Master Plan Alternatives

- Current Alternatives (presented at Feb 9, 2012 Board workshop)
  - Optimize existing conveyance and storage facilities
  - Optimize imported supplies
  - Integrate seawater desalination supplies

- Proposed New Alternative (requested at Feb 9, 2012 Board workshop)
  - Colorado River Conveyance
Alternatives Included in 2012 Master Plan

- Conveyance from the North
- Supply from the West
- Conveyance from the East
Master Plan Update
Work Completed/In-Progress

- Assess 2010 UWMP supplies and demands
- Develop regional planning scenarios
- Assess facility alternatives
- Develop evaluation metrics
- Evaluate treated water demands, impacts of desalination and use of Twin Oaks WTP
- Assess strategic plans for coordinated surface storage
- Conduct a vulnerability assessment
- Evaluate energy use, production opportunities and greenhouse gas emissions
Scope of New Alternative Evaluation

- Confirm the viability of a proposed Colorado River Conveyance alternative
- Review previous studies (1996 thru 2003)
- North of border routes
  - All American Canal capacity, conveyance routes, tunnel/pipe sizing, environmental and land use impacts, operations, energy use, GHG impacts
- Equal level of analysis
  - Integration of annual supply delivered to San Vicente reservoir, impact on seasonal deliveries, seasonal storage, pump station operations, new facilities to convey annual supply
- Update capital and operating costs
  - Compare rate impact to projected MWD rates and charges
- Integrate results into Master Plan, PEIR and CAP
March 2012: Amend consultant contracts, add Colorado River conveyance alternative  
Sep - Oct 2012: Board workshop – Master Plan development, PEIR/CAP process, draft findings  
November 2012: Board workshop – Final results, select preferred alternative  
January 2013: Release Draft Program EIR  
Mar – Jun 2013: Board Certify Program EIR and Accept Final Master Plan Update
Staff Recommendations

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

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

3. Increase the current Capital Improvement Program 2-year appropriation and life budget for the 2012 Regional Water Facilities Optimization and Master Plan Update by $410,000.
San Diego IRWM Planning Region includes San Diego County’s coastal watersheds
2007 San Diego IRWM Plan

- 2007 plan is foundation of long-term integrated planning in region
- Must update to remain eligible for future state funding
  - 3 DWR grants to date, totaling $33.9 million
  - $56.5 million remain in Prop 84 fund for San Diego
2013 IRWM Plan update

- Commitment to update plan by Oct. 31, 2013
- DWR: new guidelines for IRWM plans
- New standards ensure plan include specific content
- Regions retain flexibility to address relevant issues
Plan Update process

- Workgroups to support plan update
- Workgroups comprise representatives of RWMG agencies and other groups
- Lead role for Water Resources staff
- Public workshops at Regional Advisory Committee meetings and in watersheds
First San Diego IRWM summit

- Goals:
  - Gain input from stakeholders
  - Discuss how to resolve conflicts and challenges
  - Discuss vision and objectives for IRWM planning in region
  - Raise awareness of San Diego IRWM Program
IRWM summit common themes

- Impact of regulations on water supply and quality
- Improve regulatory certainty
- Collaboration between public agencies and NGOs
- Improve public knowledge of IRWM
- Increase stakeholder involvement
IRWM summit discussion

- Breakout groups discussed 2 topics
  - Challenges
  - Program objectives

- Attendees individually assessed each objective
  - Water supply and reliable infrastructure ranked highest
  - Groups recommended new objectives
# Plan update schedule

<table>
<thead>
<tr>
<th></th>
<th>Q1 2012</th>
<th>Q2 2012</th>
<th>Q3 2012</th>
<th>Q4 2012</th>
<th>Q1 2013</th>
<th>Q2 2013</th>
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</tbody>
</table>
Status Update on San Diego Regional Board Basin Plan

Water Planning Committee
March 22, 2012
Basin Plan

Beneficial Uses

Water Quality Objectives

Implementation Plan
Basin Plan Updates

- Required once every three years
- 2011: 80 updates proposed: Three allocated staff time
- Can be updated “as needed”
- Stakeholders can prepare information for update
Basin Plan Objectives for Reservoirs

- Established in the 1970’s
- Not scientifically based
- Do not consider imported water storage
- Do not consider natural lake conditions
- Do not consider downstream treatment
Reservoirs on “Impaired” listing

