This photo was a grand prize winner of the Water Authority’s Love Your Water campaign. It was taken at the Nature Conservancy’s Big Springs Ranch, Shasta Valley.
NOTICE TO THE PUBLIC
BOARD OF DIRECTORS’ AND STANDING COMMITTEES’
REGULAR MEETING
APRIL 25, 2013
BOARD ROOM
WATER AUTHORITY HEADQUARTERS BUILDING
4677 OVERLAND AVENUE, SAN DIEGO, CALIFORNIA

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

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

3. **MEETING TIMES:** The morning session of Standing Committees will commence at 9:00 a.m. on April 25, 2013 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. **ACTIONS 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

**APRIL 25, 2013**

<table>
<thead>
<tr>
<th>MORNING SESSION</th>
<th>9:00 a.m. to 12:00 p.m.</th>
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<tbody>
<tr>
<td>Administrative &amp; Finance</td>
<td>Estimated time: 55 minutes</td>
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<tr>
<td>Engineering &amp; Operations</td>
<td>Estimated time: 55 minutes</td>
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<tr>
<td>Imported Water</td>
<td>Estimated time: 1 hour</td>
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**LUNCHEON FOR DIRECTORS**

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

**AFTERNOON SESSION**

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

<table>
<thead>
<tr>
<th>Water Planning</th>
<th>Estimated time: 1 hour</th>
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<tr>
<td>Legislation, Conservation &amp; Outreach</td>
<td>Estimated time: 50 minutes</td>
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**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

APRIL 25, 2013

Javier Saunders – Chair    Keith Lewinger
Gary Arant – Vice Chair    Dennis Sanford
Barbara Wight – Vice Chair Bob Topolovac
Roger Bailey               Mark Watton
Marilyn Dailey             Mark Weston
Frank Hilliker             Ken Williams
Michael Hogan              Doug Wilson

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.                Tracy McCraner
   Staff recommendation: Note and file the monthly Treasurer’s report.
   (Action)
II. ACTION/DISCUSSION

1. Selection of firms to renew the Water Authority’s pre-qualified underwriting pool, the selection of a new liquidity facility to support the commercial paper program and the addition of a dealer to commercial paper program dealers.

   Staff recommendation:
   (1) Approve the recommended underwriter pool.
   (2) Approve the selection of J.P. Morgan as the liquidity provider to replace Barclays Capital.
   (3) Approve the addition of Morgan Stanley as a dealer for commercial paper program.
   (4) Adopt Resolution 2013-___ authorizing the issuance and sale of short-term revenue certificates and authorizing and approving certain actions in connection therewith. (Action)  

   David Shank

2. Presentation on preliminary results of Cost of Service Study Phase I - CY 2014 rates and charges. (Discussion)

   Tracy McCraner/Robb Grantham (Carollo Engineering)

III. INFORMATION

1. Board of Director’s first quarter 2013 expenses and attendance.

   Rod Greek

2. Controller’s report on monthly financial reports.

   Rod Greek

3. 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.
April 17, 2013

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 March 31, 2013. 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 November 29, 2012. 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 78 percent currently invested in AAA rated or AAA/AA+ split-rated securities. The Water Authority’s overall portfolio yield increased from 0.51 percent to 0.53 in March 2013 and continues to exceed the investment benchmark of 0.17 percent in March 2013. This month’s increase is driven by the reduction of $34.5 million in the Series 2004A Debt Service Reserve Fund, which was used to defease a portion of the Series 2004A bonds. 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.

_____________________________________
Tracy M. McCraner, Director of Finance/Treasurer
## PORTFOLIO MASTER SUMMARY
as of March 31, 2013

### PORTFOLIO PERCENTAGES

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Permitted By Board Policy</th>
<th>Actual Percentage</th>
<th>Actual Amount</th>
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<tbody>
<tr>
<td>Local Agency Investment Fund (LAIF)</td>
<td>$50 Million</td>
<td>12.48%</td>
<td>$49,400,266</td>
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<tr>
<td>Banker’s Acceptances</td>
<td>20%</td>
<td>0.00%</td>
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<tr>
<td>Treasury Securities</td>
<td>15% - Minimum</td>
<td>17.47%</td>
<td>69,190,160</td>
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<td>Agency Securities</td>
<td>85%</td>
<td>56.66%</td>
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<td>Reverse Repurchase Agreements</td>
<td>20%</td>
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<tr>
<td>Certificates of Deposit (CDARS)</td>
<td>15%</td>
<td>0.00%</td>
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<tr>
<td>Negotiable Certificates of Deposit</td>
<td>15%</td>
<td>0.00%</td>
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<tr>
<td>Commercial Paper</td>
<td>25%</td>
<td>9.25%</td>
<td>36,605,699</td>
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<td>Medium Term Notes/Corporates</td>
<td>30%</td>
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<tr>
<td>JPA Pools (CAMP)</td>
<td>25%</td>
<td>4.01%</td>
<td>15,879,949</td>
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<tr>
<td>Money Market Funds</td>
<td>15%</td>
<td>0.13%</td>
<td>503,236</td>
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**Total: 100.00% $395,882,761**

Accrued Interest (unavailable for investing)            160,628
Checking/Petty Cash/Available Funds (unavailable for investing)  2,065,673

**Subtotal for Pooled Funds:** $398,109,062

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

- **Treasury Securities**
- **Agency Securities** 69,662,028
- **Certificates of Deposit (CDARS)**
- **Commercial Paper**
- **Local Agency Investment Fund (LAIF)** 122,358,331
- **JPA Pools (CAMP)** 26,926,082
- **Money Market Funds and Cash** 4

**Accrued Interest (unavailable for investing)**
- **Subtotal for Bond/CP Fund (available for CIP expenditures):** $218,946,445

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

- **Agency Securities and Money Market Fund - Series 2004A COPs** 4,478,473
- **Trinity Plus - Reserve (GIC) Series 1998A COPs** 12,240,775

**Subtotal for Debt Service Reserve Funds (unavailable for CIP expenditures):** $16,719,248

**Total Cash and Investments:** $633,774,755

### PORTFOLIO INFORMATION

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<th>Pool Fund</th>
<th>Bond/CP Fund</th>
<th>Debt Service Reserve</th>
<th>Total *</th>
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<tr>
<td>Portfolio Yield to Maturity - 365 Days</td>
<td>0.40%</td>
<td>0.49%</td>
<td>4.12%</td>
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<td>Average Term</td>
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<td>649</td>
<td>297</td>
<td>150</td>
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<td>Average Days to Maturity (730 Days Maximum)</td>
<td>387</td>
<td>85</td>
<td>138</td>
<td>276</td>
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* “The weighted average days to maturity of the total portfolio shall not exceed 730 days (two years) to maturity” per SDCWA Investment Policy.
** Pooled Funds include Operating, Pay Go, RSF, Equipment and Stored Water funds.
On March 20th, the FOMC maintained the target for the federal funds rate at a range of 0-25 basis points. The next meeting is May 1st.
## SDCWA - Fiscal Year 2013
### Portfolio Management
#### Portfolio Details - Investments
##### March 31, 2013

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<tr>
<th>CUSIP</th>
<th>Investment #</th>
<th>Issuer</th>
<th>Average Balance</th>
<th>Purchase Date</th>
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<td>CAMP - 2008A COPS</td>
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<td>4004</td>
<td>CAMP - 2010B BONDS-BABS</td>
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**Subtotal and Average**

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**Subtotal and Average**

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**Subtotal and Average**

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SDCWA - Fiscal Year 2013
Portfolio Management

Page 2

Portfolio Details - Investments
March 31, 2013
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Average
Balance

Purchase
Date

Par Value

Market Value

Book Value

04/06/2011
10/13/2011
10/31/2011
01/28/2011
02/24/2011
03/30/2011
10/12/2011
11/30/2011
03/29/2012
06/28/2012
07/19/2012
07/25/2012
08/16/2012
09/18/2012
10/17/2012
11/08/2012
12/17/2012
01/17/2013
01/17/2013
02/20/2013
03/29/2011
03/31/2011
04/06/2011
07/26/2011
10/13/2011
10/13/2011
04/26/2012
04/26/2012
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02/15/2013
03/29/2011

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S&P

YTM Days to
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Maturity
Date

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Page 11 of 339

FEDERAL HOME LOAN BANK
FEDERAL HOME LOAN BANK
FEDERAL HOME LOAN BANK
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FEDERAL HOME LOAN MORTGAGE COR
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04/15/2014
08/28/2014
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Portfolio CWA2
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PM (PRF_PM2) 7.3.0


## Portfolio Management

### Portfolio Details - Investments

**March 31, 2013**

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**Subtotal and Average**

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<th>Purchase Date</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>Stated Rate</th>
<th>S&amp;P</th>
<th>YTM</th>
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**Subtotal and Average**

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## Portfolio Details - Cash

**March 31, 2013**

### Passbook/Checking Accounts

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<th>CUSIP</th>
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<th>Issuer</th>
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<th>Purchase Date</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>Stated Rate</th>
<th>S&amp;P</th>
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<td>CASH01</td>
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### Average Balance

- Total Cash and Investments: 652,264,488.25
- Par Value: 623,929,477.92
- Market Value: 630,857,413.10
- Book Value: 633,774,754.92
- Stated Rate: 0.530
- YTM: 276
- Days to Maturity: 1
## SDCWA - Fiscal Year 2013
### Portfolio Management
#### Activity Summary
##### March 2012 through March 2013

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<th>Month</th>
<th>Year</th>
<th>Number of Securities</th>
<th>Total Invested</th>
<th>360 Equivalent</th>
<th>365 Equivalent</th>
<th>Managed Pool Rate</th>
<th>Number of Investments Purchased</th>
<th>Number of Investments Redeemed</th>
<th>Average Term</th>
<th>Days to Maturity</th>
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</table>

| Average    | 91   | 689,833,613.02       |                | 0.664%         | 0.673%         | 0.909             | 3                           | 4                           | 462          | 258             |
April 17, 2013

Attention: Administrative and Finance Committee

Approve selection of firms to renew the Water Authority’s pre-qualified underwriting pool, the selection of a new liquidity facility to support the commercial paper program and the addition of a dealer to commercial paper program dealers. (Action)

Staff recommendation
(1) Approve the recommended underwriter pool
(2) Approve the selection of J.P. Morgan as the liquidity provider to replace Barclays Capital
(3) Approve the addition of Morgan Stanley as a dealer for commercial paper program
(4) Adopt Resolution 2013-___ authorizing the issuance and sale of short-term revenue certificates and authorizing and approving certain actions in connection therewith.

Alternative
(1) Do not approve the recommended firms for the renewal of the pre-qualified underwriting pool
(2) The Board may choose not to approve the recommended liquidity facility providers and direct staff to utilize alternative banks.

Fiscal impact
This action results in a $200,000 reduction in the annual expenditures related to maintaining the Tax Exempt Commercial Paper (TECP) due to competitive pricing obtained during the underwriter pool selection process. This action impacts all rate categories.

Background
Municipal debt is underwritten in two ways—competitive sale and negotiated sale. In a competitive sale, the debt is structured by the issuer and financial advisor and bid on by underwriting firms on a pre-determined sale date. In a negotiated sale, the underwriter is selected in advance by a competitive process and participates in the structuring, marketing and timing of the debt issuance.

The Pool of Underwriters (the Pool) is used on an “as-needed” basis for negotiated underwritings or other projects for a period of three years. Having the Pool does not commit the Water Authority to issue any debt on a negotiated basis, but rather increases the Water Authority’s capital market access. The Pool also generates enhanced coverage of the Water Authority by the underwriting community. This coverage means better access to the best ideas and resources of Wall Street firms. The Pool is renewed every three years to provide an opportunity for new firms to be selected and for the Water Authority to restructure the Pool to better serve its financing needs.

Since its initial formation in 2007, the Pool has helped the Water Authority manage the unprecedented volatility in the capital markets as well as successfully access new products like Build America Bonds. The Pool also supported the Carlsbad Desalination Project financing.
The Water Authority currently has four TECP series (Series 1, Series 4, Series 5 and Series 6) with an aggregate amount of $360 million in outstanding principal. The $100 million TECP Series 4, which is supported by Barclays Capital, is set to expire June 28, 2013. Barclays Capital has indicated that they will not renew this facility, therefore, a replacement must be found. The $110 million TECP Series 1, which is supported by a Bayerische Landesbank (BLB) facility, and was also up for renewal in June, this series was renewed and will expire in 2015.

An important element of a TECP program is the dealers. The dealers remarket maturing notes to place them with investors maintaining the outstanding balance over time. The Water Authority has maintained five dealers on its TECP program to ensure market events do not impact the TECP rolls. The current dealers are Bank of America Merrill Lynch, Barclays Capital, Citigroup, Goldman, Sachs and J.P. Morgan.

Previous Board Action
On March 24, 2011, the Board approved the selection of three liquidity providers including 1) Barclays Capital 2) Citibank and 3) Wells Fargo Bank in addition to other related actions.

On November 12, 2009, the Board approved the renewal a negotiated underwriting pool and the competitive selection of the following eight underwriting firms—Banc of America, Barclays Capital, Citigroup, Goldman Sachs, Jefferies & Company, J.P. Morgan, Morgan Stanley, and Stone & Youngberg.

On July 26, 2007, the Board approved the formation of a negotiated underwriting pool and the competitive selection of the following six underwriting firms—Banc of America, Bear Stearns, Citigroup, Goldman Sachs, Lehman Brothers, and Merrill Lynch.

Discussion
Selection of the Pool Members
On January 7, 2013, a Request for Qualifications (RFQ) for underwriting services was sent by email to thirty-four underwriting firms, posted on the Water Authority’s contract procurement website, and an advertisement was run in the San Diego Daily Transcript. Seventeen responsive submittals were received (including two unsolicited) and reviewed by finance staff and the Water Authority’s financial advisors. The written submissions were scored based on criteria consistent with the RFQ including: underwriting and distribution capabilities; debt marketing plan; experience; personnel; financing strategy; and indicative pricing. Based on this review, the panel selected seven firms for oral interviews.

At these interviews, the firms were asked to provide additional detail regarding their underwriting qualifications and to introduce the team that would cover the Water Authority. Based upon the interviews, the panel selected five firms to comprise the Pool. In addition to other strengths captured in the evaluation criteria, the recommended firms provide a balance of retail and institutional investor distribution capabilities. Broad coverage of both investor segments will be key to securing the lowest interest cost for the Water Authority. The recommended firms are listed alphabetically below along with their primary distribution emphasis:
1. Bank of America Merrill Lynch (retail)
2. Citigroup (retail)
3. Goldman, Sachs (institutional)
4. J.P. Morgan (institutional)
5. Morgan Stanley (institutional)

The Pool size was reduced from its current level of eight firms for the next three year term because of the reduced level of financing activity expected. With reduced funding needs for the CIP and limited refunding opportunities for long-term debt, the Pool was sized to ensure that the economics of participation encouraged good coverage. Another key factor in firm selection was their experience with implementing financial instruments that could serve as an alternative to Tax Exempt Commercial Paper (TECP) with the goal of diversifying the short-term debt instruments utilized by the Water Authority to both reduce the cost of funds and bank risk.

**Use of the Pool**
The RFQ noted that there is no assurance that the Water Authority will utilize the Pool for any underwritings, that future bond issues will be sold on a negotiated basis, or that other non-pool firms will not be considered for future bond underwritings. However, it is the Water Authority’s intention to utilize the pool for selection of underwriters for any negotiated bond issuances that may be considered over the next three years. Selection of underwriters for any negotiated financings would be pursuant to an informal staff solicitation to the Pool members on a project-by-project basis at the time that such project is identified. Additional Board approval of a selection would not be required in advance of approving financing documents. Should any firms be utilized from the Pool, they would work in concert with the Water Authority’s existing team of financial advisors and bond/disclosure counsel.

**Selection of liquidity facility provider**
As part of the RFQ, indicative pricing was solicited for liquidity facilities. Of the seventeen firms responding, eight provided pricing for liquidity facilities. The proposals were evaluated based upon:
1. Fees and overall cost;
2. Terms and conditions;
3. Bank credit ratings;
4. Trading value (penalty or discount) includes consideration of scarcity value (*i.e.* how much existing public finance exposure each bank has);
5. Bank commitment to the public finance market; and
6. Diversification of banks supporting the TECP program.

Based upon the results of this evaluation the panel is recommending the Water Authority select J.P. Morgan as the replacement for the Barclays facility. This action maintains the TECP program’s outstanding principal balance at $360 million. Because pricing for these services has come down over the last year, the replacement facility will cost 40 basis points (100 basis points equal 1%), which is a 20 basis point reduction from the current fee or an annual savings of $200,000.
Addition of TECP Dealer
With Barclays Capital’s decision to limit its involvement with the Water Authority, they will no longer serve as a TECP dealer. This reduces the Water Authority’s dealer pool to four firms. To maintain the existing level of dealer diversity Staff is recommending that the Pool be utilized and Morgan Stanley be selected as a replacement dealer for Barclays. Morgan Stanley’s proposed fee is 5 basis points, which is very competitive with the rates paid to the existing TECP dealers. This will ensure that the Water Authority is well positioned to access TECP dealers in the future.

Adoption of the Resolution:
The replacement of the Series 4 involves the selection of key vendors including Liquidity Facility provider, commercial paper dealers, and Issuing and Paying Agent (IPA). Staff is recommending, with the exception of the Liquidity Facility provider and the addition of Morgan Stanley as a TECP dealer discussed above, that the existing TECP program service providers be maintained. A description of the activities of each service provider and a description of an offering memoranda is provided below.

Liquidity Facility Agreement with J.P. Morgan
The Liquidity Facility Agreement evidence the banks’ commitment to provide liquidity to the Water Authority in the event that TECP dealers cannot find an investor for the maturing notes. Further, the Liquidity Facility Agreement contains the terms of any loan arrangement that would arise if the bank provided liquidity to the Water Authority, which include interest rates, amortization schedule, termination and default events along with other agreement terms.

Issuing and Paying Agent Agreements with Deutsche Bank
The IPA Agreement describes the terms and conditions of the issuance of TECP notes. Among other things, the IPA Agreement specifies how the notes are to be authorized, issued and repaid, establishes covenants of the Water Authority and sets forth events of default. The agreements for each series of TECP are identical to the IPA Agreement for the existing series of TECP. Deutsche Bank has not only provided the most competitive pricing but also has a long history of providing the Water Authority with superior quality of service.

Dealer Agreements with Bank of America Securities/Merrill Lynch; Citigroup Goldman; J.P. Morgan; and Morgan Stanley
Broker-dealer firms find investors for the Water Authority’s TECP and remarket/rollover the TECP as it matures and dealer agreements describe the terms and conditions of this arrangement. Firms with large, dedicated sales forces and experience managing TECP programs assure that the TECP will be placed with the broadest group of investors at the lowest prevailing interest rates. The Pool and the form of the existing Water Authority dealer agreements will be used for the new series.

Offering Memoranda
The Offering Memoranda serve two purposes. They are used by dealers to solicit investor interest and also to satisfy the Water Authority’s obligations under applicable securities laws with respect to disclosure. The memoranda provide potential TECP
investors with information to make an informed investment decision. To this extent, the memoranda provide detailed information about the Liquidity Facilities and banks securing the TECP as well as general and financial information regarding the Water Authority. Because TECP is a short-term debt instrument, the Offering Memoranda focus more on the Liquidity Facility and the banks than on information pertaining to the Water Authority. Because each series of TECP is secured by a different Liquidity Facility, each series will have an Offering Memoranda. The form of the offering memorandum is provided as Attachment B.

In approving Resolution 2013-__ the Board will be taking the following actions:

- Authorize the issuance of Commercial Paper Notes;
- Approve the forms of the principle transaction documents including;
  - Offering memoranda (Attachment B)
  - On file with the clerk of the Board and available upon request:
    - Liquidity Facilities Agreement
    - Issuing and Paying Agent Agreement
    - Dealer Agreements
- Delegate to Water Authority officers the authority to finalize, execute and deliver the documents and complete the transaction. Water Authority officers include the Chair and Vice-Chair of the Board, the General Manager, and the Director of Finance/Treasurer

Prepared by: David Shank, Financial Planning Manager
Reviewed by: Tracy M. McCraner, Director of Finance
Approved by: Sandra L. Kerl, Deputy General Manager

Attachments: A: Water Authority Resolution
B: Form of the Offering Memorandum
RESOLUTION NO. _________

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF SHORT-TERM REVENUE CERTIFICATES AND AUTHORIZING AND APPROVING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the San Diego County Water Authority, a county water authority duly organized and existing under and pursuant to the Constitution and laws of the State of California (the “Water Authority”), is authorized under provisions of the Constitution and laws of the State of California, and in accordance therewith, to incur indebtedness through the issuance of short-term revenue certificates; and

WHEREAS, the Board of Directors of the Water Authority (the “Board”) adopted, on May 11, 1989 and amended on December 11, 1997 and December 17, 2009, Resolution No. 89-21 of the Water Authority providing for the allocation of water system revenues and establishing covenants to secure the payment of obligations payable from the net water revenues (the “General Resolution”); and

WHEREAS, the Board has previously authorized the issuance, from time to time, of $100,000,000 aggregate principal amount of San Diego County Water Authority Series 4 Notes, Series 4 (the “Series 4 Notes”); and

WHEREAS, the Board has determined that it is in the best interest of the Water Authority to provide for the issuance of an additional series of Short-Term Revenue Certificates (the “Series 7 Notes”) to refund the Series 4 Notes; and

WHEREAS, there have been presented to this meeting and placed on file with the Executive Secretary of the Water Authority the following documents;

(1) A form of revolving credit and term loan agreement (the “Form of Liquidity Agreement”);
(2) A form of fee letter relating to the revolving credit and term loan agreement (the “Form of Fee Letter”);
(3) A form of dealer agreement (the “Form of Dealer Agreement”);
(4) A form of issuing and paying agent agreement (the “Form of Issuing and Paying Agent Agreement”); and
(5) A form of offering memorandum (the “Form of Offering Memorandum”); and
WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the entering into or amending of an issuing and paying agent agreements providing for the issuance of Series 7 Notes and the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Water Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Diego County Water Authority as follows:

Section 1. Findings. The Water Authority hereby specifically finds and declares that the statement, findings and determinations of the Water Authority set forth in the preambles of the documents approved herein are true and correct, and that the foregoing recitals are true and correct and the Water Authority hereby so finds and determines.

Section 2. Issuance of Series 7 Notes: Terms of Series 7 Notes. The Board hereby authorizes the issuance, from time to time, of Series 7 Notes in the aggregate principal amount not to exceed $100,000,000 to be outstanding at any one time. The Board hereby also authorizes issuance of Bank Notes (as such term is defined in the Issuing and Paying Agent Agreement) in the aggregate principal amount not to exceed $100,000,000 outstanding at any one time. Such Series 7 Notes and Bank Notes shall constitute “Subordinate Obligations” for purposes of the General Resolution.

Within the parameters set forth in this Resolution, each representative of the Board designated by the Board pursuant to Section 8 of this Resolution (the “Designated Representative”) is hereby delegated the authority to deliver an Issuance Request (as defined herein), to determine when Series 7 Notes shall be issued, and to establish the face amount, the date, the effective interest rate, the amount of interest and the maturity date with respect to each Series 7 Note issued; provided however that no Series 7 Note shall have a term in excess of Two Hundred Seventy (270) days. In setting such terms, the Designated Representative shall consult with the Dealers designated herein, and may consult with the financial advisors of the Water Authority, if necessary, and take into account market conditions. In addition, the Designated Representative shall be authorized to certify as to certain matters relating to the Water Authority and the Series 7 Notes from time to time as may be required by the Issuing and Paying Agent Agreement, the Dealer Agreements and the Liquidity Agreement (collectively, the “Documents”).

Execution and delivery of each set of instructions, pursuant to the Issuing and Paying Agent Agreement, by the Designated Representative (each an “Issuance Request”), containing the maturities, the principal amounts, the purchase prices, the interest rates, the amounts of interest and the dates for each Series 7 Note to be issued at such time, within the parameters set forth in this Resolution and the Issuing and Paying Agent Agreement, shall constitute conclusive evidence of the Water Authority’s approval of such maturities, principal amounts, purchase prices, rates, amounts of interest and dates for such issue of Series 7 Notes.
Section 3. **Form of Series 7 Notes.** The Series 7 Notes and the Issuing and Paying Agent’s Certificate of Authentication to appear thereon shall be in a form appropriate to adequately reflect the terms of such Series 7 Notes and the obligations represented thereby as are permitted or required by this Resolution and the related Issuing and Paying Agent Agreement and may have such letters, numbers or other marks of identification and such legends, endorsements and opinions thereon as may, consistent herewith, be approved by the Designated Representative.

Section 4. **Approval of Form of Dealer Agreement.** The Form of Dealer Agreement is hereby approved. The Chair of the Board or the General Manager or Director of Finance/Treasurer of the Water Authority (collectively the “Authorized Officers” and individually an “Authorized Officer”) are hereby authorized and directed to execute and deliver Dealer Agreements, in substantially such form, with any changes, additions and completions thereto as such Authorized Officer, with the concurrence of the General Counsel of the Water Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof (as finally executed and delivered, the “Dealer Agreements”). The Authorized Officers are hereby authorized to appoint from Citigroup Global Markets Inc., Goldman Sachs & Co., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC, dealers for the Series 7 Notes (“Dealers”) in such amounts as such officers shall determine.

Section 5. **Approval of Form of Issuing and Paying Agent Agreement.** The Form of Issuing and Paying Agent Agreement is hereby approved. The Authorized Officers are hereby authorized and directed to execute and deliver an Issuing and Paying Agent Agreement with Deutsche Bank Trust Company Americas, or such other financial institution as shall be selected by the Authorized Officers (the “Issuing Paying Agent”), in substantially such form, with any changes, additions and completions thereto as such Authorized Officer, with the concurrence of the General Counsel of the Water Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof (as finally executed and delivered, the “Issuing and Paying Agent Agreement”).

Section 6. **Approval of Form of Liquidity Facility Agreement and Form of Fee Letter.** The Form of Liquidity Agreement and Form of Fee Letter are hereby approved. The Authorized Officers are hereby authorized and directed to execute and deliver a Liquidity Agreement with JPMorgan Chase Bank, N.A., or such other financial institution as shall be selected by the Authorized Officers (the “Liquidity Provider”), in substantially such form, with any changes, additions and completions thereto as such Authorized Officers, with the concurrence of the General Counsel of the Water Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. **Approval of Form of Offering Memorandum.** The Form of Offering Memorandum is hereby approved. The General Manager of the Water Authority or the Director of Finance/Treasurer of the Water Authority is hereby authorized and directed to approve the distribution of Offering Memoranda in substantially such form with any changes, additions or completions thereto as such officer may require or approve. Each Offering Memorandum so distributed shall first be approved by the General Manager of the Water Authority or the Director of Finance/Treasurer of the Water Authority. The Dealers are hereby
authorized to distribute the Offering Memoranda in final form to market the Series 7 Notes from
time to time, which Offering Memoranda may include copies of the Water Authority’s most
recent annual audited financial statements and such other information relating to the Water
Authority as the General Manager of the Water Authority or the Director of Finance/Treasurer of
the Water Authority shall require or approve.

Section 8. Designated Representative. The Board hereby appoints the
Director of Finance/Treasurer of the Water Authority, and such other officer or officers of the
Water Authority as such officer shall from time to time designate, to serve as Designated
Representatives of the Water Authority. The Designated Representatives shall be authorized
each of whom are hereby directed to perform those duties set forth in the Documents including,
without limitation, the execution of Issuance Requests. Designated Representatives are also
authorized to make representations and warranties concerning the Series 7 Notes as and when
required by the Documents.

Section 9. Actions Respecting Outstanding Commercial Paper Notes. The
Authorized Officers are hereby authorized to execute and deliver to dealers dealer agreements
respecting the Water Authority’s Commercial Paper Notes Series 1, Series 5 and Series 6 (the
“Outstanding Commercial Paper Notes”) in substantially the form of the Form of Dealer
Agreement, with any changes, additions and completions thereto as such Authorized Officer,
with the concurrence of the General Counsel of the Water Authority, may require or approve,
such approval to be conclusively evidenced by the execution and delivery thereof, to approve the
distribution of revised Offering Memoranda for the Outstanding Commercial Paper Notes, with
any changes, additions or completions thereto as such officer may require or approve, to appoint
substitute issuing and paying agents, add or replace dealers or substitute liquidity providers for
Outstanding Commercial Paper Notes and to execute and deliver any and all certificates,
requisitions, agreements, notices and other documents which they may deem necessary or
advisable in connection with the issuance, sale and delivery from time to time of Outstanding
Commercial Paper Notes.

Section 10. Attestation. The Clerk of the Board of the Water Authority is
hereby authorized and directed to attest the signatures of the Authorized Officers as may be
required or appropriate in connection with the execution and delivery of the Documents.

Section 11. Execution by Authorized Officer / Additional Authorization.
Whenever the Authorized Officers are, by this resolution, authorized and directed to execute and
deliver any document the execution and delivery of that document by any of Authorized Officer
shall be sufficient. The Authorized Officers, General Manager, and General Counsel, agents and
employees designated by the Authorized Officers, General Manager, or General Counsel, are
authorized and directed to do any and all things necessary, including (without limitation)
appointment of a substitute Issuing and Paying Agent for the Series 7 Notes or replacement of a
Dealer for the Series 7 Notes, or appointment of an additional Dealer, if desirable, and
appointment of a substitute qualified financial institution to provide liquidity for the Series 7
Notes, to effect the execution and delivery of the Series 7 Notes, the Issuing and Paying Agent
Agreement, the Dealer Agreements, the Liquidity Agreement, the Fee Letter and the Offering
Memorandum and to carry out the terms thereof; and to execute and deliver any and all
certificates, requisitions, agreements, notices, consents, and other documents, including the tax
certificate, the letter of representations to a bond depository, other insurance or credit agreements, if any, and closing certificates, which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Series 7 Notes from time to time as contemplated by the Issuing and Paying Agent Agreement, to pay the fees and expenses of the Liquidity Provider, rating agency fees, the fees and expenses of the issuing and paying agent, the Water Authority’s financial advisor and bond counsel, and all other amounts required to be paid by the Water Authority to effect the purposes of this Resolution, and any such actions previously taken by the aforementioned officers are hereby ratified, confirmed and approved.

