenced matters at the July 26, 2012, meeting.

Closed sessions have 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 closed sessions 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
WATER PLANNING COMMITTEE

AGENDA FOR

JULY 26, 2012

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

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. Carlsbad Desalination Project.
   1-A Status report on Carlsbad Desalination Project.    Ken Weinberg
   1-B Energy use and pricing in the Carlsbad Desalination Project.    Ken Weinberg

III. INFORMATION


IV. CLOSED SESSION
V. ADJOURNMENT

NOTE: This meeting is called as a 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.
Energy Use and Pricing in the Carlsbad Desalination Project (Information)

Purpose
The purpose of this report is to provide an analysis of the energy related costs of the Carlsbad Desalination Project, the sensitivity of the unit cost of desalinated water to fluctuations in energy pricing and potential strategies to manage the risk of energy price increases.

Background
To varying degrees, energy use is integral to the production, transmission and treatment of any drinking water source in the world. The State Water Project (SWP) is the largest single user of energy in California. The SWP uses 3,200 kWh of electricity per acre foot to pump water from northern California over the Tehachapi Mountains and into southern California. Once in southern California, additional energy and the cost related to that use is necessary to convey, treat and then distribute that water to retail customers. The energy requirements to transport, treat and distribute SWP water to retail customers in the Water Authority’s service area are 490 to 780 kWh per acre foot. Payments to DWR for energy related costs account for $238/AF of the total $471/AF or approximately 50% of the FY 2012-2013 cost for SWP water supply.

In addition to energy use and its cost related to transportation, treating water to federal and state drinking water standards has associated electricity costs. Depending on the source water and the technology used for filtration and disinfection, energy related costs for treating surface water ranges between $31/AF - $59/AF. Typically, the more constituents of concern in the water the more energy is required to remove those constituents to meet drinking water standards. Reverse osmosis membrane technology is both the most effective treatment technology at removing constituents of concern from water for municipal drinking water purposes and the most energy intensive. The energy requirements associated with the use of reverse osmosis membrane technology differ with the source water being treated and the target constituents being removed. Brackish water sources which are much less saline than ocean water have the lowest energy requirement for municipal sources. Brackish groundwater projects energy usage range between 980 to 1,630 kWh per acre foot at a cost of approximately $118/AF to $196/AF.

Recycled water treated with advanced reverse osmosis membrane technology is more saline than surface water and requires removal of greater concentrations of organic and inorganic material as well as serving as a firm barrier to pathogens. Purifying recycled water with reverse osmosis technology therefore has a higher energy requirement than brackish groundwater. The energy use associated with these types of projects, such as Orange County Water District’s Groundwater Recharge System (GWRS) or the City of San Diego’s proposed Indirect Potable Reuse Project use between 2,500 to 4,230 kWh per AF at a cost of $300/AF to $508/AF. Because the salinity of seawater is 20-30 times the salt in brackish water, seawater desalination using reverse osmosis requires a greater amount of energy than both brackish and wastewater sources.
The Carlsbad Seawater Desalination project is expected to require 5,300 kWh of energy to produce and deliver an acre foot of drinking water. Based on current operating plans, approximately one fourth of the cost of desalinated water or $491/AF of the $2,329 high range cost of production and conveyance will be energy related, with approximately 6% or $147/AF related to pumping the water from sea level at the coast to the Twin Oaks Valley Water Treatment Plant in San Marcos at an elevation of approximately 1,100 ft above sea level. The remaining $344/AF in electricity cost is associated with the energy required in desalting the seawater to meet drinking water standards.

### Table 1: Energy Consumption (kWh/AF)

<table>
<thead>
<tr>
<th>Supply</th>
<th>Raw water conveyance</th>
<th>Supply/Treatment</th>
<th>Distribution</th>
<th>Total (rounded)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad Desalination Project</td>
<td>-</td>
<td>3,750</td>
<td>1,530</td>
<td>5,300</td>
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<tr>
<td>State Water Project</td>
<td>3,200</td>
<td>260 – 490</td>
<td>230 – 390</td>
<td>3,700 – 4,100</td>
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<tr>
<td>Recycled Water (IPR)</td>
<td>-</td>
<td>2,500 – 4,230’</td>
<td>230 – 390</td>
<td>2,700 – 4,600</td>
</tr>
<tr>
<td>Brackish Water</td>
<td>-</td>
<td>980 – 1,630</td>
<td>230 – 390</td>
<td>1,200 – 2,000</td>
</tr>
</tbody>
</table>

1 – City of Carlsbad, California Precise Development Plan and Desalination Plant Project Final Environmental Impact Report (June 13, 2006), Section 4.2

2 – World Water: Water Reuse and Desalination, Spring 2012, Table 2.

3 - California’s Water-Energy Relationship, Final Staff Report, California Energy Commission, November 2005.

4 – Carlsbad Desalination Project energy usage data provided by Poseidon Resources.

5 – Recycled water treatment includes tertiary treatment to indirect potable usage, plus retreatment to potable usage.

### Discussion

As discussed above, energy use and energy costs are integrated into the price of all water supplies purchased and delivered by the Water Authority. Any increase or volatility in the future cost of electricity will have an impact and effect on the Water Authority’s entire source of supplies. Because of the predominance of imported water in the region’s supply portfolio, increases in energy costs associated with imported supplies, particularly the SWP supply, would have the greatest impact on the total price for water paid by the Water Authority. In addition, as evidenced by the issues in the pending litigation, the Water Authority has no practical ability to control how MWD’s costs are allocated between its members except to file litigation to obtain independent court oversight of MWD’s cost allocations.

Due to its energy intensiveness, desalinated seawater is also subject to potential volatility in the energy markets and upwards pressure on electricity pricing. Because desalinated seawater is replacing imported supplies, it is avoiding the energy used to transport that supply to the Water Authority. The same market forces that could cause upwards or downwards electricity pricing pressure would affect both seawater desalination and imported supplies, although its effects may not
be equal and depend on the mix of energy sources related to each supply. Financial exposure to higher electricity prices is a major component of water costs now and in the future whether the Water Authority adds seawater desalination to its portfolio or not. To the extent that the Carlsbad Seawater Desalination Project would account for less than 10% of the Water Authority’s supply and the cost would be melded over all supply sources, spikes in energy costs would be somewhat lessened in overall rate impacts. However, energy costs account for about a quarter of the unit cost of desalinated water, and accurately predicting the future cost of electricity and identifying strategies to manage potential price risk are fundamental to consideration of the Draft Water Purchase Agreement (WPA).

As currently contemplated in the WPA, responsibility for energy costs is divided into two components; electricity consumption and electricity price. As previously related to the Board, the maximum amount of energy required to produce 56,000 acre feet of desalinated water is being guaranteed by Poseidon and the plant operator Israel Desalination Engineers (IDE). If additional energy is required over the guaranteed amount, the cost is borne entirely by Poseidon and hence IDE. However, within the guaranteed amount of energy usage the Water Authority is responsible to pay the price of electricity. The sharing of energy risk in the Project between the Water Authority and Poseidon is considered essential to the financial viability of the Project and the ability to achieve an investment grade Bond rating. For purposes of estimating the price of electricity, Poseidon and the Water Authority are assuming that SDG&E industrial customer tariffs (ALTOU-EECC) are the applicable rates to be paid for electricity. In an effort to manage potential increases in SDG&E rates in the future and to maintain flexibility, the Water Authority, as specified in the July 2010 Board approved Term Sheet, is reserving its rights, through the Water Authority Act, to bring power to the project if necessary or require Poseidon to purchase electricity from a third party designated by the Water Authority.

At the July 26, 2012 Water Planning Committee, staff will present an initial analysis of the key factors related to the cost of electricity in the Draft Water Purchase Agreement, sensitivities to future trends in electricity price and strategies for managing the risk of electricity price increases. A Technical Memorandum outlining the results of staff’s due diligence efforts and sensitivity analysis on energy price related issues will be mailed to the Board prior to the July 26, 2012 Board meeting. Some of the key points that will be covered in the Technical Memorandum and at the Committee presentation are as follows:

**Electricity Pricing in Draft WPA**
- Use of SDG&E ALTOU-EECC Tariffs for industrial customers.
- Peak and off peak pricing: time of use and desalination plant operations
- Fixed Component of electricity rate
- True-up requirement on Poseidon electricity consumption guarantee

**SDG&E Rate Projections**
- SDG&E Historic Rates
- Fuel cost, especially natural gas
- AB-32 Compliance costs
- Water Authority Projection of SDG&E rates
Strategies for Managing Electricity Price Risk in the Carlsbad Desalination Project

- Independent Power Producer
  - Feasibility of independent supply
  - Traditional energy sources
  - Renewable energy sources
  - Water Authority as power generator

Sensitivity of Desalinated Seawater Unit Price to Electricity Price

- Effect on unit price of under differing scenarios of price increase

Prepared and Reviewed by: Ken Weinberg, Director of Water Resources
Reviewed by: Sandra L. Kerl, Deputy General Manager
July 18, 2012

Attention: Water Planning Committee

Water Resources Report

Purpose
This report includes the following exhibits for June 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)

<table>
<thead>
<tr>
<th>Station</th>
<th>June 2012</th>
<th>2011-2012 WATER YEAR (October 2011 through September 2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Normal</td>
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<tr>
<td>Lindbergh Field (N.O.A.A.)</td>
<td>0.00</td>
<td>0.07</td>
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<tr>
<td>Lake Cuyamaca (Helix W.D.)</td>
<td>0.00</td>
<td>0.20</td>
</tr>
<tr>
<td>Lake Henshaw (Vista I.D.)</td>
<td>0.00</td>
<td>0.14</td>
</tr>
</tbody>
</table>

Sources: National Weather Service, Helix Water District, Vista Irrigation District.
# MONTHLY WATER RESOURCES REPORT

## Water Deliveries to Member Agencies

### (acre-feet)

### JUNE 2012

<table>
<thead>
<tr>
<th>AGENCY</th>
<th>2012</th>
<th>2011</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad M.W.D.</td>
<td>1,546.8</td>
<td>1,687.9</td>
<td>16,104.1</td>
<td>15,785.5</td>
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<td>Del Mar, City of</td>
<td>114.3</td>
<td>113.3</td>
<td>1,083.4</td>
<td>1,088.3</td>
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<tr>
<td>Escondido, City of</td>
<td>1,769.9</td>
<td>1,223.6</td>
<td>17,288.8</td>
<td>11,591.6</td>
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<td>Fallbrook P.U.D.</td>
<td>1,355.5</td>
<td>1,218.2</td>
<td>11,892.8</td>
<td>11,998.4</td>
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<tr>
<td>Helix W.D.</td>
<td>3,429.1</td>
<td>1,403.4</td>
<td>23,787.5</td>
<td>19,191.9</td>
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<tr>
<td>Lakeside W.D.</td>
<td>348.9</td>
<td>357.0</td>
<td>3,375.3</td>
<td>3,250.8</td>
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<tr>
<td>National City, City of</td>
<td>-</td>
<td>-</td>
<td>1,257.2</td>
<td>1,213.3</td>
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<tr>
<td>Oceanside, City of</td>
<td>2,523.1</td>
<td>2,311.1</td>
<td>23,773.8</td>
<td>21,558.5</td>
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<td>Olivenhain M.W.D.</td>
<td>2,199.9</td>
<td>2,057.4</td>
<td>19,306.5</td>
<td>18,440.1</td>
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<tr>
<td>Otay W.D.</td>
<td>3,123.7</td>
<td>3,020.0</td>
<td>30,542.8</td>
<td>29,860.8</td>
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<td>Padre Dam M.W.D.</td>
<td>1,215.3</td>
<td>1,150.0</td>
<td>11,457.5</td>
<td>11,449.5</td>
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<tr>
<td>Pendleton Military Reservation</td>
<td>4.3</td>
<td>5.0</td>
<td>55.1</td>
<td>51.3</td>
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<td>Poway, City of</td>
<td>1,110.0</td>
<td>1,183.9</td>
<td>10,988.6</td>
<td>10,904.1</td>
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<td>Rainbow M.W.D.</td>
<td>2,794.9</td>
<td>2,055.1</td>
<td>20,818.6</td>
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<td>Ramona M.W.D.</td>
<td>710.5</td>
<td>762.8</td>
<td>6,489.2</td>
<td>5,409.8</td>
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<td>Rincon Del Diablo M.W.D.</td>
<td>659.9</td>
<td>645.3</td>
<td>5,950.4</td>
<td>5,770.4</td>
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<td>San Diego, City of</td>
<td>19,124.7</td>
<td>13,812.8</td>
<td>173,338.9</td>
<td>173,542.2</td>
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<td>San Dieguito W.D.</td>
<td>150.1</td>
<td>268.9</td>
<td>2,663.4</td>
<td>1,900.8</td>
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<td>Santa Fe I.D.</td>
<td>607.3</td>
<td>742.1</td>
<td>5,653.5</td>
<td>4,091.6</td>
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<td>South Bay I.D.</td>
<td>0.2</td>
<td>1,255.9</td>
<td>4,361.6</td>
<td>5,295.9</td>
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<td>Vallecitos W.D.</td>
<td>1,711.7</td>
<td>1,628.0</td>
<td>16,174.0</td>
<td>15,432.9</td>
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<td>Valley Center M.W.D.</td>
<td>3,145.9</td>
<td>2,932.9</td>
<td>27,722.6</td>
<td>25,674.2</td>
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<td>Vista I.D.</td>
<td>1,270.4</td>
<td>980.2</td>
<td>12,442.7</td>
<td>10,818.3</td>
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<td>Yuima M.W.D.</td>
<td>194.1</td>
<td>96.9</td>
<td>1,198.4</td>
<td>1,618.9</td>
</tr>
</tbody>
</table>

### Deliveries To SDCWA Agencies

| Deliveries To SDCWA Agencies | 49,110.5 | 40,911.7 | 447,726.7 | 424,434.2 |

### Less: Deliveries to SDCWA Storage

| Less: Deliveries to SDCWA Storage | 623.6 | 596.3 | 4,891.3 | 5,279.0 |

### TOTAL MEMBER AGENCY DELIVERIES

| TOTAL MEMBER AGENCY DELIVERIES | 48,486.9 | 40,315.4 | 442,835.4 | 419,155.2 |

### Deliveries to South Coast Water District

| Deliveries to South Coast Water District | 46.8 | 70.0 | 745.4 | 787.3 |

### Deliveries From SDCWA Storage

| Deliveries From SDCWA Storage | 276.2 | - | 9,706.3 | 13,605.2 |

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1 June 2012 carryover storage deliveries include 623.6 AF to San Diego accounts. Deliveries from storage include 276.2 AF sold to San Diego from L. Otay storage account.
## MONTHLY WATER RESOURCES REPORT

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

#### JUNE 2012

<table>
<thead>
<tr>
<th>AGENCY</th>
<th>S.D.C.W.A. Source</th>
<th>Local Sources</th>
<th>Reclaimed Water</th>
<th>June Totals</th>
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<tbody>
<tr>
<td>Carlsbad M.W.D.</td>
<td>1,624.8</td>
<td>1,584.9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Del Mar, City of</td>
<td>114.3</td>
<td>113.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Escondido, City of</td>
<td>1,671.5</td>
<td>1,329.3</td>
<td>733.9</td>
<td>993.5</td>
</tr>
<tr>
<td>Fallbrook P.U.D.(^1)</td>
<td>1,369.5</td>
<td>1,271.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Helix W.D.</td>
<td>3,283.7</td>
<td>1,304.2</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Lakeside W.D.</td>
<td>348.9</td>
<td>357.0</td>
<td>-</td>
<td>-</td>
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<tr>
<td>National City, City of(^2)</td>
<td>-</td>
<td>261.3</td>
<td>211.9</td>
<td>-</td>
</tr>
<tr>
<td>Oceanside, City of(^2)</td>
<td>2,523.1</td>
<td>2,311.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Olivenhain M.W.D.</td>
<td>2,199.9</td>
<td>2,057.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Otay W.D.</td>
<td>3,123.7</td>
<td>3,020.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Padre Dam M.W.D.</td>
<td>1,220.4</td>
<td>1,151.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pendleton M.R.(^3)</td>
<td>51.1</td>
<td>75.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Poway, City of (^4)</td>
<td>1,351.0</td>
<td>1,215.2</td>
<td>0.1</td>
<td>0.7</td>
</tr>
<tr>
<td>Rainbow M.W.D.</td>
<td>2,421.9</td>
<td>2,141.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ramona M.W.D.</td>
<td>655.3</td>
<td>609.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rincon Del Diablo M.W.D.</td>
<td>659.9</td>
<td>645.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>San Diego, City of</td>
<td>18,236.6</td>
<td>13,192.9</td>
<td>277.4</td>
<td>4,481.6</td>
</tr>
<tr>
<td>San Dieguito W.D.</td>
<td>150.1</td>
<td>268.9</td>
<td>483.1</td>
<td>411.2</td>
</tr>
<tr>
<td>Santa Fe I.D.</td>
<td>601.3</td>
<td>744.6</td>
<td>586.5</td>
<td>398.8</td>
</tr>
<tr>
<td>South Bay I.D.(^2)</td>
<td>-</td>
<td>1,255.9</td>
<td>1,234.5</td>
<td>-</td>
</tr>
<tr>
<td>Vallecitos W.D.</td>
<td>1,714.7</td>
<td>1,603.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Valley Center M.W.D.</td>
<td>3,145.9</td>
<td>2,932.9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Vista I.D.</td>
<td>1,270.4</td>
<td>980.2</td>
<td>685.8</td>
<td>869.4</td>
</tr>
<tr>
<td>Yuima M.W.D.</td>
<td>194.0</td>
<td>96.9</td>
<td>-</td>
<td>160.2</td>
</tr>
</tbody>
</table>

| TOTAL USE                       | 47,932.0         | 40,522.6      | 4,213.2 | 8,945.9 | 1,557.3 | 1,774.2 | 2,740.2 | 2,723.4 | 56,442.7 | 53,966.1 |
| PERCENT CHANGE                  | 18%              | -53%          | -12%    | 1%     | 5%      |

\(^1\)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.

\(^4\)Poway recycled use is reported quarterly.
### Member Agency Reservoir Storage (acre-feet)

#### Monthly Water Resources Report

**June 2012**

<table>
<thead>
<tr>
<th>Member Agency</th>
<th>Reservoir</th>
<th>Capacity</th>
<th>June 2012</th>
<th>% of June 2011</th>
<th>Change During Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad M.W.D.</td>
<td>Maerkle</td>
<td>600</td>
<td>186</td>
<td>31%</td>
<td>307</td>
</tr>
<tr>
<td>Escondido, City of</td>
<td>Dixon</td>
<td>2,606</td>
<td>2,352</td>
<td>90%</td>
<td>2,338</td>
</tr>
<tr>
<td></td>
<td>Wohlford</td>
<td>6,506</td>
<td>1,958</td>
<td>30%</td>
<td>2,102</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>9,112</td>
<td>4,310</td>
<td>47%</td>
<td>4,440</td>
</tr>
<tr>
<td>Fallbrook P.U.D.</td>
<td>Red Mountain</td>
<td>1,335</td>
<td>927</td>
<td>69%</td>
<td>1,095</td>
</tr>
<tr>
<td>Helix W.D.</td>
<td>Cuyamaca</td>
<td>8,195</td>
<td>811</td>
<td>10%</td>
<td>856</td>
</tr>
<tr>
<td></td>
<td>Jennings</td>
<td>9,790</td>
<td>9,001</td>
<td>92%</td>
<td>9,057</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>17,985</td>
<td>9,812</td>
<td>55%</td>
<td>9,913</td>
</tr>
<tr>
<td>Poway, City of</td>
<td></td>
<td>3,330</td>
<td>2,826</td>
<td>85%</td>
<td>3,114</td>
</tr>
<tr>
<td>Rainbow M.W.D.</td>
<td>Beck</td>
<td>625</td>
<td>164</td>
<td>26%</td>
<td>223</td>
</tr>
<tr>
<td></td>
<td>Morro Hill</td>
<td>465</td>
<td>284</td>
<td>61%</td>
<td>1</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>1,090</td>
<td>448</td>
<td>41%</td>
<td>224</td>
</tr>
<tr>
<td>Ramona M.W.D.</td>
<td>Ramona</td>
<td>12,000</td>
<td>2,661</td>
<td>22%</td>
<td>2,936</td>
</tr>
<tr>
<td>San Diego, City of</td>
<td>Barrett</td>
<td>34,806</td>
<td>23,558</td>
<td>68%</td>
<td>34,329</td>
</tr>
<tr>
<td></td>
<td>El Capitan</td>
<td>112,807</td>
<td>72,643</td>
<td>64%</td>
<td>84,885</td>
</tr>
<tr>
<td></td>
<td>Hodges</td>
<td>30,251</td>
<td>19,216</td>
<td>64%</td>
<td>28,247</td>
</tr>
<tr>
<td></td>
<td>Lower Otay</td>
<td>49,849</td>
<td>37,118</td>
<td>74%</td>
<td>35,548</td>
</tr>
<tr>
<td></td>
<td>Miramar</td>
<td>6,682</td>
<td>5,465</td>
<td>82%</td>
<td>5,302</td>
</tr>
<tr>
<td></td>
<td>Morena</td>
<td>50,694</td>
<td>12,092</td>
<td>24%</td>
<td>13,516</td>
</tr>
<tr>
<td></td>
<td>Murray</td>
<td>4,684</td>
<td>3,936</td>
<td>84%</td>
<td>3,840</td>
</tr>
<tr>
<td></td>
<td>San Vicente</td>
<td>89,312</td>
<td>35,698</td>
<td>40%</td>
<td>34,399</td>
</tr>
<tr>
<td></td>
<td>Sutherland</td>
<td>29,508</td>
<td>10,455</td>
<td>35%</td>
<td>20,220</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>408,593</td>
<td>320,181</td>
<td>54%</td>
<td>260,286</td>
</tr>
<tr>
<td>San Dieguito WD/Santa Fe ID</td>
<td></td>
<td>San Dieguito</td>
<td>883</td>
<td>857</td>
<td>97%</td>
</tr>
<tr>
<td></td>
<td>Sweetwater Authority</td>
<td>Loveland</td>
<td>25,400</td>
<td>18,123</td>
<td>71%</td>
</tr>
<tr>
<td></td>
<td>Sweetwater</td>
<td>28,079</td>
<td>14,016</td>
<td>50%</td>
<td>14,723</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>53,479</td>
<td>32,139</td>
<td>60%</td>
<td>40,123</td>
</tr>
<tr>
<td>Valley Center M.W.D.</td>
<td>Turner</td>
<td>1,612</td>
<td>1,611</td>
<td>100%</td>
<td>1,610</td>
</tr>
<tr>
<td>Vista I.D.</td>
<td>Henshaw</td>
<td>51,774</td>
<td>5,067</td>
<td>10%</td>
<td>17,713</td>
</tr>
</tbody>
</table>

### SDCWA Accounts (city evap/seepage losses estimated for June 2012)

<table>
<thead>
<tr>
<th>Account</th>
<th>June 2012</th>
<th>% of June 2011</th>
<th>Change During Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Capitan</td>
<td>7,904</td>
<td>12,981</td>
<td>(5)</td>
</tr>
<tr>
<td>Hodges/Olivenhain</td>
<td>21,222</td>
<td>19,632</td>
<td>69</td>
</tr>
<tr>
<td>Lower Otay</td>
<td>5,298</td>
<td>6,106</td>
<td>177</td>
</tr>
<tr>
<td>San Vicente</td>
<td>1,850</td>
<td>3,296</td>
<td>28</td>
</tr>
<tr>
<td>Sweetwater</td>
<td>2,770</td>
<td>5,448</td>
<td>(59)</td>
</tr>
<tr>
<td>Subtotal</td>
<td>39,044</td>
<td>47,457</td>
<td>(15)</td>
</tr>
</tbody>
</table>

### Member Agency Total Water in Storage

<table>
<thead>
<tr>
<th>June 2012</th>
<th>% of June 2011</th>
<th>Change During Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>561,793</td>
<td>50%</td>
<td>342,586</td>
</tr>
</tbody>
</table>

### Other Agencies

| Metropolitan Water District | Skinner | 44,264 | 36,636 | 83% | 36,605 | 83% | (1,438) |
| State Water Project | Oroville | 3,537,600 | 3,225,696 | 91% | 3,515,021 | 99% | (274,245) |

### Total Other Water in Storage

| Total | 4,381,864 | 57% | 4,039,216 | 92% | 4,334,696 | 99% | (273,837) |

---

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.