- Barrett, El Capitan, Hodges, Loveland Miramar, Morena, Murray, Otay, San Vicente, Sutherland, Sweetwater
- Based on data submitted
- Most require compliance by 2019
Next Steps

- Develop strategy with member agency TAC
- Incorporate Regional Board coordination into the IRWMP
- Develop scientific analysis to support basin plan updates
Lake Hodges Pumped Storage Facility O&M Agreement

E&O Committee Meeting
March 22, 2012
Gary Eaton, Director of Operations & Maintenance
Benefits of External O&M

- Capitalize on external operator expertise
- Transfer of risk
- Allows draw from variety of part-time specialists as needed
- Water Authority maintains focus on core business
- Lower costs
  - Navigant point estimate $2.1 M per year, 14 staff required
Outsourcing Process

- RFP released in August 2011
  - Pre-Proposal meeting attended by 9 firms
- Proposals Received from 2 O&M providers
  - SNC-Lavalin Operations and Maintenance Inc.
    - Proposed fee within budget
    - Extensive experience
    - CAISO/SDG&E experience
    - Operate Olivenhain-Hodges remotely (PureEnergy - Goal Line)

Escondido Goal Line Facility
O&M Operator Responsibility

- Operate and maintain the facility 24/7
- Perform PM/PdM/CM and CMMS documentation
- Develop baseline facility condition report
- Provide daily, monthly and annual reports
- Develop Health & Safety and emergency ops plan
- Propose Capital Modifications to gain efficiencies
- Train SDCWA staff for 2 months prior to end of term
Water Authority Responsibility

- Arrange for sale of power, billing and revenue collection
- Supply electricity, negotiate rates and invoice processing
- Obtain governmental permits, licenses, waivers
- Work alongside Operator during mobilization (2 months)
- Jointly develop Exit Test procedures
Insurance, LOC, Termination

- Insurance
  - General Liability of $5 M
  - Auto Liability of $2 M
  - Worker’s Compensation per statutory requirement
- Indemnification
- Security for Performance
  - Letter of Credit (100% contract amount)
- Limits of Liability $5 M
- Termination
  - 60 day notice or upon MPPSA termination
Operator Performance Guarantees & Fines/Penalties

- Availability Guarantee 94% - 97% over 5 year period
  - Penalty assessed if availability below guarantee (capped at $250,000 per contract year)
  - Availability above guarantee split (80% SDCWA, 20% SNC)
- CAISO and SDG&E fines/penalties assigned to contractor
Contract Schedule & Cost

- 2 month mobilization period (May & June 2012)
  - Fixed fee of $218,674
- 5 year O&M period (July 1, 2012 – June 30, 2017)
  - Fixed annual operating fee for year 1 of $1,385,070
  - Adjusted based on CPI, not to exceed 3%, years 2 – 5
  - Not to exceed 5 year O&M cost of $7,353,524.74
- 5 year CM Estimated Reimbursables
  - $463,141.26 based on annual facility wear and tear of 5% - 9%
- Accumulated not to exceed 5 year total of $8,035,340
- 2 year budgeted amount of $4,716,991
Staff Recommendation

Authorize the General Manager to award an agreement to ProTrans USA, LLC for operations and maintenance of the Lake Hodges Pumped Storage Projects, for an amount not to exceed $8,035,340 for 62 months with the option to renew for an additional 24 months.
Status Update on the Special Agricultural Water Rate Program and Recent Discussions with the Agricultural Community

Administrative and Finance Committee
March 22, 2012
Classes of Service for Eligible Agricultural Customers

1. Metropolitan Water District’s Interim Agricultural Water Program (IAWP)
   *(Terminates Dec 31, 2012)*

2. Water Authority’s Transitional Special Agricultural Water Rate (TSAWR)
   *(Terminates Dec 31, 2012)*

3. Water Authority’s Special Agricultural Water Rate (SAWR)
   *(Begins Jan 1, 2013)*
MWD’s IAWP

- Surplus water delivered at a discount in exchange for reduction in demand during shortage

- IAWP customers also receive Water Authority current SAWR cost benefit
  - Pay IAWP supply rate and not Water Authority melded supply rate
  - Deliveries exempt from member agency storage charge calculation

- In 2008, MWD Board approved phase-out of IAWP with termination Dec. 31, 2012
## Total Estimated Rate Differential for IAWP Customers in CY 2012