Section 12.  **Delegation of Authority.** The authority of the General Manager, Director of Finance/Treasurer, General Counsel and Clerk of the Board under this resolution may be delegated as provided in the Administrative Code of the Water Authority.

Section 13.  **Effective Date.** The effective date of this Resolution shall be the date of its adoption.

PASSED, APPROVED AND ADOPTED, this 25th day of April 2013:

AYES: Unless noted below all Directors voted aye.

NOES:

ABSTAIN:

ABSENT:

________________________________________
Thomas V. Wornham, Chair

ATTEST:

________________________________________
Michael T. Hogan, 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. 2013-_____ was duly adopted at the meeting of the Board of Directors on the date stated above.

__________________________________________  Doria F. Lore, Clerk
Clerk of the Board
$100,000,000
Commercial Paper Notes, Series 7

The Series 7 Notes (the “Series 7 Notes”) offered hereby are part of an issue of Commercial Paper Notes of the San Diego County Water Authority (the “Water Authority”) which are issued from time to time pursuant to the Issuing and Paying Agent Agreement. The Series 7 Notes are issued as interest-bearing obligations, in book-entry form, in denominations of $100,000 and integral multiples of $1,000 in excess thereof. The Water Authority has appointed Citigroup Global Markets Inc., Goldman, Sachs & Co., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC, as co-dealers for the Series 7 Notes.

On June [__], 2013, Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the Water Authority, delivered its opinion that, based on an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 7 Notes, when issued in accordance with the Issuing and Paying Agent Agreement and the Tax Certificate, is excluded from gross income for federal income tax purposes and is exempt from the State of California personal income taxes. Bond Counsel’s opinion also stated that interest on the Series 7 Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observed that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expressed no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 7 Notes. See “TAX EXEMPTION” herein.

The Series 7 Notes constitute limited obligations of the Water Authority, payable solely from a pledge of Net Water Revenues (as defined herein), and neither the full faith and credit nor the taxing power of the Water Authority, the State of California or any of its political subdivisions is pledged for the payment thereof. Payment of the Series 7 Notes from Net Water Revenues is subordinate to the payment of any Prior Obligations (as defined herein) presently outstanding or hereafter incurred by the Water Authority in accordance with the General Resolution (as defined herein). The Water Authority has entered into a revolving credit agreement (the “Liquidity Agreement”) with JPMorgan Chase Bank, N.A. (the “Bank”), pursuant to which the Bank has agreed, subject to certain conditions precedent, to provide funds in an amount not to exceed $100,000,000 for the payment of the principal of the Series 7 Notes.

UNDER CERTAIN CIRCUMSTANCES, THE OBLIGATION OF THE BANK TO MAKE ADVANCES UNDER THE LIQUIDITY AGREEMENT WILL TERMINATE OR BE SUSPENDED IMMEDIATELY, AUTOMATICALLY AND WITHOUT NOTICE TO Holders of the Series 7 Notes. IN SUCH EVENT, SUFFICIENT FUNDS MAY NOT BE AVAILABLE TO PAY SUCH SERIES 7 NOTES.

BofA Merrill Lynch
J.P. Morgan
Citigroup
Goldman, Sachs & Co.
Morgan Stanley

Dated: June [__], 2013
$100,000,000
San Diego County Water Authority
Commercial Paper Notes, Series 7

INFORMATION CONCERNING THE OFFERING

Citigroup Global Markets Inc., Goldman, Sachs & Co., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC (collectively the “Dealers”) have been appointed to serve as exclusive dealers for the Commercial Paper Notes, Series 7 (the “Series 7 Notes”) of the San Diego County Water Authority (the “Water Authority”). This Offering Memorandum relates to the offering, from time to time, of up to $100,000,000 aggregate principal amount of the Series 7 Notes under the Issuing and Paying Agent Agreement (Series 7), dated as of June 1, 2013 (the “Issuing and Paying Agent Agreement”) between the Water Authority and Deutsche Bank Trust Company Americas (the “Issuing and Paying Agent”). The aggregate principal amount of the Series 7 Notes outstanding may change from time to time as provided in the Issuing and Paying Agent Agreement.

THE COMMERCIAL PAPER NOTES

Purpose of the Series 7 Notes

Proceeds of the Series 7 Notes will be used to provide funds to refinance the cost of design, acquisition and construction of water system improvements in furtherance of the Water Authority’s Capital Improvement Program.

Description of the Series 7 Notes

The Series 7 Notes will be dated the date of their respective authentication, will be issued as interest bearing obligations in denominations of $100,000 and integral multiples of $1,000 in excess thereof and, except as described below, will be issued in book-entry form through the book-entry system of The Depository Trust Company (“DTC”). Each note will bear interest from its date of issuance at the rate determined at the date of issuance payable at maturity. The Series 7 Notes will mature no later than 270 days from the date of issuance; provided that, so long as the Liquidity Facility (hereinafter defined) is in effect, no Series 7 Notes may be issued with a maturity date after the business day prior to the scheduled expiration date of the Liquidity Facility or, if an Alternate Facility will be available with respect to the Series 7 Notes, after the business day prior to the scheduled expiration date of the Alternate Facility. Interest is computed on the basis of a 365- or 366-day year, and the actual number of days elapsed. The principal of and interest on the Series 7 Notes in book-entry form will be paid at maturity to DTC and distributed by it to its participants as described below.

The Series 7 Notes will be delivered as fully registered certificates and registered in the name of Cede & Co., as registered owner and nominee for DTC. Beneficial ownership interests in the Series 7 Notes will be available in book-entry form only, and purchasers of the Series 7 Notes will not receive certificates representing their interests in the Series 7 Notes purchased. While held in book-entry only form, the Issuing and Paying Agent will make all payments of principal and interest with respect to the Series 7 Notes by wire transfer to DTC or its nominee as
the sole registered owner of the Series 7 Notes. Payments to the beneficial owners are the responsibility of DTC and its participants. See Appendix D–“Information Regarding DTC and the Book-Entry Only System.”

Security for the Series 7 Notes

The Water Authority expects to pay the principal of the Series 7 Notes with the proceeds of additional Series 7 Notes until the Water Authority provides permanent financing for those water system improvements refinanced with the Series 7 Notes or until, from time to time, revenues of the Water Authority are available to pay for the Series 7 Notes.

The Series 7 Notes constitute limited obligations of the Water Authority, payable solely from Net Water Revenues, and neither the full faith and credit nor the taxing power of the Water Authority, the State of California or any of its political subdivisions is pledged for the payment thereof. Payment of the Series 7 Notes from Net Water Revenues is subordinate to the payment of any Prior Obligations (defined below) presently outstanding or hereafter incurred by the Water Authority in accordance with Resolution 89-21 of the Water Authority, adopted on May 11, 1989, as supplemented by Resolution No. 97-52, adopted by the Board of Directors of the Water Authority on December 11, 1997 and by Resolution No. 09-23, adopted by the Board of Directors on December 17, 2009 (as supplemented, the “General Resolution”).

Pursuant to a Revolving Credit and Term Loan Agreement dated as of June [__], 2013 (the “Liquidity Agreement”) between the Water Authority and JPMorgan Chase Bank, N.A. (the “Bank”), the Bank has agreed, subject to certain conditions precedent, to provide funds in an amount not to exceed $100,000,000 for the payment of Series 7 Notes principal when due. Unless terminated earlier or extended in accordance with its terms, the Liquidity Agreement will terminate on [June, 2015]. See “SUMMARY OF CERTAIN PROVISIONS OF THE LIQUIDITY AGREEMENT” herein.

UNDER CERTAIN CIRCUMSTANCES, THE OBLIGATION OF THE BANK TO MAKE ADVANCES UNDER THE LIQUIDITY AGREEMENT WILL TERMINATE OR BE SUSPENDED IMMEDIATELY, AUTOMATICALLY AND WITHOUT NOTICE TO HOLDERS OF THE SERIES 7 NOTES. IN SUCH EVENT, SUFFICIENT FUNDS MAY NOT BE AVAILABLE TO PAY SUCH SERIES 7 NOTES.

The Water Authority may deliver an Alternate Facility in place of the Liquidity Agreement; provided, no such delivery may result in the termination of the Liquidity Agreement then in effect so long as Series 7 Notes for the payment of the principal of which such Liquidity Agreement is providing liquidity remain outstanding.

To provide security for the payment of the principal of and interest on the Series 7 Notes as the same shall become due and payable, the Issuing and Paying Agent Agreement grants a lien on and pledge of, subject only to the provisions of the Issuing and Paying Agent Agreement permitting the application thereof for purposes of the terms and conditions set forth therein, (i) the proceeds from the sale of Series 7 Notes issued pursuant to the Issuing and Paying Agent Agreement for the purpose of refinancing, renewing or refunding the Series 7 Notes, (ii) the amount held in the Commercial Paper Note Payment Fund (on a pro rata basis with any other
commercial paper notes secured by such fund) until the amounts deposited therein are used for authorized purposes, (iii) amounts held by the Issuing and Paying Agent in the Issuing and Paying Agent Fund, (iv) the amounts held in the Commercial Paper Note Construction Fund (on a pro rata basis with any other commercial paper notes secured by such fund), (v) the proceeds of any other indebtedness of the Water Authority issued or incurred solely for the payment of principal of and interest on the Series 7 Notes, (vi) any other moneys of the Water Authority hereafter pledged by the Water Authority for the payment of principal of and interest on the Series 7 Notes and (vii) the proceeds of Advances (as defined in the Liquidity Agreement), and the principal of and interest on the Series 7 Notes are equally and ratably secured by and payable from a lien on and pledge of the sources hereinabove identified in clauses (i) through (vii) above, subject and subordinate only to the exceptions noted therein.

Additionally, to provide for the payment of the principal of and interest on the Series 7 Notes as the same shall become due and payable, the Water Authority shall, from Net Water Revenues on deposit in the Subordinate Obligations Payment Fund established under the General Resolution on a parity with all other Subordinate Obligations (as defined herein), deposit in the Commercial Paper Note Payment Fund from time to time amounts sufficient, together with other moneys available therefor for the timely payment of principal of and interest on the Series 7 Notes. Such payment shall be subject and subordinate to the application of Net Water Revenues to the payment of principal and accreted value of, premium, if any, interest on, and any reserve fund requirements for, or other obligations with respect to, any senior obligations of the Water Authority.

Unless the Series 7 Notes are paid from the source described in the clauses (i) through (vii) above, such payment is to be made from Net Water Revenues deposited in the Commercial Paper Note Payment Fund.

For purposes of the foregoing:

“General Resolution” means Resolution No. 89-21 adopted May 11, 1989, entitled “A Resolution of the Board of Directors of the San Diego County Water Authority Providing for the Allocation of Water System Revenues and Establishing Covenants to Secure the Payment of Obligations Payable from Net Water Revenues,” as supplemented by Resolution No. 97-52, adopted by the Board of Directors of the Water Authority on December 11, 1997 and Resolution No. 09-23, adopted by the Board of Directors on December 17, 2009, as it may be further modified, amended or supplemented.

“Net Water Revenues” means, for any Fiscal Year or other period, the Water Revenues during such fiscal year or period, less the Maintenance and Operation Costs during such fiscal year or period.

“Water Revenues” means Current Water Revenues plus deposits to the Water Revenue Fund established under the General Resolution from amounts on deposit in the Rate Stabilization Fund, established under the General Resolution, less amounts transferred to the Rate Stabilization Fund.
“Current Water Revenues” means all gross income and revenue received or receivable by the Water Authority from the ownership or operation of the Water System, determined in accordance with Generally Accepted Accounting Principles, including all rates, fees and charges (including capacity charges, standby charges, and infrastructure access charges) received by the Water Authority for the Water Service and other services of the Water System and all other income and revenue howsoever derived by the Water Authority from the ownership or operation of the Water System or arising from the Water System, and also including investment income with respect to certain funds and accounts.

“Maintenance and Operation Costs” means all costs paid or incurred by the Water Authority for maintaining and operating the Water System, determined in accordance with Generally Accepted Accounting Principles, including all costs of water purchased by the Water Authority for resale, and including all expenses of management and repair and other expenses necessary to maintain and preserve the Water System in good repair and working order, and including all administrative costs of the Water Authority, such as salaries and wages of employees, overhead, taxes (if any) and insurance premiums, and including all other costs of the Water Authority or charges required to be paid by it to comply with the terms of the General Resolution or of any resolution authorizing the execution of any Contract or of such Contract or of any resolution authorizing the issuance of any Bonds or of such Bonds, such as compensation, reimbursement and indemnification of the trustee, seller, lender or lessor for any such Contracts or Bonds and fees and expenses of Independent Certified Public Accountants; but excluding in all cases (1) depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles, premiums and discounts, (2) interest expense and (3) amounts paid from other than Water Revenues (including, but not limited to, amounts paid from the proceeds of ad valorem property taxes.)

“Prior Obligations” means the Water Authority’s Water Revenue Certificates of Participation, Series 1998A, 2004A and 2008A; the Water Authority’s Water Revenue Refunding Certificates of Participation, Series 2005A; the San Diego County Water Authority Financing Agency Water Revenue Bonds, Series 2010A and 2010B; the San Diego County Water Authority Financing Agency Water Revenue Refunding Bonds, Series 2011A, 2011B and 2013A; and any other Bonds, Contracts or evidences of indebtedness or obligations of the Water Authority authorized under the Act payable from Net Water Revenues senior to the Series 7 Notes; and

“Subordinate Obligations” means the Series 7 Notes, the San Diego County Water Authority Commercial Paper Notes, Series 1 (the “Series 1 Notes”), the San Diego County Water Authority Commercial Paper Notes, Series 4 (the “Series 4 Notes”), the San Diego County Water Authority Commercial Paper Notes, Series 5 (the “Series 5 Notes”), the San Diego County Water Authority Commercial Paper Notes, Series 6 (the “Series 6 Notes”), the San Diego County Water Authority Subordinate Lien Water Revenue Refunding Bonds, Series 2011S-1 (the “2011S-1 Bonds”), and any other obligations of the Water Authority authorized and executed by the Water Authority under applicable law, the interest and principal payments under and pursuant to which are payable from Net Water Revenues from the Subordinate Obligation Payment Fund as Subordinate Obligations under the General Resolution. The Water Authority expects to refund the Series 4 Notes from proceeds of the Series 7 Notes following their initial issuance.
“Bonds” means revenue bonds of the Water Authority principal and interest on which are payable from Net Water Revenues on a parity with the Prior Obligations.

“Contracts” means installment sale agreements, leases or contracts of indebtedness principal and interest with respect to which are payable by the Water Authority from Net Water Revenues on a parity with the Prior Obligations.

“Certificates” means certificates of participation in payments made by the Water Authority pursuant to Contracts.

**Rate Covenant**

The Water Authority covenants under the General Resolution that it will at all times fix, prescribe and collect or cause to be collected rates, fees and charges for the Water Service which are reasonably fair and non-discriminatory and which will be at least sufficient to yield during the next succeeding fiscal year Net Water Revenues sufficient for the payment of all amounts payable from Net Water Revenues and at least equal to 120% of the Debt Service on all Prior Obligations, for such fiscal year. The Water Authority may make adjustments from time to time in such rates, fees and charges and may make such classifications thereof as it deems necessary, but shall not reduce the rates, fees and charges then in effect unless the Net Water Revenues from such reduced rates, fees and charges will at all times be sufficient to meet the requirements of this covenant.

The Water Authority further covenants under the Issuing and Paying Agreement that it will prescribe, revise and collect such rates and charges for the services, facilities, availability and water of the Water System which, after making allowances for contingencies and error in estimates, will provide Water Revenues at least sufficient to pay the following amounts in the order set forth:

1. Maintenance and Operation Costs;

2. Principal and accreted value of, premium, if any, and interest on all Prior Obligations as and when the same shall become due and payable, and any required deposits into any reserve funds or accounts for the Prior Obligations, all in accordance with the Prior Obligation Documents;

3. To the extent the same are reasonably anticipated by the Water Authority to be paid with Net Water Revenues (e.g., not paid from the proceeds of additional Notes or other refunding obligations), the principal of and interest on the Series 7 Notes and any other amounts due the Bank under the Liquidity Facility when the same shall become due; and

4. Any other obligations which are payable from the Water Revenues.

The Series 7 Notes are Subordinate Obligations payable on a parity with the Series 1 Notes, the Series 2 Notes, the Series 4 Notes the Series 5 Notes, the Series 6 Notes, the 2011S-1 Bonds, and any other Subordinate Obligations secured by the Subordinate Obligation Payment Fund established under the General Resolution. The Water Authority expects to refund the
Series 4 Notes from proceeds of the Series 7 Notes following the initial issuance of such Series 7 Notes.

THE WATER AUTHORITY

The Water Authority is a public agency created in San Diego County in 1944 under the County Water Authority Act, California Statutes 1943, Chapter 545, as amended (the “Act”). The Water Authority’s primary purpose is to supply water to San Diego County for wholesale distribution to the Water Authority’s member agencies in order to fulfill their needs for beneficial uses and purposes. The Water Authority currently serves 24 member agencies, comprised of 6 cities, including the City of San Diego, 17 special districts and the Pendleton Military Reservation. Historically, 75-95% of the water beneficially used in San Diego County is supplied by the Water Authority. The Water Authority is governed by a 36-member Board of Directors, comprised of at least one representative from each of the Water Authority’s member agencies. Any member agency may appoint one additional representative for each full five percent (5%) of total assessed value of property taxable for Water Authority purposes which is within the public agency. As a result, the City of San Diego is currently entitled to representation by ten directors and Helix Water District, Otay Water District and Carlsbad Municipal Water District are each currently entitled to representation by two directors. By law, all of San Diego’s votes are cast as a block as determined by a majority of the San Diego representatives present at a meeting. A member agency’s weighted vote is based on its “total financial contribution” to the Water Authority as determined annually by the Board of Directors. Total financial contribution includes all amounts paid in taxes, assessments, fees and charges to or on behalf of the Water Authority and The Metropolitan Water District of Southern California with respect to property located within each member agency.

Under the Act, the Water Authority is authorized to acquire water and water rights within or outside of the State of California; to develop, store and transport such water, to provide, sell, and deliver water for beneficial uses and purposes and to provide, sell and deliver water of the Water Authority not needed or required for beneficial purposes of its member agencies to areas outside the boundaries of the Water Authority.

The Water Authority is further authorized by the Act to utilize any part of its water, and any parts of its facilities used for the development, storage, and transportation of water, to provide, generate, and deliver hydroelectric power, and may acquire, construct, operate and maintain any and all of its facilities for such utilization, and the Act authorizes the Water Authority to purchase, lease, sell and otherwise dispose of real or personal property. The Water Authority is authorized to contract to provide, sell and deliver hydroelectric power to the United States of America, to the State of California for the State Water Project and to any other person engaged in the sale of electric power at retail or wholesale. The Water Authority is also authorized to acquire, construct, own, operate, control or use works for supplying its member agencies with gas or electricity and to purchase, sell and exchange gas and electricity from, to and with any public agency, private company or person engaged in the sale of gas or electricity at retail.

The most recent descriptions of the member agencies, the Service Area, Water Supply, Water Facilities, and seismic considerations may be found either in the Water Authority’s most
The Water Authority’s goal is to provide a safe and reliable supply of water to its member agencies serving the San Diego region by maintaining an operationally flexible water storage, treatment and distribution system. To achieve this goal, the Water Authority has implemented a strategic plan, a component of which is known as the Capital Improvement Program (“CIP”).

The Water Authority staff prepares periodic studies to project the future water demands in its service area. These Water Authority studies review the most recent information on member agency projected water demands, demographics and population estimates by the San Diego Association of Governments. These projections are incorporated into the CIP.

A description of the Water Authority’s Long-Range Financing Plan, the Capital Improvement Program and other obligations issued to fund the CIP may be found either in the Water Authority’s most recent Official Statement or the Water Authority’s Continuing Disclosure Annual Report filed annually with the MSRB. See “OTHER MATTERS.”

Sources of Revenue

Water rates generate the majority of the Water Authority’s revenue stream. The Water Authority’s Board of Directors determines water rates which, under the General Resolution, must be reasonably fair and nondiscriminatory. See “Rate Covenant” above. These rates are not subject to regulation by the California Public Utilities Commission or by any other local, state or federal agency. The Water Authority bills member agencies for water deliveries monthly. The Water Authority also imposes standby charges, capacity charges and infrastructure access charges and receives property tax revenues and in-lieu charges. In the Fiscal Year ended June 30, 2012, approximately [___]% of the Water Authority’s gross revenues were from fixed sources (standby charges, infrastructure access charges, property tax revenues and in-lieu charges). The imposition of taxes, assessments, rates and charges by the Water Authority is subject to various constitutional and statutory limitations, including some requirements of Articles XIII A, XIII B, XIII C and XIII D of the California Constitution, and are subject to reduction or repeal through the initiative process as provided in Article XIII C of the California Constitution.

Outstanding Debt

As of June 1, 2013, the Water Authority had $[_______] aggregate principal amount of Prior Obligations outstanding.

The Series 1 Notes are currently outstanding in the aggregate principal amount of $110,000,000, with liquidity provided by Bayerische Landesbank.
The Series 4 Notes are currently outstanding in the aggregate principal amount of $100,000,000, with liquidity provided by a line of credit from Barclays Bank PLC. The Water Authority expects to refund the Series 4 Notes from proceeds of the Series 7 Notes following their initial issuance.

The Series 5 Notes are currently outstanding in the aggregate principal amount of $100,000,000, with liquidity provided by a line of credit from Wells Fargo Bank, National Association.

The Series 6 Notes are currently outstanding in the aggregate principal amount of $50,000,000, with liquidity provided by a line of credit from Citibank, N.A.

The 2011S-1 Bonds are currently outstanding in the aggregate principal amount of $[86,630,000].

The Series 1 Notes, Series 4 Notes, Series 5 Notes, Series 6 Notes, and 2011S-1 Bonds are Subordinate Obligations under the General Resolution and are payable on parity with payment of the Series 7 Notes.

Desalination Costs

On November 29, 2012, the Water Authority Board approved the implementation and financing of a desalination project to be located in Carlsbad, California, including a desalination plant and 10-mile pipeline to deliver desalinated water from the plant to the Water Authority’s water system. The project has been financed in part with proceeds of two series of bonds, $530,345,000 aggregate principal amount of California Pollution Control Financing Authority Water Furnishing Revenue Bonds, Series 2012 (Poseidon Resources (Channelside) LP Desalination Project) (the “Series 2012 Plant Bonds”), and $203,215,000 aggregate principal amount of California Pollution Control Financing Authority Water Furnishing Revenue Bonds, Series 2012 (San Diego County Water Authority Desalination Project Pipeline) (collectively, the “Desalination Bonds”), issued on December 24, 2012 by the California Pollution Control Financing Authority. In connection with the desalination project, the Water Authority entered into a Carlsbad Seawater Desalination Project Water Purchase Agreement, dated December 20, 2012 (the “Desalination Water Purchase Agreement”), by and between the Water Authority and Poseidon Resources (Channelside) LP, and a Pipeline Installment Sale and Assignment Agreement (the “Desalination Installment Sale Agreement”), dated December 24, 2012, by and between the Water Authority and the San Diego County Water Authority Financing Agency. It is expected that payments made by the Water Authority under these agreements will constitute a substantial portion of the amounts ultimately applied to pay debt service payments on the Desalination Bonds, contingent on attainment of certain operating and product water delivery conditions. Purchases of water pursuant to the Desalination Water Purchase Agreement will constitute Operation and Maintenance Costs under the General Resolution, while installment payments to be made pursuant to the Desalination Installment Sale Agreement are obligations payable from amounts constituting Net Water Revenues on deposit in the General Reserve Fund established under the General Resolution, subordinate to the pledge of Net Water Revenues for the payment of Bonds, Contracts, Reimbursement Obligations and Subordinate Obligations.
Investment Policy

The investment policies and practices of the Board of Directors and the Treasurer for the San Diego County Water Authority are based upon limitations placed on it by governing legislative bodies. The investment policy of the Water Authority is reviewed and submitted annually to the Board of Directors of the Water Authority and is subject to change. A copy of the Water Authority’s Annual Statement of Investment Policy for Calendar Year 2013 is attached hereto as Appendix C.

Water Authority Financial Statements

The financial statements of the Water Authority for the fiscal year ending June 30, 2012, are attached hereto as Appendix A. Additional financial and operating data relating to the Water Authority’s water system may be found in the Water Authority’s most recent Continuing Disclosure Annual Report filed annually with the MSRB. See “OTHER MATTERS.”

DESCRIPTION OF THE BANK

The following information has been provided by the Bank for inclusion in this Offering Memorandum. None of the Water Authority or the Dealers make any representation as to the accuracy or completeness of this information or as to the absence of material adverse changes with respect to the Bank or its financial condition subsequent to the date hereof.

[TO COME]

SUMMARY OF CERTAIN PROVISIONS OF THE LIQUIDITY AGREEMENT

[TO BE UPDATED]

General

The following description is a summary of certain provisions of the Liquidity Agreement. Such summary does not purport to be a complete description or restatement of the material provisions of the Liquidity Agreement. Investors should obtain and review a copy of the Liquidity Agreement in order to understand all of the terms of that document.

Subject to the terms and conditions of the Liquidity Agreement, the Bank agrees to make Advances (as defined in the Liquidity Agreement) from time to time on any Business Day (as defined in the Liquidity Agreement) during the Commitment Period (as defined in the Liquidity Agreement) in amounts which, together with the principal amount of any Advances and Term Loans (as defined herein) then outstanding, shall not exceed at any time outstanding the Commitment (as defined in the Liquidity Agreement). Each Advance shall be made solely for the purpose of providing funds to pay the principal of Series 7 Notes on the maturity date thereof to the extent that proceeds of other Series 7 Notes or Net Water Revenues are not available therefor. The aggregate principal amount of all Advances made on the date of any Advance shall not exceed the Available Commitment (as defined in the Liquidity Agreement) (calculated
without giving effect to any Advances made on such date) at 9:00 a.m. (New York City time) on such date. The proceeds of Advances shall not be available to pay interest on Series 7 Notes.

Under certain circumstances described below, the obligation of a Bank to purchase the Series 7 Notes may be immediately suspended or terminated without notice to the holders thereof. In such event, sufficient funds may not be available to purchase Series 7 Notes.

**Certain Definitions**

For purposes of this Section, the Liquidity Agreement defines “Basic Documents”, “Collateral”, “Debt”, “Prior Obligations” and “Revenues Secured Debt” as follows:

“Basic Documents” means the Issuing and Paying Agent Agreement, the Fee Letter, the Revolving Note, the Term Note, the General Resolution and the Dealer Agreement (each as defined in the Liquidity Agreement).

“Collateral” means those funds and other assets pledged to secure the Series 7 Notes, the Revolving Note and the Term Note pursuant to the Issuing and Paying Agent Agreement and the General Resolution.

“Debt” means (a) all Bonds, Contracts and other evidences of indebtedness or obligations of the Water Authority, including, without limitation, Subordinate Obligations (as defined in the Liquidity Agreement), that are payable from or secured by Net Water Revenues and are evidenced by bonds, debentures, notes or other similar instruments, including, without limitation, the Series 7 Notes, the Revolving Note and the Term Note, (b) all other indebtedness of the Water Authority for borrowed money, (c) obligations of the Water Authority as lessee under any lease of property, real or personal, that, in accordance with GAAP, would be required to be capitalized on a balance sheet of the lessee thereof, (d) obligations of the Water Authority on or with respect to letters of credit, banker’s acceptances or other evidences of indebtedness representing extensions of credit, whether or not representing obligations for borrowed money, (e) all obligations for the deferred purchase price of property or services (other than trade accounts payable occurring in the ordinary course of business), (f) any obligation of the Water Authority guaranteeing or in effect guaranteeing any other Debt, whether directly or indirectly and (g) all obligations arising under or pursuant to any Swap Contract.

“Prior Obligations” means (i) Bonds and Contracts (including Certificates evidencing undivided interests therein), (ii) any bonds, notes, certificates, debentures or other evidence of similar indebtedness issued by or on behalf of the Water Authority secured by a lien on the Collateral ranking senior to or on a parity with the Series 7 Notes, the Revolving Note and the Term Note, (iii) the obligations which are scheduled payments of the Water Authority under any Swap Contract (which are secured pursuant to the Issuing and Paying Agent Agreement by a lien on the Collateral ranking senior to or on a parity with the Series 7 Notes, the Revolving Note and the Term Note) providing interest rate support with respect to any indebtedness issued by or on behalf of the Water Authority pursuant to the Issuing and Paying Agent Agreement by a lien on the Collateral ranking senior to or on a parity with the Series 7 Notes, the Revolving Note and the Term Note, (iv) any obligation of the Water Authority as lessee under a capital lease secured by a lien on the Collateral ranking senior to or on a parity with the Series 7 Notes, the Revolving
Note and the Term Note (x) which is not subject to appropriation or abatement or (y) which is rated by each Rating Agency then rating the Series 7 Notes at a level equal to or higher than the long-term unenhanced debt rating assigned by each such Rating Agency to the Water Authority’s Bonds and Contracts (including Certificates evidencing undivided interests therein) and (v) any Guarantee by the Water Authority secured by a lien on the Collateral ranking senior to or on a parity with the Series 7 Notes, the Revolving Note and the Term Note (provided, however, that the failure to pay any such Guarantee as a result of any set-off, recoupment or counterclaim or any other defense to payment under such Guarantee by the Water Authority shall not constitute a failure to pay Prior Obligations for purposes of the Liquidity Agreement).