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**MONTHLY WATER RESOURCES REPORT**  
**Tier 1 Estimated Deliveries to Member Agencies**  
*(Figures in acre-feet)*  

**Calendar Year 2012 through June**

<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>7,498.4</td>
<td>40.9%</td>
</tr>
<tr>
<td>Del Mar, City of</td>
<td>1,408.3</td>
<td>484.8</td>
<td>34.4%</td>
</tr>
<tr>
<td>Escondido, City of</td>
<td>23,694.4</td>
<td>7,796.8</td>
<td>32.9%</td>
</tr>
<tr>
<td>Fallbrook P.U.D.</td>
<td>12,569.4</td>
<td>4,829.3</td>
<td>38.4%</td>
</tr>
<tr>
<td>Helix W.D.</td>
<td>38,421.4</td>
<td>14,098.0</td>
<td>36.7%</td>
</tr>
<tr>
<td>Lakeside M.W.D.</td>
<td>4,718.2</td>
<td>1,408.5</td>
<td>29.9%</td>
</tr>
<tr>
<td>Oceanside, City of</td>
<td>28,848.1</td>
<td>11,273.7</td>
<td>39.1%</td>
</tr>
<tr>
<td>Olivenhain M.W.D.</td>
<td>19,347.5</td>
<td>8,640.7</td>
<td>44.7%</td>
</tr>
<tr>
<td>Otay W.D.</td>
<td>32,173.0</td>
<td>14,010.3</td>
<td>43.5%</td>
</tr>
<tr>
<td>Padre Dam M.W.D.</td>
<td>14,321.5</td>
<td>4,995.5</td>
<td>34.9%</td>
</tr>
<tr>
<td>Pendleton M.C.B./South Coast W.D.</td>
<td>1,141.3</td>
<td>327.4</td>
<td>28.7%</td>
</tr>
<tr>
<td>Poway, City of</td>
<td>13,575.6</td>
<td>4,915.6</td>
<td>36.2%</td>
</tr>
<tr>
<td>Rainbow M.W.D.</td>
<td>23,572.1</td>
<td>7,894.1</td>
<td>33.5%</td>
</tr>
<tr>
<td>Ramona M.W.D.</td>
<td>8,101.1</td>
<td>2,061.4</td>
<td>25.4%</td>
</tr>
<tr>
<td>Rincon Del Diablo M.W.D.</td>
<td>7,307.0</td>
<td>2,567.3</td>
<td>35.1%</td>
</tr>
<tr>
<td>San Diego, City of</td>
<td>215,438.4</td>
<td>74,432.3</td>
<td>34.5%</td>
</tr>
<tr>
<td>San Dieguito W.D.</td>
<td>4,692.0</td>
<td>1,155.9</td>
<td>24.6%</td>
</tr>
<tr>
<td>Santa Fe I.D.</td>
<td>7,895.9</td>
<td>2,325.7</td>
<td>29.5%</td>
</tr>
<tr>
<td>Sweetwater Authority</td>
<td>13,094.7</td>
<td>181.2</td>
<td>1.4%</td>
</tr>
<tr>
<td>Vallecitos W.D.</td>
<td>14,641.2</td>
<td>7,165.0</td>
<td>48.9%</td>
</tr>
<tr>
<td>Valley Center M.W.D.</td>
<td>26,252.9</td>
<td>8,145.8</td>
<td>31.0%</td>
</tr>
<tr>
<td>Vista I.D.</td>
<td>17,576.3</td>
<td>6,625.7</td>
<td>37.7%</td>
</tr>
<tr>
<td>Yuima M.W.D.</td>
<td>94.0</td>
<td>8.8</td>
<td>9.4%</td>
</tr>
</tbody>
</table>

**MEMBER AGENCY TOTALS**  
547,239.0  192,842.2  35.2%

Less: QSA deliveries calendar year to date  
(83,850.0)

Deliveries to CWA carryover storage year to date  
1,923.9

Deliveries from CWA storage year to date  
(4,113.3)

**Estimated Tier 1 deliveries calendar year to date**  
106,802.8  19.5%

---

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.
MONTHLY WATER RESOURCES REPORT
Summary of Water Authority Member Agency Operations

JUNE 2012

Member Agency Deliveries (AF)

<table>
<thead>
<tr>
<th></th>
<th>June</th>
<th>Previous 12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>Imported</td>
<td>48,487</td>
<td>442,835</td>
</tr>
<tr>
<td>Surface</td>
<td>11%</td>
<td>15%</td>
</tr>
<tr>
<td>Recycled</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Well &amp; Brackish Recovery</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Member Agency Water Use

<table>
<thead>
<tr>
<th></th>
<th>JUNE 2012</th>
<th>Previous 12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imported</td>
<td>81%</td>
<td>85%</td>
</tr>
<tr>
<td>Surface</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Recycled</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Well &amp; Brackish Recovery</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Member Agency Storage (AF)

<table>
<thead>
<tr>
<th></th>
<th>June</th>
<th>12 Month Average</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>Imported</td>
<td>281,025</td>
<td>342,586</td>
</tr>
<tr>
<td>Surface</td>
<td>301,937</td>
<td>283,135</td>
</tr>
<tr>
<td>Recycled</td>
<td>2011</td>
<td>2011</td>
</tr>
<tr>
<td>Well &amp; Brackish Recovery</td>
<td>2011</td>
<td>2011</td>
</tr>
</tbody>
</table>
ENGINEERING AND OPERATIONS COMMITTEE

AGENDA FOR

JULY 26, 2012

Bill Knutson – Chair
Marilyn Dailey – Vice Chair
Bud Pocklington – Vice Chair
Roger Bailey
David Barnum
Michael Hogan
Dennis Lamb
Keith Lewinger

Marty Miller
Vincent Mudd
Ron Morrison
Elsa Saxod
Richard Smith
Ken Williams
Doug Wilson


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. Construction contract for Miramar Pump Station Meter Vault project with L.H. Woods & Sons, Inc.
   Staff recommendation: Authorize the General Manager to award a construction contract to L.H. Woods & Sons, Inc. in the amount of $842,222 for the Miramar Pump Station Meter Vault project.
   (Action)

   Nicola Kavanagh

2. Professional services contract for design of the Nob Hill Improvements project.
   Staff recommendation: Authorize the General Manager to award a professional services contract for $988,000 to Hatch Mott MacDonald for design of the Nob Hill Improvements project.
   (Action)

   Karen Henry
II. ACTION/DISCUSSION

1. San Vicente Dam Raise project.
   1-A San Vicente Dam Raise update. (Information)
   1-B Change Orders to Shimmick/Obayashi Joint Venture for the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities project.
   Staff recommendation: Accept Shimmick/Obayashi Joint Venture Change Orders 19 through 22, 24 and 25 for a credit of $156,139; and authorize the General Manager to reduce the contract value by $2,946,000 for roller compacted concrete and marina quarry unit price items, decreasing the authorized contract amount from $143,783,933.70 to $140,681,794.70. (Action)

1-C Professional services contract with Parsons/Black and Veatch Joint Venture for the ESP - San Vicente Dam Raise and Carryover Storage project.
   Staff recommendation: Accept no-cost Amendments 1 and 2, and approve Amendment 3 in the amount of $3,194,843 to provide additional construction management, inspection, and materials testing services for the ESP – San Vicente Dam Raise and Carryover Storage project due to work activity extensions, increasing the contract amount from $28,561,000 to $31,755,843. (Action)

III. INFORMATION

1. Presentation on Capital Improvement Program Best Management Practices.
   Jerry Reed

2. Presentation on the Annual Aqueduct Operating Plan.
   Gary Eaton

   Bill Rose

IV. CLOSED SESSION

1. CLOSED SESSION:
   Conference with Legal Counsel – Initiation of Litigation
   Government Code §54956.9(c) – One Case
   Dan Hentschke
V. ADJOURNMENT

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 (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.
July 18, 2012

Attention: Engineering and Operations Committee

Construction contract for Miramar Pump Station Meter Vault project with L.H. Woods & Sons, Inc. (Action)

Staff recommendation
Authorize the General Manager to award a construction contract to L.H. Woods & Sons, Inc. in the amount of $842,222 for the Miramar Pump Station Meter Vault project.

Alternatives
Do not award contract and direct staff to rebid this contract. This alternative may result in a delay of one year.

Fiscal Impact
Funds in the amount of $842,222 are within the approved project budget and in the fiscal years 2012 and 2013 Capital Improvement Program appropriation. The rate category for this project is customer service.

Background
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, 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 existing Water Authority property and easement. Figure 1 shows the Location Map of the project site.

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

Discussion
The Notice Inviting Bids was advertised on April 26, 2012. A pre-bid meeting and two site visits were conducted in May 2012. The Water Authority received seven bids on May 30, 2012, ranging in price from $842,222 to $985,350. L.H. Woods and Sons, Inc. submitted the apparent low bid of $842,222. The construction cost estimate was $700,000 to $800,000. Staff analyzed the difference between the low bid and the construction cost estimate, and determined the difference was due to the need to remove additional unsuitable soil from the project’s graded...
slope and the inclusion of excavation shoring in L.H. Woods and Sons, Inc.’s bid, both of which were not included in the construction cost estimate. A bid summary is attached.

Staff evaluated the first and second apparent low bidders to determine the lowest, responsible, and responsive bidder. Based on the review and evaluation, L.H. Woods & Sons, Inc. is the lowest, responsible, and responsive bidder, and is qualified to construct the Miramar Pump Station Meter Vault.

The project construction activities are scheduled to begin in August 2012 with completion scheduled for June 2013.

On this project, the small business participation is 11 percent. Minority and women-owned business participation is 1.4 percent. This information is provided for statistical purposes.

Prepared by: Nicola M. Kavanagh, Senior Engineer
Reviewed by: William J. Rose, Director of Engineering
Approved by: Frank Belock Jr., Deputy General Manager

Attachments:
  Figure 1 – Location Map
  Bid Summary
PROJECT: MIRAMAR PUMP STATION METER VAULT PROJECT
FIGURE 1

San Diego County Water Authority
CAPITAL IMPROVEMENT PROGRAM

PIPEDLINE 4
PIPEDLINE 3

P4BI DISCHARGE PIPELINE

PROPOSED METER VAULT

EXISTING WATER AUTHORITY MIRAMAR PUMP STATION

SCRIPPS LAKE DRIVE

W:\GRAPHICS\C1\M0192 | Miramar Pump Station Meter Vault Location Map Detail 6-2012.pdf
# BID SUMMARY

MIRAMAR PUMP STATION METER VAULT

SPECIFICATION 472B

**Bid Opening Date:** May 30, 2012  
**Time:** 2:00 p.m.  
**Place:** San Diego County Water Authority  
4677 Overland Avenue  
San Diego, CA 92123

<table>
<thead>
<tr>
<th>NO.</th>
<th>GENERAL CONTRACTOR</th>
<th>BID AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>COST ESTIMATE</td>
<td>$700,000 to $800,000</td>
</tr>
<tr>
<td>1.</td>
<td>L.H. Woods &amp; Sons, Inc.</td>
<td>$842,222.00</td>
</tr>
<tr>
<td>2.</td>
<td>Kaveh Engineering &amp; Construction, Inc.</td>
<td>$844,818.00</td>
</tr>
<tr>
<td>3.</td>
<td>Tharsos</td>
<td>$845,780.00</td>
</tr>
<tr>
<td>4.</td>
<td>SCW Contracting Corporation</td>
<td>$888,606.00</td>
</tr>
<tr>
<td>5.</td>
<td>Weir Construction Corporation</td>
<td>$893,224.40</td>
</tr>
<tr>
<td>6.</td>
<td>Cass Construction, Inc.</td>
<td>$959,190.00</td>
</tr>
<tr>
<td>7.</td>
<td>TC Construction Company, Inc.</td>
<td>$985,350.00</td>
</tr>
</tbody>
</table>
July 18, 2012

Attention: Engineering and Operations Committee

Professional services contract for design of the Nob Hill Improvements project (Action)

Staff recommendation
Authorize the General Manager to award a professional services contract for $988,000 to Hatch Mott MacDonald for design of the Nob Hill Improvements project.

Alternative
Do not award the contract and direct staff to negotiate with another firm, or solicit new proposals.

Fiscal Impact
Funds in the amount of $988,000 are included in the approved project budget and in the fiscal years 2012 and 2013 Capital Improvement Program appropriation. The rate category for this project is transportation.

Background
The Water Authority operates three pipelines (Pipeline 3, Pipeline 4, and Pipeline 4A of the Second Aqueduct) within a 130 foot wide right-of-way that crosses Nob Hill in the Scripps Ranch area. Hydraulic modeling has shown a potentially significant hydraulic transient concern at Nob Hill during certain operational scenarios. Hydraulic transients are short term pressure waves, sometimes referred to as water hammer, which result from sudden changes within the system such as a power outage induced pump shut down or a quick valve closure. Unaddressed, existing air release valves could release water during a transient event. The Nob Hill Improvements project lowers two segments of Pipelines 3 and 4 at the Nob Hill high point to avoid hydraulic transients by maintaining higher pressures in this area.

The Water Authority is evaluating two viable alternatives; a new replacement pipeline installed within a tunnel, and a new replacement pipeline installed by open trench methods. Both alternatives will be considered during the EIR process.

As the project progresses, staff will identify, prioritize, and monitor project risks during the design and construction phases. Risk mitigation plans will be developed and implemented for the highest risks that may impact project budget and schedule.

Discussion
The scope of work for this professional services contract is to provide design services and bidding and construction phase design support services. The project design elements generally include a new pipeline, a permanent access road, and necessary support appurtenances such as air vacuum valves.
On March 21, 2012, an open request for proposals to provide design services for the project was advertised. Staff conducted outreach efforts both on-line and in print through the distribution of project fact sheets. Staff also sent approximately 1,600 notices to individuals who expressed interest in working on Water Authority projects, including firms that provide engineering design services. Three firms, AECOM, Hatch Mott MacDonald, and Infrastructure Engineering Corporation submitted proposals.

All three firms were interviewed by a panel comprised of Water Authority staff. The selection criteria required firms to demonstrate their understanding of the scope of work, technical and specialized qualifications of the design team, past performance on similar projects, and the firm’s ability to meet the schedule. Based on the evaluation of written proposals and interviews, Hatch Mott MacDonald was selected because of their professional qualifications and competence to perform the required services at a fair and reasonable price.

Upon board approval, the design professional services contract will be executed for a not-to-exceed amount of $988,000 to provide design services to complete the construction contract documents and provide design support services throughout the construction phase of the project. The design is expected to be complete and advertised for bids in early 2015.

The small business participation for this contract is 30 percent. The minority and women-owned business participation for this contract is 7 percent. This information is provided for statistical purposes.

Prepared by: Karen Henry, Senior Engineer
Reviewed by: William J. Rose, Director of Engineering
Approved by: Frank Belock, Jr., Deputy General Manager
July 18, 2012

Attention: Engineering and Operations Committee

Change Orders to Shimmick/Obayashi Joint Venture for the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities project. (Action)

Staff recommendation
Accept Shimmick/Obayashi Joint Venture Change Orders 19 through 22, 24 and 25 for a credit of $156,139; and authorize the General Manager to reduce the contract value by $2,946,000 for roller compacted concrete and marina quarry unit price items, decreasing the authorized contract amount from $143,783,933.70 to $140,681,794.70.

Alternative
Do not authorize these change orders and provide direction to staff to process a change order for $2,794,000 to increase excavation and fill quantities needed for the new marina, and negotiate a change order with Shimmick/Obayashi for time impacts.

Fiscal impact
There are sufficient funds in the approved project budget and in the fiscal years 2012 and 2013 Capital Improvement Program appropriation to support this action. The rate category for this project is storage.

Background
The San Vicente Dam will be raised 117 feet, providing an additional 152,000 acre-feet of combined emergency and carryover storage for the region per the April 2008, Board certified Carryover Storage Project Environmental Impact Report.

The Dam Raise project is being implemented through seven construction packages to expedite the construction schedule, as well as to promote opportunities for small businesses. The following is the project’s implementation plan status:

- Package 1 - Test Quarry (completed by Sukut Construction, Inc.)
- Package 2 - Foundation Preparatory Work (completed by Barnard Construction Company, Inc.)
- Package 2B - Vegetation Cutting and Erosion Control (completed by Valley Crest Landscape Development)
- Package 3 - Roller Compacted Concrete (RCC) Dams and Appurtenant Facilities (in construction, Shimmick/Obayashi Joint Venture)
- Package 4 - Bypass Pipeline (in design)
- Package 5 - Marina Improvements (in design)
- Package 6 - Post Construction Habitat Restoration (in planning)

The Package 3 scope of work includes raising the main dam, constructing a smaller saddle dam, building a new outlet tower, pipelines, access roads, and a control facility to regulate the flow of water from the expanded reservoir to Water Authority and City of San Diego facilities. The limits of work for Package 3 are shown in Figure 1.
Shimmick/Obayashi is the Package 3 contractor currently placing RCC for the main dam and constructing the outlet works. This includes the piping and concrete structures for the outlet tower and the downstream control facility.

**Previous Board Actions:** In December 2011, the Board accepted Shimmick/Obayashi Joint Venture Change Orders 17 and 18 for $324,127; and authorized the General Manager to execute Change Orders for up to $750,000 to address design modifications, differing site conditions and outside agency requirements, increasing the authorized contract amount from $142,709,806.70 to $143,783,933.70.

**Discussion**

Staff recommends that the Board accept Change Orders 19 through 22, 24 and 25, executed by staff under the General Manager’s authority, for a credit of $156,139. These items are summarized below and include differing site conditions, design modifications, administrative contract revisions, and outside agency requirements. A full listing of contract modifications is attached in Table 1.

- **Differing Site Conditions:** Staff executed one differing site condition modification for $687 to remove a buried concrete slab from the alignment for an electrical conduits trench. The concrete slab was not shown on the plans.

- **Design Modifications:** Staff executed 12 design modifications for $300,090. The major items were, an outlet tower modification to the fishscreen guide rails, and a bid quantity revision increasing the amount of grout to be used in RCC placement.

- **Administrative:** Staff executed one modification for a credit of $456,916 for contractor reimbursements of Water Authority off-site inspection costs, to verify that pipe and valves meet contract requirements.

Staff is also recommending that the Board authorize the General Manager to execute change orders for a credit of $2,946,000 as follows:

- **RCC Unit Price Quantity Underrun – Credit of $3,296,000**
  In September 2011, the Board approved staff’s recommendation to authorize change orders increasing, by 5 percent or $1,476,000, the as-bid RCC unit price quantity to raise the dam, based on the designer’s analysis of preliminary foundation surveys. The final surveys of the main dam foundation indicate these change orders are no longer necessary, and the actual RCC quantity placed will be 45,000 cubic yards less than expected, resulting in a contract credit of $3,296,000.

- **Additional Excavation for RCC Aggregate Production – Cost of $850,000.**
  As presented at the Engineering and Operations Committee Tour in October 2011, the Marina Quarry operation separates aggregate for the RCC from the soil material excavated from the marina. A geotechnical investigation was performed during the Package 3 design and it was estimated that for every cubic yard of material excavated, about half could be used for RCC aggregate and the rest could be used for fill to raise the marina floor above the new water surface elevation. Based on an analysis of the material
excavated to date more excavation is required to produce RCC aggregate, resulting in a change order cost of $850,000.

- **Marina Fill Elevations – Credit of $500,000**
  
  The Package 2 contractor excavated the foundation for the main dam and used the excavated material to begin raising elevations for the new marina. Because the Package 2 work was not complete when Package 3 was awarded, the ground elevation shown in the Package 3 contract was much lower than expected. Therefore, there is not enough fill in the construction contract bid quantity to reach the marina’s ultimate height.

Completing the work to reach the marina’s ultimate height will require a negotiated change order in the amount of approximately $2,794,000, and Shimmick/Obayashi has notified us that they will also incur costs for delays associated with this potential change order. To avoid the time and cost impacts, and to allow Shimmick/Obayashi to focus on completion of the main dam raise and outlet tower construction, staff is recommending that the additional excavation and fill required for the new marina be moved into the Package 5, Marina Improvements contract, which is currently in the design phase. Moving this work to Package 5 results in a credit of $500,000 for removing work associated with the fill, and also provides opportunities for this portion of the work to cost less as it will be competitively bid.

A summary of Change Orders for acceptance and approval is provided below:

<table>
<thead>
<tr>
<th>Credit/Description</th>
<th>Credit</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit for Acceptance</td>
<td>$156,139</td>
<td></td>
</tr>
<tr>
<td>RCC Unit Price Quantity Underrun Credit</td>
<td>$3,296,000</td>
<td>$850,000</td>
</tr>
<tr>
<td>Additional Excavation for RCC Aggregate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marina Fill Elevations Credit</td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td>Net Credit</td>
<td>$3,102,139</td>
<td></td>
</tr>
</tbody>
</table>

Approval of these recommendations will decrease the Shimmick/Obayashi authorized contract total by $3,102,139 from $143,783,933.70 to $140,681,794.70, which brings the total change order percentage for Package 3 to 0.3 percent.

On this project, the small business participation is 11 percent. Minority and women-owned business participation for this project is 6 percent. This information is provided for statistical purposes.