<table>
<thead>
<tr>
<th>Water Rate</th>
<th>Untreated</th>
<th>Treated</th>
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</thead>
<tbody>
<tr>
<td>SDCWA M&amp;I Full Service Water Rate</td>
<td>$914/AF</td>
<td>$1,148/AF</td>
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<td>MWD IAWP Discount</td>
<td>$23/AF</td>
<td>$29/AF</td>
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<tr>
<td>Estimated SDCWA Storage Charge Exemption</td>
<td>$133/AF</td>
<td>$133/AF</td>
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<tr>
<td>SDCWA Supply Rate Differential</td>
<td>$78/AF</td>
<td>$78/AF</td>
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<tr>
<td>Total Estimated Rate Differential</td>
<td>$234/AF</td>
<td>$240/AF</td>
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<tr>
<td>IAWP Total Water Rate</td>
<td>$680/AF</td>
<td>$908/AF</td>
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</table>
Water Authority’s TSAWR

• In 2008, Board approved TSAWR, available only to agricultural customers opting out of IAWP

• Customers receive program cost benefit in exchange for reduced level of service during shortages
  • Pay MWD M&I supply rate and not Water Authority melded supply rate
  • Deliveries exempt from member agency storage charge calculation

• Program terminates on Dec. 31, 2012
## Total Estimated Rate Differential for Transitional SAWR in CY 2012

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<th>Water Rate</th>
<th>CY 2012</th>
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<td>SDCWA M&amp;I Full Service Treated Water Rate</td>
<td>$1,148/AF</td>
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<td>Estimated SDCWA Storage Charge Exemption</td>
<td>$133/AF</td>
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<tr>
<td>Water Authority Supply Rate Differential</td>
<td>$78/AF</td>
</tr>
<tr>
<td>Estimated Total Rate Differential</td>
<td>$211/AF</td>
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<tr>
<td>SAWR Full Service Treated Water Rate</td>
<td>$937/AF</td>
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SAWR Board Workgroup

- Formed to consider options after TSAWR terminates
  - Discontinue TSAWR program
  - Continue with program; or
  - Adopt new special agricultural water rate

- Board Members:

<table>
<thead>
<tr>
<th>Ken Williams (Chair)</th>
<th>Tom Wornham</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michael Hogan</td>
<td>Gary Arant (alt)</td>
</tr>
<tr>
<td>Keith Lewinger</td>
<td>Barbara Wight (alt)</td>
</tr>
</tbody>
</table>

- Held 10 meetings between July 2009 and March 2010
  - Included meetings with agricultural industry
March 2010 – Board Approved Workgroup Recommendations on Revised SAWR

- Discontinue supply rate differential
  - Does not provide cost-competitive M&I water management benefit compared with other options (i.e., dry-year transfers)

- Maintain storage charge exemption
  - Reliability benefit makes this “insurance program” cost effective to M&I customers

- Revised program effective January 1, 2013
  - Would be reflected in Water Authority’s 2013 water rates
Board to conduct comprehensive review of SAWR prior to January 1, 2016
  - Evaluate effectiveness
  - Continue, revise or terminate program

Directed staff to meet with agricultural industry and member agencies
  - Discuss water management or conservation programs that provide M&I reliability or reduce agricultural demands
Recent Coordination with Agricultural Community

- Staff met with representatives from agricultural industry and member agencies (Feb 27, 2012)
  - Concerns raised regarding viability of agricultural industry based on high cost of water
  - Request Water Authority expand dialogue to look more broadly at agricultural benefits based on changed conditions

- Received letters articulating concerns and requesting continuation of TSAWR (attached to Board memo)
  - Agricultural member agencies, Farm Bureau of San Diego County and California Avocado Commission

- Staff will continue to update Board on discussions with agricultural representatives on SAWR
Capital Markets and Credit Update

Presentation to:
Administrative and Finance Committee
San Diego County Water Authority

March 22, 2012
Agenda

• Market Update
• Water Credit Outlook
• Key Rating Agency Metrics: Debt Service Coverage and Liquidity
• Rating Agency Medians
Market Update

U.S. Treasury yields have risen above recent trading range

• Stronger U.S. economic data
• Reduced Euro Zone concerns

Municipal yields remain low compared to historical rates

• Recent heavy supply has pushed yields up from recent lows
• Investment cash flows remain positive
Rating agencies more conservative in their analysis