“Revenues Secured Debt” means (i) Bonds, (ii) Contracts, (iii) Reimbursement Payments (other than any such payments that have been accelerated under the applicable Reimbursement Agreement) and (iv) other Debt payable from or secured by Net Water Revenues and described in clauses (a), (c) and (g) of the definition thereof (and in the case of obligations arising under or pursuant to any Swap Contract as described in clause (g) of the definition thereof, only with respect to (A) Swap Contracts that provide interest rate support and (B) obligations that constitute regularly scheduled payments that relate to Bonds, Contracts and other obligations described in clause (a) of the definition thereof) the payment of which is secured by a pledge of or Lien on Net Water Revenues senior to or on a parity with the payment of the Series 7 Notes.

Termination Events

Each of the following events, among others, shall constitute a Termination Event (as defined in the Liquidity Agreement) under the Liquidity Agreement. Reference is made to the Liquidity Agreement for a complete listing of all Termination Events:

(a) the Water Authority shall fail to pay (i) any amount of interest on any Series 7 Notes when the same shall become due and payable in accordance with its terms or (ii) any principal of, or interest on, the Revolving Note, the Term Note, any Advance (as defined in the Liquidity Agreement), or any Term Loan (as defined in the Liquidity Agreement), when the same shall become due and payable in accordance with its terms (other than as a result of the acceleration thereof as a result of certain Events of Default); or

(b) the Water Authority shall fail to pay when due and payable (whether by scheduled maturity, required prepayment or acceleration) any Revenues Secured Debt of the Water Authority, or any interest or premium thereon, and such failure shall continue beyond any applicable period of grace specified in any underlying resolution, indenture, contract or instrument pursuant to which such Revenues Secured Debt has been issued, or pursuant to the provisions of any such resolution, indenture, contract or instrument the maturity of any such Revenues Secured Debt, as a result of a payment default, shall have been or may be accelerated or required to be prepaid prior to the stated maturity thereof; or

(c) one or more final, unappealable judgments or orders for the payment of money which, individually or in the aggregate, equal or exceed $15,000,000 and are payable from Water Revenues (as defined herein) or attachment against the Water Revenues shall be rendered against the Water Authority and such judgment or order shall continue unsatisfied, unstayed or undismissed for a period of sixty (60) days; or
(d) (i) The Water Authority shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its Debts payable from or secured by Water Revenues, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of the assets of the Water System (as defined in the Liquidity Agreement), or the Water Authority shall make a general assignment for the benefit of its creditors, or a debt moratorium, debt restructuring, or comparable extraordinary restriction on repayment of debt shall have been declared, announced or imposed with respect to the Bonds (as defined in the Liquidity Agreement), or any Revenues Secured Debt; or (ii) there shall be commenced against the Water Authority any case, proceeding or other action of a nature referred to in clause (i) above which (x) results in an order for such relief or in the appointment of a receiver or similar official or (y) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (iii) there shall be commenced against the Water Authority, any case, proceeding or other action seeking the issuance of a warrant of attachment, execution, restraint or similar process against all or any substantial part of the assets of the Water System or the Water Revenues, which results in the entry of a final and non-appealable order or ruling for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the Water Authority shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the Water Authority shall admit in writing its inability to pay its debts; or

(e) any provision of the Liquidity Agreement, the Act (as defined herein), the Revolving Note, the Term Note, any Series 7 Note, the Issuing and Paying Agent Agreement or the General Resolution relating to (A) the Water Authority’s ability or obligation to make payments of principal or interest on the Series 7 Notes, the Term Note, the Revolving Note, any Advance or any Term Loan or any other Revenues Secured Debt or (B) the validity or enforceability of the pledge of and lien on the Collateral shall at any time and for any reason cease to be valid and binding on the Water Authority or shall be deemed to be null and void, invalid or unenforceable pursuant to a final, nonappealable judgment or order of any court or other Governmental Authority (as defined in the Liquidity Agreement) having jurisdiction over the Water Authority with respect to such matters; or

(f) the Water Authority shall fail to pay when due and payable (whether by scheduled maturity, required prepayment or acceleration) any principal of or interest on any Revenues Secured Debt (other than as described in paragraph (a) under this heading “Termination Events”); or

(g) the long-term unenhanced ratings assigned by Moody’s, Fitch and S&P to any of the Bonds, Certificates or Subordinate Obligations (if rated) shall be withdrawn or suspended (but excluding withdrawals or suspensions if the Rating Agency (as defined in the Liquidity Agreement) stipulates in writing that the rating action is being taken for non-credit related reasons) or reduced below “Baa3” (or its equivalent), “BBB-“ (or its equivalent) and “BBB-“ (or its equivalent), respectively.
Suspension Events

Each of the following events, among others, shall constitute a Suspension Event (as defined in the Liquidity Agreement) under the Liquidity Agreement. Reference is made to the Liquidity Agreement for a complete listing of all Suspension Events:

(a)  (i) Any Governmental Authority with jurisdiction to rule on the validity or enforceability of the Liquidity Agreement, the Act, the Revolving Note, the Term Note, any Series 7 Notes, the Issuing and Paying Agent Agreement or the General Resolution, shall find or rule, in a judicial or administrative proceeding, that any material provision of any of the foregoing relating to (A) the ability or the obligation of the Water Authority to pay, when due, the principal or interest payable on the Series 7 Notes, the Term Note, the Revolving Note, any Advance or any Term Loan or any other Revenues Secured Debt or (B) the Lien (as defined in the Liquidity Agreement) on or pledge of Net Water Revenues securing the Series 7 Notes, the Term Note, any Term Loan or any other Revenues Secured Debt is not valid or not binding on, or enforceable against, the Water Authority; or (ii) the Water Authority (A) makes a claim in a judicial or administrative proceeding that the Water Authority has no further liability or obligation under the Liquidity Agreement, the Act, the Revolving Note, the Term Note, any Series 7 Notes, the Issuing and Paying Agent Agreement or the General Resolution, or any Revenues Secured Debt, as and to the extent the Water Authority has obligations thereunder, to pay, when due, the principal or interest payable on the Series 7 Notes, the Term Note, any Term Loan or any other Revenues Secured Debt, or (B) contests in a judicial or administrative proceeding the validity or enforceability of any provision of the Liquidity Agreement, the Act, the Revolving Note, the Term Note, any Series 7 Notes, the Issuing and Paying Agent Agreement or the General Resolution, or any Revenues Secured Debt, as and to the extent the Water Authority has obligations thereunder, to pay, when due, the principal or interest payable on the Series 7 Notes, the Term Note, any Term Loan or any other Revenues Secured Debt; or

(b)  there shall be commenced against the Water Authority any case, proceeding or other action seeking the issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of the assets of the Water System or the Water Revenues, which shall not have been vacated, discharged, or stayed or bonded pending appeal.

Notice Event of Default

Each of the following events, among others, shall constitute a Notice Event of Default (as defined in the Liquidity Agreement) under the Liquidity Agreement. Reference is made to the Liquidity Agreement for a complete listing of all Notice Events of Default:

(a)  the Water Authority shall fail to pay when due any amount payable under the Liquidity Agreement or under the Fee Letter (other than amounts described in paragraph (a) under the heading “Termination Events” above) within five days after written demand by the Bank in respect thereof; or
(b) any representation, warranty, certification or statement made by the Water Authority in the Liquidity Agreement or in any Basic Document (as defined in the Liquidity Agreement) or in any certificate, financial statement or other document delivered pursuant to the Liquidity Agreement or any Basic Document shall (in any such case) have been incorrect or untrue in any materially adverse respect when made or deemed to have been made and such representation, warranty, certification or statement shall remain incorrect or continue for 30 days after written notice thereof shall have been given to the Water Authority by the Bank; or

(c) the Water Authority shall default in the due performance or observance of certain terms, covenants or agreements contained in the Liquidity Agreement; or

(d) the Water Authority shall default in the due performance or observance of any term, covenant or agreement contained herein (other than those covered by paragraph (a) or (b) under the heading “Termination Events” above and paragraph (a) or (c) under this heading “Notice Event of Default” and such default, if capable of being remedied, shall remain unremedied for thirty (30) days after written notice thereof shall have been given to the Water Authority by the Bank; provided, however, such breach shall not constitute an Event of Default (as defined in the Liquidity Agreement) after such thirty (30) day period for such period of time as the Water Authority is diligently pursuing a cure or correction of such breach, but in no event for a period of time of more than sixty (60) days after such written notice; or

(e) an “Event of Default” as defined in the Issuing and Paying Agent Agreement or any “event of default” under the General Resolution shall occur and be continuing or the Water Authority shall default in the due performance or observance of any material term, covenant or agreement contained in any other Basic Document and the same shall not have been cured within any applicable cure period; or

(f) the Water Authority shall fail to pay when due and payable (whether by scheduled maturity, required prepayment or acceleration) any other Debt of the Water Authority having an aggregate principal amount or notional amount in excess of $15,000,000 and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation thereof; or

(g) (i) any of Moody’s, S&P or Fitch shall withdraw or suspend the long-term unenhanced rating on the Bonds or Certificates or (ii) any two of Moody’s, S&P or Fitch shall reduce the long-term unenhanced rating on the Bonds or Certificates below “A3” (or its equivalent), “A-” (or its equivalent), or “A-” (or its equivalent), respectively; provided that any such withdrawal or suspension referred to in clause (i) of this paragraph (g) shall not constitute an Event of Default under this paragraph (g) if (x) such withdrawal or suspension is the result of a determination by the Water Authority to cease maintaining such rating and (y) following such withdrawal or suspension the Water Authority is in compliance with Section 7.1(n)(i)(y) of the Liquidity Agreement; or

(h) any Governmental Authority shall declare a financial emergency with respect to the Water Authority and shall appoint or designate with respect to the Water Authority, an entity such as an organization, board, commission, authority, agency or body to manage the affairs and operations of the Water System; or
(i) the Maximum Interest Rate (as defined in the Liquidity Agreement) shall
be reduced to a rate below 12% per annum; or

(j) a ruling, assessment, notice of deficiency or technical advice by the
Internal Revenue Service shall be rendered to the effect that interest on the Series 7 Notes is
included in the gross income of the holders thereof and either (i) the Water Authority, after it has
been notified by the Internal Revenue Service, shall not challenge such ruling, assessment, notice
or advice in a court of law during the period within which such challenge is permitted or (ii) the
Water Authority shall challenge such ruling, assessment, notice or advice and a court of law shall
make a determination, not subject to appeal or review by another court of law, that such ruling,
assessment, notice or advice is correctly rendered; or

(k) the occurrence of any “default” resulting from a failure by the Water
Authority to perform any of its obligations under any agreement or instrument providing credit
enhancement or liquidity support with respect to any Prior Obligations or Subordinate
Obligations, or pursuant to which the related holders purchased and continues to hold the same,
which default results in an acceleration of such Prior Obligations or Subordinate Obligations, as
applicable, or the obligations of the Water Authority under such agreement or instrument; or

(l) any material provision of the Liquidity Agreement, the Revolving Note,
the Term Note, any Series 7 Note, the Issuing Agreement or the General Resolution, other than a
provision described in paragraph (e) under the heading “Termination Events”, shall at any time
and for any reason cease to be valid and binding on the Water Authority as a result of a ruling,
finding, decree, order, legislative act or similar action by a Governmental Authority having
jurisdiction over the Water Authority with respect to such matters or shall be declared in a final
nonappealable judgment by any court having jurisdiction over the Water Authority to be null and
void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly
contested by the Water Authority.

Remedies

The following are remedies available to the Bank under the Liquidity Agreement upon
the occurrence of certain events of default thereunder:

(a) Immediate Termination. Upon the occurrence of any Termination Event,
(i) the Commitment and the obligation of the Bank to make Advances under the Liquidity
Agreement shall immediately and automatically terminate, without notice from the Bank, and
(ii) all amounts due under the Liquidity Agreement and under the Revolving Note and the Term
Note shall immediately become due and payable; provided that (y) the Event of Default
described in paragraph (a) under the heading “Termination Events” above as it pertains to the
failure to pay principal on any Series 7 Notes will not constitute a “Termination Event” under the
Liquidity Agreement if the principal due on the maturing Series 7 Notes is not available due to
the inability of the Dealers to sell or place Series 7 Notes in a principal amount sufficient to pay
the maturing Series 7 Notes and (z) the Event of Default described in paragraph (b) under the
heading “Termination Events” above will not constitute a “Termination Event” under the
Liquidity Agreement if the failure to pay the principal of, or interest on, a Revolving Note, Term
Note, Advance or Term Loan is due solely to an acceleration thereof by the Bank for any reason other than the reason described in paragraph (b) under the heading “Termination Events” above.

(b) **Suspension Events.** (i) Upon the occurrence of an Event of Default under the heading “Suspension Events” above, the obligation of the Bank to make Advances under the Liquidity Agreement shall be immediately and automatically suspended from the time of the occurrence of such Event of Default, and in the event any provision of the Liquidity Agreement, the Act, the Revolving Note, the Term Note, any Series 7 Note, the Issuing and Paying Agent Agreement or the General Resolution relating to (A) the ability or obligation of the Water Authority to make payments of principal or interest on the Series 7 Notes, the Term Note, the Revolving Note, any Advance, any Term Loan or any other Revenues Secured Debt or (B) the Lien on or pledge of the Net Water Revenues of the Water Authority securing the Series 7 Notes, the Term Note, any Term Loan or any other Revenues Secured Debt is declared to be null and void or not fully enforceable, or (ii) the Water Authority (A) makes a claim in a judicial or administrative proceeding that the Water Authority has no further liability or obligation under the Liquidity Agreement, the Act, the Revolving Note, the Term Note, any Series 7 Notes, the Issuing and Paying Agent Agreement or the General Resolution, or any Revenues Secured Debt, as and to the extent the Water Authority has obligations thereunder, to pay, when due, the principal or interest payable on the Series 7 Notes, the Term Note, any Term Loan or any other Revenues Secured Debt, or (B) contests in a judicial or administrative proceeding the validity or enforceability of any provision of the Liquidity Agreement, the Act, the Revolving Note, the Term Note, any Series 7 Notes, the Issuing and Paying Agent Agreement or the General Resolution, or any other Revenues Secured Debt secured by and relating to (1) the ability or the obligation of the Water Authority to pay, when due, the principal or interest payable on the Series 7 Notes, the Term Note, the Revolving Note, any Advance or any Term Loan or any other Revenues Secured Debt or (2) the Lien on or pledge of other Revenues securing the Series 7 Notes, the Term Note, the Revolving Note, any Advance or any Term Loan or any other Revenues Secured Debt, then the obligations of the Bank under the Liquidity Agreement will terminate in accordance with paragraph (a) under this heading “Remedies”; provided, however, that if such provisions are upheld in their entirety, then the Bank’s obligations under the Liquidity Agreement shall be automatically reinstated and the terms of the Liquidity Agreement will continue in full force and effect (unless the Liquidity Agreement shall have otherwise expired or been terminated in accordance with its terms) as if there had been no such suspension. If the Event of Default which gave rise to the suspension of the obligations of the Bank under the Liquidity Agreement has not been cured or does not cease to exist prior to the Commitment Expiration Date (as defined in the Liquidity Agreement), the obligations of the Bank under the Liquidity Agreement shall be terminated.

Upon the occurrence of an Event of Default under paragraph (b) under the heading “Suspension Events” above, the obligation of the Bank to make Advances under the Liquidity Agreement shall be immediately and automatically suspended, without notice, until the proceeding referred to therein is terminated, discharged or dismissed, as applicable, prior to the court entering an order granting the relief sought in such proceeding. In the event such proceeding is terminated, discharged or dismissed, as applicable, the obligation of the Bank to make Advances under the Liquidity Agreement shall be reinstated and the terms of the Liquidity Agreement will continue in full force and effect (unless the obligation of the Bank to make Advances under the Liquidity Agreement shall have otherwise expired or terminated in
accordance with the terms of the Liquidity Agreement or there has occurred a Termination Event) as if there had been no such suspension.

(c) **All Events of Default.** In the event any Event of Default, including, without limitation, any Termination Event, has occurred and is continuing, the Bank (i) may by written notice to the Water Authority declare all amounts due under the Liquidity Agreement or under any Revolving Note or the Term Note to be immediately due and payable, whereupon the same shall immediately become due and payable, (ii) may by written notice to the Water Authority and the Issuing and Paying Agent (a “No-Issuance Notice”) in substantially the form attached to the Liquidity Agreement declare the Commitment to be reduced to the principal amount of Series 7 Notes then outstanding and to be permanently reduced further on the maturity date of each such Series 7 Note by an amount equal to the principal amount of such Series 7 Note with the Commitment to be terminated upon the last maturity date applicable to all such Series 7 Notes, (iii) may petition a court of competent jurisdiction to issue a mandamus order to the Water Authority to compel specific performance of the covenants of the Water Authority contained in the Issuing and Paying Agent Agreement, in the Liquidity Agreement or in any other Basic Document and (iv) may pursue any other rights or remedies under the Liquidity Agreement, the Issuing and Paying Agent Agreement, any other Basic Document, applicable law or otherwise. Except as expressly provided under this subheading “Remedies,” procurement, demand, protest and all other notices of every kind are hereby expressly waived. Following receipt of a No-Issuance Notice, the Water Authority shall not issue any additional Series 7 Notes.

(d) **Timing of No-Issuance Notice.** A No-Issuance Notice that is received by the Issuing and Paying Agent at or before 12:00 p.m. (New York City time) shall be effective when received. A No-Issuance Notice that is received by the Issuing and Paying Agent after 12:00 p.m. (New York City time) shall not be effective until the opening of business on the next succeeding Business Day.

(e) **Copies of Notices.** Concurrently with the occurrence of a Termination Event pursuant to paragraph (a) under this heading “Remedies” or a No-Issuance Notice pursuant to paragraph (c) under this heading “Remedies,” the Water Authority shall give notice to the Issuing and Paying Agent and the Dealer.

In addition, concurrently with giving such notice to the Water Authority and the Issuing and Paying Agent, the Bank shall provide a copy thereof to the Dealer at their respective addresses referred to in the Liquidity Agreement; provided, however, that the Bank shall not incur any liability as a result of its failure to provide a copy of such a notice in accordance with this sentence.

**TAX EXEMPTION**

The following is a summary of certain of the United States federal income tax consequences of the ownership of the Series 7 Notes as of the date hereof. Each prospective investor should consult with its own tax advisor regarding the application of United States federal income tax laws, as well as any state, local, foreign or other tax laws, to its particular situation.
On June [__], 2013, Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the Water Authority, delivered its opinion that, based on an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 7 Notes, when issued in accordance with the Issuing and Paying Agent Agreement and the Tax Certificate of the Water Authority (the “Tax Certificate”), is excluded from gross income for federal income tax purposes and is exempt from the State of California personal income taxes. Bond Counsel’s opinion also stated that interest on the Series 7 Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observed that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. The form of such opinion is attached hereto as Appendix B.

Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the “IRS”) is studying whether the amount of the payment at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes is (i) the stated interest payable at maturity or (ii) the difference between the issue price of the short-term debt obligations and the aggregate amount to be paid at maturity of the short-term debt obligations (the “original issue discount”). For this purpose, the issue price of the short-term debt obligations is the first price at which a substantial amount of the short-term debt obligations is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat either the stated interest payable at maturity or the original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Prospective purchasers of the Series 7 Notes should consult their own tax advisors with respect to the tax consequences of ownership of Series 7 Notes if the owner elects original issue discount treatment.

Series 7 Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Notes”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of notes, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner’s basis in a Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Internal Revenue Code of 1986, as amended (the “Code”) imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal tax purposes of interest on obligations such as the Series 7 Notes. The Water Authority has made certain representations and has covenanted to comply with certain restrictions designed to assure that the interest on the Series 7 Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in the
interest on the Series 7 Notes being included in federal gross income, possibly from the date of first issuance of the Series 7 Notes. The opinion of Bond Counsel assumed the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring) or any other matters coming to Bond Counsel’s attention after June [__], 2013 (the date of delivery of its final opinion with respect to the Series 7 Notes) may adversely affect the value of, or the tax status of interest on, such Series 7 Notes. Accordingly, the opinion of Bond Counsel was not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel rendered an opinion on June [__], 2013 that interest on the Series 7 Notes is excluded from gross income for tax purposes and is exempt from the State of California personal income taxes, the ownership of disposition of, or the accrual or receipt of interest on, the Series 7 Notes may otherwise affect the owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the owner’s particular tax status and the owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 7 Notes to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 7 Notes. Prospective purchasers of the Series 7 Notes should consult their own tax advisers regarding any pending or proposed federal or state tax legislation, regulations and litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel delivered on June [__], 2013 was based on then current legal authority, covered certain matters not directly addressed by such authorities, and represented Bond Counsel’s judgment as to the proper treatment of interest on the Series 7 Notes for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the activities of the Water Authority after the date of such opinion, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Water Authority has covenanted, however, to comply with the requirements of the Code.

The IRS has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. Unless separately engaged, Bond Counsel is not obligated to defend the Water Authority or the owners of the Series 7 Notes regarding the tax-exempt status of interest on the Series 7 Notes in the event of an audit examination by the IRS. Under current procedures, parties other than the Water Authority and its appointed counsel, including the owners of the Series 7 Notes, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Water Authority legitimately disagrees, may not be
practicable. Any action of the IRS, including but not limited to selection of the Series 7 Notes for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 7 Notes, and may cause the Water Authority or the owners of the Series 7 Notes to incur significant expense.

RATINGS

The Series 7 Notes have been rated “F1” by Fitch, Inc. (“Fitch”), One State Street Plaza, New York, New York, “P-1” by Moody’s Investors Service, Inc. (“Moody’s”), 99 Church Street, New York, New York, and “A-1” by Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, 55 Water Street, New York, New York (“Standard & Poor’s”). The ratings assigned by Fitch, Moody’s and Standard & Poor’s express only the views of the rating agencies. The explanation of the significance of the ratings may be obtained from Fitch, Moody’s and Standard & Poor’s, respectively. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 7 Notes.

OTHER MATTERS

The Dealers have provided the following sentence for inclusion in this Offering Memorandum. The Dealers have reviewed the information in this Offering Memorandum in accordance with, and as part of, their responsibility to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Dealers do not guarantee the accuracy or completeness of such information.

The information and expressions of opinion in this Offering Memorandum are subject to change without notice and neither the delivery of this Offering Memorandum nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in such information or expressions of opinion since the date hereof.

The financial statements of the Water Authority for the fiscal year ended June 30, 2012 and the form of the opinion to be delivered by Bond Counsel are attached hereto as Appendices. The Water Authority will make available on request a copy of the Liquidity Agreement and copies of the Water Authority’s most recent Continuing Disclosure Annual Report and Official Statement. For additional information please contact the following:

Tracy McCraner
Director of Finance/Treasurer
San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123
(858) 522-6671

Additional information may be obtained from the Water Authority’s website at http: www.sdcwa.org/financials-investor-relations
ATTACHMENTS

Appendix A – Water Authority Financial Statements

Appendix B – Form of Opinion of Bond Counsel

Appendix C – San Diego County Water Authority Annual Statement of Investment Policy

Appendix D – Information Regarding DTC and the Book-Entry Only System
Appendix A
Water Authority Financial Statements

[TO COME]
Appendix B
Form of Opinion of Bond Counsel

On June [__], 2013 the Water Authority received an opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, in the following form:

Board of Directors
San Diego County Water Authority
San Diego, California

San Diego County Water Authority
Commercial Paper Notes, Series 7
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the San Diego County Water Authority (the “Issuer”) in connection with authorization of issuance of up to $100,000,000 aggregate principal amount (at any time Outstanding) of commercial paper notes by the Issuer, pursuant to and by authority of the provisions of Section 8.2 of the County Water Authority Act, Resolution No. 89-21 adopted by the Board of Directors of the Issuer on May 11, 1989, entitled “A Resolution of the Board of Directors of the San Diego County Water Authority Providing for the Allocation of Water System Revenues and Establishing Covenants to Secure the Payment of Obligations Payable from Net Water Revenues”, as amended (the “General Resolution”), and an Issuing and Paying Agent Agreement (Series 7), dated as of June 1, 2013 (the “Issuing and Paying Agent Agreement”), between the Issuer and Deutsche Bank Trust Company Americas (the “Issuing and Paying Agent”), and designated San Diego County Water Authority Commercial Paper Notes, Series 7 (the “Notes”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the General Resolution.

In such connection, we have reviewed the General Resolution, the Issuing and Paying Agreement, the Tax Certificate of the Issuer, dated the date hereof (the “Tax Certificate”), certificates of the Issuer, the Issuing and Paying Agent and others, opinions of counsel to the Issuer and the Issuing and Paying Agent and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions, and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof and before or after Notes are issued. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date
hereof. Accordingly, this opinion speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer). We have assumed, without undertaking to verify, the accuracy (as of the date hereof and as of the date of issuance from time to time of the Notes) of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinion, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the General Resolution, the Issuing and Paying Agent Agreement and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Notes to be included in gross income for federal income tax purposes, possibly retroactive to the date on which the first Notes were issued. We call attention to the fact that the rights and obligations under the Notes, the General Resolution, the Issuing and Paying Agent Agreement and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against county water authorities in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), arbitration, judicial reference, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Offering Memorandum or other offering material relating to the Notes and express no opinion with respect thereto.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The General Resolution has been duly adopted by the Board of Directors of the Issuer and is in full force and effect, and the Issuing and Paying Agent Agreement has been duly executed and delivered by, and constitutes a valid and binding obligation of, the Issuer.

2. The Notes, when duly issued in the form authorized by and otherwise in compliance with the Issuing and Paying Agent Agreement, executed by a duly authorized official of the Issuer and authenticated by the Issuing and Paying Agent against payment therefor, will constitute the valid and binding limited obligations of the Issuer, payable solely from Net Water Revenues, and neither the full faith and credit nor the taxing power of the Issuer, the State of California or any of its political subdivisions is pledged for the payment thereof.

3. Interest on the Notes, when issued in accordance with the Issuing and Paying Agent Agreement and the Tax Certificate, will be excluded from gross income for
federal income tax purposes under section 103 of the Internal Revenue Code of 1986 and exempt from State of California personal income taxes. The amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer’s elective under Internal Revenue Service Notice 94-84. Interest on the Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that interest on the Notes is included in adjusted current earnings when calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per
Appendix C
Annual Statement of Investment Policy
Calendar Year 2013
Appendix D
Information Regarding DTC and the Book-Entry Only System

Neither the Water Authority nor the Issuing and Paying Agent will have any responsibility or obligation to DTC Participants, Indirect Participants or Beneficial Owners with respect to the payments or the providing of notice to DTC Participants, Indirect Participants or Beneficial Owners. Neither the Water Authority nor the Issuing and Paying Agent can give any assurances that DTC, DTC Participants, Indirect Participants or others will distribute payments of principal of and interest on the Commercial Paper Certificates paid to DTC or its nominee, as the registered Holder, or any notices, to the Beneficial Owners, or that they will do so on a timely basis or that DTC will serve and act in the manner described in this Offering Memorandum.

The following information regarding DTC and its book-entry only system has been furnished by DTC for inclusion herein. The Water Authority cannot and does not make any representation as to the accuracy or completeness thereof, or the absence of material adverse changes therein subsequent to the date hereof. Beneficial Owners should confirm the following information with DTC or the Participants, as the case may be.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Commercial Paper Certificates. The Commercial Paper Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 7 Note will be issued in the aggregate authorized principal amount of the Series 7 Notes and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations.

DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing corporations. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers.
and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange City. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 7 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 7 Notes on DTC’s records. The ownership interest of each actual purchaser of each Series 7 Notes (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 7 Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 7 Notes, except in the event that use of the book-entry system for the Series 7 Notes is discontinued.

To facilitate subsequent transfers, all Series 7 Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 7 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 7 Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 7 Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 7 Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 7 Notes, such as tenders, defaults, and proposed amendments to the authorizing documents. For example, Beneficial Owners of the Series 7 Notes may wish to ascertain that the nominee holding the Series 7 Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 7 Notes unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy
to the Water Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 7 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal and interest with respect to the Series 7 Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Water Authority or the Issuing and Paying Agent on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC (nor its nominee), the Issuing and Paying Agent or the Water Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest with respect to the Series 7 Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Water Authority or the Issuing and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 7 Notes at any time by giving reasonable notice to the Water Authority or the Issuing and Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 7 Note certificates are required to be printed and delivered, as described in the Trust Agreement.

The Water Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 7 Note certificates will be printed and delivered to DTC as described in the Issuing and Paying Agent Agreement.

The information in this Appendix D concerning DTC and DTC’s book-entry system has been obtained from sources that the Water Authority believes to be reliable, but the Water Authority takes no responsibility for the accuracy thereof.

The foregoing description of the procedures and record-keeping with respect to beneficial ownership interests in the Series 7 Notes, payment of the principal, interest and other payments with respect to the Series 7 Notes to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in such Series 7 Notes and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.
The Water Authority cannot and does not give any assurances that DTC will distribute to DTC Participants, or that DTC Participants or others will distribute to the Beneficial Owners, payments of principal and interest with respect to the Series 7 Notes paid or any notices or that they will do so on a timely basis or will serve and act in the manner described in this Offering Memorandum. The Water Authority is not responsible or liable for the failure of DTC or any DTC Participant or Indirect Participant to make any payments or give any notice to a Beneficial Owner with respect to the Series 7 Notes or any error or delay relating thereto.