Prepared by: J. Wade Griffis, Lead Construction Administrator
Reviewed by: William J. Rose, Director of Engineering
Approved by: Frank Belock Jr., Deputy General Manager

Attachments: Figure 1 – San Vicente RCC Dams and Appurtenant Facilities
Table 1 - Summary of Construction Change Orders
PROJECT:

SAN VICENTE DAM RAISE
PACKAGE 3 - RCC DAMS AND APPURTEINANT FACILITIES

FIGURE 1

San Diego County Water Authority
CAPITAL IMPROVEMENT PROGRAM

San Vicente Reservoir

San Vicente Dam Raise

Saddle Dam

Marina Access Road

Future San Vicente Bypass Pipeline

Future Marina Improvements

NOT TO SCALE

GENERAL LOCATION MAP
### TABLE 1  
SUMMARY OF CONSTRUCTION CHANGE ORDERS  
SAN VICENTE DAM RAISE PACKAGE 3 CONTRACT  
SPECIFICATION 592

<table>
<thead>
<tr>
<th>Change Order</th>
<th>Item No.</th>
<th>Description</th>
<th>Amount</th>
<th>Milestone Time Extension</th>
<th>Contract Time Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>Design Modification - Revise rock bolt bearing plate dimensions</td>
<td>$8,756</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>Administrative Modification - Credit for deletion of copy machines.</td>
<td>($38,495)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>Administrative Modification - Extend Milestone 2 and Milestone 3 for inclement weather.</td>
<td>$0</td>
<td>9 days to M2, 10 days to M3</td>
<td>10 days</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Design Modification - Provide Gallery Access Building foundation leveling concrete.</td>
<td>$40,500</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td>Differing Site Condition - Revise marina access road overexcavation unit price quantity.</td>
<td>$21,000</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>2</td>
<td>4</td>
<td>Differing Site Condition - Revise foundation excavation unit price quantity.</td>
<td>$128,000</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>Design Modification - Provide verification hole for grout trial.</td>
<td>$258</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>Design Modification - Perform additional verification hole drilling and testing.</td>
<td>$39,830</td>
<td>0 days</td>
<td>0 days</td>
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<tr>
<td>3</td>
<td>3</td>
<td>Administrative Modification - Revise prequalification requirements for welding procedure.</td>
<td>($2,666)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td>Design Modification - Place foundation leveling concrete for upper level of Downstream Control Facility.</td>
<td>$73,125</td>
<td>0 days</td>
<td>0 days</td>
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<tr>
<td>3</td>
<td>5</td>
<td>Differing Site Condition - Remove unsuitable material on marina access road</td>
<td>$16,621</td>
<td>0 days</td>
<td>0 days</td>
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<tr>
<td>3</td>
<td>6</td>
<td>Design Modification - Reduce quantity for drill set up over curtain, stitch or consolidation (between stations 9+00 and 12+00) grout holes in raised and saddle dams foundation excavation- (bid item no. 29).</td>
<td>($8,700)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>3</td>
<td>7</td>
<td>Design Modification - Reduce quantity for drilling rotary or percussion holes in rock- raised and saddle dams foundation excavation - (bid item no. 37).</td>
<td>($65,000)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>Design Modification - Increase quantity for drill set up over grout holes on dam crest and encasements - (bid item no. 28).</td>
<td>$12,000</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>4</td>
<td>2</td>
<td>Design Modification - Increase quantity for rock coring, NW-NQ size, from raised and saddle dam foundation excavation- (bid item no. 34).</td>
<td>$155,000</td>
<td>0 days</td>
<td>0 days</td>
</tr>
</tbody>
</table>

Change Orders 1-4 approved at February 24, 2011 Board Meeting  
Total change order amount through Change Order 4: $380,229  
Total time extension: 10 days  
Original Board authorized contract amount: $140,206,050.00  
New executed contract amount: $140,586,279.00  

M = Milestone
<table>
<thead>
<tr>
<th>Change Order</th>
<th>Item No.</th>
<th>Description</th>
<th>Amount</th>
<th>Milestone Time Extension</th>
<th>Contract Time Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>1</td>
<td>Design Modification - Cost Impacts for Missing Footpath on Left Abutment.</td>
<td>$65,000</td>
<td>0 days</td>
<td>0 days</td>
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<tr>
<td>5</td>
<td>2</td>
<td>Administrative Modification - Extend Milestone 2 and Milestone 3 for inclement weather.</td>
<td>$0</td>
<td>1 day to M2</td>
<td>1 day</td>
</tr>
<tr>
<td>6</td>
<td>1</td>
<td>Administrative Modification - Credit for reduction of on-site laboratory technician services.</td>
<td>($150,000)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>6</td>
<td>2</td>
<td>Design Modification - Revise grout mix for foundation grouting.</td>
<td>$115,000</td>
<td>0 days</td>
<td>0 days</td>
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<tr>
<td>6</td>
<td>3</td>
<td>Administrative Modification - Extend Milestone 2 and Milestone 3 for inclement weather.</td>
<td>$0</td>
<td>4 days to M2</td>
<td>2 days</td>
</tr>
<tr>
<td>6</td>
<td>4</td>
<td>Administrative Modification - Revise description of site maintenance allowance to include other site maintenance deemed necessary by the Engineer.</td>
<td>$0</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>6</td>
<td>5</td>
<td>Differing Site Condition - Credit for deletion of concrete demolition in the valve house.</td>
<td>($5,000)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>Differing Site Condition - Provide additional raised dam excavation at the outlet tower.</td>
<td>$3,855</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>6</td>
<td>7</td>
<td>Outside Agency Requirement - Provide telephone conduit modifications on the Marina Access</td>
<td>$16,867</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>7</td>
<td>1</td>
<td>Design Modification - Increase quantity for drill set up over grout holes on dam crest or encasements - (bid item no. 28).</td>
<td>$6,000</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>8</td>
<td>1</td>
<td>Design Modification - Increase quantity for concrete or rock coring, NW-NQ size, from foundation gallery - (bid item no. 33).</td>
<td>$280,410</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>8</td>
<td>2</td>
<td>Design Modification - Decrease quantity for drilling rotary or percussion holes in concrete or rock from foundation gallery or upper outlet tunnel - (bid item no. 36).</td>
<td>($195,927.50)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>8</td>
<td>3</td>
<td>Design Modification - Increase quantity for dental concrete - (bid item no. 46).</td>
<td>$57,000</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>9</td>
<td>1</td>
<td>Administrative Modification - In-plant source inspection credit.</td>
<td>($183,064)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>9</td>
<td>2</td>
<td>Administrative Modification - Extend Milestone 2 and Milestone 3 for inclement weather.</td>
<td>$0</td>
<td>1 day to M2</td>
<td>3 days</td>
</tr>
<tr>
<td>10</td>
<td>1</td>
<td>Differing Site Condition - Increase quantity for Installation of Tensioned cut slope rock bolts - (bid item no. 59).</td>
<td>$111,343.20</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>10</td>
<td>2</td>
<td>Differing Site Condition - Increase quantity for drill set up over curtain, stitch or consolidation grout holes in raised and saddle dam foundation excavation - (bid item no. 29).</td>
<td>$18,850</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>11</td>
<td>1</td>
<td>Design Modification - Credit for deletion of concrete encasement at the Interconnect Pipeline</td>
<td>($1,200)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>11</td>
<td>2</td>
<td>Differing Site Condition - Provide additional grout quantities on rock bolt installation at outlet tower excavation</td>
<td>$4,491</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>11</td>
<td>3</td>
<td>Outside Agency Requirement - RCC trial placement modifications.</td>
<td>$122,653</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>11</td>
<td>4</td>
<td>Design Modification - Increase quantity for drilling rotary or percussion holes in rock – raised and saddle dam foundation excavation (bid item no. 37).</td>
<td>$117,000</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>12</td>
<td>1</td>
<td>Differing Site Condition - Decrease quantity for processing, mixing and injecting grout (bid item no. 41).</td>
<td>($305,250)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>12</td>
<td>2</td>
<td>Design Modification - Re-drilling grout from holes (bid item no. 38).</td>
<td>$19,500</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>13</td>
<td>1</td>
<td>Differing Site Condition - Increase quantity for Shotcrete (bid item no. 64)</td>
<td>$200,000</td>
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</table>
Change Orders 5-13 approved at August 25, 2011 Board Meeting

Total change order amount through Change Order 13: $297,527.70
Total time extension: 16 days
Original Board authorized contract amount: $140,206,050.00
New executed contract amount: $140,883,806.70

<table>
<thead>
<tr>
<th>Change Order</th>
<th>Item No.</th>
<th>Description</th>
<th>Amount</th>
<th>Milestone Time Extension</th>
<th>Contract Time Extension</th>
</tr>
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<tbody>
<tr>
<td>14</td>
<td>1</td>
<td>Differing Site Condition - Grout Waterline in Existing Dam Gallery</td>
<td>$5,851</td>
<td>0 days</td>
<td>0 days</td>
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<tr>
<td>14</td>
<td>2</td>
<td>Outside Agency Requirement - Revised Foundation Preparation Requirements for Raised Dam Foundation Shaping Concrete</td>
<td>$87,563</td>
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<td>0 days</td>
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<td>15</td>
<td>1</td>
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<tr>
<td>15</td>
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<td>Outside Agency Requirement - Provide Additional RCC Trial Placement Cores</td>
<td>$4,547</td>
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<td>0 days</td>
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<tr>
<td>15</td>
<td>3</td>
<td>Administrative Modification - Extend Contract Milestone Completion Dates Due to Uncontrollable Circumstance</td>
<td>$0</td>
<td>1 day to M2</td>
<td>0 days</td>
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<tr>
<td>16</td>
<td>1</td>
<td>Outside Agency Requirement - Moreno Avenue/Vigilante Road Intersection Modifications</td>
<td>$29,962</td>
<td>0 days</td>
<td>0 days</td>
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<tr>
<td>23</td>
<td>1</td>
<td>Design Modification - Place Foundation Leveling Concrete for Lower Level of Downstream Control Facility</td>
<td>$111,099</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>23</td>
<td>2</td>
<td>Design Modification - Place Foundation Leveling Concrete for 108-inch LLO Pipe at Downstream</td>
<td>$29,389</td>
<td>0 days</td>
<td>0 days</td>
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<tr>
<td>17</td>
<td>1</td>
<td>Modify Minimum Time Elapsing Between Placing of Successive Lifts on Concrete for Outlet Pipe Encasement</td>
<td>$0</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>17</td>
<td>2</td>
<td>Design Modification - Delete Standby Generator Platform</td>
<td>$(4,904)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>17</td>
<td>3</td>
<td>Outside Agency Requirement - Provide Additional Foundation Preparation at Main Dam</td>
<td>$99,314</td>
<td>5 days to M2, 5 days to M3</td>
<td>3 days</td>
</tr>
<tr>
<td>17</td>
<td>4</td>
<td>Outside Agency Requirement - Provide RCC Batching for SE Testing</td>
<td>$9,717</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>17</td>
<td>5</td>
<td>Administrative Modification - Extend Milestone 2 and Milestone 3 for inclement weather.</td>
<td>$0</td>
<td>4 days to M2, 4 days to M3</td>
<td>4 days</td>
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<tr>
<td>18</td>
<td>1</td>
<td>Differing Site Condition - Increase Quantity for Shotcrete (Bid Item No. 64)</td>
<td>$220,000</td>
<td>0 days</td>
<td>0 days</td>
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</table>

Change Orders 14-16 and 23 approved at August 25, 2011 Board Meeting

Total change order amount through Change Order 16: $278,086
Total time extension: 1 day
Original Board authorized contract amount: $140,206,050.00
New executed contract amount: $141,161,892.70

<table>
<thead>
<tr>
<th>Change Order</th>
<th>Item No.</th>
<th>Description</th>
<th>Amount</th>
<th>Milestone Time Extension</th>
<th>Contract Time Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>1</td>
<td>Modify Minimum Time Elapsing Between Placing of Successive Lifts on Concrete for Outlet Pipe Encasement</td>
<td>$0</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>17</td>
<td>2</td>
<td>Design Modification - Delete Standby Generator Platform</td>
<td>$(4,904)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>17</td>
<td>3</td>
<td>Outside Agency Requirement - Provide Additional Foundation Preparation at Main Dam</td>
<td>$99,314</td>
<td>5 days to M2, 5 days to M3</td>
<td>3 days</td>
</tr>
<tr>
<td>17</td>
<td>4</td>
<td>Outside Agency Requirement - Provide RCC Batching for SE Testing</td>
<td>$9,717</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>17</td>
<td>5</td>
<td>Administrative Modification - Extend Milestone 2 and Milestone 3 for inclement weather.</td>
<td>$0</td>
<td>4 days to M2, 4 days to M3</td>
<td>4 days</td>
</tr>
<tr>
<td>18</td>
<td>1</td>
<td>Differing Site Condition - Increase Quantity for Shotcrete (Bid Item No. 64)</td>
<td>$220,000</td>
<td>0 days</td>
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</table>

Total amount of change orders 17 and 18: $324,127
Total time extension: 7 days
Original Board authorized contract amount: $140,206,050.00
New executed contract amount: $141,486,019.70

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<thead>
<tr>
<th>Change Order</th>
<th>Item No.</th>
<th>Description</th>
<th>Amount</th>
<th>Milestone Time Extension</th>
<th>Contract Time Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>1</td>
<td>Design Modification - Provide Outlet Tower and Fish Screen Modifications</td>
<td>$64,396</td>
<td>26 days to M3</td>
<td>26 days</td>
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<tr>
<td>19</td>
<td>2</td>
<td>Design Modification - Provide DCF Floor Modifications for Flow Meter Installation</td>
<td>$14,904</td>
<td>0 days</td>
<td>0 days</td>
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<tr>
<td>19</td>
<td>3</td>
<td>Administrative Modification - Extend Contract Milestone Completion Dates Due to Inclement Weather</td>
<td>$0</td>
<td>5 days to M2, 5 days to M3</td>
<td>5 days</td>
</tr>
<tr>
<td>Change Order</td>
<td>Item No.</td>
<td>Description</td>
<td>Amount</td>
<td>Milestone Time Extension</td>
<td>Contract Time Extension</td>
</tr>
<tr>
<td>-------------</td>
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<td>-----------------------------------------------------------------------------</td>
<td>--------------</td>
<td>--------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>19</td>
<td>4</td>
<td>Differing Site Condition - Additional Excavation Required to Install DCF Ductbank</td>
<td>$687</td>
<td>0 days</td>
<td>0 days</td>
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<tr>
<td>20</td>
<td>1</td>
<td>Design Modification - Provide Crest Control Building Stairway Modifications</td>
<td>$10,342</td>
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<td>0 days</td>
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<tr>
<td>20</td>
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<td>Administrative Modification - Extend Contract Milestone Completion Dates Due to Inclement Weather</td>
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<td>19 days to M2 13 days to M3</td>
<td>13 days</td>
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<tr>
<td>20</td>
<td>3</td>
<td>Design Modification - Provide Low Level Outlet Bulkhead Modifications</td>
<td>$18,583</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>21</td>
<td>1</td>
<td>Administrative Modification - Extend Contract Milestone Completion Dates Due to Inclement Weather</td>
<td>$0</td>
<td>12 days to M2 9 days to M3</td>
<td>9 days</td>
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**Total amount of change orders 19 - 21:** $108,912  
**Total time extension:** 44 days  
**Original Board authorized contract amount:** $140,206,050.00  
**New Executed Contract Amount:** $141,594,931.70

<table>
<thead>
<tr>
<th>Change Order</th>
<th>Item No.</th>
<th>Description</th>
<th>Amount</th>
<th>Milestone Time Extension</th>
<th>Contract Time Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>1</td>
<td>Administrative Modification - In-plant source inspection credit.</td>
<td>($456,916)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>24</td>
<td>1</td>
<td>Administrative Modification - Extend Contract Milestone Completion Dates Due to Inclement Weather</td>
<td>$0</td>
<td>8 days to M2 6 days to M3</td>
<td>6 days</td>
</tr>
<tr>
<td>24</td>
<td>2</td>
<td>Design Modification - Provide Outlet Tower Rebar Modifications - Lift 1</td>
<td>$7,848</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>24</td>
<td>3</td>
<td>Design Modification - Provide Foundation and Dam Drain Modifications for Cable Trays</td>
<td>$14,130</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>24</td>
<td>4</td>
<td>Design Modification - Credit for Deletion of Marina Storm Drain Laterals B1 and B2</td>
<td>($3,836)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>24</td>
<td>5</td>
<td>Design Modification - Credit for Outlet Works Pipe Wall Thickness Modification</td>
<td>($397)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>24</td>
<td>6</td>
<td>Design Modification - Provide Fiber Optic Terminations and Testing at San Vicente Pump Station and Downstream Control Facility</td>
<td>$11,170</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>24</td>
<td>7</td>
<td>Design Modification - Provide Gallery Access Building Roof Hatch Modifications</td>
<td>$7,932</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>24</td>
<td>8</td>
<td>Design Modification - Provide Chamfer on Exterior Corners of the Left Abutment Gallery Transition Structure</td>
<td>$2,283</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>24</td>
<td>9</td>
<td>Design Modification - Credit for Deletion of Backing Bars</td>
<td>($7,265)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>25</td>
<td>1</td>
<td>Design Modification - Increase Cement Quantity for GEVR</td>
<td>$160,000</td>
<td>0 days</td>
<td>0 days</td>
</tr>
</tbody>
</table>

**Total amount of change orders 22, 24 and 25:** ($265,051)  
**Total time extension:** 6 days  
**Original Board authorized contract amount:** $140,206,050.00  
**New Executed Contract Amount:** $141,329,880.70

### AUTHORIZED AMOUNTS NOT FULLY EXECUTED TO DATE

<table>
<thead>
<tr>
<th>Board Approval Date</th>
<th>Authorized</th>
<th>Executed</th>
<th>Not Yet Executed</th>
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<td>$350,000.00</td>
<td>$278,086.00</td>
<td>$71,914.00</td>
</tr>
<tr>
<td>September 22, 2011</td>
<td>$1,476,000.00</td>
<td>$0.00</td>
<td>$1,476,000.00</td>
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<tr>
<td>December 8, 2011</td>
<td>$750,000.00</td>
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<td>$750,000.00</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$2,576,000.00</strong></td>
<td><strong>$278,086.00</strong></td>
<td><strong>$2,297,914.00</strong></td>
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<tr>
<td>Change Order</td>
<td>Item No.</td>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>--------------</td>
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<td>$0</td>
</tr>
<tr>
<td>24</td>
<td>2</td>
<td>Design Modification - Provide Outlet Tower Rebar Modifications - Lift 1</td>
<td>$7,848</td>
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<td>1</td>
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<td>$160,000</td>
</tr>
</tbody>
</table>

Total amount of change orders 22, 24 and 25: \( ($265,051) \)
Total time extension: 6 days
Original Board authorized contract amount: $140,206,050.00
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**AUTHORIZED AMOUNTS NOT FULLY EXECUTED TO DATE**

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<td><strong>$2,576,000.00</strong></td>
<td><strong>$278,086.00</strong></td>
<td><strong>$2,297,914.00</strong></td>
</tr>
</tbody>
</table>
July 18, 2012

Attention: Engineering and Operations Committee

Professional services contract with Parsons/Black and Veatch Joint Venture for the ESP - San Vicente Dam Raise and Carryover Storage project. (Action)

Staff recommendation
Accept no-cost Amendments 1 and 2, and approve Amendment 3 in the amount of $3,194,843 to provide additional construction management, inspection, and materials testing services for the ESP - San Vicente Dam Raise and Carryover Storage project due to work activity extensions, increasing the contract amount from $28,561,000 to $31,755,843.

Alternatives
Accept no-cost Amendments 1 and 2. Do not approve Amendment 3, and direct staff to solicit proposals and negotiate with other contractors to perform the professional services.

Fiscal impact
There are sufficient funds in the approved project budget and the fiscal years 2012 and 2013 Capital Improvement Program appropriation to support this action. The rate category for this project is storage.

Background
The San Vicente Dam will be raised 117 feet, providing an additional 152,000 acre-feet of combined emergency and carryover storage for the region per the April 2008, Board certified Carryover Storage Project Environmental Impact Report.

The Dam Raise project is being implemented through seven construction packages to expedite the construction schedule and promote opportunities for small businesses. The following is the project’s implementation plan status:

- Package 1 - Test Quarry (completed by Sukut Construction, Inc.)
- Package 2 - Foundation Preparatory Work (completed by Barnard Construction Company, Inc.)
- Package 2B - Vegetation Cutting and Erosion Control (completed by Valley Crest Landscape Development)
- Package 3 - Roller Compacted Concrete Dams and Appurtenant Facilities (in construction, Shimmick /Obayashi Joint Venture)
- Package 4 - Bypass Pipeline (in design)
- Package 5 - Marina Improvements (in design)
- Package 6 - Post Construction Habitat Restoration (in planning)

The Package 3 scope of work includes raising the main dam, constructing a smaller saddle dam, building a new outlet tower, pipelines, access roads, and a control facility to regulate the flow of water from the expanded reservoir to Water Authority and City of San Diego facilities. The limits of work for Package 3 are shown in Figure 1.
Shimmick/Obayashi Joint Venture is the Package 3 contractor currently placing RCC for the main dam and constructing the outlet works. This includes the piping and concrete structures for the outlet tower and the downstream control facility.

Previous Board Actions: In June 2008, the Board awarded a professional services contract to Parsons/Black and Veatch Joint Venture for $28,561,000 to provide construction management services for the ESP - San Vicente Dam Raise and Carryover Storage project.

Discussion
Parsons/Black and Veatch Joint Venture provide construction management services for the ESP – San Vicente Dam Raise and Carryover Storage project Package 2 and Package 3 construction contracts. These services include: constructability reviews; cost estimating; construction management; document control; field inspection; field and lab testing for marina fill, aggregate, concrete, and RCC; coordination with City of San Diego, Designer of Record, and Division of Safety of Dams (DSOD); coordination and administration of facility start-up, testing, and commissioning; claims management and administrative support; construction closeout; and DSOD required post construction reports.

The Parsons/Black and Veatch contract value of $28,561,000 included an extended services amount (ESA) of $2,000,000 or about 7.5 percent of the base services. This ESA fund was established to manage the risk that the construction management and inspection scope or duration might change. The risks factored into this 7.5 percent included additional inspection needs and project time extensions due to weather or contractor delays. The 7.5 percent ESA fund is consistent with what was included in the Olivenhain Dam construction management services contract and with industry standards.

Two amendments to the Parsons/Black and Veatch contract, executed under staff’s signature authority, are now recommended for acceptance by the Board. Parsons/Black and Veatch contract savings of $2,021,631 were identified through completion of Package 2. These savings included reductions in the duration of construction management, inspection activities, and staffing efficiencies. Amendments 1 and 2 were executed to capture these savings by transferring them from the Parsons/Black and Veatch contract base services to the ESA fund.

Because the Parsons/Black and Veatch contract was negotiated during the early stages of the Package 3 design (early 2008), the scope, schedule, and fee was based on a preliminary construction schedule for Package 3. As the Package 3 design was finalized, the initial estimated duration assumptions for RCC placement and outlet works construction were extended.

One of the issues that caused a change to activity durations was a DSOD decision, during review of the 100 percent design plans, to put more stringent blasting limits for the outlet tower excavation adjacent to the main dam. This resulted in an estimated several month extension for construction of the outlet tower. This duration, as well as the design engineer’s estimate for RCC production and placement, and other project activities, were utilized in arriving at the Package 3 contract duration of 1010 calendar days, which was the overall contract time for performance. The original ESA fund, along with the savings from Amendments 1 and 2, was carefully managed to readjust inspection resources as necessary to match Shimmick/Obayashi’s initial baseline construction schedule. The Parsons/Black and Veatch contract value would have
been sufficient to complete Package 3 construction had Shimmick/Obayashi executed its initial baseline schedule.

As presented to the Engineering and Operations Committee in meetings from January 2012 through June 2012, Shimmick/Obayashi failed to execute its original construction plan for the major activities of the RCC dam raise and outlet works. Per the contract, Shimmick/Obayashi provided a recovery schedule that indicated longer durations than they initially projected and extended hours to complete these activities, while still meeting the overall construction contract duration. We are being reimbursed for our overtime inspection services for construction activities that were not expected to utilize overtime hours (activities not related to RCC placement). While Shimmick/Obayashi is currently scheduled to complete the overall project by the contract completion date, the longer durations and extended hours in the recovery schedule for these activities have impacted Parsons/Black and Veatch construction management and inspection durations as follows:

- **RCC Dam Raise Construction - Extended Six Months**
  Shimmick/Obayashi’s original construction plan showed raising the dam in seven months but, because Shimmick/Obayashi has only been able to meet about half of its planned RCC production rate, it will take approximately 13 months to complete the RCC dam raise. The extended duration impacts three shifts of Parsons/Black and Veatch field inspection and field laboratory services. This also affects engineering and quality assurance related to RCC dam raise activities. The duration for these services must now be extended for the marina quarry and fill operations, the marina RCC batch plant, and RCC conveyance and placement at the main dam.

- **Outlet Works Construction - Extended Seven Months**
  The construction activities associated with the outlet tower, outlet tunnel, and downstream control facility include building the conventional concrete structures, installing piping, valves, mechanical equipment, electrical, and instrumentation components. These activities have been extended seven months beyond Shimmick/Obayashi’s original plan, and the extended duration for this work impacts Parsons/Black and Veatch staff assigned to the outlet works construction.

In addition to the above increases in inspection durations, Parsons/Black and Veatch’s scope of work for claims management and administrative support must be increased to continue to represent Water Authority interests. This is due to Shimmick/Obayashi’s submitting more claims than initially expected related to the marina quarry operations, RCC placement, and the foundation grouting program.

Therefore, approval of Amendment 3 is recommended in the amount of $3,194,843 to extend the schedule for staff assignments based on Shimmick/Obayashi’s recovery schedule.