• Increased scrutiny on financial performance
  - Water sales projections
  - Policy targets for liquidity and debt service coverage

• Ratios predict “ability to pay”
  - Fitch cites - coverage and financial performance primary indicators of credit rating
  - Standard and Poor’s cites - liquidity important due to fluctuations in cash flows

• Management, political risk, and governance impacts “willingness to pay”
Key Rating Agency Metrics: Debt Service Coverage

Debt service coverage indicates cushion available to bondholders

• Debt service coverage – debt divided by revenues available for debt service
  – Includes only ongoing operating revenues (rather than one-time revenues or reserves)
  – Operating expenditures are utilized (not capital spending and other debt)
  – Senior-Lien annual debt service coverage:
    – Revenues divided by senior lien debt service
  – All-In annual debt service coverage:
    – Revenues divided by total debt service
# Key Rating Agency Metrics: Debt Service Coverage

## Water Authority Debt Service Coverage Calculation*

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td><strong>Total Revenues</strong> (Largely Water Sales, Charges, and Other Revenues)</td>
<td>446,400</td>
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<tr>
<td><strong>Net Operating Expenses</strong> (MWD Water Purchases, O&amp;M Costs, Application of Net Tax Receipts)</td>
<td>305,015</td>
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<tr>
<td><strong>Net Water Revenue</strong> (Total Revenues - Net Operating Expenses)</td>
<td>141,385</td>
</tr>
<tr>
<td><strong>Debt Service</strong></td>
<td>104,063</td>
</tr>
<tr>
<td><strong>Debt Service Coverage</strong> (Net Water Revenue/Debt Service)</td>
<td>1.36x</td>
</tr>
</tbody>
</table>

*Fiscal Year 2011, Dollars in Thousands.*
Key Rating Agency Metrics: Liquidity

Liquidity is important to manage unforeseen circumstances

• Liquidity demonstrates financial flexibility
  – Days cash on hand and days of working capital

• How is liquidity calculated?
  – Days cash on hand – Unrestricted cash and investments plus any restricted cash and investments (if available), divided by operating expenditures minus depreciation, divided by 365
  – Days of working capital – Unrestricted assets plus any restricted cash and investments (if available) minus current liabilities payable from unrestricted assets, divided by operating expenditures minus depreciation, divided by 365
## Rating Agency Medians

### Rating Agency Medians - midpoint in the distribution of the related metric

### Fitch Medians

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<th>AAA</th>
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<tbody>
<tr>
<td>Senior-Lien Debt Service Coverage</td>
<td>2.3</td>
<td>2.1</td>
<td>1.7</td>
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<tr>
<td>Days Cash on Hand</td>
<td>625</td>
<td>292</td>
<td>231</td>
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### Ratios are one indicator of credit quality – there are many factors that influence a rating
Rating Agency Medians

- Water Authority coverage target is relatively similar (though slightly below) peer policies (LADWP – 2.0x, EBMUD – 1.6x, and MWD 2.0x)
- Water Authority target based on rating agency medians, peers’ targets, and realistic assumptions

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<tr>
<th></th>
<th>Irvine Ranch Water District</th>
<th>Metropolitan Water District of Southern California</th>
<th>Los Angeles Department of Water and Power</th>
<th>East Bay Municipal Utility District</th>
<th>San Diego County Water Authority</th>
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<td>AA/ Aa2/AA</td>
<td>AAA/Aa1/AA+</td>
<td>AA/Aa3/AA</td>
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<td><strong>Senior-Lien Debt Service Coverage</strong></td>
<td>1.9x (2010)</td>
<td>1.48x (2011)</td>
<td>1.42 (2011)</td>
<td>1.52x (2011)</td>
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<td><strong>Internal Coverage Target</strong></td>
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<td>2.0x</td>
<td>2.0x</td>
<td>1.6x</td>
<td>1.5x</td>
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Preliminary Calendar Year 2013
Rates and Charges

Administrative and Finance Committee
March 22, 2012
Agenda

- Overview of rate drivers
  - Water sales
  - MWD
  - Debt service
- Rate and charge guidance provided to Member Agencies’ Finance Officers
- 2013 Rates and Charges Issues
- Timeline
Sales Forecast Between High & Low