So long as Cede & Co. is the registered owner of the Series 7 Notes, as nominee of DTC, references herein to the Holders or registered holders of the Series 7 Notes, shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 7 Notes.
April 17, 2013

Attention: Administrative and Finance Committee

Board of Directors’ First Quarter 2013 expenses and attendance. (Information)

Discussion
The first quarter 2013 expense report includes payments made during each month of the quarter, but not necessarily for all 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 per diem in excess of ten per month.

The Special Assignment column indicates Board officers and Board members who represented the Water Authority at outside boards during the first quarter 2013 such as: Mark Weston at San Diego Area Wastewater Management District; Tom Wornham and David Barnum at SANDAG; Farrah Douglas and Elsa Saxod at SANDAG Borders Committee and SANDAG Regional Planning Committee; Michael Hogan and Bud Pocklington at Colorado River Board; and John Linden, Keith Lewinger, and Yen Tu at the Water Conservation Garden JPA.

The attendance report shows the number of formal and special Board meetings held during the first quarter 2013 and the attendance record of each Board member.

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

Attachments: Board of Directors’ 1st Quarter 2013 Expenses
Board of Directors’ 1st Quarter 2013 Attendance
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This report includes expenses paid directly to, or on behalf of each Director, during the months of January, February, March 2013.
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April 17, 2013

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 twenty month period of July 1, 2011 through February 28, 2013 (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 twenty 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 Revenue¹
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 twenty months ended February 28, 2013 was $230.2 million, and the period-to-date budgeted amount was $222.9 million, a difference of $7.3 million or 3% 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 753,108 AF for the twenty months ended February 28, 2013, and actual water sales volumes were 755,606 AF, a difference of 2,498 AF more volume (Attachment A). Total Water Sales revenues for the twenty months ended February 28, 2013

¹ All information regarding water sales volumes, revenues and costs are based on the adopted fiscal years 2012 and 2013 multi-year budget.
were $774.8 million, which is $6.0 million or 1% more than budgeted sales revenues of $768.8 million (Attachment B). Water sales volumes are on target and revenues are trending slightly higher than budgeted as shown on Attachments A and B.

Total Water Purchases and Treatment costs were budgeted to be $545.9 million for the twenty months ended February 28, 2013 and actual costs were $544.6 million, which is $1.3 million less than budgeted (Attachment C). This category includes $66.5 million for the 146,668 AF of water purchased from IID, as well as $104.8 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 $155.3 million for the twenty months ended February 28, 2013, but actual revenues were $150.4 million, a difference of $4.9 million or 3% less than budgeted. The variance is primarily due to actual revenues that are below the period-to-date budgeted amounts in Investment Income and Other Income, however these are partially mitigated by actual revenues received that are higher than the period-to-date budget for a variety of other accounts, which are further explained below.

Actual revenues that were below the period-to-date budgeted amounts for the twenty months ended February 28, 2013 include Investment Income and Other Income. Investment Income has a variance of $4.0 million due to continued historic low interest rates. The variance of $8.8 million in other income is due to the timing of receipts, which includes Integrated Regional Water Management (IRWM) grants and miscellaneous reimbursements.

Actual revenues that exceeded the period-to-date budgeted amounts for the twenty months ended February 28, 2013 include Hydroelectric Revenue, Capacity Charges, and Contributions in Aid of CIP. 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 due to hydroelectric power sales of $0.6 million related to Lake Hodges Pumped Storage Facility (Hodges Hydro) which began earning revenue in September 2011 to offset Water Authority costs. Capacity Charges is trending higher than budgeted by approximately $2.7 million due to an increase in the number of permits issued. Contributions in Aid of CIP is trending higher than budgeted due to $5.1 million refund received from SDG&E in September 2012 for the cost of network upgrades for Hodges Hydro.

**Expenditures**

As shown in Attachment D, Total Expenditures were budgeted to be $337.0 million for the twenty months ended February 28, 2013, but actual costs were less at $289.7 million, a difference of $47.3 million or 14% less than budgeted. The variance is primarily due to the timing of expenditures in the Operating Departments and Other Expenditures. Consistent with the mid-term budget update, Operating Departments are expected to expend between 93-96% of their budget. This projection does not anticipate spending any of the $500,000 contingency set aside in the General Managers’ Office budget.

Actual expenditures which were below the period-to-date budgeted amounts for the twenty months ended February 28, 2013 include Hodges Pumped Storage and Stored Water Purchases. Hodges
Pumped Storage had minimal costs during the twenty month period because the facility did not become fully operational until late August 2012. Stored Water Purchases were budgeted at $21.1 million for the current two-year budget period for Hodges Hydro and San Vicente Reservoir; however, no water purchases were anticipated in fiscal year 2012. 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.

Attachment D also shows that CIP Expenditures were budgeted to be $269.2 million for the twenty months ended February 28, 2013, but actual costs were significantly less at $201.2 million or 25% less than budgeted primarily due to the timing of expenditures during the twenty months of the two-year budget period. In addition, the Water Authority’s current largest individual CIP, San Vicente Dam Raise has incurred a seven month project delay, which will push expenses beyond the current budget period. Actual CIP expenditures funded by Pay As You Go Fund and CIP/Bond Construction Funds for the twenty months ended February 28, 2013 were $15.9 million and $185.3 million, respectively.

**Cash and Investments**

For the months ended February 28, 2013, and January 31, 2013, the Water Authority’s cash and investments had an overall balance of $660.8 million and $673.1 million, respectively (Attachment F). Approximately 37% of funds are unrestricted with approximately 63% 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 February 28, 2013, the Rate Stabilization Fund is funded at $51.1 million which represents approximately 93% of the targeted amount of $55.1 million.

______________________________

Rod Greek, Controller
**WATER SALES VOLUMES**

Budget Versus Actual (in Acre-Feet)

for the 20 Months Ended February 28, 2013

*Budgeted amounts are based on the adopted two year budget, and do not reflect any projected revisions that may have previously been communicated to the Board.

---

### Fiscal Year 2012 Cumulative Water Sales (AF)

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<th>Months</th>
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<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>
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### Fiscal Year 2013 Cumulative Water Sales (AF)

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### Summary

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*Budgeted amounts are based on the adopted two year budget, and do not reflect any projected revisions that may have previously been communicated to the Board.

Fiscal Year 2012 Cumulative Water Sales (in Millions $)

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<th>Sep-12</th>
<th>Oct-12</th>
<th>Nov-12</th>
<th>Dec-12</th>
<th>Jan-12</th>
<th>Feb-12</th>
<th>Mar-12</th>
<th>Apr-12</th>
<th>May-12</th>
<th>Jun-12</th>
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Fiscal Year 2013 Cumulative Water Sales (in Millions $)

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<td>149.5</td>
<td>193.9</td>
<td>234.7</td>
<td>265.9</td>
<td>298.5</td>
<td>331.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Difference (b)</td>
<td>(6.2)</td>
<td>(7.9)</td>
<td>(5.8)</td>
<td>(4.8)</td>
<td>(0.1)</td>
<td>(2.6)</td>
<td>(4.9)</td>
<td>(2.6)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cum. Actual Difference (b/a)</td>
<td>-12%</td>
<td>-7%</td>
<td>-4%</td>
<td>-2%</td>
<td>0%</td>
<td>-1%</td>
<td>-2%</td>
<td>-1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY12</th>
<th>FY13 through Feb-13</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>434.7</td>
<td>334.1</td>
<td>768.8</td>
</tr>
<tr>
<td>Actual</td>
<td>443.3</td>
<td>331.5</td>
<td>774.8</td>
</tr>
<tr>
<td>Difference</td>
<td>8.6</td>
<td>(2.6)</td>
<td>6.0</td>
</tr>
<tr>
<td>% Difference</td>
<td>2%</td>
<td>-1%</td>
<td>1%</td>
</tr>
</tbody>
</table>
*Budgeted amounts are based on the adopted two year budget, and do not reflect any projected revisions that may have previously been communicated to the Board.

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

<table>
<thead>
<tr>
<th>Months</th>
<th>Jul-12</th>
<th>Aug-12</th>
<th>Sep-12</th>
<th>Oct-12</th>
<th>Nov-12</th>
<th>Dec-12</th>
<th>Jan-12</th>
<th>Feb-12</th>
<th>Mar-12</th>
<th>Apr-12</th>
<th>May-12</th>
<th>Jun-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Budget (a)</td>
<td>33.8</td>
<td>67.6</td>
<td>98.5</td>
<td>125.7</td>
<td>147.9</td>
<td>168.4</td>
<td>188.4</td>
<td>205.6</td>
<td>225.3</td>
<td>249.3</td>
<td>276.5</td>
<td>308.2</td>
</tr>
<tr>
<td>Actual</td>
<td>31.7</td>
<td>63.4</td>
<td>91.0</td>
<td>120.5</td>
<td>141.3</td>
<td>161.0</td>
<td>180.8</td>
<td>199.4</td>
<td>221.1</td>
<td>242.7</td>
<td>272.7</td>
<td>312.4</td>
</tr>
</tbody>
</table>
| Difference (b) | (2.1) | (4.2)  | (7.5)  | (6.2)  | (6.6)  | (7.4)  | (7.6)  | (6.2)  | (4.2)  | (6.6)  | (3.8)  | 4.2
| Cum. Actual |        |        |        |        |        |        |        |        |        |        |        |        |
| % Difference (b/a) | -6%    | -6%    | -8%    | -4%    | -4%    | -4%    | -3%    | -2%    | -3%    | -1%    | 1%    |

Fiscal Year 2013 Cumulative Cost of Water Purchases and Treatment (in Millions $)

<table>
<thead>
<tr>
<th>Months</th>
<th>Jul-12</th>
<th>Aug-12</th>
<th>Sep-12</th>
<th>Oct-12</th>
<th>Nov-12</th>
<th>Dec-12</th>
<th>Jan-12</th>
<th>Feb-12</th>
<th>Mar-12</th>
<th>Apr-12</th>
<th>May-12</th>
<th>Jun-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Budget (a)</td>
<td>39.0</td>
<td>77.9</td>
<td>113.6</td>
<td>144.9</td>
<td>170.4</td>
<td>193.8</td>
<td>217.4</td>
<td>237.7</td>
<td>260.8</td>
<td>289.2</td>
<td>231.2</td>
<td>358.6</td>
</tr>
<tr>
<td>Actual</td>
<td>31.8</td>
<td>68.4</td>
<td>105.2</td>
<td>136.1</td>
<td>166.0</td>
<td>187.3</td>
<td>209.3</td>
<td>232.2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Difference (b)</td>
<td>(7.2)</td>
<td>(9.5)</td>
<td>(8.4)</td>
<td>(8.8)</td>
<td>(4.4)</td>
<td>(6.5)</td>
<td>(8.1)</td>
<td>(5.5)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cum. Actual</td>
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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>% Difference (b/a)</td>
<td>-18%</td>
<td>-12%</td>
<td>-7%</td>
<td>-6%</td>
<td>-3%</td>
<td>-3%</td>
<td>-4%</td>
<td>-2%</td>
<td>-2%</td>
<td>-2%</td>
<td>-2%</td>
<td>-2%</td>
</tr>
</tbody>
</table>

Fiscal Year 2012 Through Feb-13 Cost of Water Purchases and Treatment (in Millions $)

<table>
<thead>
<tr>
<th>Budget</th>
<th>FY12</th>
<th>FY13 through Feb-13</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>308.2</td>
<td>237.7</td>
<td>545.9</td>
</tr>
<tr>
<td>Difference</td>
<td>4.2</td>
<td>(5.5)</td>
<td>(1.3)</td>
</tr>
<tr>
<td>% Difference</td>
<td>1%</td>
<td>-2%</td>
<td>0%</td>
</tr>
</tbody>
</table>
San Diego County Water Authority  
Fiscal Years 2012 and 2013 Budget Status Report  
For the 20 Months Ended February 28, 2013

\[
[A] = [B] \times 83\%  
[C] = Revenues = [B + C]  
[C / A] = Expenditures = [B - C] 
\]

<table>
<thead>
<tr>
<th>FY 12 &amp; 13</th>
<th>FY 12 &amp; 13 Amended Budget</th>
<th>FY 12 &amp; 13 Actual</th>
<th>Variance with %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20 Months (83%)</td>
<td>20 Months Period-to-Date</td>
<td>Amended Amended</td>
</tr>
<tr>
<td></td>
<td>Amended Budget (a)</td>
<td>Actual</td>
<td>Positive (Negative) Budget</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY 12 &amp; 13</th>
<th>FY 12 &amp; 13 Amended Budget</th>
<th>20 Months (83%)</th>
<th>20 Months Period-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20 Months Actual</td>
<td>Amended</td>
<td>Amended</td>
</tr>
</tbody>
</table>

**Net Water Sales Revenue**

<table>
<thead>
<tr>
<th></th>
<th>FY 12 &amp; 13</th>
<th>20 Months</th>
<th>Variance with %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Sales</td>
<td>$943,801,989</td>
<td>$768,792,879</td>
<td>$774,806,610</td>
</tr>
<tr>
<td>Water Purchases &amp; Treatment</td>
<td>666,868,062</td>
<td>545,902,741</td>
<td>544,580,938</td>
</tr>
<tr>
<td>Total Net Water Sales Revenue</td>
<td>276,933,927</td>
<td>222,890,138</td>
<td>230,225,672</td>
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</tbody>
</table>

**Revenues and Other Income**

<table>
<thead>
<tr>
<th></th>
<th>FY 12 &amp; 13</th>
<th>20 Months</th>
<th>Variance with %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 12 &amp; 13 &amp; 20 Months</td>
<td>83%</td>
<td>20 Months Period-to-Date</td>
<td>Amended Amended</td>
</tr>
<tr>
<td>FY 12 &amp; 13 &amp; 20 Months</td>
<td>83%</td>
<td>20 Months Period-to-Date</td>
<td>Amended Amended</td>
</tr>
</tbody>
</table>

**Expenditures**

<table>
<thead>
<tr>
<th></th>
<th>FY 12 &amp; 13</th>
<th>20 Months</th>
<th>Variance with %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 12 &amp; 13 &amp; 20 Months</td>
<td>83%</td>
<td>20 Months Period-to-Date</td>
<td>Amended Amended</td>
</tr>
<tr>
<td>FY 12 &amp; 13 &amp; 20 Months</td>
<td>83%</td>
<td>20 Months Period-to-Date</td>
<td>Amended Amended</td>
</tr>
</tbody>
</table>

**CIP Expenditures**

<table>
<thead>
<tr>
<th></th>
<th>FY 12 &amp; 13</th>
<th>20 Months</th>
<th>Variance with %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 12 &amp; 13 &amp; 20 Months</td>
<td>83%</td>
<td>20 Months Period-to-Date</td>
<td>Amended Amended</td>
</tr>
<tr>
<td>FY 12 &amp; 13 &amp; 20 Months</td>
<td>83%</td>
<td>20 Months Period-to-Date</td>
<td>Amended Amended</td>
</tr>
</tbody>
</table>

**Operating Departments Detail (see Attachment E)**

<table>
<thead>
<tr>
<th></th>
<th>FY 12 &amp; 13</th>
<th>20 Months</th>
<th>Variance with %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 12 &amp; 13 &amp; 20 Months</td>
<td>83%</td>
<td>20 Months Period-to-Date</td>
<td>Amended Amended</td>
</tr>
<tr>
<td>FY 12 &amp; 13 &amp; 20 Months</td>
<td>83%</td>
<td>20 Months Period-to-Date</td>
<td>Amended Amended</td>
</tr>
</tbody>
</table>

**Net Revenues Before Capital Improvement Program (CIP)**

<table>
<thead>
<tr>
<th></th>
<th>FY 12 &amp; 13</th>
<th>20 Months</th>
<th>Variance with %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 12 &amp; 13 &amp; 20 Months</td>
<td>83%</td>
<td>20 Months Period-to-Date</td>
<td>Amended Amended</td>
</tr>
<tr>
<td>FY 12 &amp; 13 &amp; 20 Months</td>
<td>83%</td>
<td>20 Months Period-to-Date</td>
<td>Amended Amended</td>
</tr>
</tbody>
</table>

**Operating Departments**

<table>
<thead>
<tr>
<th></th>
<th>FY 12 &amp; 13</th>
<th>20 Months</th>
<th>Variance with %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 12 &amp; 13 &amp; 20 Months</td>
<td>83%</td>
<td>20 Months Period-to-Date</td>
<td>Amended Amended</td>
</tr>
<tr>
<td>FY 12 &amp; 13 &amp; 20 Months</td>
<td>83%</td>
<td>20 Months Period-to-Date</td>
<td>Amended Amended</td>
</tr>
</tbody>
</table>

**CIP Expenditures by Funding Source**

<table>
<thead>
<tr>
<th></th>
<th>FY 12 &amp; 13</th>
<th>20 Months</th>
<th>Variance with %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 12 &amp; 13 &amp; 20 Months</td>
<td>83%</td>
<td>20 Months Period-to-Date</td>
<td>Amended Amended</td>
</tr>
<tr>
<td>FY 12 &amp; 13 &amp; 20 Months</td>
<td>83%</td>
<td>20 Months Period-to-Date</td>
<td>Amended Amended</td>
</tr>
</tbody>
</table>

**Total Operating Departments**

<table>
<thead>
<tr>
<th></th>
<th>FY 12 &amp; 13</th>
<th>20 Months</th>
<th>Variance with %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 12 &amp; 13 &amp; 20 Months</td>
<td>83%</td>
<td>20 Months Period-to-Date</td>
<td>Amended Amended</td>
</tr>
<tr>
<td>FY 12 &amp; 13 &amp; 20 Months</td>
<td>83%</td>
<td>20 Months Period-to-Date</td>
<td>Amended Amended</td>
</tr>
</tbody>
</table>
Notes to the Budget Status Report:

a) Period-to-date budgeted amounts are 20/24ths (83%) of fiscal years 2012 and 2013 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 and $398,288 for fiscal year 2013 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 Coachella Canal Lining.
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 and $3,496,247 in December 2012; IID Socioeconomic Mitigation Settlement payments of $2,940,000 in June 2012 and $2,940,000 in June 2013.
l) Other expenditures include IRWM grants and other miscellaneous expenditures.
m) Amounts include capital equipment purchases.

n) The current Capital Improvement Program 2 year appropriation and life budget increased for: 1) the Carlsbad Desalination Project by $2,783,904 and 2) the 2012 Regional Water Facilities Optimization and Master Plan Update by $410,000.
o) Period-to-date budgeted amounts adjusted based on items occurring on a periodic basis.
p) In November 2012, the Board approved a budget increase of up to $3.5 million for General Counsel to be appropriated as needed.
q) In March 2013, Water Revenue Refunding Bonds, Series 2013A refunded $299,105,000 of the Water Revenue Certificates of Participation, Series 2004A resulting in additional debt service savings of approximately $6.5 million on a present-value basis for the fiscal year ending June 30, 2013.
San Diego County Water Authority
Comparison of Adopted Budget and Period-to-Date Budget (83% Overall) to Actual Operating Expenditures by Departments
For the 20 Months Ended February 28, 2013

Actual Operating Expenditures to Adopted Budget in Percentages (%)
San Diego County Water Authority  
Schedule of Cash and Investments  
As of February 28, and January 31, 2013

<table>
<thead>
<tr>
<th>Fund</th>
<th>February</th>
<th>January</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Fund</td>
<td>124,487,189</td>
<td>107,629,536</td>
<td>67,000,000</td>
</tr>
<tr>
<td>Stored Water Fund</td>
<td>57,923,890</td>
<td>57,925,838</td>
<td></td>
</tr>
<tr>
<td>Equipment Replacement Fund</td>
<td>7,963,453</td>
<td>7,966,681</td>
<td></td>
</tr>
<tr>
<td>Rate Stabilization Fund</td>
<td>51,106,519</td>
<td>51,108,421</td>
<td>55,100,000</td>
</tr>
<tr>
<td><strong>Total Unrestricted Funds</strong></td>
<td>37% 241,481,051</td>
<td>224,630,476</td>
<td></td>
</tr>
<tr>
<td>Pay As You Go Fund</td>
<td>145,229,623</td>
<td>145,844,332</td>
<td></td>
</tr>
<tr>
<td>CIP/Bond Construction Funds</td>
<td>222,899,631</td>
<td>233,080,682</td>
<td></td>
</tr>
<tr>
<td>Debt Service Reserve Funds</td>
<td>51,233,787</td>
<td>69,579,630</td>
<td></td>
</tr>
<tr>
<td><strong>Total Restricted Funds</strong></td>
<td>63% 419,363,041</td>
<td>448,504,644</td>
<td></td>
</tr>
<tr>
<td><strong>Total Cash and Investments</strong></td>
<td>$ 660,844,092</td>
<td>$ 673,135,120</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 93% of the targeted value.
BOARD CALENDAR

MAY 2013

• 1 Legislative Roundtable – 7:30 a.m.
• 2 Special meeting of the Legislation, Conservation, and Outreach Committee – Tour of Water Conservation Garden
  9:10 a.m. – Escondido office pick up
  9:30 a.m. – Kearny Mesa headquarters pick up
  10:00 a.m. – 12:00 p.m. LCO meeting
• 7 MWD Delegates – 11:00 a.m.
• 9 (No Special Board meeting this week due to the ACWA Spring conference)
• 16 Special meeting of the Water Planning Committee, Master Plan update – 1:30 p.m.
• 23 Committees begin at 9:00 a.m.
  Formal Board meeting begins at 3:00 p.m.

JUNE 2013

• 4 SCOOP – 9:30 a.m.
• 5 MWD Delegates – 11:00 a.m.
• 11 A&F Budget meeting – 1:30 p.m.
• 13 A&F Budget meeting – 1:30 p.m.
• 27 Committees begin at 9:00 a.m.
  Formal Board meeting begins at 3:00 p.m.

JULY 2013

• 3 MWD Delegates – 11:00 a.m.
• 11 Special meeting of the Water Planning Committee, Master Plan update – 1:30 p.m.
• 25 Committees begin at 9:00 a.m.
  Formal Board meeting begins at 3:00 p.m.

4/15/2013
ENGINEERING AND OPERATIONS COMMITTEE

AGENDA FOR

APRIL 25, 2013

Brian Brady – Chair     Jim Murtland
Marty Miller – Vice Chair    Hershell Price
Bud Pocklington – Vice Chair    John Simpson
Roger Bailey     Yen Tu
David Barnum     DeAna Verbeke
Ron Morrison     Tom Wornham
Vincent Mudd

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. San Vicente Dam Raise project.
   1-A Construction update.   Bill Rose

   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 38 through 40 for an increase of $101,046; and authorize the General Manager to reduce the contract value by $2,294,828 to reconcile final unit price quantities for roller compacted concrete and increase marina quarry unit price quantities, decreasing the authorized contract amount from $141,116,106.70 to $138,822,324.70. (Action)
III. INFORMATION

1. Presentation on status update of the Carlsbad Desalination Project. Frank Belock

2. Presentation on the expansion of the Twin Oaks Valley Water Treatment Plant service area. Frank Belock

3. Presentation on asset management/pipeline data base. Nathan Faber

IV. CLOSED SESSION

V. ADJOURNMENT

Doria F. Lore
Clerk of the Board

NOTE: This meeting is called as an Engineering & Operations Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (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.
April 17, 2013

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 38 through 40 for an increase of $101,046; and authorize the General Manager to reduce the contract value by $2,294,828 to reconcile final unit price quantities for roller compacted concrete and increase marina quarry unit price quantities, decreasing the authorized contract amount from $141,116,106.70 to $138,922,324.70.

Alternative
Do not accept these change orders and provide direction to staff relative to issues requiring resolution.

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
Per the April 2008 Board certified Carryover Storage Project Environmental Impact Report, the completed 117 foot San Vicente Dam Raise provides an additional 152,000 acre-feet of combined emergency and carryover storage for the region.

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 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 finishing construction on 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 January 2013, the Board accepted Shimmick/Obayashi Joint Venture Change Orders 28, 29 and 32 through 36 for a credit of $65,688; and authorized the General Manager to execute a change order for up to $500,000 for interim storm water conveyance improvements, increasing the authorized contract amount from $140,681,794.70 to $141,116,106.70.

**Discussion**

Staff recommends that the Board accept Shimmick/Obayashi Joint Venture Change Orders 38 through 40 executed by staff under the General Manager’s authority, for an increase of $101,046. These items are summarized below and include design modifications, outside agency requirements, and administrative contract revisions. A full listing of contract modifications is attached in Table 1.

**Design Modifications:** Staff executed three design modifications in the amount of $80,736. The primary modification was a revision to the SCADA system communications that were required to match the City’s software platform.

**Outside Agency Requirement:** Staff executed one outside agency requirement for $17,620. Division of Safety of Dams and the designer required the removal of a concrete footing before RCC was placed. This concrete footing had previously been installed on the RCC foundation to support the RCC conveyor system. Although other conveyor concrete footings had previously been allowed to remain in place, the Division of Safety of Dams and the designer were concerned that this one had structural integrity concerns. After the footing was removed, it was discovered that it was structurally sound after all. Therefore, the contractor was compensated for the cost of the removal.

**Administrative:** Staff executed three no-cost administrative modifications. One allows the contractor to conduct an in-field shop test for the 108-inch butterfly valve actuator, to partially mitigate a project delay. The other two modifications extend the project completion date a total of six days, due to inclement weather.

**Differing Site Condition:** Staff executed one differing site condition modification in the amount of $2,690. The existing gate flange on the Low Level Outlet Pipeline installed under Package 2 was slightly rotated from the expected location. This modification required the contractor to verify the alignment of the new gate frame, and determine what design changes were required to ensure that the gate installation would fit and meet the design intent. This change order only pays for the work required to verify the condition. A change order modification for the gate installation revisions, due to the differing site condition, will follow.
Staff is also recommending that the Board authorize the General Manager to execute change orders for a credit of $2,294,828 to reconcile final allowance and unit price quantities for roller compacted concrete and the marina quarry as follows:

- **Final RCC unit price quantities – Credit of $426,640**
  RCC placement was completed in October of 2012. As part of the standard process to reconcile unit price items, the designer and construction manager conducted a final survey of RCC unit price quantities and determined that less RCC unit price item quantities were needed than previously estimated. This change order provides a $426,640 credit to the Water Authority for the remaining RCC unit price item quantities including cement, flyash, grout for RCC placement, and retarding admixture.

- **Increase Marina Excavation and Fill unit price quantities – Cost of $631,812**
  In July of 2012, the Board approved a change order to increase the unit price excavation quantities for RCC aggregate production. The increase was based on the contractor’s monthly submittal of excavation and fill quantity surveys, as well as an estimate of the remaining excavation required. This was done at that time to allow timely payment for the work completed. The contractor’s final survey, conducted after the completion of the excavation work in the marina, indicated that errors were made in the contractor’s previous surveys. This resulted in the contractor requesting payment for additional excavation and fill material than was originally estimated in July 2012. As part of the standard final reconciliation process for unit price item type construction contracts, the construction management team and designer conducted a detailed independent survey that confirms the contractor is due additional payment for Marina excavation and fill work completed. However, we disagree with the amount the contractor requested. Therefore, we are recommending the Board authorize a change order for an undisputed 6 percent increase to the excavation and fill quantities for $631,812. The dispute with the contractor over the final quantities will be resolved through the contract’s dispute resolution process.

- **Standby Power Allowance – Credit of $2,500,000**
  During the design phase of the project, the City of San Diego agreed to lower the water surface elevation of the San Vicente Reservoir to allow safe construction of the Outlet Works. In the event rain from winter storms raised the reservoir to levels unsafe for construction, the San Vicente Pump Station would be used to lower the reservoir water surface elevation. A design analysis of the available power at the San Vicente site determined it was not adequate to power the contractor's RCC production facilities and run the San Vicente Pump Station at the same time. To avoid potential project delays from possible flooding due to rain events, a $2,500,000 standby power allowance was added to the dam raise contract. This allowance would pay the contractor to mobilize generators to power the RCC operations, in the event the San Vicente Pump Station was needed to lower the reservoir level during the RCC dam raise. RCC production was completed in October of 2012 without the need to use the standby power allowance, resulting in a $2,500,000 credit.
Approval of these recommendations will decrease the Shimmick/Obayashi authorized contract total by $2,193,782, decreasing the authorized contract amount from $141,116,106.70 to $138,922,324.70. This brings the total change order percentage for Package 3 to negative 0.9 percent. Because of contract disputes, the contractor has refused to sign many of the change orders in an effort to protect its position related to the disputes. As a result, the Water Authority has had to issue unilateral change orders to ensure that the contractor is paid for work completed, in accordance with contract requirements.