If Shimmick/Obayashi fails to execute its recovery schedule and delays completion of the project, relative to overall contract time, another amendment to extend the Parsons/Black and Veatch staff assignments listed above may be necessary. Any additional Water Authority costs associated with delayed project completion (relative to the overall contractual construction duration) may be offset by assessing liquidated damages against Shimmick/Obayashi at $50,000 for each day of delay beyond the contract completion date.
The small business participation for this project is 12 percent. Minority and women-owned business participation is 11 percent. This information is provided for statistical purposes.

Prepared by: J. Wade Griffis, Lead Construction Administrator
Reviewed by: William J. Rose, Director of Engineering
Approved by: Frank Belock Jr., Deputy General Manager

Attachments: Figure 1 – San Vicente RCC Dams and Appurtenant Facilities
SAN VICENTE DAM RAISE
PACKAGE 3 - RCC DAMS AND APPOINTANT FACILITIES

FIGURE 1
July 18, 2012

Attention: Engineering and Operations Committee

Annual Aqueduct Operating Plan. (Information)

Background
This is the seventh year that the annual Aqueduct Operating Plan has been published. It began in June 2006 to coordinate Water Authority and Member Agency regional operating activities, including the delivery of treated and untreated water, aqueduct and treatment plant shutdowns, energy production and consumption, and more recently, reservoir storage summaries and storage opportunities. This plan covers July 1, 2012 to June 30, 2013.

Discussion
The Aqueduct Operating Plan is used as a planning document to optimize the delivery, treatment, and storage of water in the Water Authority’s service area by means of coordination and communication between the member agencies and Metropolitan Water District.

The Aqueduct Operating Plan includes a summary of the Water Authority’s scheduled shutdowns that impact the delivery of treated and untreated water to the region, Water Authority pump station operating schedules, member agency major maintenance information, and the production and consumption of energy for the Water Authority’s hydroelectric facilities, water treatment plant, and pump stations. The plan was developed based on information received from member agencies, historical delivery data, constraints in the aqueduct system, and scheduled shutdowns.

Based on historic demand trends, average flows for the high-demand months of June through October are anticipated to range between 29 percent and 37 percent of the treated water capacity and 70 percent and 80 percent of the untreated water capacity of the aqueduct system.

The plan shows that, with effective communication and coordination, there is sufficient capacity to meet the region’s water supply demands for fiscal year 2013.

Prepared by: David L. Dow, Ph.D., Water Resources Specialist
Reviewed by: John J. Galleher, Jr., Operations and Maintenance Manager
Reviewed by: Gary A. Eaton, Director of Operations and Maintenance

Attachment:
1. Aqueduct Operating Plan
<table>
<thead>
<tr>
<th>Topic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systematically measuring steel thickness during an internal pipe inspection</td>
<td></td>
</tr>
<tr>
<td>Joint Bonding in the 36&quot; diameter pipe</td>
<td></td>
</tr>
<tr>
<td>The “Pipe Geometry Tool” used to inspect Pipeline 3</td>
<td></td>
</tr>
<tr>
<td>External pipeline repair/installation</td>
<td></td>
</tr>
<tr>
<td>San Vicente Surge Tank overflow chute test</td>
<td></td>
</tr>
<tr>
<td>Close-up of a portion of the “Magnetic Flux Leakage Tool” used to inspect Pipeline 3</td>
<td></td>
</tr>
<tr>
<td>Weekly Reservoir Level Report: Online Operations Portal</td>
<td></td>
</tr>
<tr>
<td>Internal inspection of a portion of Pipeline 3</td>
<td></td>
</tr>
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</table>
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Executive Summary

The annual Aqueduct Operating Plan (AOP) reflects on-going efforts to optimize the delivery, treatment, and storage of water in the San Diego region through coordination between member agency Operating Heads, Water Authority Staff, and the Metropolitan Water District of Southern California (MWD). Staff has updated the Aqueduct Operating Plan for fiscal year 2013 (FY 2013) to reflect anticipated operational opportunities and constraints, and to evaluate our performance for fiscal year 2012 (FY 2012).

The AOP includes the Water Authority’s scheduled pump station operating schedules, water treatment plant outages, and proactive measures to combat nitrification issues impacting water quality. The AOP was developed based on information received from member agencies, historical delivery/production data, constraints within the Water Authority’s aqueduct system, and scheduled shutdowns. Highlights for fiscal year 2013 include:

- System capacity will not be an issue in meeting the region’s anticipated treated and untreated water requests due to allocated supply and anticipated reduced demand.
- Maximum treated water system utilization is anticipated to be approximately 37 percent of treated aqueduct capacity.
- Maximum untreated water system utilization is anticipated to be approximately 80 percent of untreated aqueduct capacity.
- Treated water flows south of MWD’s delivery point (First Aqueduct) will be shifted from two pipelines into one to increase the velocity of water and decrease nitrification events.
- Treated water flows south of the Diversion Structure (Second Aqueduct) will be shifted from two pipelines into one to increase the velocity of water and decrease nitrification events.
- There will be 2 treated water shutdowns and 1 treated water outage*.
- There will be 5 untreated water shutdowns*.

*Shutdowns affect large portions of the system and affect deliveries to a significant number of metered connections; outages are more localized and have considerably smaller impact on aqueduct deliveries.
Water Supply

Based on historical deliveries over the past three years, it is expected that demand for both treated and untreated water for FY 2013 will not exceed system capacity and will be significantly lower than the historically high demand year of FY 2004 (see Figure 1 and Figure 2). These projections indicate that treated water deliveries for the high demand months of June through October 2012 should result in flows ranging from 29 percent to 37 percent of the 650 cfs treated water pipeline capacity (Figure 1). Likewise, untreated deliveries for the high demand months of June through October 2012 should result in flows between 70 percent and 80 percent of the 780 cfs untreated pipeline capacity (Figure 2).

Figure 1 - FY 2013 Projected Treated Water System Utilization

Figure 2 - FY 2013 Projected Untreated Water System Utilization
While FY 2012 Water Authority demands for treated and untreated water followed projected trends, with monthly volumes closely matching projections, volumes were significantly lower than the historically high demand year of FY 2004 (see Figure 3 and Figure 4).

Figure 3 - FY 2012 AOP Treated Water Demand vs. Actual Deliveries

Figure 4 - FY 2012 AOP Untreated Water Demand vs. Actual Deliveries
Untreated Water Distribution Priorities

Through a series of discussions with member agency staff, key untreated operating concerns were identified and used to develop untreated water delivery priorities. These priorities are intended to provide a framework for Water Authority operators to deal with potential conflicts arising during high demand periods for untreated water deliveries. The Board adopted interim untreated water delivery priorities at the September 8, 2005 Board meeting. This plan complies with the interim untreated water distribution priorities and is shown in Figure 5.

Figure 5 - Untreated Water Delivery Priorities
The Water Authority conducts scheduled shutdowns of sections of pipeline for internal inspection, maintenance, and Capital Improvement Project (CIP) connections on an annual basis. These pipeline shutdowns are coordinated with MWD, member agencies, and all Water Authority Departments. The schedule includes three years of shutdowns to allow for the proper planning of maintenance and CIP activities for both the Water Authority and its member agencies. This three-year schedule is updated each January to facilitate the compilation of the Annual Aqueduct Operating Plan. At that time, the following fiscal year’s (July to June) Aqueduct shutdown schedules are made available to member agency personnel for review and comment, prior to inclusion in the AOP.

For FY 2013, there are 5 untreated water shutdowns, 2 treated water shutdowns, and 1 treated water outage scheduled between July 2012 and May 2013. During the first shutdown, in late July of 2012, the FY 2012 relining project will be completed with our contractor reconfiguring bulkheads to return the system to its “pre-reline” configuration. One of the untreated water shutdowns and both of the treated water shutdowns have been scheduled to accommodate work that MWD will be performing on their delivery system. Water Authority staff and our relining contractor will use these shutdowns to accomplish needed maintenance, asset management, and project related work. An additional untreated water shutdown will also be required by our relining contractor to complete the scheduled FY 2013 relining project. One treated water outage is planned, resulting in little or no affect on overall system operations. During the outage, a contractor will be installing a venturi meter on the Water Authority’s Miramar Pump Station discharge pipeline. As noted in the Executive Summary, the difference between shutdowns and outages are a matter of “scale,” shutdowns affect large portions of the system and affect deliveries to a significant number of metered connections, while outages are more localized and have considerably smaller impact on aqueduct deliveries. A timeline and brief description of the shutdowns and outages are shown in Figure 6.
Figure 6 - Water Authority FY 2013 Pipeline Shutdowns and Outages
### Untreated Water Shutdown – July 22 to July 28, 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>Untreated water flows will terminate at Rancho Peñasquitos Pressure Control and Hydroelectric Facility (Rancho Hydro).</th>
</tr>
</thead>
</table>
| Purpose     | • Reline contractor will remove blind flange at Pipeline 3- Pipeline 4 interconnection vault at Miramar Hill.  
              • Reline contractor will install 2 bulkheads on Pipeline 4 west of I-15 and Pipeline 3 upstream of the SD5 turnout. |
| Affects on MWD | There will be an untreated flow reduction of up to 300 cfs from MWD. |
| Member Agency Connections Affected | The following untreated water connections will be out of service during this outage: SD5A, SD5B, SD5C, SD12, NCSB1, NCSB3, SD7, SD20, SD6A, SD6B. |

### Untreated Water Shutdown – October 21 to October 30, 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>MWD shutdown of Lake Skinner Outlet Conduit and Pipeline 5. Untreated water limited to 280 cfs on Pipeline 3. Pipeline 5El untreated flows will be terminated at Rancho Hydro Oct 21- Oct 30.</th>
</tr>
</thead>
</table>
| Purpose     | • MWD to perform carbon fiber repairs.  
              • TOWTP will be offline during this shutdown.  
              • Pipeline 5El untreated flows will be terminated at 108-inch inline Del Dios valve.  
              • Water Authority staff to perform warranty inspection on the San Vicente pipeline/tunnel from the West Shaft portal to the Central Shaft.  
              • Water Authority staff will repair HV-101 valve at Ranch Hydro  
              • Contractor to perform epoxy lining repair at Rancho Hydro.  
              • Contractor to install valve at Miramar Hill Pipeline 3- Pipeline 4 intertie.  
              • Contractor to install bulkhead in Pipeline 4 and remove existing bulkhead in Pipeline 3 at Shepherd Wye connection.  
              • Contractor to install bulkhead in Pipeline 4 immediately north of the 30-inch Lake Murray bypass interconnect.  
              • Contractor to remove existing bulkhead in Pipeline 3 immediately north of the 30-inch Lake Murray bypass interconnect.  
              • Contractor to reline/replace 3 sticks north of SR-52 on Pipeline 4. |
| Affects on MWD | All untreated flow on Pipeline 5 will be terminated. Untreated flow is limited to Pipeline 3 capacity of 280 cfs. |
| Member Agency Connections Affected | The following untreated water connections will be out of service during this outage: SD5A, SD5B, SD5C, SD12, NCSB1, NCSB3, SD7, SD20, SD6A, SD6B. |
### Untreated Water Shutdown – January 13 to January 19, 2013

<table>
<thead>
<tr>
<th>Description</th>
<th>Pipeline 3 flows will terminate at the Pipeline 3- Pipeline 4 interconnect at Miramar. Flows at SD5ABC will be limited to 190 cfs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>• Reline contractor will install a bulkhead in Pipeline 3 immediately south of the 30-inch Lake Murray bypass interconnect.</td>
</tr>
<tr>
<td>Affects on MWD</td>
<td>Untreated flow reduction up to 210 cfs.</td>
</tr>
<tr>
<td>Member Agency Connections Affected</td>
<td>The following untreated water connections will be out of service during this outage: SD12, NCSB1, NCSB3, SD7, SD20, SD6A, SD6B. The following untreated water connections will be restricted until May 11, 2013: SD5A, B, &amp; C (240 cfs), SD12 (70 cfs), NCSB1 &amp; 3 (0 cfs), SD7 &amp; 20 (0 cfs), SD6A &amp; B (0 cfs).</td>
</tr>
</tbody>
</table>

### Treated Water Shutdown – January 13 to January 22, 2013

<table>
<thead>
<tr>
<th>Description</th>
<th>MWD shutdown of Auld Valley Pipeline. Pipelines 1 and 2 treated water terminated at MWD point of delivery.</th>
</tr>
</thead>
</table>
| Purpose     | • MWD to perform carbon fiber repairs.  
• Water Authority staff will replace corroded pipe spools on blow-off structures. |
| Affects on MWD | Treated water reduction up to 180 cfs. |
| Member Agency Connections Affected | The following treated water connections will be out of service during this outage: RB1, FB3, RB10, VC3, YWD1, YWD2, VC1A, VC1BVC5, VC6, VC2, VID1, VAL2, RIN1, and RIN3. |

### Treated Water Shutdown – January 27 to February 5, 2013

<table>
<thead>
<tr>
<th>Description</th>
<th>MWD shutdown of treated flows on Pipeline 4.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>• MWD to perform carbon fiber repairs on their pipeline.</td>
</tr>
<tr>
<td>Affects on MWD</td>
<td>Treated water reduction up to 450 cfs.</td>
</tr>
<tr>
<td>Member Agency Connections Affected</td>
<td>The following treated water connections will be out of service during this outage: DLZ1, RB9, and FB6. The following facilities will be restricted during this shutdown: Twin Oaks Water Treatment Plant (155 cfs), Pipeline 2A (140 cfs), OTP1 (30 cfs), Miramar Pump Station (30 cfs).</td>
</tr>
</tbody>
</table>
### Untreated Water Shutdown – March 3 to March 12, 2013

<table>
<thead>
<tr>
<th>Description</th>
<th>Pipelines 1 and 2, untreated, south of Hubbard Hill to Poway vent. Flows to be terminated at Crossover Pipeline terminus.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>• Water Authority staff will replace corroded pipe spools on blow-off structures.</td>
</tr>
<tr>
<td>Affects on MWD</td>
<td>Untreated flow reduction of up to 220 cfs.</td>
</tr>
<tr>
<td>Member Agency Connections Affected</td>
<td>The following untreated water connections will be out of service during this outage: SD9, POW3, RAM1, POW1, POW4, SD1, SD2, SD Weir, HLX8, HLX1, and HLX2.</td>
</tr>
</tbody>
</table>

### Treated Water Outage – March 18 to March 22, 2013

<table>
<thead>
<tr>
<th>Description</th>
<th>Miramar Pump Station meter vault installation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>• Install venturi meter on pump station discharge pipeline.</td>
</tr>
<tr>
<td>Affects on MWD</td>
<td>None.</td>
</tr>
<tr>
<td>Member Agency Connections Affected</td>
<td>City of San Diego Miramar Treatment Plant.</td>
</tr>
</tbody>
</table>

### Untreated Water Shutdown – May 5 to May 11, 2013

<table>
<thead>
<tr>
<th>Description</th>
<th>Pipeline 5 untreated flows will terminate at Rancho Hydro (south to Lower Otay).</th>
</tr>
</thead>
</table>
| Purpose     | • Reline contractor will remove a bulkhead on Pipeline 4 at the Shepherd Wye connection.  
• Reline contractor will install a bulkhead on Pipeline 3 at the Shepherd Wye connection.  
• Reline contractor will remove a bulkhead on Pipeline 4 north of the 30-inch Lake Murray bypass interconnect.  
• Reline contractor will remove a bulkhead on Pipeline 3 south of the 30-inch Lake Murray bypass interconnect.  
• Reline contractor will install a bulkhead on Pipeline 3 north of the 30-inch Lake Murray bypass interconnect. |
| Affects on MWD | Untreated flow reduction of up to 300 cfs. |
| Member Agency Connections Affected | The following untreated water connections will be out of service during this outage: SD5a, SD5b, SD5c, SD12, NCSB1, NCSB3, SD7, SD20, SD6A, and SD6B. |
San Diego County Water Treatment Plant Shutdowns

In order to optimize the delivery, treatment, and storage of water in San Diego County, a request was sent to the Member Agency Operating Heads to obtain schedules for member agency treatment plant expansions, CIP tie-ins, and scheduled treatment plant maintenance. The goal of this request is to facilitate the production of one schedule that the member agencies can use to schedule their work at times that will have the least impact on the region. Responses from member agencies confirmed upcoming maintenance activities including those shown in Figure 7. A number of other maintenance projects were also identified, but they lacked firm schedules. These types of projects, as well as Treatment Plant Shutdown coordination, will be carried throughout the year as standing discussion items at the regularly scheduled Operating Head meetings.

Figure 7 - Scheduled Member Agency Maintenance Coordination
With the completion of the Lake Hodges Pumped Storage Facility (Hodges Hydro), the Water Authority will have two power generation facilities operating during FY 2013. The Water Authority will continue operation of the Rancho Hydro, with Hodges Hydro operations contracted out to ProTrans USA. With the completion of the San Vicente Pump Station, the Water Authority will be operating seven pump stations during FY 2013, along with the Twin Oaks Valley Water Treatment Plant. Following is a list of those facilities along with their anticipated operation schedules and costs:

- **Rancho Peñasquitos Pressure Control and Hydroelectric Facility**
  - Projected months of operation: July 2012 to June 2013
  - Power generating capacity: 4.5 megawatts.
  - Estimated Power: 16,800 megawatt (MW) hours
  - Estimated Revenue: $900,000
  - Projected power consumption cost per month: $950
  - Total power consumption cost per year: $11,400

- **Lake Hodges Pumped Storage Facility**
  - Projected months of operation: TBD
  - Power generating capacity: 20 megawatts (single turbine operation), 40 megawatts (two turbine operation)
  - Estimated Power: On call, based on SDG&E demands
  - Estimated Revenue (for availability): $2,300,000
  - Projected power consumption cost per month: $22,000
  - Total power consumption cost per year: $264,000
  - Projected pump cost per year: $0 (generation/pump-back is paid by “generation bank”, yield pumping is paid for by agency moving water)

- **Olivenhain Pump Station**
  - Projected months of operation: December of 2012 and February of 2013
  - Pumps (three available): One pump operation
  - Projected power consumption cost per month: $4,200
  - Projected pump cost per month: $49,800
  - Projected pump cost for the year: $99,600 (2 months pump operation)
  - Total power consumption cost per year: $150,000

- **Escondido Pump Station**
  - Projected months of operation: May 2013 through June 2013
  - Pumps: Two pump operation
  - Projected operational cost per month: $800
  - Projected pump cost per month: $3,500
  - Projected pump cost for the year: $7,000 (2 months pump operation)
  - Total power consumption cost per year: $16,600
Pipeline 2A Pump Station
- Projected months of operation: December through March
- Pumps: Two pump operation
- Projected operational cost per month: $210
- Projected pump cost per month: $0
- Projected pump cost for the year: $0
- Total power consumption cost per year: $2,520

Miramar Pump Station (paid by the City of San Diego)
- Projected months of operation: July 2012 through June 2013
- Pumps: One pump operation
- Projected operational cost per month: $0
- Projected Water Authority pump cost per month: $0
- Projected Water Authority pump cost for the year: $0
- Total operational power consumption cost per year: $0

San Vicente Pump Station
- Projected months of operation: Used during emergencies and rare operational periods
- Pumps: Three pump operation (3 available)
- Projected operational cost per month: $3,000
- Projected pump cost per month: $160,500
- Projected operational pump cost for the year: $160,500 (1 month pump operation)
- Total operational power consumption cost per year: $196,500

Twin Oaks Valley Pump Station
- Projected months of operation: Used during emergencies
- Projected operational cost per month: $0 (included in TOV Treatment Plant costs)
- Projected pump cost per month: $0 (runs on generators only)
- Projected pump cost for the year: $0
- Total power consumption cost per year: $0

Twin Oaks Valley Water Treatment Plant
- Projected months of operation: July 2011 to June 2012
- Projected operational cost per month (average): $122,870
- Total power consumption cost per year: $1,474,454

The total power consumption cost to operate the Hodges Hydro facility, Rancho Hydro facility, the six pump stations, and Twin Oaks Valley WTP are estimated to be $2,133,474 for FY 2013.
During FY 2012, the Water Authority exceeded its operating goal of $800,000 (14,900 MW hours of energy production) at the Rancho Hydro Facility, generating over $1,040,000 worth of energy (see Figure 8 and Table 1).

![Figure 8 - Rancho Hydro Revenues vs. Projections FY 2012](image)

### Table 1 - Rancho Hydro Revenues vs. Projections FY 2012

<table>
<thead>
<tr>
<th>Month</th>
<th>Projected</th>
<th>Actual</th>
<th>Running Total Projection</th>
<th>Running Total Actual</th>
<th>% above or below projected</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul</td>
<td>$134,250</td>
<td>$154,941</td>
<td>$134,250</td>
<td>$154,941</td>
<td>13.4</td>
<td></td>
</tr>
<tr>
<td>Aug</td>
<td>$118,140</td>
<td>$135,236</td>
<td>$252,390</td>
<td>$290,177</td>
<td>13.0</td>
<td></td>
</tr>
<tr>
<td>Sep</td>
<td>$107,400</td>
<td>$107,348</td>
<td>$359,790</td>
<td>$397,525</td>
<td>9.5</td>
<td></td>
</tr>
<tr>
<td>Oct</td>
<td>$80,550</td>
<td>$137,085</td>
<td>$440,340</td>
<td>$534,611</td>
<td>17.6</td>
<td></td>
</tr>
<tr>
<td>Nov</td>
<td>$42,960</td>
<td>$53,479</td>
<td>$483,300</td>
<td>$588,090</td>
<td>17.8</td>
<td></td>
</tr>
<tr>
<td>Dec</td>
<td>$21,480</td>
<td>$70,411</td>
<td>$504,780</td>
<td>$658,501</td>
<td>23.3</td>
<td>Shutdown Dec 4-13</td>
</tr>
<tr>
<td>Jan</td>
<td>$37,590</td>
<td>$19,091</td>
<td>$542,370</td>
<td>$677,592</td>
<td>20.0</td>
<td>Shutdown Jan 8-17</td>
</tr>
<tr>
<td>Feb</td>
<td>$5,370</td>
<td>$0</td>
<td>$547,740</td>
<td>$677,592</td>
<td>19.2</td>
<td>Low flows</td>
</tr>
<tr>
<td>Mar</td>
<td>$32,220</td>
<td>$14,827</td>
<td>$579,960</td>
<td>$692,419</td>
<td>16.2</td>
<td>Shutdown Mar 18-24</td>
</tr>
<tr>
<td>Apr</td>
<td>$53,700</td>
<td>$102,698</td>
<td>$633,660</td>
<td>$795,117</td>
<td>20.3</td>
<td></td>
</tr>
<tr>
<td>Jun</td>
<td>$107,400</td>
<td>$156,428</td>
<td>$800,130</td>
<td>$1,040,365</td>
<td>30.0</td>
<td></td>
</tr>
</tbody>
</table>
Solar Generation
In October of 2010, a Solar Power and Services Agreement was signed between the Water Authority and Borrego Solar Systems Incorporated (Provider) which allows Borrego Solar to install solar systems at the Kearny Mesa Headquarters, Escondido Operations Center, and the Twin Oaks Valley Water Treatment Plant. The Water Authority purchases the power generated at these sites at rates lower than the projected utility rate. The systems are owned, financed, and maintained by the Provider so that there are no expenses to the Water Authority other than the staff time required to execute the agreements and ensure that the construction does not inhibit the Water Authority’s mission. Following is a list of the three solar facilities along with their anticipated operation schedules, and savings to the Water Authority:

- **Escondido Operations Center**
  - Projected Months of Operation: July 2012 to June 2013
  - Estimated Generation: 252,000 kWh
  - Estimated Savings: $1,800

- **Twin Oaks Valley Water Treatment Plant**
  - Projected Months of Operation: July 2012 to June 2013
  - Estimated Generation: 1,810,000 kWh
  - Estimated Savings: $12,700

- **Kearny Mesa Headquarters**
  - Projected Months of Operation: July 2012 to June 2013
  - Estimated Generation: 676,000 kWh
  - Estimated Savings: $4,732
Reservoirs and Storage Opportunities

Member agency and Water Authority reservoirs serve multiple functions including: surface water capture, seasonal shift water storage, carryover storage, and local sources of emergency water supplies. Member agency and Water Authority reservoirs function as system capacity buffers during peak demand periods and offer a level of security for short and long-term emergency situations. The size and location of each reservoir affects the extent to which it can perform the various functions, as does the individual agencies’ operational plan implemented at each location (Figure 9, Figure 10 and Table 2).