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<th>Calendar Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<td>High-rate Scenario</td>
<td>397,672</td>
<td>417,707</td>
<td>442,439</td>
<td>469,842</td>
<td>488,242</td>
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<tr>
<td>Low-rate Scenario</td>
<td>431,559</td>
<td>479,675</td>
<td>502,859</td>
<td>529,190</td>
<td>542,808</td>
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<td>2012 Assumptions</td>
<td>416,934</td>
<td>445,288</td>
<td>465,624</td>
<td>484,404</td>
<td>505,768</td>
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| Difference          | (5,923)  | (7,343)  | (9,599)  | (12,486) | (4,583)  |
## MWD CY 2013 Rate Increases
### Scenario #1

<table>
<thead>
<tr>
<th>Adopted MWD</th>
<th>CY 2012</th>
<th>CY 2013</th>
<th>% Change</th>
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<tr>
<td>Tier 1 Supply</td>
<td>$164</td>
<td>$149</td>
<td>-9.1%</td>
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<td>System Access</td>
<td>$217</td>
<td>$228</td>
<td>5.1%</td>
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<td>Water Stewardship</td>
<td>$43</td>
<td>$41</td>
<td>-4.7%</td>
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<tr>
<td>System Power</td>
<td>$136</td>
<td>$190</td>
<td>39.7%</td>
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<tr>
<td>Treatment</td>
<td>$234</td>
<td>$260</td>
<td>11.1%</td>
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<tr>
<td>Tier 1 Untreated</td>
<td>$560</td>
<td>$608</td>
<td>8.6%</td>
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<tr>
<td>Tier 1 Treated</td>
<td>$794</td>
<td>$868</td>
<td>9.3%</td>
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- Average overall increase including RTS & CRC is 7.5%
- Results in an estimated 10.6% increase in MWD Costs

**Focus of the Lawsuit**

**Transportation increase of 15.9%**

**RTS** – Readiness-to-Serve  
**CRC** – Capacity Charge
## Debt Service Schedule*

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<td>2011</td>
<td>$114</td>
<td>$138</td>
<td>$144</td>
<td>$148</td>
<td>$153</td>
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<tr>
<td>2012</td>
<td>$114</td>
<td>$135</td>
<td>$141</td>
<td>$145</td>
<td>$151</td>
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* Excludes CP program fees and trustee services
Senior Lien Debt Service Coverage

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<th>Coverage</th>
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<td>2011</td>
<td>1.35</td>
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<tr>
<td>2012</td>
<td>1.45</td>
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<td>2013</td>
<td>1.41</td>
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<tr>
<td>2014</td>
<td>1.5</td>
</tr>
<tr>
<td>2015</td>
<td>1.5</td>
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2011 Rate Forecasts
“All-in” Untreated Water Rate

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<th>Calendar Year</th>
<th>High-rate Scenario</th>
<th>Low-rate Scenario</th>
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<tbody>
<tr>
<td>2012</td>
<td>$955</td>
<td>$888</td>
</tr>
<tr>
<td>2013</td>
<td>$1,033</td>
<td>$939</td>
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<tr>
<td>2014</td>
<td>$1,121</td>
<td>$986</td>
</tr>
<tr>
<td>2015</td>
<td>$1,208</td>
<td>$1,033</td>
</tr>
</tbody>
</table>

Current Rate $915 (7.5% Increase)
## 2011 Rate Forecasts

### “All-in” Treated Water Rate

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>High-rate Scenario</th>
<th>Low-rate Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$1,213</td>
<td>$1,115</td>
</tr>
<tr>
<td>2013</td>
<td>$1,305</td>
<td>$1,176</td>
</tr>
<tr>
<td>2014</td>
<td>$1,418</td>
<td>$1,231</td>
</tr>
<tr>
<td>2015</td>
<td>$1,559</td>
<td>$1,280</td>
</tr>
</tbody>
</table>

- **Current Rate**: $1,148 (7.7% Increase)

[Graph showing rate forecasts for 2012 to 2015 for high and low-rate scenarios with a line graph and labeled points for current rate, high-rate scenario, and low-rate scenario.]
2013 Rates and Charges Issues

- Projections of rates and charges
  - Many factors make projections very difficult
    - Lawsuit
    - Desal
  - High/Low guidance still good
- Balancing policy targets with rate increases
  - RSF
  - Coverage
February 29 – Preliminary rate guidance provided to member agencies