The small business participation for this project is 12 percent. Minority and women-owned business participation for this project is 10 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 – General Location Map
              Table 1 – Summary of Construction Change Orders
SAN VICENTE DAM RAISE
PACKAGE 3 - RCC DAMS AND APPURTENANT FACILITIES

FIGURE 1
### 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>
</tr>
<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>
</tr>
<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>
</tr>
<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>
</tr>
<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>
</tr>
<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 Road.</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>
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<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>
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<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>
<td>0 days</td>
<td>0 days</td>
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</tbody>
</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>
</thead>
<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>
</tr>
<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>
<td>0 days</td>
<td>0 days</td>
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<tr>
<td>15</td>
<td>1</td>
<td>Differing Site Condition - Provide Marina Access Road Brow Ditch Modifications</td>
<td>$9,675</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>15</td>
<td>2</td>
<td>Outside Agency Requirement - Provide Additional RCC Trial Placement Cores</td>
<td>$4,547</td>
<td>0 days</td>
<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>1 day to M3</td>
</tr>
<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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</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>
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</thead>
<tbody>
<tr>
<td>17</td>
<td>1</td>
<td>Design Modification - 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>
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<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</td>
<td>5 days to M3</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>
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<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</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>
<td>0 days</td>
</tr>
<tr>
<td>30</td>
<td>1</td>
<td>Outside Agency Requirement - Furnish and Install Straw Wattles per Revised Construction General Permit Regulatory Requirements</td>
<td>$388,016</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>31</td>
<td>1</td>
<td>Outside Agency Requirement - Furnish and Install Straw Wattles in Designated Disturbed Areas</td>
<td>$295,075</td>
<td>0 days</td>
<td>0 days</td>
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Change Orders 17 and 18, 30 and 31 approved at December 8, 2011 Board Meeting
Total amount of Change Orders 17 and 18, 30 and 31: $1,007,218
Total time extension: 7 days
Original Board authorized contract amount: $140,206,050.00
New executed contract amount: $142,161,110.70
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<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>
</tr>
<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>
</tr>
<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>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>
</tr>
<tr>
<td>20</td>
<td>1</td>
<td>Design Modification - Provide Crest Control Building Stairway Modifications</td>
<td>$10,342</td>
<td>0 days</td>
<td>0 days</td>
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<tr>
<td>20</td>
<td>2</td>
<td>Administrative Modification - Extend Contract Milestone Completion Dates Due to Inclement Weather</td>
<td>$0</td>
<td>19 days to M2 13 days to M3</td>
<td>13 days</td>
</tr>
<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>
</tr>
<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>Administrative Modification - Increase Cement Quantity for GEVR</td>
<td>$160,000</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>26</td>
<td>1</td>
<td>Administrative Modification - Decrease Quantity for Cement for RCC - (Bid Item No. 49)</td>
<td>($255,000)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>26</td>
<td>2</td>
<td>Administrative Modification - Decrease Quantity for Pozzolan - (Bid Item No. 50)</td>
<td>($360,000)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>26</td>
<td>3</td>
<td>Administrative Modification - Decrease Quantity for Mix, Cool, Convey, Place, Compact, and Cure RCC - (Bid Item No. 51)</td>
<td>($495,000)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>26</td>
<td>4</td>
<td>Administrative Modification - Increase Quantity for Cement for GEVR - (Bid Item No. 52)</td>
<td>$160,000</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>26</td>
<td>5</td>
<td>Administrative Modification - Increase Quantity for Retarding Admixture for RCC - (Bid Item No. 53)</td>
<td>$27,000</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>26</td>
<td>6</td>
<td>Administrative Modification - Decrease Quantity for Produce and Stockpile RCC Aggregates - (Bid Item No. 56)</td>
<td>($897,000)</td>
<td>0 days</td>
<td>0 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>
<td>---------</td>
<td>------------------------------------------------------------------------------</td>
<td>-------------</td>
<td>--------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>27</td>
<td>1</td>
<td>Administrative Modification - Credit for Deletion of Boat Ramp and Rip Rap - (Bid Item No. 16)</td>
<td>($500,000)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>27</td>
<td>2</td>
<td>Administrative Modification - Increase Quantity for Quarry and Marina Excavation - (Bid Item No. 55)</td>
<td>$700,000</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>27</td>
<td>3</td>
<td>Administrative Modification - Increase Quantity for Marina Fills - (Bid Item No. 57)</td>
<td>$150,000</td>
<td>0 days</td>
<td>0 days</td>
</tr>
</tbody>
</table>

Change Orders 19 - 22, 24 - 27 approved at July 26, 2012 Board Meeting
Total amount of Change Orders 19 - 22, 24 - 27: ($1,626,139)
Total time extension: 59 days
Original Board authorized contract amount: $140,206,050.00
New Executed Contract Amount: $140,542,971.70

<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>28</td>
<td>1</td>
<td>Administrative Modification - Extend Contract Milestone Completion Date for Variation in Estimated Quantity on Quarry and Marina Excavation (Bid Item No. 55)</td>
<td>$0</td>
<td>22 days to M2  0 days to M3</td>
<td>0 days</td>
</tr>
<tr>
<td>29</td>
<td>1</td>
<td>Design Modification - Provide Removal of Light Fixtures in Existing Dam Gallery</td>
<td>$5,987</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>29</td>
<td>2</td>
<td>Design Modification - Provide Expedited Delivery of SVDR SCADA PLC Communication Equipment</td>
<td>$5,879</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>29</td>
<td>3</td>
<td>Design Modification - Additional Concrete at North Slope of DCF</td>
<td>$13,509</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>32</td>
<td>1</td>
<td>Design Modification - Furnish Cathodic Protection for Hastelloy Chemical Diffuser on Outlet Pipe</td>
<td>$34,525</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>32</td>
<td>2</td>
<td>Design Modification - Place Leveling Concrete for LLO Pipe Foundation - GAB to DCF</td>
<td>$54,912</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>32</td>
<td>3</td>
<td>Administrative Modification - Extend Contract Milestone Completion Dates to Accommodate Water Authority E&amp;O Board Tour</td>
<td>$0</td>
<td>0 days to M2  3 days to M3</td>
<td>3 days</td>
</tr>
<tr>
<td>33</td>
<td>1</td>
<td>Design Modification - Increase Quantity for Final Foundation Cleaning - (Bid Item No. 24)</td>
<td>$54,990</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>34</td>
<td>1</td>
<td>Administrative Modification - Reimbursement for Contractor Water Usage</td>
<td>($145,599)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>34</td>
<td>2</td>
<td>Administrative Modification - Reimbursement for Contractor Power Usage</td>
<td>($119,266)</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>35</td>
<td>1</td>
<td>Design Modification - Geocomposite Liner and Drainage System Modifications</td>
<td>$0</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>36</td>
<td>1</td>
<td>Design Modification - Provide Low Level Outlet Pipe Warranty Inspection Support Services</td>
<td>$2,910</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>36</td>
<td>2</td>
<td>Differing Site Condition - Excavate Overburden on Left Abutment Plinth Foundation</td>
<td>$18,993</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>36</td>
<td>3</td>
<td>Design Modification - Provide RCC Coring Support Services</td>
<td>$6,165</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>36</td>
<td>4</td>
<td>Design Modification - Provide Hoisting Eye in Gallery Access Building</td>
<td>$1,307</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>37</td>
<td>1</td>
<td>Design Modification - Interim SWPPP Improvements of Marina Area</td>
<td>$500,000</td>
<td>0 days</td>
<td>0 days</td>
</tr>
</tbody>
</table>

Change Orders 28, 29 and 32 - 37 Approved at the January 2013 Board Meeting: $434,312.00
Total time extension: 3 days
Original Board authorized contract amount: $140,206,050.00
New Executed Contract Amount: $140,977,283.70
<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>38</td>
<td>1</td>
<td>Administrative Modification - Contractor Option for 108-Inch BFV and HPU Field Testing</td>
<td>$0</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>39</td>
<td>1</td>
<td>Outside Agency Requirement - Remove Conveyor Foundation</td>
<td>$17,620</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>39</td>
<td>2</td>
<td>Administrative Modification - Extend Contract Milestone Completion Dates Due to Inclement Weather</td>
<td>$0</td>
<td>3 days to M3</td>
<td>3 days</td>
</tr>
<tr>
<td>39</td>
<td>3</td>
<td>Design Modification - SCADA GAB &amp; MGA RIO PLC Changes</td>
<td>$66,120</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>40</td>
<td>1</td>
<td>Design Modification - Provide Gate Control PLC Outputs</td>
<td>$9,616</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>40</td>
<td>2</td>
<td>Design Modification - Revise SDG&amp;E Conduit Arrangement</td>
<td>$5,000</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>40</td>
<td>3</td>
<td>Differing Site Condition - Verify Bolt Hole Pattern on LLO Flange</td>
<td>$2,690</td>
<td>0 days</td>
<td>0 days</td>
</tr>
<tr>
<td>40</td>
<td>4</td>
<td>Administrative Modification - Extend Contract Milestone Completion Dates Due to Inclement Weather</td>
<td>$0</td>
<td>3 days to M3</td>
<td>3 days</td>
</tr>
</tbody>
</table>

Total amount of Change Orders 38 - 40: $101,046.00

Total time extension: 6 days

Original Board authorized contract amount: $140,206,050.00
New Executed Contract Amount: $141,078,329.70

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>
</tr>
</thead>
<tbody>
<tr>
<td>August 25, 2011</td>
<td>$350,000.00</td>
<td>$278,086.00</td>
<td>$71,914.00</td>
</tr>
<tr>
<td>December 8, 2011</td>
<td>$750,000.00</td>
<td>$683,091.00</td>
<td>$66,909.00</td>
</tr>
<tr>
<td>Totals</td>
<td>$1,100,000.00</td>
<td>$961,177.00</td>
<td>$138,823.00</td>
</tr>
</tbody>
</table>
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) MWD Delegates

   1-B Metropolitan Water District’s Unfunded Liabilities for Other Post-Employment Benefits and Pension. (Information) Amy Chen

2. Colorado River Program.
   2-A Colorado River Board representative’s report. (Information) (supplemental materials) Michael T. Hogan
III. INFORMATION

1. Salton Sea update. Halla Razak
2. Metropolitan Water District Program report. Amy Chen

IV. CLOSED SESSION

1. CLOSED SESSIONS:
   Conference with Legal Counsel – Existing Litigation
   Government Code §54956.9(d)(1)
   Name of Case: QSA Judicial Council Coordination
   Proceeding No. 4353
   
   Conference with Legal Counsel - Existing Litigation
   Government Code §54956.9(d)(1)
   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)

   CLOSED SESSION:
   Conference with Legal Counsel - Existing Litigation
   Government Code §54956.9(d)(1)
   SDCWA v Metropolitan Water District of Southern California;
   Case Nos. CPF-10-510830 and CPF-12-512466

   CLOSED SESSION:
   Conference with Legal Counsel - Existing Litigation
   Government Code §54956.9(d)(1) -
   SDCWA v City of Los Angeles Department of Water and Power;
   Case No. BS136663

   CLOSED SESSION:
   Conference with Legal Counsel - Existing Litigation
   Government Code §54956.9(d)(1) -
   SDCWA v Eastern Municipal Water District;
   Riverside Superior Court Case No. RIC1300887
V.  ADJOURNMENT

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.
April 17, 2013

Attention: Imported Water Committee

Metropolitan Water District’s Unfunded Liabilities for Other Post-Employment Benefits and Pension (Information)

Background
Growing unfunded pension and Other Post-Employment Benefits (OPEB) liabilities, left unchecked, could pose a challenge for state and local government budgets. In order to gain greater transparency, the Governmental Accounting Standards Board (GASB), an independent, not-for-profit organization that establishes and improves standards of financial accounting and reporting for governmental entities, has developed various standards for state and local governmental agencies to disclose their financial obligations for pension and OPEB in the financial statements. While GASB does not have the power to enforce compliance with the standards it promotes, the authority for its standards is recognized under the American Institute of Certified Public Accountants. To ensure that GASB standards continue to be in sync with the evolving government environment, GASB periodically reexamines and updates its standards (See Attachment 1 for a glossary of GASB terminology related to pension and OPEB liabilities; in this report, quotations are placed on terms referred in the glossary for ease of reference).

On June 25, 2012, GASB approved new pension accounting and financial reporting standards, GASB Statement 68 “Accounting and Financial Reporting for Pensions” (GASB 68), that will change the information presented in state and local governments, such as Metropolitan Water District’s (MWD), annual financial reports regarding pension benefits. Starting in 2015, GASB 68 will require these entities to report their unfunded pension obligation as a liability on their financial statements. Prior to GASB 68, state and local entities disclosed the liabilities associated with pension in the notes section of the financial statement. GASB 68 is intended to provide a clearer picture of what the liabilities indicate of an entity’s overall fiscal condition. Because MWD’s Act, Section 239.2, places a limit on how much it may issue in revenue bonds, this disclosure has a unique impact on MWD. It states MWD shall not issue revenue bonds (except for refunding), “unless the amount of equity of the district, as shown on its balance sheet…equals at least 100 percent of the aggregate amount of revenue bonds to be outstanding following the issuance of such bonds.” This disclosure of the unfunded liability, in short, reduces MWD’s bonding capacity by increasing its debt-to-equity ratio.

Today, GASB is currently working on similar accounting and financial reporting standards for recording OPEB liabilities, such as retiree’s healthcare benefits.

Based on the latest published information, MWD’s combined unfunded pension and OPEB obligations is more than $962 million ($417 million in unfunded pension liabilities (“market value” (MV)) as of June 30, 2011, and $545 million in unfunded OPEB liabilities (MV) as of January 1, 2011). When OPEB is next updated in 2013, it is expected to grow because MWD had not pre-funded its OPEB liability until recently.
Discussion
Because variable water sales make up 80 percent of MWD’s revenues, MWD’s revenues can be volatile. The consequences of this rate structure were demonstrated in recent years when MWD sales plummeted and it struggled to raise adequate revenues to pay its expenses. Before MWD began lowering its sales projections to better match sales, it resorted to heavy use of reserves, moving more than $164 million in revenues collected for capital projects since fiscal year (FY) 2006 to pay its operational expenses through mid-year budget adjustments, and in certain years, under-funded its capital projects by another $158 million to mitigate projected revenue gaps. Rather than managing its expenses to reflect the ongoing trend of reduced water sales, MWD continued to embark on new projects and provide long-term subsidies for local projects development that will further reduce demands for MWD water. Last September, MWD’s OPEB actuary, John Bartel, reported to the MWD board that MWD’s projected OPEB liability – primarily retiree health care costs – will grow as health care costs continue to rise, retirees live longer, and more people than forecasted retire.

Other Post-Employment Benefits (OPEB).
While pension obligations are largely determined by the California Public Employees’ Retirement System (CalPERS), a local agency board, such as MWD, has greater ability to control its OPEB obligations, both in the level of pre-funding for future obligations and benefits afforded to retirees. The OPEB benefit consists of health care and other post-employment benefits an employee receives upon retirement.

In 2004, GASB 45, “Accounting and Financial Reporting for Employers for Post-Employment Benefits other than Pensions,” established the reporting on OPEB liabilities because of the concern over the potential size of government entities’ obligations for post-employment benefits. Through GASB 45, benefits provided for retirees must be actuarially calculated and accrued during the working years of the employees, and are recognized as a financial obligation and reported in the notes section of the financial statements as the “net OPEB liability.” GASB 45 was implemented in FY 2008; currently, work is under way to update GASB 45 so entities’ OPEB liabilities would be reported in their balance sheets similar to GASB 68’s reporting of pension liabilities.

MWD employs an independent actuary to help calculate its OPEB liabilities. Currently, because government entities are not required to pay the OPEB’s “Annual Required Contribution” (ARC) in full, the practice of deferring the complete funding of its ARC results in an accumulation of “Net OPEB Obligations” (NOO) – the cumulative difference between annual OPEB cost and the employer’s contributions to a plan – and could potentially result in large unfunded OPEB liabilities, depending on an entity’s OPEB benefits. As MWD’s actuary, Bartel conducts valuations every two years, per GASB recommendation for entities that offer OPEB with more than 200 active employees and retirees on their plan. MWD is in the process of updating its OPEB liabilities for January 2013 to include in its Comprehensive Annual Financial Report 2012-13 scheduled for release in September.

Under its MOUs, MWD provides health care benefits for its retired employees and their eligible dependents for life. These benefits include medical premium of up to 100% of Blue Shield Bay Area Basin Premium or 90% of PERSCare Los Angeles Basin Premium and are paid for retirees and eligible dependents depending on their employment status when they retired. Until recently,
it was relatively easy for MWD employees to qualify for this level of benefits. For MWD employees hired after January 1, 2012, the vesting schedule is five years with MWD, and 50% vested for 10 years of CalPERS service and up to 100% for 20 years of CalPERS service. For MWD employees hired before January 1, 2012, the vesting schedule was 1 month with MWD and 5 years of CalPERS service.

Since implementation of GASB 45, few governmental agencies have taken the next step – to initiate pre-funding of the OPEB unfunded liabilities similar to a pension plan. Because GASB 45 does not require pre-funding, most governmental agencies still budget only enough money each year to pay the immediate bill for retirees, or “Pay-As-You-Go” (PAYGo). MWD did not pre-fund retiree benefits for existing employees – until recently. As of the January 1, 2011 valuation by Bartel, MWD’s unfunded OPEB liability was about $545 million. Its actuarial report showed an OPEB ARC of $53.5 million for FY 2013. Of that amount, MWD budgeted $14.8 million to fund existing retiree benefits (PAYGo), and another $5 million to pre-fund a portion of the OPEB ARC, leaving $33.7 million of the FY 2013 ARC unfunded. Because MWD is not fully funding the ARC, MWD’s unfunded liability continues to grow.

The following chart summarizes MWD’s OPEB obligations as of January 1, 2011 (the Water Authority’s OPEB obligations are included for comparison purposes). Additionally, the matrix shows a comparison of unfunded OPEB liability (MV) to the unrestricted net assets, which have no external restrictions regarding their application or function, and could be used for reducing OPEB (and pension) liabilities. This percentage illustrates MWD’s unfunded liability is 90% of its unrestricted net assets, while the Water Authority is 1.8%:

<table>
<thead>
<tr>
<th>OPEB Obligations as of January 1, 2011</th>
<th>MWD</th>
<th>Water Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Unfunded Liability (MV)</td>
<td>$545.0 million</td>
<td>$3.9 million</td>
</tr>
<tr>
<td>2. Annual Required Contribution</td>
<td>$53.5 million</td>
<td>$155,012</td>
</tr>
<tr>
<td>3. PAYGo</td>
<td>$13.3 million</td>
<td>$890,000</td>
</tr>
<tr>
<td>4. Amount Not Funded in FY 2013</td>
<td>$33.7 million</td>
<td>$0</td>
</tr>
<tr>
<td>5. Unrestricted Net Assets (Per 2012 CAFR)</td>
<td>$605.8 million</td>
<td>$219.0 million</td>
</tr>
<tr>
<td>6. Unfunded Liability to Net Asset [(1)/(5)]</td>
<td>90%</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

This month, MWD’s board deferred an item related to establishing an irrevocable Section 115 Trust, where MWD would place its OPEB pre-funding monies.

At this time, the Water Authority also funds only the retiree OPEB benefits on a PAYGo basis and has not set money aside to pre-fund the medical benefits that current employees will be receiving upon retirement. The Water Authority provides limited retiree health benefits, capped at $200 per month for a retiree, or $320 for retiree and spouse. This benefit terminates at age 65, when the retiree becomes eligible for Medicare. The Water Authority’s unfunded OPEB liability is valued at $3.9 million (MV) as of January 1, 2011. Staff anticipates recommending a funding strategy to its board by July 2013, per the Water Authority’s 2012 Business Plan Update.
**Pension.**

GASB most recently updated its pension standard in 2012, through GASB 68, “Accounting and Financial Reporting for Pension,” which is scheduled for implementation in FY2015; there is customarily a lag between when a standard is approved by GASB and when it is recommended for implementation to afford time for compliance. GASB 68 supersedes GASB 27, “Accounting for Pensions by State and Local Government Employers,” as well as some requirements of GASB 50, “Pension Disclosures.” GASB 68 requires governments with defined benefit pension plans to disclose a “net pension liability” on their financial statement (or “net pension asset” if the entities’ pension fund is “over-funded”). That liability equals the difference between the total pension liability and the value of assets set aside in a pension plan to pay benefits. Before GASB 68, governmental agencies disclosed the unfunded pension liability only in the notes of their financial statements, so that the disclosure does not affect “balance sheets.” Additionally, GASB 68 requires using the market value to determine the pension liability while before GASB 68, public pensions used “actuarial assets” that involved “smoothing” returns from year to year to reduce measured volatility of the plan. The change was based on GASB’s opinion that determining pension liability founded on assets at market value is more accurate than actuarial because it represents an entity’s current liability. While the use of market value better reflects an entity’s current liability, it is also more volatile than using actuarial value because long-term investment history is not factored into the calculation. GASB 68 also establishes an accounting-based approach from the former “funding-based” approach because funding is a policy decision for elected officials to make as part of its budget approval process.

Like many public agencies in California, MWD provides a “defined benefit” pension plan to its employees through a contract with CalPERS. MWD participates in the 2% at 55 plan offered by CalPERS, and pursuant to its MOUs, pays the 7% employee contributions for employees hired before January 1, 2012. The employer and employee contributions to CalPERS are determined by CalPERS according to requirements of state statute. Recent pension reform legislation placed new set of restrictions that further address governmental entities’ pension liabilities. However, because the changes affect only employees new to the CalPERS system, MWD’s unfunded pension liability will not experience significant relief.

The CalPERS Actuarial Office sets the required employer contribution rate annually based on its “actuarial valuation” using information reported by MWD on its benefit formulas and groups covered in its plan. Many factors influence the calculation of the employer contribution rate including number of employees, age of employees, payroll and pension’s “asset value.” The asset value has a direct impact on an employee’s contribution rate.

The following chart summarizes MWD’s pension obligations per CalPERS most recent actuarial valuation report dated June 30, 2011. It shows that MWD’s unfunded liability is about $417 million (MV), see line 7 of the below chart, a decrease from the previous valuation report of $504.7 million dated June 30, 2010, reflecting on the improved market conditions between the valuation dates. However, prior to the adoption of GASB 68, MWD’s unfunded liability would have been reported as $258.7 million (“actuarial value” (AV)), see line 4 of the below chart, reflecting the smoothing of market gains or losses over a period of time. For comparison purposes, the Water Authority’s obligations are displayed as well:
Pension Obligations as of June 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>MWD</th>
<th>Water Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Present Value of Projected Benefits</td>
<td>$1,858,895,383</td>
<td>$190,484,044</td>
</tr>
<tr>
<td>2. Entry Age Normal Accrued Liability</td>
<td>$1,674,273,673</td>
<td>$153,217,349</td>
</tr>
<tr>
<td>3. Actuarial Value of Assets (AV)</td>
<td>$1,415,595,915</td>
<td>$112,766,510</td>
</tr>
<tr>
<td>4. Unfunded Liability (AV Basis) [(2) − (3)]</td>
<td>$258,677,758</td>
<td>$40,450,839</td>
</tr>
<tr>
<td>5. Funded Ratio (AV Basis) [(3) / (2)]</td>
<td>84.5%</td>
<td>73.6%</td>
</tr>
<tr>
<td>6. Market Value of Assets (MV)</td>
<td>$1,257,198,566</td>
<td>$101,992,613</td>
</tr>
<tr>
<td>7. Unfunded Liability (MV Basis) [(2) − (6)]</td>
<td>$417,075,107</td>
<td>$51,224,736</td>
</tr>
<tr>
<td>8. Funded Ratio (MV Basis) [(6) / (2)]</td>
<td>75.1%</td>
<td>66.6%</td>
</tr>
<tr>
<td>9. Unrestricted Net Assets (Per 2012 CAFR)</td>
<td>$605,813,000</td>
<td>$219,038,325</td>
</tr>
<tr>
<td>10. Unfunded Pension Liability as a percentage of Unrestricted Net Asset [(7)/(9)]</td>
<td>68.9%</td>
<td>23.4%</td>
</tr>
</tbody>
</table>

The American Academy of Actuaries wrote that an 80% “funded ratio” (line 8 of the above chart) or greater has been cited in recent years as a basis for a sound financial pension plan; however, the same organization further stated that “understanding a pension plan’s funding progress should not be reduced to a single measure or benchmark” (http://www.actuary.org/files/80_Percent_Funding_IB_071912.pdf). It has opined that the funded ratio taken on its own might not show a complete picture, because it may not be “sustainable if the obligation is excessive relative to the financial resources of the sponsor, if the plan investments involve excessive risk, or if the sponsor fails to make the planned contributions.” Rather than comparing funded ratios, looking at a percentage in combination with unfunded pension liabilities (MV) and unrestricted net assets (see line 9 of the above chart), paints a different picture – MWD’s percentage at 68.9%.

Finally, the following chart shows MWD’s combined Pension and OPEB unfunded liabilities compared to its unrestricted net assets as well as total liabilities; also for comparison purposes, the Water Authority’s information is provided.

Combined OPEB and Pension Obligations

<table>
<thead>
<tr>
<th></th>
<th>MWD</th>
<th>Water Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Combined Unfunded Liability (MV)</td>
<td>$962.0 million</td>
<td>$55.1 million</td>
</tr>
<tr>
<td>2. Unrestricted Net Assets (Per 2012 CAFR)</td>
<td>$605.8 million</td>
<td>$219.0 million</td>
</tr>
<tr>
<td>3. Unfunded OPEB/ Pension Liability as a percentage of Unrestricted Net Asset [(1)/(2)]</td>
<td>158.8%</td>
<td>25.2%</td>
</tr>
</tbody>
</table>

In short, the above shows that MWD is operating under a “negative unrestricted net asset,” which the responsibility for paying would fall on its ratepayers.
What’s Next?
The unfunded pension and OPEB liabilities are not the only long-term obligations MWD faces. As the region’s largest imported supplier, MWD also needs to address funding for its aging infrastructure, as well as how to fund its share of the Delta fix, among other things. To properly address its long-term funding strategy, MWD must reestablish its efforts to develop a Long Range Finance Plan that would map out a prudent funding strategy. This strategy would take into account member agencies’ willingness to pay with investment needs and a means to adequately fund obligations it had already incurred such as the unfunded pension and OPEB liabilities. Going forward, the Water Authority delegates and staff will continue to monitor MWD’s financial health, including its financial policies, revenue enhancements, operating and maintenance cost containment initiatives, water supply alternatives, and water rate incentives, and renew their request for MWD to update its Long Range Finance Plan.

Prepared by: Debbie Discar-Espe, Senior Water Resources Specialist
Approved by: Amy Chen, Director of the MWD Program
Attachment: Glossary of Terms and Acronyms
Glossary of Terms & Acronyms

**Accounting-Based**  Valuation of the assets of an organization for their correct inclusion in the balance sheet.

**Accrued Liability**  The total dollars needed as of the valuation date to fund all benefits earned in the past for current members.

**Actuarial Assets**  This method is used for funding purposes and is obtained through an asset smoothing technique where investment gains and losses are partially recognized in the year they are incurred, with the remainder recognized in subsequent years. This method dampens large fluctuations in the employer contribution rate.

**Actuarial Valuation:**  Technical reports conducted by actuaries that measure retirement plans’ assets and liabilities to determine funding progress. The actuarial valuation also measures the current costs and contribution requirements to determine how much employers and employees should contribute to maintain appropriate benefit funding progress.

**Annual Covered Payroll:**  Payroll eligible for pension benefits; the employer contribution rate is shown as a percentage of the annual covered payroll.

**Annual Required Contribution (ARC):**  The amount of money that actuaries calculate the employer needs to contribute to the retirement plan during the current year for benefits to be fully funded over time.

**Asset Value:**  The value of pension plan investments and other property, used by the actuary for the purpose of an actuarial valuation (sometimes referred to as valuation assets or market-related value of assets).

**Balance Sheet:**  Also referred to as a statement of financial position; the balance sheet shows the current financial position of the company and is an integral part of the financial statements. It includes all the assets and liabilities of a company.

**CalPERS:**  Acronym for California Public Employees’ Retirement System.

**Defined Benefit:**  Promised fixed sum paid for service rendered. The assets in a defined benefit plan are held by the employer who incurs all investments risks.

**Funded Ratio:**  The market value of assets divided by the accrued liability. Funded ratio is a measure of the economic soundness of a fund.

**Fund-Based**  Fund-based accounting is a system of accounting widely used in non-business entities, such as government agencies, non-profit agencies, churches, hospitals and colleges and universities. At its core, fund-based accounting serves to break down an organization into a series of separate funds. Each fund is examined on its own, so that it has its own balance sheet.
**Market Valuation:** Market-valuation methods account for the uncertainty inherent in such investments by recognizing that risky investments cannot produce a guaranteed return.

**Normal Cost:** That portion of the ARC which is based solely on the value of the benefits being offered.

**Negative Unrestricted Net Asset** The difference between assets and liabilities are net assets. A negative unrestricted net asset is the amount of restrictions on net assets that exceeds net assets.

**Net OPEB Liability:** An amount that represents the accrued accounting liability as of year-end.

**Net OPEB Obligation (NOO):** The NOO is the cumulative difference between the annual OPEB cost and the actual contributions made by the employer. For any reporting period, the Beginning NOO is the NOO from the prior period's financial statements, and the Ending NOO is derived by adjusting the beginning NOO by the calculated change in NOO.

**Other Post-Employment Benefits (OPEB):** Acronym for Other Post-Employment Benefits. OPEB benefits are primarily health care benefits, but can include other benefits such as life insurance.

**Pay-As-You-Go (PAYGo):** Refers to the practice of paying OPEB liabilities after eligible employees have retired rather than as they are accrued.

**Smoothing of Gains/Losses:** Actuarial method of spreading, or smoothing, market gains and losses over a period of time. The purpose of smoothing is to minimize short-term, year-to-year contribution rate fluctuations, which may result from market swings. The smoothed asset value is also known as the actuarial value of assets.

**Superfunded:** The actuarial value of some agencies’ assets may exceed the present value of their plans’ benefits, and are considered “superfunded.” In these instances, the employer is not required to make a contribution, but the employee contribution rate remains fixed and must continue to be paid.