Figure 9 - Location and Relative Capacities of San Diego County Reservoirs
Table 2 - Storage/Capacity in Member Agency and Water Authority Reservoirs (AF)

<table>
<thead>
<tr>
<th>Reservoir</th>
<th>Total</th>
<th>Usable</th>
<th>Dead (unreadable)</th>
<th>Member Agency</th>
<th>Carryover</th>
<th>ESP</th>
<th>Water Authority</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Henshaw</td>
<td>51,774</td>
<td>51,768</td>
<td>6</td>
<td>6,717</td>
<td></td>
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<td>6,717</td>
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<tr>
<td>Wohlford</td>
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<td>6,156</td>
<td>350</td>
<td>2,334</td>
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<tr>
<td>Dixon</td>
<td>2,606</td>
<td>2,541</td>
<td>65</td>
<td>2,352</td>
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<tr>
<td>Sutherland</td>
<td>29,508</td>
<td>29,396</td>
<td>112</td>
<td>12,095</td>
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<td></td>
<td></td>
<td>12,095</td>
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<tr>
<td>Hodges</td>
<td>30,251</td>
<td>28,422</td>
<td>1,829</td>
<td>21,917</td>
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<td></td>
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</tr>
<tr>
<td>San Dieguito</td>
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<td>166</td>
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<tr>
<td>El Capitan</td>
<td>112,807</td>
<td>109,992</td>
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Notes:
1. Capacity information: JMM Consulting Engineers, Inc. (1990), San Diego County Water Authority Optimal Storage Study: Reservoir Summary Report, unless updated by Member Agency staff.
2. San Vicente Reservoir’s usable storage capacity prior to the dam raise was 90,200 AF. It is drawn down to approx. 38,680 AF until 2013 to facilitate the San Vicente dam raise portion of the Emergency Storage Project.

In addition to meeting local storage and operational demands, both the Olivenhain and San Vicente reservoirs play a significant role in the Water Authority’s Emergency Storage Program (ESP), regional carryover storage, and the Emergency Storage Operations Guidelines (ESOG). These reservoirs figure prominently in planned responses to regional emergency situations related to water supply availability.
Figure 10 - Regional Reservoir Levels (% of Capacity) May 1, 2012.
(This Figure represents the Water Authority’s Carryover Storage and ESP not the individual Member Agencies)

Note: San Vicente Reservoir’s usable storage capacity prior to the dam raise was 90,200 AF. It is drawn down to approx. 38,680 AF until 2013 to facilitate the San Vicente dam raise portion of the Emergency Storage Project.
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Major Maintenance Activities

In addition to ongoing corrective maintenance (CM) that is undertaken in response to specific needs or events, the O&M Department is also engaged in a rigorous program of preventative maintenance (PM) that ensures optimal performance of Water Authority assets throughout their life cycles. These PM activities can include inspection, rehabilitation/keep, lubrication, and/or replacement of assets where appropriate. In addition to routine CM and PM work, the O&M Department undertakes additional “major” projects and activities that fall outside the scope of routine maintenance. The major maintenance activities planned by the O&M Department for FY 2013 include:

- **Pipelines 1 & 2 Treated - Air Release and Blow Off Piping Replacement (Asset Mgmt)**
  As part of the Water Authority’s Asset Management Program, during a shutdown of the treated portion of Pipelines 1 & 2, O&M staff will replace piping in selected blow off and air release structures. This work will take place between MWD point of delivery and Hubbard Hill.

- **Pipelines 1 & 2 Untreated - Air Release and Blow Off Piping Replacement (Asset Mgmt)**
  As part of the Water Authority’s Asset Management Program, during a shutdown of the untreated portion of Pipelines 1 & 2, O&M staff will replace piping in selected blow off and air release structures. This work will take place between Hubbard Hill and San Vicente Reservoir.

- **Abandonment of Padre Dam 3 & 5 FCFs (RIO3 & 5 on the LMSW Pipeline)**
  These facilities are no longer in service and are not needed by our Member Agency, O&M staff will remove all Water Authority Equipment and install blind flanges on pipeline connections.

- **Installation of new control valve and venturi meter at Fallbrook 4 and Ramona 1**

- **Installation of the emergency discharge valve for the Olivenhain Dam.**
July 18, 2012

Attention: Engineering and Operations Committee

CLOSED SESSION:
Conference with Legal Counsel – Initiation of Litigation
Government Code §54956.9(c) – One Case

Purpose
This memorandum is to recommend a closed session, pursuant to Government Code §54956.9(c)
at the July 26, 2012, meeting, to discuss the above-referenced matter.

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)

III. INFORMATION

1. Government relations update. Jeff Volberg

2. Status report on legislation and legislative positions. Alexi Schnell
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 (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.
July 18, 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
The Governor signed the state budget on June 28, 2012. The budget, which was passed on time by the Legislature, depends on the passage of the Governor’s tax initiative in November to cover $8 billion of its costs. Neither the budget nor its trailer bills contained any provisions that directly affect the interests of the Water Authority.

Water Bond
The water bond measure that was passed as part of the 2009 Delta bill package was still scheduled for the November 2012 general election ballot until July 9. The Legislature introduced and passed AB 1422, which postponed the bond to the general election in 2014. AB 1422 passed the Legislature by a two-thirds vote on July 5 and was signed by the Governor on July 9. The bill went into effect immediately.

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 June:

• Provided strategic advice and information regarding the Water Authority’s legislative interests.

John White’s activities in June included:

• Provided strategic advice and information regarding the Water Authority’s legislative interests.

Washington, D.C.
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
July 18, 2012

Attention:  Legislation Conservation and Outreach Committee

Status Report on Legislation and Legislative Positions (Information)

Background
Water Authority staff is currently reviewing 112 bills in the state Legislature and Congress 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. In the California Legislature, the last day for policy committees to hear and report on bills was July 6, 2012.

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.

Discussion
As of July 10, 2012, the Board is co-sponsoring two bills in the Legislature, and has taken a position of Support on twelve bills, a position of Support, if amended on four bills, a position of Support and seek amendments on two bills, a position of Oppose on six bills, and a position of Oppose, unless amended on one bill. An Oppose position adopted previously on one bill was dropped when the bill was amended in keeping with amendments sought by the Water Authority. One bill on which the Water Authority Board took a position of Support, two bills on which the Board took a position of Support, if amended, and two bills on which the Board adopted a position of Oppose, have been amended to subject matter no longer relevant to the Water Authority. The Water Authority sponsored two bills during the first half of the two-year legislative session (2011). One sponsored bill passed in the Legislature and was vetoed by the Governor; the other bill did not meet the deadline for a two-year bill to pass out of the house of origin. The Board has adopted a Support position on three federal bills, including a Senate bill for which the companion (identical) bill in the House of Representatives was later signed into law by the President: H.R.470 (Heck) Hoover Power Allocation Act of 2011.

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 July 10, 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 July 10, 2012
              2. List of legislation under review by Water Authority staff as of July 10, 2012
# San Diego County Water Authority
## Summary of Current Positions on 2011-2012 Legislation
### as of July 10, 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>
<tbody>
<tr>
<td>AB 19</td>
<td>Fong</td>
<td><strong>Water Charges and Meters: multiunit residential structures</strong>&lt;br&gt;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.</td>
<td>Support, if amended (24-Mar-11)</td>
</tr>
<tr>
<td>AB 134</td>
<td>Dickinson</td>
<td><strong>Appropriation of Water: Sacramento Regional County Sanitation District</strong>&lt;br&gt;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.</td>
<td>Neutral&lt;br&gt;(Original position of 'Oppose' (adopted by Board 24-Feb-11) removed; bill has been amended to address the Water Authority's concerns).</td>
</tr>
<tr>
<td>AB 229</td>
<td>Lara</td>
<td><strong>Controller: audits</strong>&lt;br&gt;Status: Bill was amended (7/1/2011) to subject matter no longer relevant to the Water Authority.</td>
<td>Support, if amended (26-May-11)</td>
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<tr>
<td>Bill Number</td>
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<td>Bill Title, Summary &amp; Status</td>
<td>SDCWA Position (Date of Board Action)</td>
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<td>-------------</td>
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<td>----------------------------------------</td>
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<tr>
<td>AB 275</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.&lt;br&gt;&lt;br&gt;<strong>Status:</strong>&lt;br&gt;Vetoed by Governor</td>
<td>Support (24-Mar-11)</td>
</tr>
<tr>
<td>AB 342</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.&lt;br&gt;&lt;br&gt;<strong>Status:</strong>&lt;br&gt;Senate Third Reading</td>
<td>Support and seek amendments (28-Apr-11)</td>
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<tr>
<td>AB 457</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.&lt;br&gt;&lt;br&gt;<strong>Status:</strong>&lt;br&gt;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>
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</table>
### Sacramento-San Joaquin Delta: peripheral canal

**AB 550**

Huber  

**Sacramento-San Joaquin Delta: peripheral canal**

AB 550 would undo a portion of the 2009 Bay-Delta bill package, by prohibiting the construction of a "peripheral canal" 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.

**Status:**

Dead; failed to meet the deadline for a 2-year bill to pass out of the house of origin.

**SDCWA Position (Date of Board Action):**

Oppose  

(24-Mar-11)

### Delta Stewardship Council: Delta Plan: financing

**AB 576**

Dickinson  

**Delta Stewardship Council: Delta Plan: financing**

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:

- Include other beneficiaries besides the SWP and CVP contractors in the proposed initial fee;
- 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;
- Require that any fees recommended by the Council be developed through an open, transparent public process and be adopted by the Legislature; and
- Include a funding cap and sunset clause for the initial fee.

**Status:**

Dead; failed to meet the deadline for a 2-year bill to pass out of the house of origin.

**SDCWA Position (Date of Board Action):**

Oppose, unless amended  

(24-Mar-11)
<table>
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<th>Bill Number</th>
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<tr>
<td>AB 685</td>
<td>Eng</td>
<td>State Water Policy: Regional Water Management</td>
<td>No position taken; amendments sought (25-Aug-11)</td>
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<tr>
<td>AB 1048</td>
<td>Harkey</td>
<td>Water Quality: recycled water and wastewater: fluoride</td>
<td>Sponsor (27-Jan-11)</td>
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<tr>
<td>AB 1095</td>
<td>Buchanan (co-authors Berryhill &amp; Galgiani)</td>
<td>Delta Reform Act of 2009</td>
<td>Oppose (28-Jun-12)</td>
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</tbody>
</table>

**Bill Title, Summary & Status**

**State Water Policy: Regional Water Management**

Status:

Senate Appropriations Committee

**Water Quality: recycled water and wastewater: fluoride**

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.

Status:

Dead; failed to meet the deadline for a 2-year bill to pass out of the house of origin.

**Delta Reform Act of 2009**

In 2009, the Legislature passed and the Governor signed the Delta Reform Act of 2009. The Act established the Delta Stewardship Council, which was charged with developing a Delta Plan that would coordinate the plans and actions of the 200 or so state, federal, and local government agencies that have jurisdiction in the Delta. Actions in the Delta that are covered by the Delta Plan are required to be consistent with the plan. AB 1095 would exempt certain actions taken by local agencies in urban or urbanizing areas located in the secondary zone of the Delta from being included in the definition of “covered actions.” The bill would also exempt upgrades of water facilities in the secondary zone from being included as “covered actions.” The secondary zone is that portion of the statutorily designated Delta that is not below sea level. The types of actions that this bill would exempt are precisely the types of actions the Delta Reform Act was intended to cover. Urbanization of the Delta is a threat to both coequal goals of ecosystem restoration and water supply reliability. The Delta Reform Act does not prohibit covered actions from going forward; it just requires the actions to be consistent with the Delta Plan. To exempt the actions listed in the bill from coverage under the Delta Plan would undermine the effectiveness of the plan and allow actions to be taken that may be inconsistent with the Delta Plan.

Status:

Senate Committee on Natural Resources & Water (failed passage; reconsideration granted)
## San Diego County Water Authority
**Summary of Current Positions on 2011-2012 Legislation**
*as of July 10, 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>
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<tr>
<td><strong>AB 1354</strong></td>
<td>Huber</td>
<td>Public Works: payment: retention</td>
<td>Oppose (28-Apr-11)</td>
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<tr>
<td><strong>AB 1508</strong></td>
<td>Carter</td>
<td>Junk Dealers and Recyclers: Nonferrous Materials</td>
<td>Support (26-Apr-12)</td>
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<tr>
<td><strong>AB 1771</strong></td>
<td>Valadao</td>
<td>Renewable Energy Resources: Hydroelectric Generation</td>
<td>Support (24-May-12)</td>
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</table>

### Public Works: payment: retention

**Status:**
Bill was amended (1/4/2012) to subject matter no longer relevant to the Water Authority.

### Junk Dealers and Recyclers: Nonferrous Materials

The theft of metal from public infrastructure, such as copper wiring and electric motor parts, has become a serious problem for water utilities in the past couple of years. The value of copper and other non-ferrous metals has increased, which has created incentives for thieves. Under existing law, junk dealers and metal recyclers are required to keep detailed records of their purchases and sales of metals, and are required to use certain procedures when paying for metal items and to maintain information as to the identity of their suppliers. However, there are certain exemptions to these requirements when the suppliers provide a certain volume of supply. This bill will eliminate many of the exemptions and tighten up the record keeping requirements for the purchase and sale of salvaged metal items. It is intended to make it difficult for metal thieves to “fence” their stolen metal and increase the likelihood of tracking the stolen materials.

**Status:**
Senate Third Reading

### Renewable Energy Resources: Hydroelectric Generation

Existing law sets a Renewable Portfolio Standard (RPS) for California public utilities to meet in acquiring and producing electricity. The California Public Utilities Commission requires utilities to acquire a certain amount of their electrical power from renewable sources. The law defines small hydroelectric facilities as renewable sources, provided they produce less than 30 megawatts of power. AB 1771 would define any hydroelectric facility of any size as a renewable source of power eligible for inclusion in the RPS, as long as it meets certain requirements related to renewable energy resources in general. The Water Authority’s pump-storage electrical generation project at Lake Hodges is rated at 40 mw. There is also potential for pump-storage electrical generation at the enlarged San Vicente Reservoir. The Water Authority has been authorized by the Legislature to sell electrical power that it produces. Without this bill, the Water Authority would not be able to count this large amount of clean hydroelectric generation toward meeting its RPS obligations. California has limited the size of hydroelectric facilities to be included in the RPS out of concern for the state’s rivers. AB 1771 was amended to specify that it will not go into effect until after the California Energy Commission completes a report on the effect of large hydroelectric facilities on rivers in British Columbia.

**Status:**
Assembly Committee on Natural Resources (failed passage)
<table>
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<tr>
<th>Bill Number</th>
<th>Author</th>
<th>Bill Title, Summary &amp; Status</th>
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<tr>
<td>AB 2398</td>
<td>Hueso</td>
<td>Water Recycling</td>
<td>Co-sponsor; Support (22-Mar-12)</td>
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<tr>
<td>AB 2443</td>
<td>Williams</td>
<td>Vessels: Registration Fee: Quagga and Zebra Mussels</td>
<td>Support (26-Apr-12)</td>
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<tr>
<td>AB 2595</td>
<td>Hall</td>
<td>Desalination</td>
<td>Support (22-Mar-12)</td>
</tr>
</tbody>
</table>

**Water Recycling**

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 would enact the Water Recycling Act of 2012, which would set 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 advanced treated purified water for potable reuse, and for the use of other recycled water for non-potable reuse.

**Status:**
Senate Committee on Natural Resources & Water (held in committee)

**Vessels: Registration Fee: Quagga and Zebra Mussels**

AB 2443 would authorize counties to charge fees on vessels registered in the county to fund the inspection of boats for quagga (dreissenid) mussels. Quagga mussels are invading water bodies all over the state and are often introduced through water retained in boats that have moved from one water body to another. Inspections of boats before they are launched in reservoirs can help to reduce the spread of quagga mussels.

The bill is voluntary. It does not require counties to levy a fee, but authorizes them to do so if they see the need.

**Status:**
Senate Appropriations Committee

**Desalination**

AB 2595 would require the California Ocean Protection Council (OPC) 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.

**Status:**
Senate Committee on Natural Resources & Water
## San Diego County Water Authority
### Summary of Current Positions on 2011-2012 Legislation
as of July 10, 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>
| SB 34       | Simitian | **California Water Resources Investment Act of 2011**  
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 "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." 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.  
**Status:**  
Dead; failed to meet the deadline for a 2-year bill to pass out of the house of origin. | Oppose (28-Apr-11) |
| SB 200      | Wolk   | **Sacramento-San Joaquin Delta: Bay Delta Conservation Plan**  
**Status:**  
Bill was amended (1/4/2012) to subject matter no longer relevant to the Water Authority. | Support, if amended (28-Apr-11) |
| SB 215      | Huff   | **Invasive Aquatic Species: mussels**  
Existing law authorizes the Department of Fish and Game to take certain actions to prevent the spread of zebra and quagga mussels in California. However, the existing statute will expire on January 1, 2012 unless it is extended. SB 215 extends the statute by five years, to January 1, 2017. The state would continue to have the authority to inspect boats and facilities for mussels during this extended period.  
**Status:**  
Chapter 332, Statutes of 2011 | Support (26-May-11) |
### San Diego County Water Authority

#### Summary of Current Positions on 2011-2012 Legislation

as of July 10, 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>
<tbody>
<tr>
<td>SB 250</td>
<td>Rubio</td>
<td><strong>Sacramento-San Joaquin Delta: Delta Plan: conveyance facility</strong>&lt;br&gt;SB 250 would require 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 would be the end of the projects. <strong>Status:</strong>&lt;br&gt;Assembly Committee on Water, Parks and Wildlife</td>
<td>Support (22-Mar-12)</td>
</tr>
<tr>
<td>SB 328</td>
<td>Kehoe</td>
<td><strong>Eminent Domain: conservation easements</strong>&lt;br&gt;Under current law, state agencies may acquire easements that conserve parcels of land from development. This helps the state meet its wildlife habitat goals, as well as preserve open land for future generations through voluntary transactions with willing landowners. However, sometimes these conservation easements are condemned through the eminent domain process by other state agencies for public purposes. Often the state agency or non-governmental organization that holds the easement is not informed of the condemnation or given an opportunity to object. This bill establishes procedures for informing the holders of conservation easements of condemnation proceedings and gives them an opportunity to object. <strong>Status:</strong>&lt;br&gt;Chapter 589, Statutes of 2011</td>
<td>Support (24-Mar-11)</td>
</tr>
</tbody>
</table>
## State Water Resources Control Board: water quality: brackish groundwater treatment

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.

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.

**Status:**
Chapter 241, Statutes of 2011

<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>
<tbody>
<tr>
<td>SB 607</td>
<td>Walters</td>
<td><strong>State Water Resources Control Board: water quality: brackish groundwater treatment</strong></td>
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<td>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. 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>SB 759</td>
<td>Lieu</td>
<td><strong>Common Interest Developments: artificial turf</strong></td>
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<td>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. 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>
<tr>
<td>SB 900</td>
<td>Steinberg</td>
<td><strong>California Regional Water Quality Control Boards: members</strong></td>
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<tr>
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<td>Status: Bill was amended (4/26/2012) to subject matter no longer relevant to the Water Authority.</td>
<td>Support (23-Jun-11)</td>
</tr>
<tr>
<td>Bill Number</td>
<td>Author</td>
<td>Bill Title, Summary &amp; Status</td>
<td>SDCWA Position (Date of Board Action)</td>
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<tr>
<td>SB 931</td>
<td>Vargas</td>
<td><strong>Public Employee Organizations</strong></td>
<td>Oppose (25-Aug-11)</td>
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<td><strong>Status:</strong></td>
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<td>Bill was amended (8/31/2011) to subject matter no longer relevant to the Water Authority.</td>
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<tr>
<td>SB 1003</td>
<td>Yee</td>
<td><strong>Local Government: Open Meetings (Brown Act)</strong></td>
<td>Support (24-May-12)</td>
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<tr>
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<td>The Brown Act requires that meetings of local governments’ legislative bodies be open and public. Legislative bodies may not hold closed sessions during public meetings, except under a limited number of exceptions. Closed sessions must be noticed in the agenda of the public meeting, along with the statutory exception that allows the closed session. A majority of a legislative body may not meet privately to discuss public business.</td>
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<td>SB 1003 clarifies that the Brown Act applies to past actions, even if the violations are no longer continuing. The bill amends the Brown Act to specify that a district attorney or other interested party may bring an action to determine whether the Brown Act applied to a local legislative body’s past actions. The bill establishes a procedure for filing an action, limits filings for past actions to one year after the actions occurred, requires the complaining party to submit a letter to the legislative body, and allows the legislative body 30 days to respond to the letter before a suit may be filed. Including the period for the letter and response, the legal proceeding must be commenced within 14 months of the alleged violation of the Brown Act. The bill only applies to alleged violations that occur after January 1, 2013.</td>
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<td><strong>Status:</strong></td>
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<td></td>
<td>Assembly Third Reading</td>
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<tr>
<td>Bill Number</td>
<td>Author</td>
<td>Bill Title, Summary &amp; Status</td>
<td>Support</td>
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<tr>
<td>SB 1094</td>
<td>Kehoe</td>
<td><strong>Land Use: Mitigation Lands: Nonprofit Organizations</strong>&lt;br&gt;Under existing environmental laws, a state or federal permitting agency may require a permittee to convey land to the agency as mitigation of environmental impacts. The permitting agency may convey the land to a non-profit organization to hold title to the land and manage it. The permitting agency may also require the permittee to provide an endowment fund for management of the land, which is also given to the non-profit organization. The permitting agency is required to conduct due diligence to ensure that the organization holding the land and the funds is properly qualified to do so.&lt;br&gt;&lt;br&gt;SB 1094 would allow governmental entities, such as special districts, to keep title to the land that is set aside for mitigation. Special districts would also be allowed to keep the endowment fund as well. The bill would relieve permitting agencies of their obligation to conduct due diligence if the entity holding the land and the endowment fund is a special district. This bill would benefit the Water Authority and its member agencies by allowing them to better manage their mitigation lands and the endowment funds that accompany them, as well as to collect the income from the endowment funds. Although the Water Authority may not fall within the definition of “government entity” in the bill in its original form, the author has offered to specifically include the Water Authority. The Water Authority’s member agencies should fall within the definition of “special districts” in the bill.</td>
<td>Support, if amended (26-Apr-12)</td>
</tr>
<tr>
<td>SB 1169</td>
<td>Kehoe</td>
<td><strong>Natural Community Conservation Planning</strong>&lt;br&gt;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.</td>
<td>Support (22-Mar-12)</td>
</tr>
</tbody>
</table>
# Summary of Current Positions on 2011-2012 Legislation