March 12/13 – MWD Rate Hearing for 2013 & 2014

March 13 – Member agencies managers’ meeting on preliminary 2013 rates and charges guidance

March 22 – Preliminary rate and charge guidance provided to the Board of Directors

April 9/10 – MWD adopts rates for 2013 & 2014

May 24 – Set public hearing date

June 28 – Adopt rates and charges and Mid-Term Budget Update
Update on MWD’s Proposed Biennial Budget & Water Rates and Charges
Fiscal Years 2012/13 and 2013/14

Imported Water Committee
March 22, 2012
Recap of MWD 2012/13 and 2013/14 Budget & Rates Process

- January 9, 2012: Revenue requirements & associated rates and charges
  - Recommendation included adoption of budget and rates for two years
  - Average rate increases of 7.5% for CY 2013, and 5% for CY 2014

- Budget/rate workshops: January 24 & February 13
  - F&I committee acted in February to accelerate budget/rate adoption to March (MWD Adm Code specifies adoption in April)

- Executive committee in February affirmed acceleration of adoption in March

- March 12, 2012: Public hearing
March 12 Public Hearing

- 28 San Diego organizations testified; 17 testified in support of MWD
- News coverage from all local television stations and major newspapers
  - Speakers included a Mayor, Deputy Mayor, City Council members, Water Board president, Water Board and Utilities commission members, managers, business leaders, former grand jury member, concerned citizens
San Diego Speakers
Rate Increase Options (increases depict “average”)

- Staff recommendation (Option 1):
  - 7.5% in 2013; 5% in 2014
    - Or, 9.3% for Treated Tier 1 in 2013

- Option 2:
  - 5% in 2013; 5% in 2014
  - Reductions of $26.4M in storage and other expenses

- Option 3:
  - 6.5% in 2013; 5% in 2014
  - Reductions same as Option 2, with $4.7M increase in reserves
Water Authority’s Comments

- **Budget**
  - Does not meaningfully reduce costs, or right-size organization to reflect reduced demands
  - Includes funding recommendations that result in cost shifting between current and future ratepayers
  - Does not include a contingency plan in case revenues ≠ expenses

- **Rates**
  - Rate expert confirms MWD rate structure misallocates supply costs to transportation
Next Steps

- April 9 – Committee Meeting
  - Discussion and vote on preferred alternative

- April 10 – Board Meeting
  - Adoption of budget and rates
Communication Resources
Update

Legislative, Conservation and Outreach Committee
March 22, 2012
Today’s Updates

- Fact Sheets
- Web-based Annual Report
- Website resources (www.sdcwa.org)
- Twitter
Fact Sheets

- Complement other outreach tools
  - Speakers’ bureau
  - Community forums
  - Stakeholder tours
- Easily accessible online in one place
- Printed in-house
  - Saves money
  - Speedier updates for emerging issues
New format allows more engaging content
Connect with Online Resources

- QR codes link to website
Online Annual Report

- Benefits of web-based approach:
  - Cost savings
  - More audience reach
  - Increased readability
  - Measurement capability
2011 Annual Report

www.sdcwa.org/annualreport2011
sdcwa.org Website

- Redeveloped site launched late 2010
- Features enhance communications
- Nearly 250,000 visits and more than 830,000 page views since launch
Website Survey

- Launch web-based survey late February
- Purpose: Help gauge effectiveness and usability
- Findings will help determine enhancements
- Survey active on home page through April: www.sdcwa.org/website-usability-and-social-media-survey
- Enhance message speed and accessibility
- Improve emergency communications capabilities
- Content: Links to news releases, events, Board documents, emergency information, etc.
- @sdcwa Twitter page – ready to launch!
  www.twitter.com/sdcwa
AB 2398 (Hueso) Water Reuse

- Rewrites state law so that water reuse is regulated as a resource rather than a waste.
- Includes Water Authority’s sponsored legislation regarding advanced treated purified water.
- Recommend Support.
AB 2595 (Hall) Desalination

- Establish a task force to discuss how to streamline permitting processes for desalination
- Within Ocean Protection Council
- Recommend Support
SB 250 (Rubio) Bay-Delta

- Establishes deadlines for completion of Delta fix
- Non-binding
- Based on deadlines promised by state and federal governments
- Recommend Support
SB 1169 (Kehoe) Dedicated Lands