**Unfunded Liability:** This is the unfunded obligation for prior benefits costs, measured as the difference between the accrued liability and plan assets. When using the actuarial value of plan assets, it is also referred to as the Unfunded Actuarial Accrued Liability (UAAL).
April 17, 2013

Attention:  Imported Water Committee

Salton Sea Update (Information)

Purpose
Recent events in the Imperial Valley have highlighted some of the issues and concerns around the Salton Sea and its future. While the Water Authority, Imperial Irrigation District (IID) and Coachella Valley Water District (CVWD) continue to fund and implement The Quantification Settlement Agreements (QSA) environmental mitigation work, the State of California has the obligation to prepare a financing plan for the restoration of the Salton Sea. This report discusses the current state of the Salton Sea and summarizes the policy issues involved with environmental mitigation and restoration activities.

Background
The Salton Sea is located north of the Mexican border at the northern end of the IID service area in Imperial County and the southeastern end of the CVWD service area in Riverside County (see attachment 1). The water surface elevation of the sea is at elevation 230 feet below sea level and it has no natural outlet. While historically lakes existed in this basin, the modern Salton Sea was accidently created in 1905 when the Colorado River broke through diversion facilities and flowed unimpeded into the Salton Sink for almost two years. Today, the natural tributaries to the Salton Sea are the Whitewater, the Alamo and the New Rivers. The majority of the inflow to the Sea originates as agricultural drainage from the Imperial Valley that drains into the Sea via the Alamo and the New Rivers. The combined inflow from the Imperial Valley and Mexico to the Salton Sea represents about 86.3 percent of the total inflow to the Sea. The inflow from the Whitewater River through Coachella Valley accounts for 8.5 percent of the total inflow to the Sea. Changes in inflow affect the condition of the Salton Sea. Evaporation over the years has left behind salt from the agricultural drain water making the Salton Sea more saline. The current average salinity of the Salton Sea is about 52,000 mg/L which is about 40 percent higher than the salinity of the Pacific Ocean.

Since the mid-1960s, studies conducted by the State of California and the U.S. Bureau of Reclamation have addressed the increasing salinity and lowering water elevation at the Salton Sea in an effort to stabilize a habitat for fish and wildlife. In 1998 Congress passed the Salton Sea Reclamation Act which instructed the Secretary of the Interior to perform feasibility studies and cost analyses for stabilizing the elevation of the sea and its salinity in an economical and cost effective manner, based on a set of operating assumptions. Among those assumptions was to account for water transfers out of the Salton Sea Basin.

In 2003 California enacted legislation that allowed for the QSA water transfers from the Imperial Valley. As the transfers reduced agricultural drainage flows to the Salton Sea over time, IID, CVWD and the Water Authority were required to mitigate the impacts by many measures including delivery of water to the sea until 2017. As part of the legislation and contractual
The state’s Salton Sea restoration obligation was created partly to financially backstop the water transfer mitigation required from the three water agencies and the state, but more importantly as part of a much larger state policy decision to resolve the sea’s decline. With or without the water transfers, Salton Sea water quality is steadily deteriorating to the point where the sea is losing value as a wildlife habitat. IID, CVWD, and the Water Authority’s environmental mitigation and restoration responsibilities are explicitly limited by the legislation and the QSA water transfer agreements. In 2007 the State’s Secretary of Natural Resources Agency (NRA) submitted a preferred alternative for Salton Sea restoration to the Legislature without a feasible and practical financing plan. The restoration plan had an estimated cost of $8.9 Billion. The Legislature has taken no action to accept or reject the restoration plan.

Over the course of QSA negotiations the State Water Resources Control Board (SWRCB) issued an Order and subsequent Revised Order WRO 2002-0013 in response to an IID and Water Authority petition requesting approval of a long-term transfer of conserved water. The Order requires extensive environmental mitigation for the potential environmental effects resulting from the transfer of conserved water from IID to the Water Authority. These environmental effects were
analyzed in an Environmental Impact Report/Environmental Impact Statement (Transfer EIR/EIS) which was certified by IID as the California Environmental Quality Act (CEQA) lead agency on June 28, 2002. Addenda to the EIR clarifying certain aspects of the water conservation and transfer project were approved by IID on December 31, 2002 and October 2, 2003. These documents include environmental mitigation measures to avoid, minimize, and compensate for expected environmental effects of the approved project including the requirement for the QSA parties to deliver water to the Salton Sea for a fifteen-year period (2003-2017) to mitigate QSA water transfers impacts.

Discussion
In reliance upon the 2003 legislation and concurrent commitments by the state, the IID, CVWD, and the Water Authority have assumed substantial obligations to implement the QSA. The three water agencies continue to make all of the agreed upon financial contributions related to Salton Sea mitigation and Sea restoration as members of the Quantification Settlement Agreement Joint Powers Authority (QSA JPA). The water agencies continue to implement mitigation projects as required by the QSA. In 2003 dollars, the CVWD and the Water Authority have fulfilled their Salton Sea Restoration Fund obligations of $8.3 and $11.8 million respectively and will have fulfilled QSA JPA funding obligations of $36.7 and $52.2 million by 2025. IID’s Salton Sea Restoration Fund obligation of $9.9 million and QSA JPA contribution of $44.1 million will continue on a schedule until 2047.

In light of the commitment by the three agencies there remains a lack of progress on state obligations toward Salton Sea restoration, which led the IID and Water Authority to file a joint petition (the Petition) to the SWRCB in October 2011 requesting a revision to Revised Order WRO 2002-0013. The Petition specifically requests that some of the 480,000 acre feet of mitigation water currently planned for delivery to the Salton Sea from 2014-2017 instead be transferred from IID to urban water agencies (MWD and/or Water Authority). Revenues generated from the sale of this water will fund additional alternative mitigation that would create better and more durable habitat for Salton Sea wildlife.

The IID and the Water Authority are preparing a draft Subsequent EIR/Supplemental EIS (SEIR/SEIS) that, in combination with the Transfer EIR/EIS, is intended to provide CEQA and NEPA compliance for potential environmental impacts resulting from the Petition, changes in circumstances as well as new information of substantial importance related to the Transfer Project, and actions related to IID’s Habitat Conservation Plan/Natural Community Conservation Plan (HCP/NCCP). The proposed mitigation measures by the Petition will benefit birds and other biological resources, and provide air quality mitigation by covering playa that would have otherwise been exposed by receding water levels.

Work on the environmental document to support the Petition is nearly complete. However, local rules require the IID Board to authorize release before the draft SEIR/SEIS can be distributed for public comment. Meanwhile, in February 2013 IID requested a stay for 90 days from the Superior Court on its validation decision of the QSA and associated agreements. The stay was requested to allow IID time to negotiate a global settlement for restoration of the Salton Sea with the County of Imperial and Imperial County Air Pollution District Office. The IID Board has indicated they will not authorize release of the draft SEIR/SEIS until this process is complete.
Meanwhile, several Salton Sea legislative bills are being proposed and are at different stages of the state hearing/approval process. These bills are briefly described below:

- **AB 71 (Assemblyman Perez):** Calls on the California Resources Agency to work in partnership with the Salton Sea Authority to develop a restoration program. It seeks $2 million from the Salton Sea Restoration for the Salton Sea Authority to use for a restoration financial feasibility study.

- **AB 147 (Assemblyman Perez):** Requires the Secretary of the Natural Resources Agency (NRA) to develop a strategic plan to monitor and mitigate dust pollution created at the Salton Sea as a result of the implementation of the QSA. This bill would establish the Salton Sea Dust Mitigation Project Account in the Salton Sea Restoration Fund for the purposes of receiving moneys to fund the implementation of the project.

- **AB 148 (Assemblyman Perez):** Requires the Secretary of the NRA to establish a Salton Sea Renewable Energy and Bio-fuel Research and Development Program in the Salton Sea basin to meet economic and environmental goals by providing grants for research and commercial development of renewable energy and bio-fuel resources.

- **AB 709 (Assemblyman Nestande):** Requires the Salton Sea authority to submit, on or before April 1, 2014, a Salton Sea restoration plan to the Legislative Analyst (LAO) for review. The bill would require the LAO to complete its review by June 1, 2014, and if the LAO determines that the plan is financially feasible and that the authority is capable of implementing the plan, the bill would continuously appropriate from the Salton Sea Restoration Fund any moneys received under Proposition 84 to the authority to implement the plan.

At present, the QSA JPA Implementation Team continues to implement the environmental mitigation measures required by the QSA. These measures include surveying Burrowing Owl populations, studying the impacts of selenium on endangered pupfish, and conducting air quality mitigation pilot projects (surfactant, salt crust, drain water). Additionally, six air quality monitoring stations have been installed and approximately 365 acres of emergent wetland, riparian and scrub-shrub habitat have been created. From 2003-2012, 255,000 feet of mitigation water has been delivered to the Sea by the QSA JPA per Revised Order WRO 2002-0013 making the sea whole and eliminating the environmental impacts of the QSA water transfers.

The Water Authority staff continues to work closely with IID staff and will update the Board on future progress on these issues.

Prepared by: Mojgan Poursadighi, Engineer P.E.
Reviewed by: Halla Razak, Colorado River Program Director
Approved by: Maureen Stapleton, General Manager
Attachment 1
April 17, 2013

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 at the April 8 and 9 meetings of the MWD Board of Directors. The next committee and board meetings will take place May 13 and 14, 2013.

Approve Foundational Actions Funding Program.
The Board approved the Foundational Actions Funding (FAF) Program to fund research and pilot projects that will facilitate the implementation of future water supplies. Foundational Actions are a part of MWD’s three-pronged strategy to meet member agencies’ demands as outlined in its 2010 Integrated Resources Plan (IRP) Update. The first component of this plan is MWD’s Core Resources Strategy, which describes how MWD will develop adequate supplies to meet 100 percent of projected dry-year demands. The second component is an “Uncertainty Buffer” that will develop up to 500,000 acre-feet of additional regional supplies annually through local supply development projects and enhanced water-use efficiency. The third prong involves Foundational Actions, which are defined as low-risk actions that prepare for unforeseen reductions in future water supplies by laying the groundwork for the quick implementation of alternative supply options. These actions are in addition to the development of “Uncertainty Buffer” supplies and include technical studies, research, and pilot projects on future water supplies, such as recycled water, seawater desalination, stormwater capture, and groundwater enhancement.

In its April board memo recommending moving forward with the Foundational Actions Funding Program, MWD stated that its Core Resources Plan is on track and that it is well positioned to meet 100 percent of projected demands within an expected range of future conditions. Even though MWD is on target to meet future demands and is already pursuing Foundational Actions at the MWD-level, the Board approved the unbudgeted Foundational Action Funding Program (FAF Program) for member agencies. As described, this program intends to: 1) advance knowledge water resource production; 2) provide innovative results that are transferable throughout MWD’s service area; and 3) enhance the capability to quickly implement alternative water supplies. An expert panel, composed of three MWD staff members and two external experts, will review member agencies’ proposals, which will be presented to the Board for approval. Projects are required to have matching funds equal to the amount funded by MWD. As this is an unbudgeted program, the Board authorized the use of $3 million from MWD’s reserve funds to finance the FAF Program.

The Water Authority delegates voted no.
Adopt Readiness-to-Serve Charge and Capacity Charge for Calendar Year 2014.
The Board adopted resolutions imposing the Readiness-to-Serve (RTS) and Capacity charges for calendar year 2014 (CY 2014). Combined, these charges are expected to provide MWD with $197 million of fixed revenues in CY 2014. During the 2012 budget and rate setting process, the Board determined the amounts of revenues required for the RTS and Capacity charges. During the Finance and Insurance Committee meeting, the Water Authority Delegates requested that this item be tabled so staff can bring back updated financial projections and an alternative package of reduced water rates and charges for CY 2014. The Delegates pointed out that many of the assumptions used to calculate these two charges have changed significantly. For example, during the fiscal years 2012/13 and 2013/14 rate setting process, MWD’s reserves were barely above the minimum level and sales were projected to be 1.7 million acre-feet (MAF). Currently, MWD’s sales are projected to be 1.8 MAF and reserves are projected to reach $510 million, exceeding maximum levels by $36 million by June 30, giving reason to re-examine the water rates and charges established last year for CY 2014.

The item was passed out of committee and came before the Board where the Water Authority delegates and delegates from the cities of Long Beach and Compton voted no.

Approve execution of an agreement for administration and investment of pre-funding for Other Post Employment Benefits.
The Board deferred action on an agreement with the California Employers’ Retiree Benefit Trust to administer and invest funds to pre-fund MWD’s unfunded Other Post Employment Benefits (OPEB) liability, which as of January 1, 2011 was approximately $545 million. OPEB relates largely to retiree health expenses. Please see this month’s memo title “Metropolitan Water District’s Unfunded Liabilities for Other Post-Employment Benefits and Pension” for additional details on MWD’s unfunded liability related to retiree benefits.

The MWD Committees and Board also:
- Appropriated $310,000, and authorized preliminary design to refurbish eight radial gates on the Colorado River Aqueduct (Approp. 15438);
- Supported, in concept, SB 135 (Padilla, D-Pacoima) -- Earthquake Early Warning System;
- Adopted policy principles on the California Environmental Quality Act;
- Expressed support for AB 1156 (V. Perez, D-Coachella) - Palo Verde Irrigation District Act;
- Heard an Update on MWD’s Seismic Assessment Program;
- Heard an Update on AFSCME Class/Comp Study;
- Received an oral update on Cyber Security;
- Heard a report on the status of existing and anticipated litigation regarding plumbing leaks allegedly caused by copper corrosion: (1) Lennar Homes of California, Inc. MWD, et al., Case No. 30-2012-00543908; (2) Briosa Owners Association v. Moulton Niguel Water District, et al., Case No. 30-2012-005862a58; (3) Cantora community Association v. MWD, et al., Case No. 30-2012-00619294; (4) Cypress Point Condominium Association v. MWD, et al., Case No. 30-2012-00619476; and (5) Lisa Williams and Shawn Williams v. Irvine Ranch Water District, et al., Case No. 30-2012-00616648;
- Heard a report on Consolidated Delta Smelt Cases, USDC Case No. 1:09-CV-407 LJO-DLB; and Consolidated Salmonid Cases, USDC Case No. 1:09-CV-1053 LJO-DLB; and
- Heard a report on San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CPF-10-510830 and No. CPF-12-512466.
State Water Contractors (SWC). The SWC met on March 21, 2013. Staff presented, and the SWC approved, the final budget and allocations for Fiscal Year (FY) 2013-14. The SWC dues included a slight increase as compared to FY 2012-13 based on discussions at the February SWC Board meeting, which included increased funding to support the proposed level of science activities performed by the State and Federal Contractors Water Agency. The budget and allocations are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SWC General Dues</td>
<td>$2,684,000</td>
<td>$2,609,000</td>
</tr>
<tr>
<td>SWC Dues-Energy</td>
<td>$866,500</td>
<td>$705,000</td>
</tr>
<tr>
<td>Bay-Delta Fund</td>
<td>$2,810,000</td>
<td>$2,923,000</td>
</tr>
</tbody>
</table>

The SWC also approved authorizing the General Manager to send a support letter to the Department of Water Resources (DWR) on a proposed multi-year two-for-one exchange between Dudley Ridge Water District (DRWD) and MWD. The proposed exchange would move 8,700 acre-feet of DRWD’s Table A water into Irvine Ranch Water District’s (IRWD) banking facility (Strand Ranch) in Kern County, or at MWD’s option, to its storage programs in Southern California from 2013 through 2017. Fifty percent (less losses) of moved water into the IRWD’s banking facility or MWD’s storage programs would be returned to DRWD no later than 2022, in return, IRWD will keep the remaining 50 percent for its use. Before any agency within MWD’s service area to receive water from the State Water Project (SWP) from a SWP contractor other than MWD, MWD’s consent of the delivery is required. In July 2010, MWD board authorized the delivery of SWP water procured by its member agencies so long as the member agencies agree to pay MWD’s full service water rate at the time the water is delivered, and that MWD maintain control of the water. IRWD is a sub-agency of the Municipal Water District of Orange County, a member agency of MWD, and a landowner in DRWD. IRWD is using this authority to implement its exchange with DRWD.

A contract proposal with Kennedy/Jenks Consultants to compile a summary of Urban Water Management Plans by SWC was deferred until April’s Board meeting to allow members to review possible concerns related to this effort. The board also requested that the status of Delta Habitat Conservation and Conveyance Program costs as well as approaches to allocating costs and benefits among the SWC be initiated and return for board discussion. For other SWC actions, see Attachment. The next SWC is scheduled on April 18, 2013.

Prepared by: Liz Mendelson, Assistant Water Resources Specialist
Reviewed by: Amy Chen, Director of MWD Program

Attachment: SWC Board Actions, March 21, 2013
The following actions were taken at the State Water Contractors (SWC) Board of Directors March 21, 2013 meeting upon motions duly made, seconded and unanimously passed.

1. Approved the Consent Calendar, including Draft Board Minutes for February 21, 2013, the February Financial Reports, and February Consultant Reports.

2. Authorized the General Manager to augment the contract for fisheries consulting services with Chuck Hanson by $50,000 to a total amount of $150,000 to reflect additional workload during the current fiscal year for Water Quality Control Plan and OCAP Biological Opinion support.

3. Directed the General Manager to send a letter to the Department of Water Resources (DWR) supporting the proposed permanent transfer of 1,993 acre-feet of SWP Table A from the Dudley Ridge Water District (DRWD) to the Antelope Valley-East Kern Water Agency’s (AVEK).

4. Directed the General Manager to send a letter to DWR supporting the proposed permanent transfer of 1,451 acre-feet of SWP Table A from the Tulare Lake Basin Water Storage District (TLBWSB) to the AVEK.

5. Directed the General Manager to send a letter to DWR supporting the proposed multi-year two-for-one exchange between the DRWD and the Metropolitan Water District of Southern California (MWDSC).

6. Directed the General Manager to send a letter to DWR stating the Contractors’ desire to allow the inclusion of SWP Table A carryover water as potential supplies to the trial Multi-Year Pool program - formerly referred to as the Multi-Year Market Pool. The draft letter will be provided to Dan Flory, Kirby Brill, Curtis Creel, and Steve Arakawa for review prior to transmittal to DWR.

7. Directed the General Manager to send a letter to DWR supporting participation in an experimental 2013 flow augmentation program on the San Joaquin River. The proposed program involves purchase of half of up to 80,000 acre-feet from Oakdale Irrigation District and South San Joaquin Irrigation District water supplies for release during the April-May pulse flow period, and the ramp-up and ramp down period. Total cost for DWR’s half share of the purchase is up to $4,000,000, with San Luis&Delta Mendota Water Authority paying the same amount for the second half. The draft letter will be provided to DWR for review prior to transmittal.
8. Directed the General Manager to send letters to the DWR stating the SWC does not oppose the positions proposed in recent Budget Change Proposals by DWR and the Department of Fish and Wildlife. The draft letter will be provided to the Board for review prior to transmittal.

9. Approved a resolution adopting the FY 2013-14 budgets and allocations for the SWC Dues General Fund, SWC Dues Energy Fund, and Bay-Delta Fund. The budgets and allocations in the resolution are as follows:

<table>
<thead>
<tr>
<th></th>
<th>BUDGET</th>
<th>ALLOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>SWC General Dues</td>
<td>$2,684,000</td>
<td>$2,609,000</td>
</tr>
<tr>
<td>SWC Dues-Energy Fund</td>
<td>$ 866,500</td>
<td>$ 705,000</td>
</tr>
<tr>
<td>Bay-Delta Fund</td>
<td>$2,810,000</td>
<td>$2,923,000</td>
</tr>
</tbody>
</table>

Other Actions:

1. Requested that the proposal for a contract to prepare a summary of Urban Water Management Plans by SWC be deferred until the April SWC Board meeting to provide opportunity for individual SWC members to review possible concerns with the effort.

2. Requested that the SWC initiate efforts to review the status of Delta Habitat Conservation and Conveyance Program (DHCCP) costs and potential approaches to allocating costs and benefits among SWP contractors.

3. Requested that SWC staff set-up a work group to provide continuing review of OCAP BO Compliance Habitat measures with membership open to representatives of any SWC member agency.
April 17, 2013

Attention: Imported Water Committee

CLOSED SESSIONS:

Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Name of Case: QSA Judicial Council Coordination Proceeding No. 4353

Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1)
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(d)(1) to discuss the above-referenced matters at the April 25, 2013, 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
April 17, 2013

Attention: Imported Water Committee

CLOSED SESSION:
Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1) - SDCWA v Metropolitan Water District of Southern California; Case Nos. CPF-10-510830 and CPF-12-512466

Purpose
This memorandum is to recommend a closed session, pursuant to Government Code §54956.9(d)(1) to discuss the above-referenced matter at the April 25, 2013, 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
April 17, 2013

Attention: Imported Water Committee

CLOSED SESSION:
Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1) - SDCWA v City of Los Angeles Department of
Water and Power; Case No. BS136663

Purpose
This memorandum is to recommend a closed session, pursuant to Government
Code §54956.9(d)(1) to discuss the above-referenced matter at the April 25, 2013, 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
April 17, 2013

Attention: Imported Water Committee

CLOSED SESSION:
Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1) - SDCWA v Eastern Municipal Water District;
Riverside Superior Court Case No. RIC1300887

Purpose
This memorandum is to recommend a closed session, pursuant to Government Code §54956.9(d)(1) to discuss the above-referenced matter at the April 25, 2013, 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
WATER PLANNING COMMITTEE

AGENDA FOR

APRIL 25, 2013

Farrah Douglas - Chair    Marty Miller
Yen Tu – Vice Chair    Jim Murtland
Mark Watton – Vice Chair    Dennis Sanford
Brian Brady    Javier Saunders
Jerry Kern    John Simpson
John Linden    Fern Steiner
Jim Madaffer    Mark Weston

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. Master Plan update.
   1-A Report on the evaluation of a proposed Camp Pendleton Seawater Desalination Project. (Discussion) Bob Yamada/ Cesar Lopez

   1-B Presentation on the evaluation of a proposed Colorado River Conveyance Facility to deliver the full allotment of conserved water from the IID Transfer and Canal Lining Agreements. (Information) Dave Chamberlain

III. INFORMATION

1. Presentation on Rosarito Desalination project. Mark Watton
2. Presentation on Water supply and demand conditions. Lesley Dobalian

IV. CLOSED SESSION

V. ADJOURNMENT

NOTE: This meeting is called as an Water Planning Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Recodified). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.
April 17, 2013

Attention: Water Planning Committee

Report on the evaluation of a proposed Camp Pendleton Seawater Desalination Project. (Information)

Purpose
The purpose of this report is to present the results and findings from recent planning evaluations for the proposed Camp Pendleton Seawater Desalination Project.

Background
As staff continues to develop and bring forward the key elements in the development of a draft 2013 Regional Water Facilities Optimization and Master Plan Update, there are certain specific facilities that the Board previously directed staff to investigate and integrate into the Master Plan analysis. A potential regional desalination plant located at Camp Pendleton is one of the specific facility planning efforts associated with the overall development of the Master Plan. Potential conveyance of Water Authority QSA supplies is another stand alone facility that has been studied independently and integrated into the Master Plan.

Camp Pendleton presents a unique opportunity to develop large-scale desalination over a long planning horizon at a single site located at the top of the Water Authority’s regional Aqueduct system. In June 2009, the Water Authority, in collaboration with the Marine Corps Base Camp Pendleton (MCBCP), completed a feasibility study for a 50 to 150 million gallons per day (MGD) seawater desalination project at Camp Pendleton focusing on two possible seawater desalination plant sites in the southwest corner of the base near the mouth of the Santa Margarita River. The feasibility study provided an overview on new facilities, environmental and permitting requirements, cost estimates, and implementation issues. Major project components include ocean intake and discharge facilities, the seawater desalination production plant, a new conveyance system connected to the Water Authority’s aqueducts, and power facilities to run all operations.

In June 2009, the Board approved a new CIP project to perform additional technical and environmental studies to complete planning efforts for the project. The additional studies will better define the project and refine project cost estimates.

In April 2010, a Memorandum of Understanding (MOU) between the Water Authority and MCBCP was executed to establish the framework for cooperation between the two parties during the performance of the studies and to ensure that the activities do not conflict, impede, or interfere with MCBCP’s primary mission of training its operational force. The MOU did not commit either party to advance the project beyond the planning studies contemplated in the MOU. In March and July of 2011, the Board approved consultant contracts with RBF Consulting (RBF) and GHD, Inc. to conduct technical studies related to the issues and impacts surrounding offshore seawater intake and discharge facilities (RBF) and for additional site development...
evaluations, covering the desalination plant and other appurtenances onshore (GHD). In addition, under the scope of work for the 2013 Regional Water Facilities Optimization and Master Plan Update, the Board approved a consultant contract with CH2M Hill to evaluate product water conveyance alignments. The information derived from these three studies collectively will be used to evaluate the timing and need for additional seawater desalination (the “Supply from the West” alternative) in the Regional Water Facilities Master Plan Update currently under way.

Discussion
The Camp Pendleton Seawater Desalination Project (Project) presents a unique opportunity to develop a high-quality, locally produced, reliable and drought-proof water supply for the San Diego Region. As currently proposed, the project is capable of producing between 50 and 150 MGD, or 56,000 to 168,000 acre-feet annually, which would represent approximately 7 to 20 percent of the year 2030 total water supply for the region. The project is a large and complex undertaking, requiring a detailed review of facility, operational, permitting, and economic requirements to enable a thorough evaluation of project feasibility. The project is similar in scope to the Carlsbad Desalination Project, in that both projects will incorporate the latest reverse osmosis desalination technology and both projects require a new conveyance pipeline to deliver the product water to the Water Authority’s aqueduct system. In addition, the Camp Pendleton project will also require new seawater intake and brine discharge facilities that will increase the cost of production compared to the Carlsbad Desalination Project. The brine discharge facilities could also be shared by Camp Pendleton for wastewater discharge.

The two sites approved for further study by MCBCP are located near the mouth of the Santa Margarita River in the southwest corner of the base. The northerly site is located north of the Santa Margarita River and is known as the “MCTSSA” site as it is adjacent to the Marine Corp Tactical Systems Support Activity complex. The southerly site is south of the river and is known as the “SRTTP” site because is it adjacent to the Southern Region Tertiary Treatment Plant. The sites are shown on Figure 1. To date, all of the major study tasks, authorized under the MOU, have been completed and the final study reports are being drafted.

The objectives, methodologies and findings from the three studies are summarized below:

Site Development Evaluations
The two sites authorized by MCBCP vary in size between 25 and 30 acres, which is sufficient to support development of a 50 to 150 MGD reverse osmosis seawater desalination plant. Both sites were evaluated at the same level for space availability, a phased treatment process layout in 50 MGD increments, access, traffic flow, security, environmental impacts, and base activity impacts. In addition, the site development evaluations included a review of best available treatment options based on varying feedwater (open ocean vs. subsurface intake systems) and finished product water (treated vs. untreated system integration) qualities. Meetings with base stakeholders were conducted to ensure that MCBCP interests, issues and concerns are properly addressed. The team also met with CalTrans to discuss possible direct Interstate 5 access via dedicated on and off ramps for the MCTSSA site and with SDG&E to discuss electric power transmission requirements for both sites.
The treatment processes and component layouts for each site were determined using the seawater quality data collected from the RBF offshore technical studies, the Water Authority’s water quality requirements for system integration, membrane manufacturer’s process modeling programs and the project team’s experience from other desalination projects. The treatment processes include pretreatment, reverse osmosis and post-treatment, similar to the Carlsbad Desalination Project. A key consideration in the Site Development Evaluations was the ability to produce a finished product water that could be integrated as either a treated or untreated water supply. Given the high available capacity of existing local water treatment plants, evaluating the treatment processes to produce untreated water would allow for maximum utilization of new supplies from Camp Pendleton Seawater Desalination project.

Site Development Evaluations Findings

- Both SRTTP and MTSSA sites are viable for construction and operation of a seawater desalination facility sized between 50 and 150 MGD.
- Existing access to the MCTSSA site is restricted and may require direct access (off/on ramps) to and from I-5. The cost to construct this freeway access is projected to range from $8 million to $35 million.
- SRTTP site offers direct access off Vandergrift Boulevard and will require the least future modifications/improvements.
- Both open ocean and subsurface seawater intake options are viable. A higher level of pretreatment will be required for seawater drawn from an open ocean intake system.
- Similar to the Carlsbad Desalination Project, additional RO treatment will be required to meet boron, bromide and chloride criteria for product water integration into the treated supply system. The additional RO treatment might not be required for untreated water system integration, potentially saving approximately $28 million for the initial 50 MGD project.
- An initial phase 50 MGD project can be supported by existing power supply infrastructure. Future phases beyond 50 MGD will require new dedicated substations and transmission lines.

Off-Shore Technical Studies

The off-shore technical studies were conducted to determine the viability of open ocean and subsurface intake systems, to locate and configure the brine discharge system, and to determine the effect such facilities might have on the ocean environment. This included assessing the geologic and hydrogeologic conditions, as well as the different aspects of the marine environment. Important data on physical oceanographic characteristics were analyzed in the study. The marine sampling and monitoring activities were conducted over a period of one year in order to capture variations and seasonal fluctuation of conditions such as fish abundance, and red tide (algal bloom) events.
Data gathered from these activities were used in evaluating potential offshore intake and discharge facilities, including conveyance tunnels, a screened open ocean intake, a subsurface intake, and a brine discharge diffuser system. A groundwater model (for the subsurface intake system) and hydrodynamic models (for the screened open ocean intake and discharge diffusers) were used to determine the optimal location, configuration, and size of these offshore facilities and their potential impacts to the marine environment.