## as of July 10, 2012

<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Author</th>
<th>Bill Title, Summary &amp; Status</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>SB 1387</td>
<td>Emmerson</td>
<td><strong>Metal Theft</strong>&lt;br&gt;SB 1387 deals with the problem of metal theft. Under this bill, a junk dealer or metal recycler that purchases certain non-ferrous metal items must obtain certification on official letterhead that the items were legally sold or disposed of by the public agency or utility that previously owned the items. Items would include fire hydrants or other fire department connections, manhole covers or lids, and backflow devices and connections. This bill would prohibit junk dealers or metal recyclers from purchasing metal items that would only belong to a public agency or utility from a third party unless the third party could certify the items were obtained legally.</td>
<td>Support (26-Apr-12)</td>
</tr>
<tr>
<td>SB 1535</td>
<td>Padilla</td>
<td><strong>Global Warming Solutions Act of 2006</strong>&lt;br&gt;In 2006, the Legislature passed and the Governor signed AB 32, the Global Warming Solutions Act of 2006. The Act requires California to reduce its greenhouse gas emissions to 1990 levels by 2020, and permits the California Air Resources Board (CARB) to implement a market-based compliance mechanism, including a cap-and-trade program. CARB has adopted a cap-and-trade program, which provides allowances for emissions of greenhouse gases that are transferable. Under this program, generators and marketers of electricity are required to obtain allowances based on their greenhouse gas emissions. Electricity that is imported into California from other states is included in the program. CARB has provided free allowances to both investor-owned and publicly-owned retail electric providers.&lt;br&gt;CARB has categorized the Metropolitan Water District of Southern California (MWD) as an electrical marketer because of its purchases of supplemental out-of-state power to run its water distribution system, even though MWD does not resell this power or provide electricity to any retail customer. The categorization means that MWD is not eligible for free allowances and must purchase allowances through the CARB auction process and carbon trading market. MWD is the only water utility in the state that is regulated as an electrical marketer. MWD estimates that the cost of purchasing allowances could cost ratepayers in its service area as much as $50 million annually by 2020. SB 1535 would prohibit CARB from imposing regulatory obligations on MWD unless CARB provides allowances, credits, or other forms of price mitigation that are received by publicly-owned electric utilities to offset the anticipated costs for retail customers and to mitigate short-term rate impacts. SB 1535 is designated an urgency measure (will take effect immediately if it passes the Legislature by a two-thirds vote and is signed by the Governor). MWD is currently the sponsor of SB 1535.</td>
<td>Co-sponsor; Support (24-May-12)</td>
</tr>
</tbody>
</table>

**Status:**
- Assembly Appropriations Committee
- Senate Committee on Environmental Quality
### San Diego County Water Authority

**Summary of Current Positions on 2011-2012 Legislation as of July 10, 2012**

<table>
<thead>
<tr>
<th>Bill Number</th>
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<th>SDCWA Position (Date of Board Action)</th>
</tr>
</thead>
</table>
| 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) |
| H.R. 2664   | Napolitano | **Reauthorization of Water Desalination Act of 2011**  
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 Science, Space, & Technology | Support  
(25-Aug-11) |
<table>
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<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>
| S. 519 *    | Reid   | **Hoover Power Allocation Act of 2011**  
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. | Support (28-Apr-11) |
### Legislation Under Review by the Water Authority as of July 10, 2012

<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Author</th>
<th>Title</th>
<th>Fiscal Committee</th>
<th>Urgency Clause</th>
<th>Introduced</th>
<th>Last Amend</th>
<th>Disposition</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA AB 19</td>
<td>Fong [D]</td>
<td>Building Standards: Water Meters: Multiunit Structures</td>
<td>no</td>
<td>no</td>
<td>12/06/2010</td>
<td>01/04/2012</td>
<td>Failed</td>
<td>ASSEMBLY</td>
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<td>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.</td>
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<td>STATUS:</td>
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<td></td>
<td>02/01/2012</td>
<td></td>
<td>Died pursuant to Art. IV, Sec. 10(c) of the Constitution.</td>
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<td></td>
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<td>02/01/2012</td>
<td></td>
<td>From Committee: Filed with the Chief Clerk pursuant to JR 56.</td>
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<td>Position: Support if amended (3-24-11)</td>
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<tr>
<td>CA AB 23</td>
<td>Smyth [R]</td>
<td>Local Agency Meetings: Compensation Disclosure</td>
<td>no</td>
<td>no</td>
<td>12/06/2010</td>
<td>07/25/2011</td>
<td>Enacted</td>
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<td>SUMMARY:</td>
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<td>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.</td>
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<td>07/25/2011</td>
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<td>07/25/2011</td>
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<td>Chaptered by Secretary of State.  Chapter No. 91</td>
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<tr>
<td>CA AB 54</td>
<td>Solorio [D]</td>
<td>Drinking Water</td>
<td>yes</td>
<td>no</td>
<td>12/06/2010</td>
<td>10/07/2011</td>
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<td>Chapter:</td>
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<td>512</td>
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</tbody>
</table>
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)
CA AB 157

AUTHOR: Jeffries [R]
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 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.
NOTES: Position: Support (3-24-11)

CA AB 307

AUTHOR: Nestande [R]
TITLE: Joint Powers Agreements: Public Agency: Indian Tribe
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/09/2011
ENACTED: 09/06/2011
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 266
SUMMARY:
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.

**STATUS:**
09/06/2011  Signed by GOVERNOR.
09/06/2011  Chaptered by Secretary of State. Chapter No. 266

**CA AB 342**

**AUTHOR:** Atkins [D]
**TITLE:** Office of Planning and Research
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** no
**INTRODUCED:** 02/10/2011
**LAST AMEND:** 01/31/2012
**DISPOSITION:** Pending
**LOCATION:** Senate Third Reading File

**SUMMARY:** 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.

**STATUS:**
02/01/2012  In SENATE. Read second time. To third reading.

**NOTES:** Position: Support and seek amendments (4-28-11)

**CA AB 356**

**AUTHOR:** Hill [D]
**TITLE:** Public Works Projects: Local Hiring Policies
**FISCAL COMMITTEE:** no
**URGENCY CLAUSE:** no
**INTRODUCED:** 02/10/2011
**LAST AMEND:** 04/25/2011
**DISPOSITION:** Failed
**LOCATION:** ASSEMBLY

**SUMMARY:** 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

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
LOCATION: Senate Inactive File

SUMMARY:
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.

STATUS:
03/01/2012 In ASSEMBLY. From Inactive File. To third reading.
03/01/2012 In ASSEMBLY. Ordered returned to SENATE. *****To SENATE.

CA AB 457

AUTHOR: Wagner [R]
TITLE: Public Works Contracts: Relief for Bidders
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/15/2011
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.

Requires the Department of Public Health to adopt the implementing regulations governing the repayment of costs that are subsequently recovered from parties responsible for the contamination of groundwater as emergency regulations to remain in effect for a specified period by which the department shall be required to adopt regulations. Provides the detail that the regulations shall include. Establishes the Groundwater Contamination Prevention Account for moneys collected under a specified bond act.

Makes technical, nonsubstantive changes to existing law relating to groundwater management which encourages local agencies to work cooperatively to manage groundwater resources.

CA AB 467
AUTHOR: Eng [D]  
TITLE: Environment: Safe Water and Coastal Protection Bond Act  
FISCAL COMMITTEE: yes  
URGENCY CLAUSE: yes  
INTRODUCED: 02/15/2011  
LAST AMEND: 05/31/2012  
DISPOSITION: Pending  
LOCATION: Senate Appropriations Committee  
SUMMARY: Requires the Department of Public Health to adopt the implementing regulations governing the repayment of costs that are subsequently recovered from parties responsible for the contamination of groundwater as emergency regulations to remain in effect for a specified period by which the department shall be required to adopt regulations. Provides the detail that the regulations shall include. Establishes the Groundwater Contamination Prevention Account for moneys collected under a specified bond act.

CA AB 531
AUTHOR: Olsen [R]  
TITLE: Groundwater  
FISCAL COMMITTEE: no  
URGENCY CLAUSE: no  
INTRODUCED: 02/15/2011  
LAST AMEND:  
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.

CA AB 550
AUTHOR: Huber [D]  
TITLE: Sacramento-San Joaquin Delta: Peripheral Canal  
FISCAL COMMITTEE: no  
URGENCY CLAUSE: no
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.

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.

Requires the Department of Water Resources undertake an expedited evaluation and feasibility study with regard to the implementation of a specified Delta Corridors Plan as part of the State Water Resources Development System. Requires an assessment of the incorporation of the Two-Gates Fish Protection Demonstration Project managed by the United States Bureau of Reclamation.
into the Plan.

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 640

AUTHOR: Logue [R]
TITLE: Water Discharges: Mandatory Minimum Civil Penalties
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/16/2011
LAST AMEND: 01/04/2012
DISPOSITION: Pending
LOCATION: Senate Environmental Quality Committee
SUMMARY: Authorizes the state Water Resources Board or a regional board, in lieu of assessing all or a portion of the mandatory minimum penalties against a publicly owned treatment works (POTW) that serves a small community, to elect to require that POTW to spend an equivalent amount toward the completion of a compliance project. Expands the definition of a POTW.
STATUS:
02/16/2012 To SENATE Committee on ENVIRONMENTAL QUALITY.

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
SUMMARY: 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
URGENCY CLAUSE: no
INTRODUCED: 02/17/2011
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY:
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 [I]
TITLE: Municipal Water Districts: Oversight
FISCAL COMMITTEE: Municipal Water Districts: Oversight
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

CA AB 849

CA AB 903
INTRODUCED: 02/17/2011
LAST AMEND: 04/12/2011
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY: 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: Recreational Trails Committee
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 06/25/2012
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/06/2012 11:00 am
SUMMARY: Extends the authorization for the Recreational Trails Committee. Requires members be appointed based on specified criteria. Extends the applicability of provisions relating to the terms and compensation. Requires the committee, until a specified date, to review statewide trail planning efforts, assist with resolution trail issues and user-group conflicts, and advise in the development of trail planning, management guidelines, and to advise on the development of state park trail guidelines.
STATUS:
07/03/2012 From SENATE Committee on NATURAL RESOURCES AND...
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 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: no
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: 01/04/2012
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.
CA AB 1095

**AUTHOR:** Buchanan [D]

**TITLE:** Sacrament-San Joaquin Delta Reform Act: Actions

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/18/2011

**LAST AMEND:** 06/27/2012

**DISPOSITION:** Pending

**LOCATION:** Senate Natural Resources and Water Committee

**SUMMARY:**
Revises the definition of covered actions under the Sacramento-San Joaquin Delta Reform Act of 2009 and the Johnston-Baker-Andal-Boatwright Delta Protection Act of 1992 to exclude a project or portion thereof with the Delta's secondary zone that complies with a local general plan, and such definition under the State Environmental Quality Act regarding any existing drinking water, stormwater, or wastewater, treatment, and a flood control project within the Delta's secondary zone.

**STATUS:**
07/03/2012 In SENATE Committee on NATURAL RESOURCES AND WATER: Failed passage.

**NOTES:**
Position: Oppose (6-28-12)

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

**ENACTED:** 09/07/2011
| DISPOSITION: | Enacted |
| LOCATION: | Chaptered |
| CHAPTER: | 280 |
| SUMMARY: | 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. |
| STATUS: | 09/07/2011 Signed by GOVERNOR. 09/07/2011 Chaptered by Secretary of State. Chapter No. 280 |

**CA AB 1180**

| AUTHOR: | Bradford [D] |
| TITLE: | Global Warming Solutions Act of 2006: Compliance Offset |
| FISCAL COMMITTEE: | yes |
| URGENCY CLAUSE: | no |
| INTRODUCED: | 02/18/2011 |
| LAST AMEND: | 09/02/2011 |
| DISPOSITION: | Pending |
| LOCATION: | Senate Environmental Quality Committee |
| SUMMARY: | 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. |
| STATUS: | 02/02/2012 Re-referred to SENATE Committee on ENVIRONMENTAL QUALITY. |

**CA AB 1187**

| AUTHOR: | Fong [D] |
| TITLE: | Water Plan: Safe Drinking Water |
| FISCAL COMMITTEE: | yes |
| URGENCY CLAUSE: | no |
| INTRODUCED: | 02/18/2011 |
| DISPOSITION: | Failed |
| LOCATION: | ASSEMBLY |
| SUMMARY: | 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. |
| 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 1194**

| AUTHOR: | Block [D] |
| TITLE: | Drinking Water |
| FISCAL COMMITTEE: | no |
| URGENCY CLAUSE: | no |
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.

CA AB 1283

Author: Berryhill B [R]
Title: Safe, Clean, and Reliable Drinking Water Supply Act
Fiscal Committee: no
Urgency Clause: no
Introduced: 02/18/2011
Disposition: Failed
Location: ASSEMBLY
Summary: 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 1514

Author: Lowenthal B [D]
Title: Excavations: Subsurface Installations: Violations
Fiscal Committee: yes
Urgency Clause: no
Introduced: 01/13/2012
Amends existing law that generally requires any person planning to conduct an excavation to contact a regional notification center prior to excavation to delineate the areas to be excavated. Increases the civil penalties for negligent or knowing and willful violations. Authorizes the Attorney General or the district attorney to bring an action to enforce those civil penalties. Authorizes the local or state agency to take action to assess the penalties.

CA AB 1540
AUTHOR: Buchanan [D]
TITLE: Sacramento-San Joaquin Delta: Invasive Weeds
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/24/2012
LAST AMEND: 07/05/2012
DISPOSITION: Pending
LOCATION: Senate Consent Calendar
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 Sacramento-San Joaquin Delta, its tributaries, and the Suisun Marsh.
STATUS: 07/05/2012 In SENATE. Read second time and amended. To Consent Calendar.

CA AB 1558
AUTHOR: Eng [D]
TITLE: Liability: Flood Control-Water Conservation Facilities
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 01/26/2012
DISPOSITION: To Governor
LOCATION: To Governor
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: 07/05/2012 Enrolled.
07/06/2012 *****To GOVERNOR.

CA AB 1570
AUTHOR: Perea [D]
TITLE: Environmental Quality Act: Proceedings Record
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/01/2012
Amends the California Environmental Quality Act. Requires the lead agency when producing an Environmental Impact Report (EIR) to prepare a record of proceedings concurrently with the preparation of negative declarations, mitigated negative declarations, EIRs, or other environmental documents for specified projects, at the request of a project applicant.

Amends the Meyers-Milius-Brown Act governing collective bargaining for local represented employees. Authorizes an employee organization to request the parties differences be submitted to a factfinding panel within a specified time period after the selection of a mediator. Authorizes the organization, if the dispute was not submitted to mediation, to request the differences be submitted to such panel under certain conditions. Provides this procedural right cannot be expressly or voluntarily waived.

Requires the Department of Water Resources to conduct a statewide inventory of local regional water supply projects and post specified results of the inventory on the department’s web site. Relates to the goals of the Bay-Delta Program.
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.

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.

Relate to felony forfeiture of public employee retirement. Requires that that a public employee who is convicted of any violent felony, serious felony, or a sex offense, for conduct arising out of, or in the performance of, official duties in pursuit of the office or appointment, or in connection with obtaining salary, disability retirement, service retirement, or other benefits, shall forfeit retirement benefits attributable to service performed on and after the earliest commission date of the felony.

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.
CA AB 1669

AUTHOR: Perea [D]
TITLE: Groundwater: Nitrate at Risk Area Fund
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/14/2012
LAST AMEND: 05/01/2012
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY:
Establishes the Nitrate at Risk Area Fund. Provides that, upon appropriation by the Legislature, moneys in the fund would be available for the purposes of developing and implementing sustainable and affordable solutions for disadvantaged communities in areas reliant on nitrate-contaminated groundwater as their source of drinking water, as determined by the department and the board, consistent with specified data.
STATUS: 05/25/2012 In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

CA AB 1750

AUTHOR: Solorio [D]
TITLE: Rainwater Capture Act of 2012
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/17/2012
LAST AMEND: 06/19/2012
DISPOSITION: Pending
LOCATION: Senate Second Reading File
SUMMARY:
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 specified purposes.
STATUS: 07/02/2012 From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass as amended. (7-0)

CA AB 1771

AUTHOR: Valadao [R]
TITLE: Renewable Energy Resources: Hydroelectric Generation
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/17/2012
LAST AMEND: 04/19/2012
DISPOSITION: Pending
LOCATION: Assembly Natural Resources Committee
SUMMARY:
Revises the definition of an eligible renewable energy resource for the purposes of the state renewables portfolio standard program to include a hydroelectric generation facility of any size.
STATUS:
04/26/2012  In ASSEMBLY Committee on NATURAL RESOURCES: Failed passage.

NOTES:
Position: Support (5-24-12)

CA AB 1783

AUTHOR: Perea [D]
TITLE: Public Contracts: Small Business Preferences
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2012
LAST AMEND: 04/10/2012
DISPOSITION: To Governor
LOCATION: To Governor

SUMMARY: Revises the small business public contracting certification procedure to provide that the Department of General Services has the sole responsibility for certifying and determining eligibility of small businesses. Provides local agencies have access to the department's list of certified small businesses. Includes a certified small business, certified at the state level, as a small business for local preference and goal purposes. Authorizes a local agency to set additional guidelines for local preferences.

STATUS:
07/02/2012 Enrolled.
07/05/2012 *****To GOVERNOR.

CA AB 1860

AUTHOR: Fletcher [I]
TITLE: Water: Regional Water Quality Control Boards
INTRODUCED: 02/22/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY

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.

STATUS:
02/22/2012 INTRODUCED.

CA AB 1871

AUTHOR: Logue [R]
TITLE: Delta Stewardship Council: Delta Plan
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2012
LAST AMEND: 04/16/2012
DISPOSITION: Pending
LOCATION: Assembly Water, Parks and Wildlife Committee

SUMMARY: Prohibits the Sacrament-San Joaquin Delta Stewardship Council from adopting a final version of the Delta Plan until the completion of a multispecies conservation plan called the Bay Delta Conservation Plan.

STATUS:
04/16/2012 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.
<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Author</th>
<th>Title</th>
<th>Fiscal Committee</th>
<th>Urgency Clause</th>
<th>Introduced</th>
<th>Last Amend</th>
<th>Disposition</th>
<th>Location</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA AB 1884</td>
<td>Buchanan [D]</td>
<td>Sacramento-San Joaquin Delta Reform Act: Covered Action</td>
<td>yes</td>
<td>no</td>
<td>02/22/2012</td>
<td>03/29/2012</td>
<td>Pending</td>
<td>Assembly Water, Parks and Wildlife Committee</td>
<td>Excludes from the definition of covered action specified plans, programs, projects, or activities within the secondary zone that have received environmental certification under the California Environmental Quality Act or otherwise have invested rights as of the effective date of the Sacramento-San Joaquin Delta plan, or both. Excludes all of the categorical act exemptions. Excludes from the definition of employee housing, low-income housing, infill residential projects, or other infill development.</td>
</tr>
<tr>
<td>CA AB 2056</td>
<td>Chesbro [D]</td>
<td>Drinking Water: Point-of-Entry, Point-of-Use treatments</td>
<td>yes</td>
<td>no</td>
<td>02/23/2012</td>
<td>04/26/2012</td>
<td>Pending</td>
<td>Senate Environmental Quality Committee</td>
<td>Requires the State Department of Public Health to allow public water systems service a specified number of residential connections to continue the use of point-of-use treatment beyond the maximum number of years. Authorizes the applicant to use available census tract data to demonstrate median household income if the department requires a demonstration of economic feasibility for those public water systems.</td>
</tr>
<tr>
<td>CA AB 2063</td>
<td>Alejo [D]</td>
<td>Ex Parte Communications</td>
<td>yes</td>
<td></td>
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</tr>
</tbody>
</table>
Prohibits a state water quality control board member, a regional water quality control board member, or any interested person, from engaging in a communication that would be considered ex parte under the Administrative Procedure Act. Provides such communication is permissible upon the full disclosure of the communication, and the communication is related to certain subjects permissible under existing law.

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.

Amends the Safe Drinking Water State Revolving Fund Law of 1997 relating to specified projects for public water systems. Requires the Department of Public Health to take specified action when considering an application for funding, including, but not limited to, reviewing and considering determinations and recommendation may by the local agency formation commission.

STATUS:
07/02/2012 From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee on APPROPRIATIONS. (7-0)
Requires the Department of Water Resources to perform an analysis of water affordability and possible mechanisms to address the lack of affordability of drinking water and wastewater services in updates of the State Water Plan.

STATUS:
05/25/2012 In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

CA AB 2398

AUTHOR: Hueso [D]
TITLE: Water Recycling
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
LAST AMEND: 05/21/2012
DISPOSITION: Pending
LOCATION: Senate Natural Resources and Water Committee
SUMMARY:
Enacts the Water Recycling Act of 2012. Establishes a statewide goal to recycle specified amounts of water by specified calendar years. Requires the adoption of a drinking water criteria for groundwater recharge project utilizing recycled water and the development and adoption of drinking water criteria for advanced treated purified water for raw water augmentation projects. Establishes a related research fund. Relates to permits and permit fees for raw water augmentation projects. Relates to inspections.

STATUS:
06/12/2012 In SENATE Committee on NATURAL RESOURCES AND WATER: Held in committee.

NOTES:
Position: Co-sponsor and Support (3-22-12)

CA AB 2421

AUTHOR: Berryhill B [R]
TITLE: Bay Delta Conservation Plan: Project: Costs and Benefit
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
LAST AMEND: 04/12/2012
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY:
Requires an independent third party to conduct an analysis of the costs and benefits for any project being submitted by the Bay Delta Conservation Plan to the Delta Plan and to submit this to the Legislature. Prohibits funding for these provisions from exceeding a specified amount.

STATUS:
05/25/2012 In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

CA AB 2446

AUTHOR: Perea [D]
| TITLE: Environmental Quality: Notices |
| FISCAL COMMITTEE: yes |
| URGENCY CLAUSE: no |
| INTRODUCED: 02/24/2012 |
| LAST AMEND: 03/29/2012 |
| DISPOSITION: Pending |
| LOCATION: Assembly Natural Resources Committee |
| SUMMARY: Amends the California Environmental Quality Act. Requires a lead agency to provide a notice of completion of an environmental impact report to every person who has filed a written request for notices. Requires the State Clearinghouse to provide a certain notice to a legislator. |
| STATUS: |
| 03/29/2012 To ASSEMBLY Committee on NATURAL RESOURCES. |
| 03/29/2012 From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments. |
| 03/29/2012 In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES. |

CA AB 2529

| AUTHOR: Wieckowski [D] |
| TITLE: Safe Drinking Water: Revolving Fund |
| FISCAL COMMITTEE: yes |
| URGENCY CLAUSE: no |
| INTRODUCED: 02/24/2012 |
| LAST AMEND: 05/01/2012 |
| DISPOSITION: Pending |
| LOCATION: Senate Second Reading File |
| 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: |
| 07/02/2012 From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass as amended to Committee on APPROPRIATIONS. (5-1) |

CA AB 2595

| AUTHOR: Hall [D] |
| TITLE: Desalination |
| FISCAL COMMITTEE: yes |
| URGENCY CLAUSE: no |
| INTRODUCED: 02/24/2012 |
| LAST AMEND: 06/14/2012 |
| DISPOSITION: Pending |
| LOCATION: Senate Second Reading File |
| SUMMARY: Requires the Ocean Protection Council to report to the Legislature on opportunities for improving the statewide permitting process for seawater desalination facilities. Requires the council to convene the Seawater Desalination Permit Improvement Task Force. Appropriates specified bond measure funds to pay the costs of convening the Task Force and preparation of |
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: 06/26/2012
DISPOSITION: Pending
LOCATION: Assembly Jobs, Economic Development, and The Economy Committee
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: 07/03/2012 In ASSEMBLY Committee on JOBS, ECONOMIC DEVELOPMENT AND THE ECONOMY: Failed passage.

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 214

AUTHOR: Wolk [D]
TITLE: Infrastructure Financing Districts: Repeal Approval
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/08/2011
LAST AMEND: 06/18/2012
DISPOSITION: Pending
LOCATION: Assembly Local Government Committee
SUMMARY:

Recasts the provisions governing infrastructure financing districts. Eliminates the requirement of voter approval for creation of the district and bond issuance. Authorizes the legislative body to create the district. Authorizes a newly created public financing authority to adopt the infrastructure financing plan and issue bonds by resolution. Prohibits certain assistance. Authorizes adoption of joint powers agreements with affected taxing entities. Relates to reporting requirements.