- Changes designation of mitigation lands from “designated” to “dedicated”
- City of San Diego has designated 10,000 acres within HCP/NCCP
- Legislative action to change to “dedicated” saves City money
- Recommend Support
SCOOP Committee Recommended Enhancements

Legislation, Conservation & Outreach Committee
March 22, 2012
Presentation Outline

- What is SCOOP?
- SCOOP Committee
- SCOOP goal
- SCOOP enhancements
- SCOOP Committee recommendations
Small Contractor Outreach and Opportunities Program

- Maximize participation of small businesses on Water Authority procurements
  - Percentage of dollars awarded

- Activities, processes, training, events, and programs to assist small businesses

- Outreach-based, race- and gender-neutral
  - Minority/women-owned figures tracked for statistical purposes.
SCOOP Committee

- Reviews metrics and program performance
- Evaluates policies
- Recommends goals for Board approval
Overall SCOOP goal process

- Evaluate current and projected procurements
  - Includes construction, professional and general services, and vendors (purchase orders and vouchers)
  - Identify subcontracting opportunities

- Evaluate availability of small businesses
  - Ready, willing, and able to bid
  - Primes, subs, suppliers, vendors

- Evaluate historical achievement

- Conduct benchmarking of similar agencies’ and local agencies’ goals
# Goals of other agencies

<table>
<thead>
<tr>
<th>AGENCY</th>
<th>Goal</th>
<th>FY 2011 Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>MWD</td>
<td>18% small</td>
<td>30%</td>
</tr>
<tr>
<td>City of San Diego (new program)</td>
<td>5% construction</td>
<td>12.9% construction</td>
</tr>
<tr>
<td></td>
<td>20% goods</td>
<td>6% goods</td>
</tr>
<tr>
<td></td>
<td>20% services</td>
<td>40% services</td>
</tr>
<tr>
<td>Federal (includes NAVFAC)</td>
<td>35.97%</td>
<td>41% - NAVFAC</td>
</tr>
<tr>
<td>San Diego Unified Port District</td>
<td>No overall goal – goals are set for each project</td>
<td>34%</td>
</tr>
<tr>
<td>San Diego Unified School District</td>
<td>28.1%</td>
<td>38.5%</td>
</tr>
</tbody>
</table>
| State (includes Caltrans, DGS, UCSD, and all other State agencies) | 25% | 52.8% - Caltrans District 11  
|                                           |                               | 29% - DGS           |
|                                           |                               | As a whole, the State has never met or exceeded the 25% goal |
| San Diego County Water Authority          | 20%                           | 40%                 |
FY 2010 Total $ includes the San Vicente Dam Raise contract award.
Recommended SCOOP goal

- 20% goal for FY 2010 and 2011
  - San V Package 3 reported separately

- Based on estimated projections for construction, professional services, and vendors (purchase orders and vouchers)

- **Committee recommendation**: 25% goal for FY 2012 and 2013
Potential SCOOP Enhancements

- Sheltered market procurement
- Surety bonding requirements
- Small business Clearinghouse
Sheltered market procurement program

- Procurement opportunities competed between registered, certified small businesses only

- For procurements valued at $10,000 through $150,000

- Must be at least three (3) registered, certified small businesses that can provide the needed services or products
Enhance bonding capabilities

- Amend performance bond requirements
  - Case-by-case basis, small projects, dependent on risk and $ amount
  - Landscape, paving, fencing, painting, HVAC, minor building services, professional services

- Accelerate bid-bond release period

- Implement bonding training

- Release performance bonds on completed phases on larger projects
Clearinghouse

- One-stop site for small businesses
- Eliminates separate registrations for each water agency
- Estimate $19,000 from current SCOOP budget for initial development of the application
  - Full deployment, programming, and coordination more complex and will require additional funding

*The Network*, the Water Authority’s vendor and solicitation system, currently functions as a small Clearinghouse shared by six agencies.
Small Business Clearinghouse – How it Would Work

Similar and unique info is requested by each agency

Single application sent to all agencies
SCOOP Committee recommendations

1. Establish a 25 percent SCOOP goal for FY 2012 and 2013

2. Develop a sheltered market procurement program for small businesses on procurements greater than $10,000 and up to $150,000

3. Evaluate surety bonding requirements on a case-by-case basis based on risk exposure

4. Contact member agencies to solicit interest in a Clearinghouse system