**Technical Studies Findings**

- Hydrogeologic conditions appear favorable for a subsurface intake system that could support a 150 MGD plant at either site.
- Both shallow and deep screened open ocean intakes are feasible with low and manageable marine environment impacts. A deep (greater than 90-foot depth) screened open ocean intake has advantages with regard to mitigating algal bloom impacts and marine hazards.
- Oceanographic conditions (i.e., ocean currents, wave action, and temperature) and marine habitat in the project area are favorable for siting a brine discharge diffuser system at approximately 40-foot water depth.
- The configured intake system consists of a 14-foot diameter tunnel extending approximately 2.3 miles offshore. The discharge system consists of a 12-foot diameter tunnel which extends approximately 1.2 miles offshore.

**Product Water Conveyance**

Two general pipeline alignments were analyzed for the conveyance of product water from the two identified desalination plant sites to the Water Authority’s aqueduct system. See Figure 2. An evaluation approach using a set of weighted criteria was used to evaluate and compare the northern and southern alignments. Pipeline alignments were developed based on field visits, aerial maps and input from the Water Authority and other stakeholders. The evaluation criteria considered in the analyses include: existing utilities, constructability, land condition, impacts to MCBCP and cost. The study recommends a system consisting of approximately 18 miles of 72-inch diameter pipeline and an intermediate pumping station with forebays and surge control facilities. The product water is planned to be integrated into the Water Authority’s system at the Twin Oaks Valley Treatment Plant.

**Product Water Conveyance Analyses Findings**

- The southern alignment will provide the best opportunity for efficient integration of this new supply into the Water Authority Aqueduct system.
- The southern alignment has the least amount of infrastructure constructed on the base; therefore it has the least direct impact to MCBCP.

**Project Cost**

A summary of the estimated capital and annual project costs is presented below. The estimates were developed using feasibility-level cost estimating methodology with an assumption that
buried infrastructure, such as tunnels, conveyance pipelines, drop shafts and risers are sized for the ultimate 150 MGD capacity. Pump station structures are also sized for 150 MGD capacity, with the pump station mechanical and electric phased in 50 MGD increments. Project capital and annual operating costs are influenced by plant location, conveyance pipeline alignment, type of intake system, and finished product water quality requirement for integration as a treated or untreated water supply. Capital costs are provided for an initial desalination plant sized at 50, 100 or 150 MGD.

<table>
<thead>
<tr>
<th>Estimated Capital and Annual Operating Costs</th>
<th>Plant Production Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>50 MGD</td>
</tr>
<tr>
<td>Capital Costs – Desalination Plant</td>
<td>$1.11 to $1.26 billion</td>
</tr>
<tr>
<td>Capital Costs – Conveyance</td>
<td>$317 to $328 million</td>
</tr>
<tr>
<td>Annual Operating Costs</td>
<td>$70 million</td>
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<tr>
<td>Unit Cost – Capital Recovery, Desalination Plant (per AF)</td>
<td>$1290 to $1470</td>
</tr>
<tr>
<td>Unit Cost – Capital Recovery, Conveyance (per AF)</td>
<td>$370 to $380</td>
</tr>
<tr>
<td>Unit Cost – Annual Operating (per AF)</td>
<td>$1250</td>
</tr>
<tr>
<td>Total Cost (per AF)</td>
<td>$2910 to $3100</td>
</tr>
</tbody>
</table>

1. The costs estimates are considered planning-level estimates and rely on the information available at the time the study was conducted. All costs are expressed in 2012 dollars.
2. Includes a 30 percent allowance for construction contingencies and a 25 percent allowance for permitting, legal, public outreach, investigations and surveys, engineering and design, construction management, administration, insurance and right of way acquisitions.
3. Desalination Plant costs include the seawater intake and brine discharge facilities.
4. Unit cost of water is based on a 30-year amortization of capital costs and a 5 percent interest rate.

In summary, the total capital cost for the desalination plant and conveyance ranges between $1.43 billion for the 50 MGD project and $3.26 billion for the 150 MGD project. Annual operations and maintenance cost ranges between $70 million and $200 million for the 50 MGD and 150 MGD projects, respectively. The total unit cost of water, including both capital and operating costs, ranges between $2,220 per acre-foot for the 150 MGD project and $3,100 per acre-foot for the 50 MGD project. The 150 MGD project yields a lower unit cost due to economies in scale and the increased costs in buried infrastructure that is built outright for the ultimate plant capacity.

The final findings and results from the three studies will be incorporated into the Master Plan documents, and will be considered in the evaluation of preferred infrastructure alternatives.
Prepared by: Cesar Lopez, Senior Water Resource Specialist
Reviewed by: Ken Weinberg, Director of Water Resources
Attachments: 1. Figure 1 – Project location
              2. Figure 2 – Conveyance pipeline alignments
Figure 2 - Conveyance Pipeline Alignments
April 17, 2013

Attention: Water Planning Committee

Report on the evaluation of a proposed Colorado River Conveyance Facility to deliver the full allotment of conserved water from the IID transfer and canal lining agreements. (Information)

Purpose
The purpose of this report is to provide an update on the evaluation of a proposed conveyance facility alternative (Colorado River Conveyance Facilities) evaluated in the 2012 Regional Water Facilities Optimization and Master Plan Update (Master Plan). The conveyance facility would bypass the Metropolitan Water District of Southern California (Metropolitan) system and deliver the full allotment of conserved water from the IID transfer and canal lining agreements directly to the Water Authority.

Background
In October 2003, four Southern California water agencies – the Water Authority, the Imperial Irrigation District (IID), Metropolitan and the Coachella Valley Water District – along with the United States Secretary of the Interior, ratified 34 agreements that collectively comprise the Colorado River Quantification Settlement Agreement (QSA). The cornerstone of the QSA is the Water Authority’s 45- to 75-year Water Conservation and Transfer Agreement with IID. When fully ramped up by 2021, the Water Authority will receive 200,000 acre-feet of water annually. Under another QSA agreement between the Water Authority and the Secretary of the Interior, the Water Authority accepted responsibility for lining the All American Canal and Coachella Canal. Under that agreement, the Water Authority receives up to 80,200 acre-feet of water annually for a term of 110 years. To transport these Colorado River supplies to San Diego, the Water Authority entered into an Exchange Agreement with Metropolitan.

At the February 9, 2012 Special Meeting of the Water Planning Committee, a request was made by the Board to include a third infrastructure alternative in the Master Plan that would evaluate a proposed conveyance facility, independent of the Metropolitan system, to import the full allotment of Colorado River supplies from the IID transfer and canal lining agreements. On March 22, 2012, the Board voted to approve an increase of $410,000 to the life budget for the Master Plan to perform this evaluation.

Discussion
The Master Plan presented at the February 9, 2012 Special Meeting of the Water Planning Committee included two infrastructure alternatives to address projected increases in water demands through the 2035 planning horizon of the Master Plan and mitigate potential water shortages that may result during multiple dry-year events. The two alternatives included development of new regional seawater desalination supplies (the “Supply from the West” alternative) and development of new conveyance facilities to import additional supplies via Metropolitan facilities (the “Conveyance from the North” alternative). At the request of the
Water Planning Committee
April 17, 2013
Page 2 of 5

Water Planning Committee, the proposed Colorado River Conveyance Facilities (CRCF) was added as a third infrastructure alternative.

Through the Water Conservation and Transfer Agreement with IID (IID Transfer) and the Quantification Settlement Agreement (QSA) for conserved water from canal lining projects, the Water Authority has contracted for delivery of 277,700 AF/year of available water from the Colorado River. For supply planning purposes, the Water Authority also assumes that an additional 2,500 AF/year of conserved water will be available from the Coachella Canal lining project, bringing the total supply to 280,200 AF/year. This supply, which is considered a verifiable supply in the 2010 Urban Water Management Plan, is currently wheeled through Metropolitan facilities and delivered to the Water Authority under terms of the Exchange Agreement. The Water Authority pays Metropolitan’s applicable wheeling rate for each acre-foot of water delivered. The 2013 wheeling rate is $453 per acre-foot and includes Metropolitan’s rates for system access, water stewardship, and system power. The wheeling rate will increase to $465 per acre-foot in 2014. The legality of this rate is the subject of pending litigation brought by the Water Authority in 2010 and 2012.

The proposed CRCF would bypass Metropolitan’s facilities and provide direct conveyance of IID and QSA supplies from the Colorado River to the San Vicente Reservoir. Several potential routes for the CRCF were previously analyzed by the Water Authority, beginning in 1996. Subsequent studies narrowed the potential routes to two preferred alternatives. These two preferred alternatives were further analyzed as part of the March 22, 2012, Board direction to consider the CRFC as a third infrastructure alternative in the Master Plan.

The scope of the current evaluation includes re-examining the assumptions and findings from the previous studies, most recently conducted in 2001, and determining any potential changes or fatal flaws in the alignments using current conditions. The current evaluation also included a cost and schedule refinement that considers: current land use along the alignments; implementation of the San Vicente Dam Raise, Pipeline and Pump Station; increase in the number of local water treatment plants that may now be served by San Vicente Reservoir; completion of the All American Canal relining project; completion of the Sunrise Powerlink Project, and energy management strategies to optimize power costs.

The two preferred alternatives include the “Tunnel Alignment,” also known as Corridor 5A, that follows a more northerly route and contains 41 miles of tunnel, 12 miles of open channel canals, and 30 miles of pipeline, and the “Pipeline Alignment,” also known as Corridor 5C, that follows a southerly alignment mostly along the international border and requires 81 miles of pipeline and 11 miles of tunnel. Both alternatives begin at the westerly terminus of the All American Canal at its junction with the Westside Canal and end at the San Vicente Reservoir. Each CRCF alternative contains a mix of new pipelines, tunnels, open channel canals, pump stations, power generating facilities, pressure control facilities, new electrical transmission lines, and electrical substations. Water treatment facilities were also considered to address potential TDS (total dissolved solids) concerns. A comparison of major facility requirements is shown below:
Water Planning Committee  
April 17, 2013  
Page 3 of 5

### Colorado River Conveyance Alternatives – Key Characteristics

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Tunnel Alignment</th>
<th>Pipeline Alignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Elevation, feet (MSL)</td>
<td>1,150</td>
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</tr>
<tr>
<td>Total pumping head, feet</td>
<td>1,553</td>
<td>4,225</td>
</tr>
<tr>
<td>Total hydro head, feet</td>
<td>0</td>
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<tr>
<td>Canal, miles</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td>Pipeline, miles</td>
<td>30</td>
<td>81</td>
</tr>
<tr>
<td>Tunnel, miles</td>
<td>41</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total length, miles</strong></td>
<td><strong>83</strong></td>
<td><strong>92</strong></td>
</tr>
<tr>
<td>Pump stations</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Power generating facilities</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Pressure control facilities</td>
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<td>1</td>
</tr>
<tr>
<td>Electrical transmission lines, miles</td>
<td>24</td>
<td>40</td>
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<tr>
<td>Electrical substations</td>
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<td>4</td>
</tr>
<tr>
<td>Property acquisition, acres</td>
<td>1,100</td>
<td>1,650</td>
</tr>
</tbody>
</table>

**Report Findings and Conclusions**

Since the majority of both alignments traverse relatively undeveloped remote areas, the updated evaluation did not find any fatal flaws or significant findings that would preclude implementation of either alternative. The more significant changes compared to the previous studies were the changes in land use designated as either Bureau of Land Management wilderness or Indian Reservation, and the construction of the Sunrise Powerlink, which runs parallel to portions of the Pipeline Alignment. The change in land designation will affect permitting requirements, while the Sunrise Powerlink affords an opportunity to reduce new electrical transmission lines that are required to power the pump stations and convey energy generated at the power generating facilities back to the grid. Other findings include:

**Energy Management**

The energy management strategies were reevaluated based on the change in price in energy, change in capital costs to build infrastructure, and final determination of the ultimate flow within the system. The strategies considered uniform pumping throughout the year compared with an operating scenario that would minimize pumping during peak periods. Uniform pumping increases the pumping power costs by pumping during peak periods, but minimizes capital costs because the design capacity of the pipeline is reduced. Conversely, minimizing or avoiding pumping during peak periods reduces the pumping power costs, but increases the capital cost because a higher capacity pipeline must be constructed.

**Salinity Management**

The salinity of the Colorado River is subject to wide variations due to ongoing hydraulic conditions. For both alternatives, consideration was given to treatment or blending options to produce water that is comparable to the Metropolitan untreated supply and consistent with Safe Drinking Water Act standards. Blending is considered the preferred option since it is the lowest-cost alternative and does not require the construction of new treatment facilities. However, additional work is still required to confirm the feasibility of this option.
Implementation Schedule
The project implementation duration is estimated to be 12 to 17 years for the Tunnel Alignment and 10 to 14 years for the Pipeline Alignment. These durations consider 3 to 4 years to complete preliminary design, agency coordination, and environmental compliance activities; 2 to 3 years to complete detailed design; and 5 to 10 years to construction the Tunnel Alignment and 5 to 7 years to construct the Pipeline Alignment.

Risks
Since the majority of the Tunnel Alignment alternative pipeline is subsurface, it has less risk for land acquisition, environmental impacts, and public acceptance. The open-trench pipeline portion of the alignment is mostly flat so there is less risk related to constructability along extreme terrain. Because of the unknown conditions that occur with subsurface construction, the Tunnel alternative has a higher risk for construction impacts related to unknown geologic conditions.

The Pipeline Alignment is mostly open trench and therefore has a higher risk for land acquisition, environmental impacts, and public acceptance. The open trench follows areas with steep terrain so there is a higher risk of constructability in these areas. Since there is significantly less tunneling in this alternative there is less risk for unknown geologic conditions.

The CRCF will involve multiple agencies with significant coordination efforts and execution of multiple interagency agreements. Both alternatives share an equal level of schedule risk related to resolution of agreement terms and execution of a final agreement. At this preliminary stage of planning, there have been no substantive discussions with the permitting and resource agencies and all costs associated with environmental compliance and mitigation are based on generalized assumptions.

Costs
A summary of the estimated capital and annual costs for each alternative is presented below. Both alternatives consider the transfer of 280,200 AF/year from the All American Canal to the San Vicente Reservoir. The costs do not consider any re-operation of the San Vicente Reservoir and Pump Station. Annual costs include pumping charges, energy recovery, and Operation and Maintenance requirements. The estimated cost per acre-foot considers capital costs amortized for a 30-year period at 5% interest rate plus the annual operating costs, divided by the annual flow volume of 280,200 AF/year.
## Estimated Costs*

<table>
<thead>
<tr>
<th>Description</th>
<th>Tunnel Alignment</th>
<th>Pipeline Alignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Capital Cost (2013 dollars)</td>
<td>$1.98 billion</td>
<td>$2.30 billion</td>
</tr>
<tr>
<td>Annual Operating Cost (2013 dollars)</td>
<td>$71 million</td>
<td>$132 million</td>
</tr>
<tr>
<td>Unit Cost – Capital Recovery</td>
<td>$460/AF</td>
<td>$535/AF</td>
</tr>
<tr>
<td>Unit Cost – Annual Operating</td>
<td>$253/AF</td>
<td>$470/AF</td>
</tr>
<tr>
<td>Total Cost per Acre-Foot (2013 dollars)</td>
<td>$713/AF</td>
<td>$1,006/AF</td>
</tr>
</tbody>
</table>

*The estimates are considered planning-level estimates and rely only on the information available at this time. Tunneling costs are particularly subject to change due to the limited available geotechnical information. There was no resource agency input into the development of the estimated cost for permitting and environmental compliance. The annual operating unit cost includes labor and power costs, and is subject to escalation.

The findings presented in this memorandum are based on the Colorado River Conveyance Alternative Draft Letter Report, prepared under the combined effort of CH2M-Hill and Black & Veatch and submitted in September 2012. The final version of this report will be submitted as an appendix to the Master Plan. The CRCF will be considered by staff in its evaluation and preparation of a staff recommendation for a preferred infrastructure alternative.

Prepared by: Steve Simon, Engineer P.E.
Dave Chamberlain, Principal Engineer
Reviewed by: Ken Weinberg, Director of Water Resources
April 17, 2013

Attention: Water Planning Committee

Water supply and demand conditions. (Information)

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

Background
Hydrologic conditions continue to track below average both locally and on the Water Authority’s imported supplies. The National Weather Service’s is predicting dry conditions will continue through the spring, marking the end of the wet season.

Discussion
State Water Project
The California Department of Water Resources (DWR) decreased the State Water Project Table A allocation for calendar year 2013 from 40 to 35 percent of the State Water Contractors’ requested amounts. If this is the final allocation for year, it will be the lowest since the drought in 2008.

Snow conditions on April 1, 2013 were just 48% of normal statewide. Snowpack is typically at its maximum accumulation for the season on this date. Snow water equivalents on April 15, 2013 are also provided in Table 1 at 36% of normal statewide. DWR estimates that snowpack provides about a third of the water used in California.

Table 1. Snow Water Equivalents – 4/15/2013

<table>
<thead>
<tr>
<th>Region</th>
<th>Inches</th>
<th>% Normal</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td>9”</td>
<td>34%</td>
</tr>
<tr>
<td>Central</td>
<td>13”</td>
<td>44%</td>
</tr>
<tr>
<td>South</td>
<td>5”</td>
<td>23%</td>
</tr>
<tr>
<td>Statewide</td>
<td>10”</td>
<td>36%</td>
</tr>
</tbody>
</table>

The Northern Sierra 8-Station Precipitation Index on April 11, 2013 for water year 2013 was 41.0 inches, which is 95 percent of normal. Precipitation levels remain relatively high compared with snowpack due to heavy rainfall in the northern Sierra during November and December 2012.

Reservoir storage is shown in Table 2 for Oroville and San Luis reservoirs. Their combined storage on April 14, 2013 was approximately 4.3 million acre-feet (MAF), which is 77 percent of capacity or 91 percent of average for the date. Pumping restrictions on the State Water Project and the Central Valley Project between November 1 and February 28 prevented DWR from pumping more than 550,000 acre-feet of water from the Delta. The restrictions were put into place to protect the endangered Delta smelt. San Luis is at 66% of capacity, and it is unlikely that San Luis will reach average levels for the water year 2013.
Table 2. Reservoir Storage Levels - 4/14/2013

<table>
<thead>
<tr>
<th>Reservoir</th>
<th>Storage in MAF</th>
<th>Percent of Capacity</th>
<th>Percent of Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oroville</td>
<td>3.08</td>
<td>87%</td>
<td>108%</td>
</tr>
<tr>
<td>San Luis*</td>
<td>1.24</td>
<td>61%</td>
<td>66%</td>
</tr>
<tr>
<td>Combined</td>
<td>4.32</td>
<td>77%</td>
<td>91%</td>
</tr>
</tbody>
</table>

*Includes both State Water Project and Central Valley Project storage in San Luis. SWP share is approximately 483 thousand AF.

**Colorado River**

Hydrologic conditions in the Upper Colorado River Basin on April 15, 2013 for water year 2013 are as follows:

- **Upper Colorado Basin precipitation**: 78 percent of average
- **Snowpack conditions**: 80 percent of average
- **Total system contents this year**: 31.5 MAF, or 53 percent of capacity
- **Total system contents last year**: 37.4 MAF, or 63 percent of capacity

The US Bureau of Reclamation is projecting that the unregulated inflow to Lake Powell in water year 2013 will be just 42 percent of normal. Unregulated inflow to Lake Powell is a good measure of hydraulic conditions in the Colorado River Basin. Water year 2012 was also extremely dry, with runoff at 45 percent of normal.

**Metropolitan Water District of Southern California**

The Metropolitan Water District of Southern California reported on supply and demand conditions at its monthly Water Planning and Stewardship Committee meeting on April 8, 2013. Table 3 provides MWD’s projected supply and demand balance for calendar year 2013, assuming a 35 percent SWP Table A allocation. Under this scenario, MWD would take approximately 292,000 acre-feet (AF) out of storage, with a projected dry-year storage balance of approximately 2.45 MAF at the end of calendar year 2013. The last year MWD drew from its storage reserves to meet demands was in calendar year 2009.

MWD will provide further details on the specific Water Surplus and Drought Management (WSDM) actions it will take in 2013 at its May Water Planning and Stewardship Committee meeting, which coincides with the time when the SWP Table A allocation is expected to be final for the year.

**Local Supply and Demand Conditions**

Conditions are dry locally. Accumulated total precipitation for water year 2013 is shown in Table 4 for two stations in San Diego County.
Total local reservoir storage including the Water Authority’s carryover storage on March 31, 2013 was approximately 267,200 AF. Storage levels reflect withdrawals that occurred during this period, along with increases due to runoff. Water Authority has the following supplies in storage:

- Water Authority local carryover storage: 7,551 AF
- Water Authority Semitropic groundwater storage bank: 16,117 AF

Figure 1 compares the Water Authority member agencies total monthly water use, excluding recycled water use, over the past 12 months compared to the prior year. Cumulatively, the member agencies total potable water use was approximately 530,800 AF, which is approximately 11,400 AF more than the previous year.

<table>
<thead>
<tr>
<th>Station</th>
<th>Inches</th>
<th>Percent Normal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lindberg Field</td>
<td>6.23</td>
<td>68%</td>
</tr>
<tr>
<td>Ramona Airport</td>
<td>7.46</td>
<td>55%</td>
</tr>
</tbody>
</table>

Summary

Water year 2013 is expected to be the second consecutive dry year in California and on the Colorado River Basin. In order to meet demands in 2013, MWD is projecting it will draw from its WSDM storage reserves to supplement its core supplies from the Colorado River and SWP in order to meet demands. Staff will provide a detailed report at the May 2013 Committee meeting on the WSDM actions that MWD plans to take in 2013. With demands still significantly down from 2007 levels and MWD WSDM 2103 storage reserves at their highest levels, staff doesn’t anticipate the Water Authority needing to take shortage management actions in 2013, beyond current water use-
efficiency programs and outreach. Staff will continue to closely monitor water demands and storage levels over the spring and summer months and provide reports to the Committee, if conditions drastically change from current projections and trends.

Prepared by: Lesley Dobalian, Water Resources Specialist
Reviewed by: Ken Weinberg, Director of Water Resources
April 17, 2013

Attention: Water Planning Committee

Water Resources Report

Purpose
This report includes the following exhibits for March 2013:

- 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)

### RAINFALL TOTALS (inches)

<table>
<thead>
<tr>
<th>Station</th>
<th>March 2013</th>
<th>2012-2013 WATER YEAR (October 2012 through September 2013)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Normal</td>
</tr>
<tr>
<td>Lindbergh Field (N.O.A.A.)</td>
<td>1.22</td>
<td>1.81</td>
</tr>
<tr>
<td>Lake Cuyamaca (Helix W.D.)</td>
<td>1.72</td>
<td>5.77</td>
</tr>
<tr>
<td>Lake Henshaw (Vista I.D.)</td>
<td>2.07</td>
<td>4.63</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)**

**MARCH 2013**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad M.W.D.</td>
<td>1,509.1</td>
<td>1,220.1</td>
<td>16,683.5</td>
<td>16,373.9</td>
</tr>
<tr>
<td>Del Mar, City of</td>
<td>78.7</td>
<td>64.9</td>
<td>1,118.5</td>
<td>1,090.1</td>
</tr>
<tr>
<td>Escondido, City of</td>
<td>1,574.3</td>
<td>1,379.2</td>
<td>21,184.5</td>
<td>15,475.0</td>
</tr>
<tr>
<td>Fallbrook P.U.D.</td>
<td>771.7</td>
<td>725.0</td>
<td>12,388.2</td>
<td>12,308.3</td>
</tr>
<tr>
<td>Helix W.D.</td>
<td>2,466.3</td>
<td>1,954.6</td>
<td>28,068.1</td>
<td>18,775.3</td>
</tr>
<tr>
<td>Lakeside W.D.</td>
<td>185.8</td>
<td>174.2</td>
<td>3,497.0</td>
<td>3,395.5</td>
</tr>
<tr>
<td>National City, City of</td>
<td>-</td>
<td>-</td>
<td>603.4</td>
<td>1,720.1</td>
</tr>
<tr>
<td>Oceanside, City of</td>
<td>1,594.6</td>
<td>1,536.5</td>
<td>23,364.3</td>
<td>23,706.2</td>
</tr>
<tr>
<td>Olivenhain M.W.D.</td>
<td>1,451.2</td>
<td>1,119.9</td>
<td>20,140.5</td>
<td>19,345.2</td>
</tr>
<tr>
<td>Otay W.D.</td>
<td>2,244.8</td>
<td>1,916.8</td>
<td>31,117.1</td>
<td>30,654.7</td>
</tr>
<tr>
<td>Padre Dam M.W.D.</td>
<td>772.4</td>
<td>688.1</td>
<td>11,635.7</td>
<td>11,432.2</td>
</tr>
<tr>
<td>Pendleton Military Reservation</td>
<td>2.7</td>
<td>6.7</td>
<td>43.6</td>
<td>57.0</td>
</tr>
<tr>
<td>Poway, City of</td>
<td>585.2</td>
<td>595.8</td>
<td>11,551.2</td>
<td>11,067.4</td>
</tr>
<tr>
<td>Rainbow M.W.D.</td>
<td>1,427.8</td>
<td>951.5</td>
<td>21,550.9</td>
<td>20,334.9</td>
</tr>
<tr>
<td>Ramona M.W.D.</td>
<td>337.4</td>
<td>343.7</td>
<td>6,715.0</td>
<td>6,406.5</td>
</tr>
<tr>
<td>Rincon Del Diablo M.W.D.</td>
<td>446.0</td>
<td>346.2</td>
<td>6,473.2</td>
<td>5,943.2</td>
</tr>
<tr>
<td>San Diego, City of</td>
<td>12,105.9</td>
<td>10,291.5</td>
<td>182,890.2</td>
<td>166,319.6</td>
</tr>
<tr>
<td>San Dieguito W.D.</td>
<td>179.0</td>
<td>84.0</td>
<td>1,679.4</td>
<td>2,749.4</td>
</tr>
<tr>
<td>Santa Fe I.D.</td>
<td>407.8</td>
<td>129.2</td>
<td>4,930.8</td>
<td>5,632.2</td>
</tr>
<tr>
<td>South Bay I.D.</td>
<td>-</td>
<td>0.1</td>
<td>2,024.5</td>
<td>7,538.2</td>
</tr>
<tr>
<td>Vallecitos W.D.</td>
<td>1,208.1</td>
<td>945.1</td>
<td>16,800.6</td>
<td>16,213.7</td>
</tr>
<tr>
<td>Valley Center M.W.D.</td>
<td>1,726.5</td>
<td>1,170.6</td>
<td>28,015.5</td>
<td>27,826.3</td>
</tr>
<tr>
<td>Vista I.D.</td>
<td>1,342.8</td>
<td>1,194.6</td>
<td>16,739.7</td>
<td>11,338.8</td>
</tr>
<tr>
<td>Yuima M.W.D.</td>
<td>-</td>
<td>-</td>
<td>1,692.6</td>
<td>1,145.1</td>
</tr>
<tr>
<td>Deliveries To SDCWA Agencies</td>
<td>32,418.1</td>
<td>26,838.3</td>
<td>470,908.0</td>
<td>436,848.8</td>
</tr>
<tr>
<td>Less: Deliveries to SDCWA Storage</td>
<td>-</td>
<td>193.5</td>
<td>5,882.0</td>
<td>5,162.2</td>
</tr>
<tr>
<td><strong>TOTAL MEMBER AGENCY DELIVERIES</strong></td>
<td><strong>32,418.1</strong></td>
<td><strong>26,644.8</strong></td>
<td><strong>465,026.0</strong></td>
<td><strong>431,686.6</strong></td>
</tr>
</tbody>
</table>

1 March 2013 carryover storage account deliveries were zero. 2 Deliveries *from* storage accounts include 475.7 AF sold to San Diego from L. Otay storage account.
### Monthly Water Use by Member Agency