STATUS:
06/18/2012 In ASSEMBLY. Read third time and amended. To third reading.
06/18/2012 Re-referred to ASSEMBLY Committee on LOCAL GOVERNMENT.

CA SB 215

AUTHOR: Huff [R]
TITLE: Invasive Aquatic Species: Mussels
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/09/2011
ENACTED: 09/26/2011
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 332
SUMMARY:

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 Position: Support (5-26-11) |

CA SB 235

| AUTHOR: | Negrete McLeod [D] |
| TITLE: | Water Conservation Districts: Number of Director |
| FISCAL COMMITTEE: | no |
| URGENCY CLAUSE: | no |
| INTRODUCED: | 02/09/2011 |
| ENACTED: | 07/25/2011 |
| DISPOSITION: | Enacted |
| LOCATION: | Chaptered |
| 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 |
| LOCATION: | Assembly Water, Parks and Wildlife 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: | 06/12/2012 In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard. |
| NOTES: | Position: Support (3-22-12) |

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 |
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.
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

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 alteration 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

<table>
<thead>
<tr>
<th>AUTHOR:</th>
<th>LaMalfa [R]</th>
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<tbody>
<tr>
<td>TITLE:</td>
<td>State Water Project: County Services</td>
</tr>
<tr>
<td>FISCAL COMMITTEE:</td>
<td>yes</td>
</tr>
<tr>
<td>URGENCY CLAUSE:</td>
<td>no</td>
</tr>
<tr>
<td>INTRODUCED:</td>
<td>02/18/2011</td>
</tr>
<tr>
<td>LAST AMEND:</td>
<td>03/25/2011</td>
</tr>
<tr>
<td>DISPOSITION:</td>
<td>Failed</td>
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<td>LOCATION:</td>
<td>SENATE</td>
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<tr>
<td>SUMMARY:</td>
<td>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.</td>
</tr>
<tr>
<td>STATUS:</td>
<td>01/31/2012 In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.</td>
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CA SB 759

<table>
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<tr>
<th>AUTHOR:</th>
<th>Lieu [D]</th>
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<tbody>
<tr>
<td>TITLE:</td>
<td>Common Interest Developments: Artificial Turf</td>
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<tr>
<td>FISCAL COMMITTEE:</td>
<td>no</td>
</tr>
<tr>
<td>URGENCY CLAUSE:</td>
<td>no</td>
</tr>
<tr>
<td>INTRODUCED:</td>
<td>02/18/2011</td>
</tr>
<tr>
<td>VETOED:</td>
<td>07/13/2011</td>
</tr>
<tr>
<td>DISPOSITION:</td>
<td>Vetoed</td>
</tr>
<tr>
<td>LOCATION:</td>
<td>Vetoed</td>
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<tr>
<td>SUMMARY:</td>
<td>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.</td>
</tr>
<tr>
<td>STATUS:</td>
<td>07/13/2011 Vetoed by GOVERNOR.</td>
</tr>
<tr>
<td>NOTES:</td>
<td>Position: Sponsor (1-27-11)</td>
</tr>
</tbody>
</table>

CA SB 833

<table>
<thead>
<tr>
<th>AUTHOR:</th>
<th>Vargas [D]</th>
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<tbody>
<tr>
<td>TITLE:</td>
<td>Solid Waste: Disposal Facilities: San Diego County</td>
</tr>
<tr>
<td>FISCAL COMMITTEE:</td>
<td>no</td>
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<tr>
<td>URGENCY CLAUSE:</td>
<td>no</td>
</tr>
<tr>
<td>INTRODUCED:</td>
<td>02/18/2011</td>
</tr>
<tr>
<td>VETOED:</td>
<td>10/09/2011</td>
</tr>
<tr>
<td>DISPOSITION:</td>
<td>Vetoed</td>
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<tr>
<td>LOCATION:</td>
<td>Vetoed</td>
</tr>
<tr>
<td>SUMMARY:</td>
<td>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</td>
</tr>
</tbody>
</table>

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spiritual or cultural importance to a tribe and is listed in the State Native American Heritage Commission Sacred Lands Inventory.

| STATUS: | 10/09/2011 Vetoed by GOVERNOR. |
| 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 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
LAST AMEND: 06/25/2012
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee

SUMMARY:
Limits regulations under the Safe Drinking Water Act to specified public water
systems. Relates to the expiration requirements for related emergency regulations. Prohibits the Department of Public Health from issuing a point-of-entry treatment permit to a public water system unless specified determinations are made. Requires the water system to submit a plan for construction of centralized treatment prior to approval. Requires charging a fee to the system that is seeking a permit or to amend a permit.

**STATUS:**
06/25/2012 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

**CA SB 964**

**AUTHOR:** Wright [D]
**TITLE:** State Water Resources Control Board
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** no
**INTRODUCED:** 01/11/2012
**LAST AMEND:** 04/09/2012
**DISPOSITION:** Pending
**LOCATION:** Senate Environmental Quality Committee

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 general permits or waivers issued under state law or the federal National Pollutant Discharge Elimination System, 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:**
04/23/2012 In SENATE Committee on ENVIRONMENTAL QUALITY: Failed passage.
04/23/2012 In SENATE Committee on ENVIRONMENTAL QUALITY: Reconsideration granted.

**CA SB 965**

**AUTHOR:** Wright [D]
**TITLE:** Water Resources Control Boards: Ex Parte Communications
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** no
**INTRODUCED:** 01/11/2012
**LAST AMEND:** 06/21/2012
**DISPOSITION:** Pending
**LOCATION:** Assembly Appropriations Committee

Provides that ex parte communications provisions of the Administrative Procedure Act do not apply to specified proceedings of the State Water Resources Control Board or a regional board. Defines ex parte communications. Specifies instances when such communications are permitted. Provides conditions for oral and written communications. Requires an individual meeting for all parties under specified circumstances. Relates to prohibiting such communications. Relates to remedies for failure to comply.

**STATUS:**
06/28/2012 From ASSEMBLY Committee on GOVERNMENTAL ORGANIZATION: Do pass to Committee on APPROPRIATIONS. (15-0)
CA SB 972

AUTHOR: Simitian [D]
TITLE: Environmental Quality Act: Scoping Meeting: Notice
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/18/2012
LAST AMEND: 04/09/2012
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY: 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 a public agency that has filed a written request for the notice. Requires a notice of completion of an environmental impact report (EIR) to be mailed upon request. Relates to notification to provide a notice that an EIR is required.
STATUS: 06/18/2012 From ASSEMBLY Committee on NATURAL RESOURCES:  Do pass to Committee on APPROPRIATIONS. (9-0)

CA SB 973

AUTHOR: Vargas [D]
TITLE: Environmental Quality Act: Exemption: Limited Duration
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/19/2012
LAST AMEND: 05/02/2012
DISPOSITION: Pending
LOCATION: Assembly Natural Resources Committee
SUMMARY: Relates to the California Environmental Quality Act regarding categorical exemptions from the requirements. Authorizes a lead agency to grant, on an annual basis, one categorical exemption per specified site for a fireworks display held annually on a public site or large venue. Authorizes the Office of Planning and Research to identify potential environmental issues related to fireworks displays and to develop guidelines to assist local agencies regarding fireworks displays.
STATUS: 07/02/2012 In ASSEMBLY Committee on NATURAL RESOURCES:  Failed passage.
07/02/2012 In ASSEMBLY Committee on NATURAL RESOURCES: Reconsideration granted.

CA SB 984

AUTHOR: Simitian [D]
TITLE: Environmental Quality Act: Proceedings Record
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 01/30/2012
LAST AMEND: 04/09/2012
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY: 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 of negative declarations, mitigated negative declarations, EIR's or other environmental documents for specified projects.

STATUS:
06/18/2012 From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on APPROPRIATIONS. (8-0)

CA SB 1003

AUTHOR: Yee [D]
TITLE: Open Meetings; Cease and Desist Letters
FISCAL COMMITTEE: no
URGENCY CLAUSE: 02/06/2012
INTRODUCED: 06/18/2012
LAST AMEND: 06/19/2012
DISPOSITION: Pending
LOCATION: Assembly Third Reading File

SUMMARY:
Amends the Ralph M. Brown Act regarding open meetings. Prohibits a district attorney or an interested person from filing an action for an alleged violation of the act for past actions of a legislative body, unless certain conditions are met, including the submission of a cease and desist letter to the accused body, and the body has refused to issue an unconditional commitment to cease and desist after receiving the letter. Requires the cease and desist commitment to meet certain requirements.

STATUS:
06/28/2012 In ASSEMBLY. Read second time. To third reading. Position: Support (5-24-12)

NOTES:
Position: Support (5-24-12)

CA SB 1169

AUTHOR: Kehoe [D]
TITLE: Natural Community Conservation Planning
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2012
LAST AMEND: 03/29/2012
DISPOSITION: Pending
LOCATION: Assembly Third Reading File

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:
06/28/2012 In ASSEMBLY. Read second time. To Consent Calendar. Position: Support (3-22-12)

06/28/2012 In ASSEMBLY. From Consent Calendar. To third reading. Position: Support (3-22-12)

NOTES:
Position: Support (3-22-12)

CA SB 1251

AUTHOR: Evans [D]
TITLE: Ocean Protection Council: Aquatic Invasive Species
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/23/2012
LAST AMEND: 05/01/2012
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY:
Requires the Ocean Protection Council and the Wildlife Conservation Board to establish an Aquatic Invasive Species Working Group for the development and implementation of an aquatic species control program within different regions of the state. Relates to the council membership.

STATUS:
05/24/2012 In SENATE Committee on APPROPRIATIONS: Held in committee.

CA SB 1535
AUTHOR: Padilla [D]
TITLE: Global Warming Solution Act: Water Industry Study
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 02/24/2012
LAST AMEND: 04/25/2012
DISPOSITION: Pending
LOCATION: Senate Environmental Quality Committee
SUMMARY:
Amends the State Global Warming Solutions Act of 2006 that requires the State Air Resources Board to adopt rules and regulations to achieve the maximum, technologically feasible, and cost-effective greenhouse gas emission reductions. Prohibits any authority being conferred on the board to impose any regulatory obligation of publicly owned water utilities for purpose of greenhouse gas emissions related to electricity imported for the utility to provide water to its service area unless given price mitigation.

STATUS:
05/14/2012 In SENATE Committee on ENVIRONMENTAL QUALITY: Heard, remains in Committee.
NOTES:
Position: Support and Co-sponsor (5-24-12)

CA SCA 7
AUTHOR: Yee [D]
TITLE: Public Bodies: Meetings
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
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.

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

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

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

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:
04/17/2012 Subcommittee on WATER AND POWER hearings held.
NOTES:
Position: Support (8-25-11)

US S 519
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)
4677 Overland Avenue  
San Diego, California  92123

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.

July 26, 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 Board of Directors’ meeting of June 14, 2012 and the Formal Board of Directors’ meeting of June 28, 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 Jeremy Jungreis upon his retirement from the Board of Directors.

8. REPORTS BY CHAIRS
   8-A Chairs report: Chair Hogan.

   8-B Report by Committee Chairs
   Administrative and Finance Committee  Director Wight
   Imported Water Committee  Director Watton
   Water Planning Committee  Director Dion
   Engineering and Operations Committee  Director Knutson
   Legislation, Conservation and Outreach Committee  Director Saxod
9. CONSENT CALENDAR

9- 1. Treasurer’s report.
   Note and file the monthly Treasurer’s report.

9- 2. Adopt Resolution setting the time and date for a Public Hearing to consider amendments to the San Diego County Water Authority Local Conflict of Interest Code.
   Adopt Resolution No. 2012-___ setting the August regular meeting of the Administrative and Finance Committee as the time and date of a Public Hearing to consider amendments to the San Diego County Water Authority Local Conflict of Interest Code.

   Adopt Resolution No. 2012-____ ratifying and approving amendments to and extension of the Memoranda of Understanding with the Teamsters Local 911 Union representing the Technical/Support, Professional/Administrative, and Managerial/Supervisory Bargaining Units. Approving Compensation Plan adjustments for Executive, Senior Management, and Confidential Employees; and Approving Classification and Salary Schedules for the period July 1, 2012 through June 30, 2015. Adopt Resolution No. 2012-__ as required by CalPERS for paying and reporting the value of Employer Paid Member Contribution. Adopt Resolution No. 2012-__ as required by Internal Revenue Service confirming the tax treatment of payments for employee’s mandatory cost share of employer contributions to CalPERS.

   Authorize the General Manager to award a construction contract to L.H. Woods & Sons, Inc. in the amount of $842,222 for the Miramar Pump Station Meter Vault project.

9- 5. Professional services contract for design of the Nob Hill Improvements project.
   Authorize the General Manager to award a professional services contract for $988,000 to Hatch Mott MacDonald for design of the Nob Hill Improvements project.

9- 6. Change Orders to Shimmick/Obayashi Joint Venture for the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities project.
   Accept Shimmick/Obayashi Joint Venture Change Orders 19 through 22, 24 and 25 for a credit of $156,139; and authorize the General Manager to reduce the contract value by $2,946,000 for roller compacted concrete and marina quarry unit price items, decreasing the authorized contract amount from $143,783,933.70 to $140,681,794.70.
9-  7. Professional services contract with Parsons/Black and Veatch Joint Venture for the ESP - San Vicente Dam Raise and Carryover Storage project. Accept no-cost Amendments 1 and 2, and approve Amendment 3 in the amount of $3,194,843 to provide additional construction management, inspection, and materials testing services for the ESP – San Vicente Dam Raise and Carryover Storage project due to work activity extensions, increasing the contract amount from $28,561,000 to $31,755,843.

10. ACTION / DISCUSSION

11. CLOSED SESSION(S)

11-A CLOSED SESSION: Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(a) – SDCWA v Metropolitan Water District of Southern California; Case Nos. CPF-10-510830 and BS137830

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

Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(a)
Name of Case: State Water Resources Control Board (SWRCB) Imperial Irrigation District and San Diego County Water Authority Joint Petition for Modification of Revised Order WRO 2002-0013 (Permit 7643, Application 7482)

11-C CLOSED SESSION:
Conference with Legal Counsel – Initiation of Litigation
Government Code §54956.9(c) – One Case

11-D CLOSED SESSION:
Conference with Labor Negotiators, Government Code §54957.6
Designated Board Representatives: Chair, Vice-Chair, Secretary
Unrepresented Employee: General Counsel

11-E CLOSED SESSION:
Conference with Labor Negotiators, Government Code §54957.6
Designated Board Representatives: Chair, Vice-Chair, Secretary
Unrepresented Employee: General Manager
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.
1. **Call to order.**
   Chair Hogan called the meeting to order at 1:30 p.m.

2. **Roll call.**
   Directors present were Arant, Barnum, Brady, Dailey, Dion, Douglas, Heidel, Hilliker, Hogan, Jungreis, Knutson, Lewinger, Lamb, Linden, Pocklington, Price, Sanford, Saunders, Saxod, Smith, Steiner, Topolovac, Tu, Watton, Weston, Williams, and Wornham. Directors absent were Bailey, Bond, Boyle, Croucher, Miller, Morrison, Mudd, Wight, Wilson and Representative Slater-Price.

   Staff present included General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Water Resources Weinberg, Principal Engineer Chamberlain, and David Moore, Managing Director of Clean Energy Capital.

3. **Public Comment.**
   There were six public speakers who spoke:

   1. Matt Yunker from the Downtown San Diego Partnership spoke in favor of the Carlsbad Desalination Project.
   2. Nate Cooper from the Surfrider Foundation requested continued public comment before the draft purchase agreement was signed.
   4. Conner Everts from the Desalination Response Group spoke in opposition of the Carlsbad Desalination Project.
   5. Mike Nagy from the San Diego Regional Chamber of Commerce spoke in favor of the Carlsbad Desalination Project.
   6. Suzanne Thiel a resident of the East County area spoke in favor of conservation as the cheapest source of water and in opposition of the Carlsbad Desalination Project.

4. **Workshop on issues related to the Carlsbad Desalination Project.**
   4-A Integration of the Carlsbad Desalination Project.
      i. Balancing treated water demand and proposed annual contractual commitment.
      ii. Optimizing regional treated water facilities.
Mr. Chamberlain began the presentation covering the overview of treated and untreated aqueduct systems, setting the contractual commitment for water purchases, treated water system planning, treated water aqueduct delivery system, seasonal demand pattern for monthly treated water deliveries, results from demand analysis, options to align Water Authority commitment with treated demands, revising the annual contractual commitment and the staff proposed annual contractual commitment.

Director Lewinger requested an analysis of how the project would be impacted in the future if indirect potable reuse were included in the analysis as shown on slide 13 of the presentation.

4-B Range of costs and comparison with unit cost of alternative local supplies.

Mr. Weinberg presented on what makes up the cost of desalination, summary of the range of costs and history of estimated unit price from Poseidon. He then presented on the comparison with alternative with local supplies. This included deciding to develop a local supply, explanation of unit cost, financial assumptions, typical local supply cost components, and the role of local supplies.

Director Lewinger asked if the figures in slide 17 were in 2012 dollars. Mr. Weinberg stated that was correct. Director Lewinger asked if the costs would escalate over time. Mr. Weinberg stated the debt service and the equity charge would escalate 2.5% annually. Director Lewinger requested a graphic at the next workshop that would show time vs. dollar per acre foot high and low costs.

Director Price requested an analysis comparing the price of water from Metropolitan Water District vs. the price of desalinated water projecting into the future.

4-C Incorporation of costs related to Carlsbad Desalinated Water into the Water Authority’s rates and charges.

Chair Hogan announced this item would be continued to the June 28, 2012 Board meeting.

5. Adjournment.
   There being no further business to come before the Board Chair Hogan adjourned the meeting at 3:50 p.m.
ADMINISTRATIVE AND FINANCE COMMITTEE CALL TO ORDER / ROLL CALL

Director Wight called the Administrative and Finance Committee meeting to order at 9:00 a.m. Committee members present were Chair Wight, Vice Chair Bond, Directors Arant, Bailey, Brady, Dion, Douglas, Price, Saunders, Smith, Topolovac and Wornham. Committee members absent were Vice Chair Croucher and Director Hilliker. 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 Barnum, Boyle, Dailey, Hogan, Heidel, Jungreis, Lamb, Lewinger, Linden, Miller, Sanford, Saxod, Steiner, Watton, Weston, Williams, and Wilson. Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Interim Director of Finance Statler, Controller Greek, Director of Human Resources Leone, Director of Administrative Services Young, Financial Planning Manager Shank, Budget and Analysis Manager Celaya and Risk Manager Homer.

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 Directors’ comments.

I. CONSENT CALENDAR

1. Treasurer’s Report.
   Staff recommendation: Note and file the monthly Treasurer’s report.

   Director Wornham moved, Director Smith seconded, and the motion passed unanimously to approve the Treasurer’s report.

2. Purchase Water Authority Business Insurance – Property and Liability.
   Staff recommendation: Authorize the General Manager to purchase property and liability insurance from the Special District Risk Management Authority in the amount of $653,000 for coverage for the period of July 1, 2012 through June 30, 2013.
Director Brady moved, Director Price seconded, and the motion passed unanimously to approve the staff recommendation.

I. ACTION/DISCUSSION

1. Discussion and Consideration of the Fiscal Years 2012 and 2013 Mid-Term Budget update.
   
   Staff recommendation: Approve the recommended mid-term budget adjustments.

   Ms. Celaya presented an update on the Fiscal Years 2012 and 2013 Budget, including a discussion on sources and uses of funds. Ms. Celaya reviewed three recommendations that reallocated existing resources within the Capital Improvement Program and Operating Departments budget.

   After a brief discussion and questions from Board members, Director Saunders moved, Director Arant seconded, and the motion passed unanimously to approve the staff recommendation.

2. PUBLIC HEARING: Adopt the Water Authority’s rates and charges for calendar year 2013 and continue the annual Standby Availability Charge for fiscal year 2012-2013 as currently imposed.
   
   Staff recommendations:
   a. Adopt Ordinance No. 2012-___ an ordinance of the Board of Directors of the San Diego County Water Authority setting rates and charges for delivery and supply of water, use of facilities and provisions of services.
   b. Adopt Resolution 2012-___ a resolution of the Board of Directors of the San Diego County Water Authority continuing the Standby Availability Charge.

   Chair Wight opened the Public Hearing and there were no members of the public that wished to speak.

   Mr. Shank and Ms. Stapleton provided a presentation on the Water Authority’s rates and charges. Mr. Shank began with an overview of the information presented at the May Board meeting. Ms. Stapleton continued with the diversification of water supplies and enhanced supply reliability describing in detail the history of the Water Authority’s supply portfolio. She also covered the Water Authority’s recent efforts to mitigate the rate and charge increases.

   Mr. Shank explained the rate and charge increase key drivers, which were water sales volumes, increased cost of water from suppliers, and planned debt service payment increases and related coverage requirements. He mentioned that water purchases and transportation services from the Metropolitan Water District (MWD) represent the largest share of the Water Authority’s cost of water. Ms. Stapleton explained increases associated with the Quantification Settlement Agreement (QSA), the QSA transfer schedule and provided a cost comparison of QSA supplies with MWD supplies. Mr. Shank provided a rate breakdown of the proposed rates and charges increases, debt service schedule and coverage ratio as well as financial performance metrics. Lastly, he explained the impact of rate increases to households and provided a summary
of the presentation. Chair Wight addressed a letter that was sent to the Board of Directors from Olivenhain Municipal Water District regarding financial sustainability of the Water Authority. Director Hogan mentioned that the issues presented in the letter would be discussed in the Fiscal Sustainability Workgroup, which would start up when the newly hired Director of Finance began at the Water Authority. After a brief discussion and questions from Board members, Chair Wight asked again if there were any public speakers who wished to speak for the Public Hearing. There were no members of the public that wished to address the Board.

   Director Wornham moved, Director Dion seconded, and the motion passed unanimously to approve the staff recommendation.

III. INFORMATION
1. Controller’s report on monthly financial statements.

2. Board calendar.

Ms. Stapleton requested Board members hold the second Thursday of the month on their calendars for Special Board Meetings through October 2012.

Chair Wight thanked Mr. Statler for serving as the Interim Director of Finance, and advised the Board that the new Director would begin on August 6, 2012.

IV. 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

Chair Wight requested Mr. Hentschke take the committee into Closed Session at 10:10 a.m.

Mr. Hentschke brought the Committee out of Closed Session at 11:10 a.m., and announced there was no reportable action.

V. ADJOURNMENT
There being no further business to come before the Administrative and Finance Committee, Chair Wight adjourned the meeting at 11:10 a.m.
LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE
CALL TO ORDER/ROLL CALL

Chair Saxod called the Legislation, Conservation and Outreach Committee to order at 11:17 a.m. Committee members present were Chair Saxod, Vice Chairs Hilliker and Jungreis, Directors Boyle, Dailey, Douglas, Miller, Mudd, Sanford, Topolovac, Tu, Weston and Wornham. Committee member absent was Director Croucher. Other Board members present were Directors Arant, Barnum, Bond, Brady, Dion, Heidel, Hogan, Knutson, Lamb, Lewinger, Linden, Pocklington, Saunders, Smith, Steiner, Watton, Williams 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 were 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 Supervisor Nenow, Government Relations Manager Volberg and Water Resources Specialist Shumate.

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 there were a series of co-hosted tours and briefings on climate adaptation for regional business and civic leaders last month at the San Vicente Dam Raise site. These events were conducted in partnership with the San Diego Foundation and the Scripps Institution of Oceanography and were very well attended. In addition, she announced that it was the last Board meeting for Vice Chair Jungreis and thanked him for his service to the Committee.

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. Carpi reported on actions taken by the House and Senate. Mr. Clay reported on the state budget, regional water boards and water bond.

   1-B Adopt positions on AB 1095, Delta Reform Act of 2009.

   Staff recommendation: Adopt a position of Oppose on AB 1095 (B. Berryhill).
Mr. Volberg reported on the bill. Director Mudd moved, Director Tu seconded, to adopt staff recommendation and the motion passed unanimously to adopt a position of Oppose on AB 1095.

2. Professional services contract with WaterWise Consulting, Inc. for the administration of the Water Authority’s Turf Replacement Rebate Program. 

Staff recommendation: Authorize the General Manager to execute a two-year professional services contract with WaterWise Consulting, Inc. to administer the Water Authority’s regional Turf Replacement Rebate Program, in an amount not-to-exceed $1,152,633.

Water Resources Specialist Shumate presented a summary of the program. Director Tu moved, Director Hilliker seconded, to adopt staff recommendation and the motion passed unanimously.

III. INFORMATION

The committee received and filed the following items:
1. Quarterly Water Conservation Garden report.
2. Small Contractor Outreach and Opportunities Program Quarterly report.
3. Quarterly report on Public Outreach and Conservation activities.
5. Status report on legislation and legislative positions.

IV. ADJOURNMENT

There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Saxod adjourned the meeting at 12:03 p.m.

IMPORTED WATER COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Watton called the Imported Water Committee meeting to order at 12:04 p.m. Committee members present were Vice Chair Arant and Tu, Directors Barnum, Bond, Brady, Heidel, Knutson, Lewinger, Linden, Steiner, Weston, Wight, and Wilson. Director Morrison was absent. Also present were Directors Boyle, Dailey, Dion, Douglas, Hilliker, Hogan, Jungreis, Lamb, Miller, Mudd, Pocklington, Sanford, Saunders, Saxod, Smith, Topolovac, Williams, 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, MWD Program Chief Chen, and others.

ADDITIONS TO AGENDA

There were no additions to the agenda.
PUBLIC COMMENT
There were no public comments.

DIRECTORS’ COMMENTS
There were no comments by Directors.

Chair Watton asked General Counsel Hentschke to take the Committee into closed session. Mr. Hentschke took the Committee into closed session at 12:06 p.m.

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 Nos. CPF-10-510830 and BS137830

2. CLOSED SESSION:
   Conference with Legal Counsel – Existing Litigation
   Government Code §54956.9(a)
   Name of Case:  QSA Judicial Council Coordination Proceeding No. 4353
   Conference with Legal Counsel – Existing Litigation
   Government Code §54956.9(a)
   Name of Case: State Water Resources Control Board (SWRCB) Imperial Irrigation District and San Diego County Water Authority Joint Petition for Modification of Revised Order WRO 2002-0013 (Permit 7643, Application 7482)

Mr. Hentschke brought the Committee out of Closed Session at 12:34 p.m. and stated that there was no reportable action.

CHAIR’S REPORT
Chair Watton announced to reference the Chair’s written report for an update on Bay-Delta Economists reports and California Urban Water Agencies’ Water Supply Reliability report.

I. CONSENT CALENDAR
There were no items on the consent calendar.

II. ACTION/DISCUSSION
1. Metropolitan Water District Issues and Activities update.
   1-A Metropolitan Water District Delegates report.

Chair Watton announced the full report was available in the Board Supplemental Materials packet.
2. **Colorado River Programs.**
   
   2-A Colorado River Board representative’s report.

   Director Knutson announced that the report was available in the Board Supplemental Materials packet.

### III. INFORMATION

The following information items were noted and filed:

1. Bay-Delta update.
2. Metropolitan Water District Program report.

### V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair Watton adjourned the meeting at 12:34 p.m.

### ENGINEERING AND OPERATIONS

**CALL TO ORDER/ROLL CALL**

Chair Knutson called the Engineering and Operations Committee meeting to order at 1:15 p.m. Committee members present were Chair Knutson, Vice Chairs Dailey and Pocklington, Directors Bailey, Barnum, Hogan, Lamb, Lewinger, Miller, Mudd, Saxod, Smith, Williams, and Wilson. The only Committee member absent was Director Morrison. Also present were Directors Bond, Brady, Dion, Douglas, Heidel, Jungreis, Linden, Price, Sanford, Saunders, Topolovac, Watton, Weston, Wight, 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 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, Director of Water Resources Weinberg, Engineering Manager Bianes, Senior Engineer Conner, and Financial Planning Manager Shank.

### ADDITIONS TO AGENDA

There were no additions to the agenda.

### PUBLIC COMMENT

Julia Chunn-Heer, Campaign Coordinator for the San Diego Chapter of the Surfrider Foundation spoke on item 1-A on the Water Planning Agenda: Carlsbad Desalination Project. She spoke in opposition of the project. She asked to speak during the Engineering and Operations Committee due to personal time constraints. She submitted a letter from the Surfrider Foundation, San Diego Chapter which was entered into the record.
Livia Borak, of the Coast Law Group requested to speak after staff’s presentation of item II-A: Project financing and delivery method for Pipeline 3 Relining for the Carlsbad Desalination project.

CHAIR’S REPORT
Chair Knutson announced that the Water Authority received two more awards. The Construction Management Association of America awarded the Mission Trails Pipeline Tunnel project the Project Achievement Award. The Center for Digital Government awarded the Water Authority the 2012 Best In-House Developed Application for the online water ordering system, developed by the Operations and Maintenance and Administrative Services departments.

DIRECTORS’ COMMENTS
There were no Director’s comments.

II. CONSENT CALENDAR
1. Construction contract for Pipeline 4 Relining – SR 52 to Lake Murray, with L.H. Woods & Sons, Inc.
   Staff recommendation: Authorize the General Manager to award a construction contract to L.H. Woods & Sons, Inc. in the amount of $21,190,000 for the Pipeline 4 Relining – SR 52 to Lake Murray.

   Director Hogan moved, and Director Dailey seconded, and the motion to approve the staff recommendation passed unanimously.

III. ACTION/DISCUSSION
1. Project financing and delivery method for Pipeline 3 Relining for the Carlsbad Desalination project.
   Staff recommendation:
   1. Direct staff to include the Pipeline 3 relining costs in the overall cost to the Carlsbad desalination project that will be financed as part of the Water Authority’s Capital Improvements Program versus funding the project through Poseidon.
   2. Direct staff to use the project delivery method of Design-Bid-Build for the relining of Pipeline 3 from Vallecitos 9 Flow Control Facility to the Twin Oaks Valley Water Treatment Plant.

   Mr. Bianes and Mr. Shank provided a presentation including project overview, financing options, project delivery method options, advantages and disadvantages of each option, next steps, and desalination improvements at Twin Oaks Valley Water Treatment Plant.

   Livia Borak of Coast Law Group, representing Coastal Environmental Rights Foundation, spoke in opposition of the Carlsbad Desalination project, including the Pipeline 3 Relining.
After the presentation and public speaker, staff responded to questions and comments from the Committee and Board.

Director Pocklington moved, Director Wilson seconded, and the motion to approve the staff recommendation passed unanimously.

III. INFORMATION


Mr. Eaton gave a brief presentation including infrastructure challenge; assessment, monitoring and repair, asset classification; condition matrix; probability of failure; consequence of failure; assessment status; scope of problem; fleet equipment class; and asset management future. After the presentation staff responded to a question from the Committee.

2. Presentation – Update on San Vicente Dam Raise.

Mr. Rose gave a brief presentation on construction progress at the San Vicente Dam Raise project, including contractor’s recovery plan, RCC placement, outlet tower, and contractor claims status. After the presentation staff responded to a question from the Board.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Chair Knutson adjourned the meeting at 2:04 p.m.

WATER PLANNING COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Dion called the Water Planning Committee Meeting to order at 2:12 p.m. Committee members present were Chair Dion, Vice Chairs Price and Saunders, Directors, Heidel*, Hogan, Jungreis, Lamb, Linden, Pocklington, Sanford, Steiner, Watton and Williams. Director Boyle was absent. Also present were Directors Bailey, Barnum, Bond, Brady, Dailey, Douglas, Knutson, Lewinger, Miller, Morrison, Saxod, Smith, Topolovac, Weston, Wight, Wilson 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.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Water Resources Weinberg and Water Resources Managers Purcell and Yamada.

PUBLIC COMMENT

Chair Dion advised there would be public comment for Agenda Item II. 1.
DIRECTORS’ COMMENTS
There were no Directors’ comments.

CHAIR’S REPORT
Chair Dion reported the state had announced there would be a second round of Proposition 84 Implementation Grants for 2013, of which the San Diego region would be eligible for approximately $10 million for water supply, water quality and habitat protection, and that the Integrated Regional Water Management Group would be working over the next several months to prepare for that round of funding. He advised any Board members with questions contact Ken Weinberg or Toby Roy. Chair Dion stressed the Carlsbad Desalination Project Water Purchase Agreement with Poseidon would be viewed strictly as a potential agreement, adding that several meetings would be scheduled throughout the summer for continued discussion and review.

*Director Heidel arrived at 2:15 p.m.

I. CONSENT CALENDAR
1. Agreement for the sale and delivery of water to the United States Forest Service for the San Diego River Gorge Trailhead Improvement Project.
   Staff recommendation: Authorize the General Manager to execute the agreement for the sale and delivery of water to the United States Forest Service for the San Diego River Gorge Trailhead Improvement Project.

2. Amend the Professional Services Agreement with Clean Energy Capital for financial advisory services related to the preparation and negotiation of a potential Water Purchase Agreement with Poseidon Resources for desalinated seawater from the Carlsbad Desalination Project.
   Staff recommendation: Approve the seventh amendment to the Professional Services Agreement with Clean Energy Capital and increase the not-to-exceed amount from $1,402,000 to $1,822,000 for financial advisory and due diligence services related to the preparation and negotiations of a Water Purchase Agreement with Poseidon Resources. Approve a transfer of $420,000 from savings in the Colorado River Canal Linings Capital Project to the Carlsbad Desalination Project.

   Director Saunders moved, Director Steiner seconded, and the motion passed unanimously to approve the staff recommendations of the Consent Calendar.

II. ACTION/DISCUSSION
1. Carlsbad Desalination Project.
   1-A Incorporation of costs related to Carlsbad Desalinated Water into the Water Authority’s rates and charges (Presentation continued from the June 14, 2012 Special Board meeting).

   Mr. Weinberg provided a comprehensive report on incorporating the Carlsbad Desalination Project costs into the Water Authority’s rates and charges.
Chair Dion called for public comment. Ted Owen, President and CEO of the Carlsbad Chamber of Commerce, spoke in support of the Carlsbad Desalination Project, thanking the Board and Water Authority staff for continued work and thorough due diligence towards diversifying the region’s water supply. Julian Medina, Industrial Environmental Association (IEA), provided background information on IEA and encouraged the Board to move forward with the Carlsbad Desalination Project. Livia Borak, Coast Law Group/Coastal Environmental Rights Foundation, raised her concern that the project would become a publicly subsidized project that would profit a private company, and encouraged the Board to assist with public projects such as San Diego’s Indirect Potable Reuse (IPR).

Staff responded to comments, questions, suggestions and requests posed by Directors Jungreis, Lewinger, Hogan, Watton, Heidel, Weston, and Saunders following the information presented by Mr. Weinberg. Ms. Stapleton advised that, in order to fully utilize the benefits of the proposed project, each member agency would be asked to consider their reliability and how this project would provide value to their own agency’s water supply portfolio.

Mr. Weinberg presented information on a proposed meeting-intensive Board Review Process, which would include Special Board meetings over the next several months, releasing draft contract terms to member agencies for review and input, presenting information to member agency Board meetings, holding community workshops and conducting an evening meeting in North County. Chair Dion thanked staff for all the work being done, and advised the in-depth process would be necessary before any decision was made on the proposed Water Purchase Agreement.

III. INFORMATION
The following item was received and filed:

1. Water Resources Report

V. ADJOURNMENT
Chair Dion adjourned the meeting at 3:16 p.m.

FORMAL BOARD OF DIRECTORS’ MEETING OF JUNE 28, 2012

1. CALL TO ORDER Chair Hogan called the Formal Board of Directors’ meeting to order at 3:25 p.m.

2. SALUTE TO THE FLAG Director Weston led the salute to the flag.
3. **ROLL CALL, DETERMINATION OF QUORUM**
   Secretary Smith called the roll. Directors present were Bailey, Barnum, Bond, Brady, Dailey, Dion, Douglas, Heidel, Hogan, Jungreis, Knutson, Lewinger, Lamb, Linden, Miller, Morrison, Mudd, Pocklington, Price, Sanford, Saunders, Saxod, Smith, Steiner, Topolovac, Watton, Weston, Williams, Wilson, and Wornham. Directors absent were Arant, Boyle, Croucher, Hilliker, Tu, Wight, and Representative Slater-Price.

   3-A **Report on proxies received.** Director Knutson was the proxy for Director Arant and Director Smith was the proxy for Director Hilliker.

4. **ADDITIONS TO AGENDA**
   There were no additions to the agenda.

5. **APPROVAL OF MINUTES**
   Director Saxod moved, Director Price seconded, and the motion carried at 90.62 % of the vote to approve the minutes of the Formal Board of Directors’ meeting of May 24, 2012. Director Douglas abstained.

6. **OPPORTUNITY FOR MEMBERS OF THE PUBLIC WHO WISH TO ADDRESS THE BOARD ON MATTERS WITHIN THE BOARD’S JURISDICTION**
   There were no members of the public that wished to speak.

7. **PRESENTATIONS AND PUBLIC HEARINGS**
   7-A There were no items under this category.

8. **REPORTS BY CHAIRS**
   8-A Chair Hogan announced in mid-July the Board Officer nomination form would be sent to the Board members, at the August Board meeting the nominations would be received and the nomination process closed, and at the September meeting the election of the incoming Officers would be conducted.

   8-B **Report by Committee Chairs.**
   Administrative and Finance Committee. Director Bond reviewed the meeting and the actions taken.
   Legislation, Conservation and Outreach Committee. Director Saxod reviewed the meeting and the actions taken.
   Imported Water Committee. Director Watton reviewed the meeting and stated no action was taken.
   Engineering and Operations Committee. Director Knutson reviewed the meeting and the actions taken.
   Water Planning Committee. Director Dion reviewed the meeting and the actions taken.
9. **CONSENT CALENDAR**
   Director Bond moved, Director Miller seconded, and the motion carried at 92.37% of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.

9- 1. **Treasurer’s report.**
   The Board noted and filed the monthly Treasurer’s report.

9- 2. **Purchase Water Authority Business Insurance – Property and Liability Insurance.**
   The Board authorized the General Manager to purchase property and liability insurance from the Special District Risk Management Authority in the amount of $653,000 for coverage of the period from July 1, 2012 through June 30, 2013.

9- 3. **Discussion and Consideration of the Fiscal Years 2012 and 2013 Mid-Term Budget update.**
   The Board approved the recommended mid-term budget adjustments.

9- 4. **PUBLIC HEARING: Adopt the Water Authority’s rates and charges for calendar year 2013 and continue the annual Standby Availability Charge for fiscal year 2012-2013 as currently imposed.**
   The Board adopted **Ordinance No. 2012-02** an ordinance of the Board of Directors of the San Diego County Water Authority setting rates and charges for the delivery and supply of water, use of facilities and provision of services. The Board adopted **Resolution 2012-06** a resolution of the Board of Directors of the San Diego County Water Authority continuing the Standby Availability Charge.

9- 5. **Adopt position on AB 1095, Delta Reform Act of 2009.**
   The Board adopted a position of Oppose on AB 1095 (B. Berryhill).

9- 6. **Professional services contract with WaterWise Consulting, Inc. for the administration of the Water Authority’s Turf Replacement Rebate Program.**
   The Board authorized the General Manager to execute a two-year professional services contract with WaterWise Consulting, Inc. to administer the Water Authority’s regional Turf Replacement Rebate Program, in an amount not-to-exceed $1,152,633.

9- 7. **Construction contract for Pipeline 4 Relining – SR52 to Lake Murray, with L.H. Woods & Sons, Inc.**
   The Board authorized the General Manager to award a construction contract to L.H. Wood & Sons Inc. in the amount of $21,190,000 for the Pipeline 4 Relining – SR 52 to Lake Murray.
9- 8. **Project financing and delivery method for Pipeline 3 Relining for the Carlsbad Desalination project.**

The Board directed staff to include the Pipeline 3 relining costs in the overall cost to the Carlsbad Desalination project that will be financed as part of the Water Authority’s Capital Improvements Program versus funding the project through Poseidon. The Board directed staff to use the project delivery method of Design-Bid-Build for the relining of Pipeline 3 from Vallecitos 9 Flow Control Facility to the Twin Oaks Valley Water Treatment Plant.

9- 9. **Agreement for the sale and delivery of water to the United States Forest Service for the San Diego River Gorge Trailhead Improvement Project.**

The Board authorized the General Manager to execute the agreement for the sale and delivery of water to the United States Forest Service for the San Diego River Gorge Trailhead Improvement Project.

9- 10. **Amend the professional services agreement with Clean Energy Capital for financial advisory services related to the preparation and negotiation of a potential Water Purchase Agreement with Poseidon Resources for desalinated seawater from the Carlsbad Desalination Project.**

The Board approved the seventh amendment to the professional services agreement with Clean Energy Capital and increased the not-to-exceed amount from $1,402,000 to $1,822,000 for financial advisory and due diligence services related to the preparation and negotiation of a Water Purchase Agreement with Poseidon Resources. The Board approved a transfer of $420,000 from savings in the Colorado River Canal Linings Capital Project to the Carlsbad Desalination Project.

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

Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(a)
Name of Case: State Water Resources Control Board (SWRCB)Imperial Irrigation District and
San Diego County Water Authority
Joint Petition for Modification of Revised Order WRO 2002-0013
(Permit 7643, Application 7482)

11-D  CLOSED SESSION:
Public Employee Performance Evaluation
Government Code §54957 - Title: General Counsel

11-E  CLOSED SESSION:
Public Employee Performance Evaluation
Government Code §54957 - Title: General Manager

Mr. Hentschke took the Board into Closed Session at 3:35 p.m. Mr. Hentschke brought the Board out of Closed Session at 3:55 p.m. and announced there was no reportable action.

12.  ACTION FOLLOWING CLOSED SESSION

13.  SPECIAL REPORTS
13-A  GENERAL MANAGER’S REPORT – No report was given.
13-B  GENERAL COUNSEL’S REPORT – No report was given.
13-C  SANDAG REPORT – Director Saunders – No report was given.
     SANDAG BORDERS/REGIONAL PLANNING COMMITTEE – Director Saxod announced there was nothing to report.
13-D  AB 1234 COMPLIANCE REPORTS – No reports were given.

14.  OTHER COMMUNICATIONS - None.
15. **ADJOURNMENT**

There being no further business to come before the Board, Chair Hogan adjourned the meeting at 3:56 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 JEREMY JUNGREIS
UPON HIS RETIREMENT FROM THE BOARD OF DIRECTORS

WHEREAS, Jeremy Jungreis served as a member of the Board of Directors of the San Diego County Water Authority, representing Camp Pendleton Military Reservation, from March 24, 2009 to his retirement on July 14, 2012; and

WHEREAS, he served as Vice Chair on the Legislation Conservation and Outreach Committee, and as a member on the Engineering and Operations Committee, Legislation Conservation and Outreach Committee, and the Water Planning Committee; 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 Jeremy Jungreis for his dedicated service to the San Diego region.

PASSED, APPROVED, and ADOPTED this 26th day of July, 2012.

Ayes:

Noes:

Abstain:

Absent:
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
July 18, 2012

Attention: Board of Directors

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

Designated Board Representatives: Chair, Vice-Chair, Secretary

Unrepresented Employee: General Counsel

Purpose
This memorandum is to recommend a closed session, pursuant to Government Code §54957.6 to discuss the above-referenced matter at the July 26, 2012, Board meeting.

Prepared by: Daniel S. Hentschke, General Counsel
July 18, 2012

Attention: Board of Directors

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

Designated Board Representatives: Chair, Vice-Chair, Secretary

Unrepresented Employee: General Manager

Purpose
This memorandum is to recommend a closed session, pursuant to Government Code §54957.6 to discuss the above-referenced matter at the July 26, 2012, Board meeting.

Prepared by: Daniel S. Hentschke, General Counsel
July 18, 2012

Attention: Board of Directors

General Counsel’s Report – June/July 2012

Purpose
This report discusses certain legal matters receiving attention during the months of June/July 2012.

Significant Developments in Pending Litigation
MWD Rate Case. 2011/2012 Rate Litigation: On July 2, 2012, the Court held a hearing on the demurrers and motion to strike the Second Amended Complaint filed by MWD and the Member Agency Defendants. The Court overruled (denied) MWD’s demurrers, holding that neither the statute of limitations nor the California Legislature’s Validating Acts bar the Water Authority’s claims. The Court also denied MWD’s motion to strike allegations from the Complaint relating to the "Secret Society," but indicated that it would further address the substance of MWD’s motion in the context of upcoming discovery hearings. Having had their demurrers overruled, MWD and the member agencies filed Answers to the Second Amended Complaint last week. In early June 2012, the Court’s appointed Discovery Referee, Judge James L. Warren (Ret.) recommended that MWD, the Member Agency Defendants and two third parties respond to the Water Authority’s written document requests. All of those parties filed a formal challenge to Judge Warren’s recommendation on June 25, asking Judge Kramer to rule that none of the discovery should be allowed. The Water Authority will file its opposition on July 23, and the Court will hear the discovery dispute on August 3.

2013/2014 Rate Litigation: The Water Authority filed its lawsuit challenging MWD’s 2013/2014 rates on June 8 in Los Angeles County Superior Court. MWD, and any interested parties, have until August 6 to file an Answer or other responsive pleading. The Water Authority and MWD have stipulated that, after August 6, they will jointly seek to have the 2013/2014 rate case transferred to San Francisco and assigned to Judge Kramer, either by stipulated order or by joint motion.

State QSA Litigation. Following disqualification of Judge Candee after remand from the Court of Appeal, the case was assigned to Sacramento Superior Court Judge Lloyd G. Connolly. At the status conference held on July 13, 2012, Judge Connolly scheduled trial on the remaining CEQA and validation issues for four days commencing November 13 and ending November 16, 2012. Also, on July 13, Judge Connolly ruled on the various motions relating to costs on appeal. The Water Authority was awarded $14,947.71 for its costs on appeal. On July 11, Cuatro Del Mar filed a petition for writ of certiorari with the United States Supreme Court. The petition alleges
that operation of the California validation statutes violate federal due process laws. A response to the petition is not required, but the deadline for a response is August 13.

Federal QSA Litigation. This matter is pending before the 9th Circuit after a favorable ruling in the District Court. The appellate court has set the following briefing schedule: Appellants’ Opening brief: due August 13; Respondents’ – Cross-appellant’s Opening/Response brief: due September 12; Appellants’ Response/Reply: due October 12; Respondents’/Cross-appellants’ optional Reply brief: due October 26.

Special Counsel Expenditures
Funds approved for payments to special counsel during June-July 2012 from the General Counsel’s Operating Budget totaled $316,315.46 for work related to the Metropolitan rate dispute, the enforcement of requests for public record, bond counsel services, 2011 change petition and QSA litigation. In addition, $26,199.58 was approved for payment from the Human Resources Operating Budget for work related to personnel issues (labor negotiations). CIP expenditures during June-July 2012 were $504,889.50 for work related to the Olivenhain-Lake Hodges Pump Storage Project, San Vicente FERC Project, SDG&E contract, Traylor/Shea Joint Venture and Desalination Project.

Prepared by: Daniel S. Hentschke
Attachment: Special Counsel Expenditure Report
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<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.

¹ Not included in totals, legal expenses related to proposed desalination project are coming out of Water Resources budget, not GC budget

² Not included in totals, legal expenses related to personnel issues are coming out of Human Resources budget, not GC budget
<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</th>
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</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.
2. Not included in totals, legal expenses related to personnel issue are coming out of Human Resources budget, not GC budget.