**MARCH 2013**

<table>
<thead>
<tr>
<th>AGENCY</th>
<th>Imported Source</th>
<th>S.D.C.W.A.</th>
<th>Local Sources</th>
<th>Surface Water</th>
<th>Groundwater</th>
<th>Reclaimed Water</th>
<th>March Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad M.W.D.</td>
<td>1,326.1</td>
<td>1,077.1</td>
<td>-</td>
<td>-</td>
<td>198.7</td>
<td>157.1</td>
<td>1,524.8</td>
</tr>
<tr>
<td>Del Mar, City of</td>
<td>78.7</td>
<td>64.9</td>
<td>-</td>
<td>-</td>
<td>2.2</td>
<td>7.5</td>
<td>80.9</td>
</tr>
<tr>
<td>Escondido, City of</td>
<td>1,651.2</td>
<td>1,480.8</td>
<td>-</td>
<td>-</td>
<td>19.7</td>
<td>6.4</td>
<td>1,670.9</td>
</tr>
<tr>
<td>Fallbrook P.U.D.¹</td>
<td>771.7</td>
<td>611.4</td>
<td>-</td>
<td>-</td>
<td>10.7</td>
<td>11.6</td>
<td>821.8</td>
</tr>
<tr>
<td>Helix W.D.</td>
<td>2,419.9</td>
<td>2,138.5</td>
<td>-</td>
<td>29.0</td>
<td>7.5</td>
<td>10.7</td>
<td>2,427.4</td>
</tr>
<tr>
<td>Lakeside W.D.</td>
<td>185.8</td>
<td>174.1</td>
<td>-</td>
<td>-</td>
<td>74.3</td>
<td>80.5</td>
<td>260.1</td>
</tr>
<tr>
<td>National City, City of ²</td>
<td>-</td>
<td>-</td>
<td>377.5</td>
<td>419.1</td>
<td>249.8</td>
<td>159.4</td>
<td>-</td>
</tr>
<tr>
<td>Oceanside, City of ²</td>
<td>1,594.6</td>
<td>1,536.5</td>
<td>-</td>
<td>-</td>
<td>455.9</td>
<td>226.3</td>
<td>-</td>
</tr>
<tr>
<td>Olivenhain M.W.D.</td>
<td>1,451.2</td>
<td>1,119.9</td>
<td>-</td>
<td>-</td>
<td>120.2</td>
<td>96.6</td>
<td>1,571.4</td>
</tr>
<tr>
<td>Otay W.D.</td>
<td>2,244.8</td>
<td>1,916.8</td>
<td>-</td>
<td>-</td>
<td>151.0</td>
<td>159.3</td>
<td>2,395.8</td>
</tr>
<tr>
<td>Padre Dam M.W.D.</td>
<td>770.2</td>
<td>690.9</td>
<td>-</td>
<td>-</td>
<td>10.0</td>
<td>25.2</td>
<td>780.2</td>
</tr>
<tr>
<td>Pendleton M.R.³</td>
<td>44.4</td>
<td>57.8</td>
<td>-</td>
<td>360.0</td>
<td>360.0</td>
<td>100.0</td>
<td>504.4</td>
</tr>
<tr>
<td>Poway, City of ⁴</td>
<td>734.2</td>
<td>591.1</td>
<td>8.1</td>
<td>11.6</td>
<td>-</td>
<td>60.0</td>
<td>802.3</td>
</tr>
<tr>
<td>Rainbow M.W.D.</td>
<td>1,377.8</td>
<td>994.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>36.0</td>
<td>436.4</td>
</tr>
<tr>
<td>Ramona M.W.D.</td>
<td>400.4</td>
<td>324.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11.3</td>
<td>463.4</td>
</tr>
<tr>
<td>Rincon Del Diablo M.W.D.</td>
<td>446.0</td>
<td>346.2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>287.5</td>
<td>735.3</td>
</tr>
<tr>
<td>San Diego, City of</td>
<td>12,348.4</td>
<td>10,583.1</td>
<td>1,625.6</td>
<td>2,820.8</td>
<td>101.9</td>
<td>-</td>
<td>280.1</td>
</tr>
<tr>
<td>San Dieguito W.D.</td>
<td>179.0</td>
<td>84.0</td>
<td>285.0</td>
<td>386.6</td>
<td>-</td>
<td>47.9</td>
<td>511.9</td>
</tr>
<tr>
<td>Santa Fe I.D.</td>
<td>365.6</td>
<td>118.6</td>
<td>346.5</td>
<td>536.5</td>
<td>-</td>
<td>35.7</td>
<td>747.8</td>
</tr>
<tr>
<td>South Bay I.D.²</td>
<td>-</td>
<td>-</td>
<td>790.0</td>
<td>783.8</td>
<td>190.1</td>
<td>130.9</td>
<td>-</td>
</tr>
<tr>
<td>Vallecitos W.D.</td>
<td>1,212.8</td>
<td>983.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,212.8</td>
</tr>
<tr>
<td>Valley Center M.W.D.</td>
<td>1,726.5</td>
<td>1,170.6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>33.0</td>
<td>1,759.5</td>
</tr>
<tr>
<td>Vista I.D.</td>
<td>1,342.8</td>
<td>1,194.6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,342.8</td>
</tr>
<tr>
<td>Yuima M.W.D.</td>
<td>-</td>
<td>-</td>
<td>119.3</td>
<td>100.8</td>
<td>-</td>
<td>-</td>
<td>119.3</td>
</tr>
<tr>
<td><strong>TOTAL USE</strong></td>
<td><strong>32,672.1</strong></td>
<td><strong>27,259.5</strong></td>
<td><strong>3,441.7</strong></td>
<td><strong>4,987.4</strong></td>
<td><strong>1,569.5</strong></td>
<td><strong>1,080.2</strong></td>
<td><strong>14,214.1</strong></td>
</tr>
<tr>
<td><strong>PERCENT CHANGE</strong></td>
<td><strong>20%</strong></td>
<td><strong>-31%</strong></td>
<td><strong>45%</strong></td>
<td><strong>37%</strong></td>
<td><strong>14%</strong></td>
<td><strong>14%</strong></td>
<td><strong>39,104.7</strong></td>
</tr>
</tbody>
</table>

¹De Luz figures included in Fallbrook P.U.D. total.
²Brackish groundwater use included in groundwater totals.
³Pendleton's imported water use includes water delivered by South Coast Water District.
⁴Poway recycled use is reported quarterly.
## MONTHLY WATER RESOURCES REPORT

**Reservoir Storage (acre-feet)**

### MARCH 2013

<table>
<thead>
<tr>
<th>Member Agency</th>
<th>Reservoir</th>
<th>Capacity</th>
<th>MARCH 2013</th>
<th>% of Change</th>
<th>MARCH 2012</th>
<th>% of Change</th>
<th>Change During Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad M.W.D.</td>
<td>Maerkle</td>
<td>600</td>
<td>205</td>
<td>34%</td>
<td>149</td>
<td>25%</td>
<td>156</td>
</tr>
<tr>
<td>Escondido, City of 1</td>
<td>Dixon</td>
<td>2,606</td>
<td>2,225</td>
<td>85%</td>
<td>2,447</td>
<td>94%</td>
<td>(47)</td>
</tr>
<tr>
<td></td>
<td>Wohlford</td>
<td>6,506</td>
<td>2,114</td>
<td>32%</td>
<td>2,320</td>
<td>36%</td>
<td>(12)</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>9,112</td>
<td>4,339</td>
<td>48%</td>
<td>4,767</td>
<td>52%</td>
<td>(59)</td>
</tr>
<tr>
<td>Fallbrook P.U.D.</td>
<td>Red Mountain</td>
<td>1,335</td>
<td>624</td>
<td>47%</td>
<td>657</td>
<td>49%</td>
<td>(38)</td>
</tr>
<tr>
<td>Helix W.D.</td>
<td>Cuyamaca</td>
<td>8,195</td>
<td>839</td>
<td>10%</td>
<td>1,430</td>
<td>17%</td>
<td>92</td>
</tr>
<tr>
<td></td>
<td>Jennings</td>
<td>9,790</td>
<td>8,917</td>
<td>91%</td>
<td>8,854</td>
<td>90%</td>
<td>45</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>17,985</td>
<td>9,756</td>
<td>54%</td>
<td>10,284</td>
<td>57%</td>
<td>136</td>
</tr>
<tr>
<td>Poway, City of</td>
<td></td>
<td>3,330</td>
<td>2,922</td>
<td>88%</td>
<td>3,090</td>
<td>93%</td>
<td>(166)</td>
</tr>
<tr>
<td>Rainbow M.W.D.</td>
<td>Beck</td>
<td>625</td>
<td>0</td>
<td>0%</td>
<td>188</td>
<td>30%</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Morro Hill</td>
<td>465</td>
<td>41</td>
<td>9%</td>
<td>188</td>
<td>0%</td>
<td>-</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>1,090</td>
<td>41</td>
<td>4%</td>
<td>188</td>
<td>17%</td>
<td>-</td>
</tr>
<tr>
<td>Ramona M.W.D.</td>
<td></td>
<td>12,000</td>
<td>2,499</td>
<td>21%</td>
<td>2,570</td>
<td>21%</td>
<td>(90)</td>
</tr>
<tr>
<td>San Diego, City of 2</td>
<td>Barrett</td>
<td>34,806</td>
<td>18,823</td>
<td>54%</td>
<td>26,337</td>
<td>76%</td>
<td>-1,276</td>
</tr>
<tr>
<td></td>
<td>El Capitan</td>
<td>112,807</td>
<td>63,086</td>
<td>56%</td>
<td>72,258</td>
<td>64%</td>
<td>(981)</td>
</tr>
<tr>
<td></td>
<td>Hodges</td>
<td>30,251</td>
<td>7,663</td>
<td>25%</td>
<td>23,575</td>
<td>78%</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Lower Otay</td>
<td>49,849</td>
<td>36,809</td>
<td>74%</td>
<td>36,219</td>
<td>73%</td>
<td>(396)</td>
</tr>
<tr>
<td></td>
<td>Miramar</td>
<td>6,682</td>
<td>5,465</td>
<td>82%</td>
<td>4,866</td>
<td>75%</td>
<td>(84)</td>
</tr>
<tr>
<td></td>
<td>Morena</td>
<td>50,694</td>
<td>8,592</td>
<td>17%</td>
<td>12,302</td>
<td>24%</td>
<td>(851)</td>
</tr>
<tr>
<td></td>
<td>Murray</td>
<td>4,684</td>
<td>4,106</td>
<td>88%</td>
<td>3,884</td>
<td>83%</td>
<td>122</td>
</tr>
<tr>
<td></td>
<td>San Vicente</td>
<td>89,312</td>
<td>36,817</td>
<td>41%</td>
<td>34,601</td>
<td>39%</td>
<td>79</td>
</tr>
<tr>
<td></td>
<td>Sutherland</td>
<td>29,508</td>
<td>3,401</td>
<td>12%</td>
<td>12,620</td>
<td>43%</td>
<td>(133)</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>408,593</td>
<td>164,762</td>
<td>45%</td>
<td>226,782</td>
<td>56%</td>
<td>(699)</td>
</tr>
<tr>
<td>San Dieguito WD/Santa Fe ID</td>
<td>San Dieguito</td>
<td>883</td>
<td>364</td>
<td>41%</td>
<td>446</td>
<td>50%</td>
<td>0</td>
</tr>
<tr>
<td>Sweetwater Authority</td>
<td>Loveland</td>
<td>25,400</td>
<td>9,090</td>
<td>36%</td>
<td>17,362</td>
<td>68%</td>
<td>342</td>
</tr>
<tr>
<td></td>
<td>Sweetwater</td>
<td>28,079</td>
<td>12,690</td>
<td>45%</td>
<td>17,836</td>
<td>64%</td>
<td>(692)</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>53,479</td>
<td>21,780</td>
<td>41%</td>
<td>35,198</td>
<td>66%</td>
<td>(350)</td>
</tr>
<tr>
<td>Valley Center M.W.D.</td>
<td>Turner</td>
<td>1,612</td>
<td>1,433</td>
<td>89%</td>
<td>1,612</td>
<td>100%</td>
<td>46</td>
</tr>
<tr>
<td>Vista I.D. 3</td>
<td>Henshaw</td>
<td>51,774</td>
<td>6,289</td>
<td>12%</td>
<td>4,969</td>
<td>10%</td>
<td>700</td>
</tr>
<tr>
<td><strong>MEMBER AGENCY TOTAL WATER IN STORAGE</strong></td>
<td></td>
<td>561,793</td>
<td>235,014</td>
<td>42%</td>
<td>290,711</td>
<td>52%</td>
<td>(354)</td>
</tr>
<tr>
<td><strong>SDCWA Accounts (city evap/seepage losses estimated)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>El Capitan</td>
<td>4,561</td>
<td>8,099</td>
<td>(40)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hodges/Olivenhain</td>
<td>24,612</td>
<td>20,357</td>
<td>367</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower Otay</td>
<td>1,116</td>
<td>5,435</td>
<td>(939)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Vicente</td>
<td>1,874</td>
<td>4,016</td>
<td>(42)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweetwater</td>
<td>0</td>
<td>2,923</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>32,163</td>
<td>40,829</td>
<td>(655)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL WATER IN STORAGE</strong></td>
<td></td>
<td>561,793</td>
<td>267,177</td>
<td>48%</td>
<td>331,539</td>
<td>59%</td>
<td>(1,009)</td>
</tr>
</tbody>
</table>

### OTHER AGENCIES

| Metropolitan Water District | Skinner | 44,264 | 37,415 | 85% | 36,585 | 83% | (2,219) |
| Diamond Valley | 800,000 | 687,380 | 86% | 744,663 | 93% | (10,972) |
| State Water Project | Oroville | 3,537,600 | 2,981,941 | 84% | 2,942,669 | 83% | 133,825 |
| **TOTAL OTHER WATER IN STORAGE** | 4,381,864 | 3,706,736 | 85% | 3,723,917 | 85% | 120,834 |

---

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)
SDCWA has storage contracts in City of San Diego reservoirs in the amount of 40,000 AF, if available capacity exists.
3 Includes allocated and unallocated water in Lake Henshaw.
4 Exchange of 423 AF between CWA Hodges and CWA L. Otay with city of San Diego in March, in conjunction with Jan. 2013 exchange agreement.

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### MONTHLY WATER RESOURCES REPORT

**Tier 1 Estimated Deliveries to Member Agencies**

(Figures in acre-feet)

**CY 2013 through March**

<table>
<thead>
<tr>
<th>AGENCY</th>
<th>CY2013 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>12,376.0</td>
<td>3,132.3</td>
<td>25.3%</td>
</tr>
<tr>
<td>Del Mar, City of</td>
<td>935.0</td>
<td>203.3</td>
<td>21.7%</td>
</tr>
<tr>
<td>Escondido, City of</td>
<td>17,859.0</td>
<td>4,170.9</td>
<td>23.4%</td>
</tr>
<tr>
<td>Fallbrook P.U.D.</td>
<td>10,325.0</td>
<td>1,907.3</td>
<td>18.5%</td>
</tr>
<tr>
<td>Helix W.D.</td>
<td>25,519.0</td>
<td>6,354.4</td>
<td>24.9%</td>
</tr>
<tr>
<td>Lakeside M.W.D.</td>
<td>3,168.0</td>
<td>591.5</td>
<td>18.7%</td>
</tr>
<tr>
<td>Oceanside, City of</td>
<td>19,383.0</td>
<td>4,077.3</td>
<td>21.0%</td>
</tr>
<tr>
<td>Olivenhain M.W.D.</td>
<td>13,071.0</td>
<td>3,406.1</td>
<td>26.1%</td>
</tr>
<tr>
<td>Otay W.D.</td>
<td>21,390.0</td>
<td>5,801.0</td>
<td>27.1%</td>
</tr>
<tr>
<td>Padre Dam M.W.D.</td>
<td>9,939.0</td>
<td>2,007.7</td>
<td>20.2%</td>
</tr>
<tr>
<td>Pendleton M.C.B./South Coast W.D.</td>
<td>758.0</td>
<td>128.4</td>
<td>16.9%</td>
</tr>
<tr>
<td>Poway, City of</td>
<td>9,348.0</td>
<td>1,817.3</td>
<td>19.4%</td>
</tr>
<tr>
<td>Rainbow M.W.D.</td>
<td>19,018.0</td>
<td>2,929.8</td>
<td>15.4%</td>
</tr>
<tr>
<td>Ramona M.W.D.</td>
<td>8,052.0</td>
<td>847.8</td>
<td>10.5%</td>
</tr>
<tr>
<td>Rincon Del Diablo M.W.D.</td>
<td>5,482.0</td>
<td>1,041.5</td>
<td>19.0%</td>
</tr>
<tr>
<td>San Diego, City of</td>
<td>144,555.0</td>
<td>34,662.3</td>
<td>24.0%</td>
</tr>
<tr>
<td>San Dieguito W.D.</td>
<td>3,116.0</td>
<td>427.4</td>
<td>13.7%</td>
</tr>
<tr>
<td>Santa Fe I.D.</td>
<td>5,226.0</td>
<td>780.5</td>
<td>14.9%</td>
</tr>
<tr>
<td>Sweetwater Authority</td>
<td>9,650.0</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Vallecitos W.D.</td>
<td>10,557.0</td>
<td>3,003.8</td>
<td>28.5%</td>
</tr>
<tr>
<td>Valley Center M.W.D.</td>
<td>29,774.0</td>
<td>3,864.8</td>
<td>13.0%</td>
</tr>
<tr>
<td>Vista I.D.</td>
<td>11,876.0</td>
<td>3,462.5</td>
<td>29.2%</td>
</tr>
<tr>
<td>Yuima M.W.D.</td>
<td>2,165.0</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>MEMBER AGENCY TOTALS</strong></td>
<td>393,542.0</td>
<td>84,617.9</td>
<td>21.5%</td>
</tr>
</tbody>
</table>

Less: QSA deliveries calendar year to date  
Deliveries to CWA storage year to date  
Deliveries from CWA storage year to date

| Estimated Tier 1 deliveries calendar year to date | 39,106.5 | 9.9% |

---

1. Tier 1 threshold is equal to all firm deliveries up to 60% of a member agency’s historic maximum year firm demand.
2. Includes forced deliveries and deliveries made through temporary carryover storage agreements.
3. Includes sales from Water Authority storage accounts.

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MONTHLY WATER RESOURCES REPORT
Summary of Water Authority Member Agency Operations

MARCH 2013

Member Agency Deliveries (AF)

- March 2013:
  - Imported: 32,418
  - Surface: 2,168
  - Well & Brackish Recovery: 1,088
  - Recycled: 1,345

- March 2012:
  - Imported: 26,645
  - Surface: 1,234
  - Well & Brackish Recovery: 689
  - Recycled: 775

Previous 12 Months

- Member Agency Deliveries (AF)
  - 2013:
    - Imported: 465,026
  - 2012:
    - Imported: 431,687

- Member Agency Storage (AF)
  - 2013:
    - March: 235,014
    - 12 Month Average: 290,711
  - 2012:
    - March: 257,034
    - 12 Month Average: 317,865

Member Agency Water Use

- MARCH 2013
  - Imported: 83%
  - Surface: 9%
  - Well & Brackish Recovery: 4%
  - Recycled: 4%

- Previous 12 Months
  - Imported: 83%
  - Surface: 9%
  - Well & Brackish Recovery: 4%
  - Recycled: 5%

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LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE

AGENDA FOR

APRIL 25, 2013

Bob Topolovac – Chair    Jerry Kern
Gary Croucher – Vice Chair    Ron Morrison
Jim Madaffer – Vice Chair    Mark Muir
David Barnum    Vince Mudd
Marilyn Dailey    Elsa Saxod
Betty Evans    DeAna Verbeke
Farrah Douglas    Barbara Wight
Frank Hilliker

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)

   1-B Adopt priorities for the renegotiation of a water bond. Staff recommendation: Adopt priorities for the renegotiation of a water bond. (Action)
1-C  Adopt positions on various state bills.  

Staff recommendation:
1. Adopt a position of Oppose Unless Amended on AB 380 (Dickinson)
2. Adopt a position of Oppose on AB 543 (Campos)
3. Adopt a position of Oppose on AB 823 (Eggman)
4. Adopt a position of Oppose on AB 953 (Ammiano)
5. Adopt a position of Oppose Unless Amended on SB 436 (Jackson)
6. Adopt a position of Oppose on SB 617 (Evans)  

III. INFORMATION

1. Demonstration of new WaterSmart Regional Water Conservation Website.  
   Michele Shumate/  
   Tenille Otero
2. Presentation on Small Contractor Outreach and Opportunities Program Quarterly report.  
   Emily Yanushka
   Dennis Cushman
   Alexi Schnell

IV. ADJOURNMENT

Doria F. Lore  
Clerk of the Board

NOTE: This meeting is called as an Legislation, Conservation, and Outreach Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Revised). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.
April 17, 2013

**Attention: Legislation, Conservation and Outreach Committee**

**Adopt priorities for the renegotiation of a water bond. (Action)**

**Staff recommendation**
Adopt priorities for the renegotiation of a water bond.

**Alternatives**
1. Direct staff to make changes to the priorities.
2. Do not adopt the proposed priorities.

**Fiscal Impact**
None.

**Background**
In November 2009, the Legislature passed and Governor Schwarzenegger signed SBX7-2 (Cogdill), the “Safe, Clean and Reliable Water Supply Act of 2010” (Attachment 1) as part of a comprehensive package of bills that made major changes to the state’s overall water policy. This water bond measure authorizes the issuance of $11.14 billion in general obligation bonds and was originally to appear on the November 2010 ballot. The Legislature has since voted twice to delay the water bond, first moving it to the November 2012 ballot, and then, more recently, to the November 2014 ballot. The content of the bond measure was left unchanged.

*Previous Board action: On January 28, 2010, the Water Authority Board of Directors adopted a position of Support on the Safe, Clean and Reliable Water Supply Act of 2010 (Water Bond).*

**Discussion**
The passage of SBX7-2 was the result of a historic, bipartisan effort to accomplish the co-equal goals of improving water supply reliability and restoring the ecology of the Sacramento-San Joaquin River Delta (Bay-Delta). Passage of the bill involved negotiations among a wide variety of stakeholders with diverse and, oftentimes, opposing interests. A general obligation bond requires a two-thirds vote of the Legislature, so the hurdle for passage was high. However, with the natural and regulatory drought at the time, shortages of supply in many parts of the state, and the collapse of certain fish populations in the Bay-Delta, the time was ripe for stakeholders to come together and pass a water bond bill. From a political standpoint, there was a lot of give and take between various interests that have been deeply divided for many years. Nobody received everything they wanted, but nobody would receive anything if the interests were to remain divided and did not pass a bond. Support from members of the San Diego County legislative delegation was crucial to the passage of the measure. In the Senate, the measure passed by the bare two-thirds requirement of 27 affirmative votes. All four San Diego senators voted yes on the bill. In the Assembly, the measure received 55 yes votes, one more than the 54 required for passage. Seven San Diego assembly members voted yes.
With the division among interests related to the Bay-Delta, there had not been a legislatively created water bond measure since Proposition 13 in 2000. Proposition 50, in 2002, and Proposition 84, in 2006, were placed on the ballot via the initiative statute process.

Four water bond related bills have been introduced so far in the 2013 legislative session. These include AB 142 (Perea), SB 36 (Rubio), SB 40 (Pavley) and SB 42 (Wolk). Speculation continues as to what might occur this year in terms of renegotiating the 2014 water bond measure. The Water Authority is working closely with ACWA and other stakeholders to ensure that San Diego’s interest are represented in the water bond. It is anticipated that the 2014 water bond will be smaller and will include less funding for surface storage than is included in the current bond measure. Some stakeholders are advocating the elimination from the water bond of specific allocations of funds to designated water agencies or entities, or to specific projects.

**Provisions of SBX7-2**

The current water bond measure proposes the issuance of $11.14 billion in general obligation bonds in seven funding chapters:

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 5. Drought Relief</td>
<td>$0.455 billion</td>
</tr>
<tr>
<td>Chapter 6. Water Supply Reliability</td>
<td>$1.400 billion</td>
</tr>
<tr>
<td>Chapter 7. Delta Sustainability</td>
<td>$2.250 billion</td>
</tr>
<tr>
<td>Chapter 8. Statewide Water System</td>
<td>$3.000 billion</td>
</tr>
<tr>
<td>Chapter 9. Conservation and Watershed</td>
<td>$1.785 billion</td>
</tr>
<tr>
<td>Chapter 10. Groundwater Protection</td>
<td>$1.000 billion</td>
</tr>
<tr>
<td>Chapter 11. Water Recycling and</td>
<td>$1.250 billion</td>
</tr>
</tbody>
</table>

**Chapter 5. Drought Relief**

Chapter 5 provides $455 million for drought relief. The Water Authority was successful in negotiations of the water bond in including a $100 million allocation from this chapter of the bond for “local and regional water projects, including surface storage projects, that provide emergency water supplies and water supply reliability in drought conditions in San Diego County.”

Another $90 million is available for competitive grants for drought relief projects including water conservation and efficiency, water recycling, groundwater cleanup, local and regional conveyance projects, and local and regional surface storage projects. The remaining $265 million is dedicated to disadvantaged communities, small community wastewater treatment plants, the Safe Drinking Water State Revolving Fund, and water quality projects on the New River in Imperial County.

The $100 million allocated to San Diego County represents 22 percent of the $455 million in Chapter 5 funding.
Chapter 6. Water Supply Reliability
Chapter 6 provides $1.05 billion for Integrated Regional Water Management. Also available are $350 million in competitive grants for local and regional conveyance projects.

Funding from this chapter was divided among 13 identified hydrologic regions of the state, with amounts allocated to each of the regions in approximate proportion to each region’s population as a percentage of the state’s population. San Diego County’s population is approximately 8.3 percent of the state’s overall population; the San Diego subregion, which includes a portion of southern Riverside County near the Santa Maragarita River watershed, is 8.5 percent.

The San Diego Integrated Regional Water Management funding subregion, which includes the upper Santa Margarita River watershed in Riverside County, would receive $87 million, or 8.7% of the $1 billion allocated to the 13 subregions. The funding subregion no longer includes southern Orange County, as it did in Proposition 84. This amount will be divided between the San Diego IRWM Plan and the IRWM Plan that includes the upper Santa Margarita River, in accordance with the provisions of a Memorandum of Agreement between the two planning groups.

Chapter 7. Delta Sustainability
Chapter 7 provides $2.25 billion for improving the sustainability of the Bay-Delta. The funding in this chapter is critical to the achievement of the co-equal goals of water supply reliability and ecosystem restoration in the Bay-Delta. While none of this money is directly available to the Water Authority or its member agencies, achievement of the co-equal goals could provide substantial indirect benefits to San Diego County through improvements in water supply reliability.

Chapter 7 provides $1.5 billion in funding for projects included in the Delta Plan prepared by the Delta Stewardship Council. Chapter 7 will fund the statewide public benefits associated with the conveyance infrastructure (mainly ecosystem improvements), but no money from the bond measure is to be used to pay for construction of the conveyance infrastructure itself or for mitigation of a conveyance project. The State Water Project and Central Valley Project contractors have promised to pay for construction of the conveyance infrastructure, as well as the associated design, property acquisition, and environmental mitigation.

Also included in Chapter 7 is $750 million for local communities in the Delta and to the local agricultural economy to mitigate impacts of changes in the Delta. Chapter 7 provides funding as well for upstream wastewater treatment plants to upgrade their facilities and processes to reduce releases of ammonia and other pollutants that may be a cause of the decline in the pelagic fish populations in the Bay-Delta.

Chapter 8. Statewide Water System Operational Improvement
Chapter 8 provides $3 billion in funding for new surface or groundwater storage projects in or upstream of the Bay-Delta. The intended recipients of funding from this chapter are reservoirs that were identified in the CALFED Record of Decision, which have been studied for the past
several years: Temperance Flat Reservoir on the upper San Joaquin River; Sites Reservoir north of the Bay-Delta; and expansion of the Los Vaqueros Reservoir in Contra Costa County. Technically, other surface and groundwater storage projects are eligible for funding under this chapter, but the specific qualifications were designed to ensure that funding goes to one or more of the CALFED surface storage projects.

The bond measure continually appropriates funding to the California Water Commission for grants to one or more storage projects. This means that the funding does not have to be resubmitted to the Legislature for appropriation, but may be awarded by the California Water Commission. The Commission must ensure that the projects meet specifications provided in the bond measure before awarding grants. The California Water Commission had not met in years, but was reconstituted in order to make the determinations regarding storage projects and award the grants; it restarted meetings in fall 2010.

Chapter 9. Conservation and Watershed Protection
Chapter 9 provides funding for resources programs throughout the state. Many of these programs are not water programs, but most have impacts on watersheds and rivers. This chapter provides $1.785 billion but, unlike most of the other chapters, the funds are directly allocated to specific programs.

Out of $250 million allocated to the State Coastal Conservancy for projects in coastal watersheds and rivers, $40 million, or 16 percent, is allocated specifically to San Diego County, including at least $20 million for the San Diego River Conservancy. Out of the $250 million, $150 million is unallocated and will be available for competitive grants. The San Diego region will be eligible to apply for grants from these funds. Other competitive funds for which the San Diego region may be eligible to complete include:

- $215 million to the Wildlife Conservation Board for protection of watersheds and rivers
- $50 million for river parkways
- $10 million for climate change impacts and adaptation
- $30 million for watershed education facilities
- $10 million for waterfowl habitat
- $100 million for fuel treatment and forest restoration
- $67 million for technical assistance to public agencies on fuel treatment projects
- $25 million for technical assistance to landowners on fuel treatment projects
- $50 million for the Ocean Protection Act
- $50 million for an infrastructure mitigation revolving fund

Chapter 10. Groundwater Protection and Water Quality
Chapter 10 provides $1 billion for the prevention and cleanup of groundwater contamination. Because the San Diego region has limited groundwater resources, this chapter provides fewer opportunities for the region to compete.
Chapter 11. Water Recycling

Chapter 11 provides $1 billion for water recycling and advanced treatment technology, including:

- Water recycling
- Groundwater and seawater desalination
- Distribution infrastructure for recycled water, including end user retrofit for commercial and industrial use of recycled water
- Pilot projects for new salt and contaminant removal technologies
- Groundwater recharge infrastructure for the use of recycled water, and
- Technical and grant writing assistance for disadvantaged communities

Chapter 11 also includes $250 million for achievement of the state’s 20 percent by 2020 target for reduction in per capita water use. As leaders in water recycling and desalination projects, as well as water conservation, the Water Authority and its member agencies will be well positioned to compete for funding from this chapter.

Summary of benefits to the San Diego region

The following table shows the funding in each chapter of the current bond measure that is directly allocated to the San Diego region, is available for competitive grants statewide, provides indirect benefits to the San Diego region, and is allocated to other regions. Of the $2.47 million allocated to specific regions of the state, the San Diego region was allocated $227 million, or 9.2 percent.

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Total</th>
<th>Direct Allocations to San Diego County</th>
<th>Allocations to Other Regions</th>
<th>Indirect Benefits</th>
<th>Available/Competitive</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>$455 million</td>
<td>$100 million</td>
<td>$193 million</td>
<td>$162 million</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>$1.4 billion</td>
<td>$87 million</td>
<td>$923 million</td>
<td></td>
<td>$390 million</td>
</tr>
<tr>
<td>7</td>
<td>$2.25 billion</td>
<td></td>
<td></td>
<td>$2.25 billion</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>$3 billion</td>
<td></td>
<td></td>
<td>$3 billion</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>$1.785 billion</td>
<td>$40 million</td>
<td>$1.15 billion</td>
<td>$210 million</td>
<td>$410 million</td>
</tr>
<tr>
<td>10</td>
<td>$1 billion</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>$1.25 billion</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$11.14 billion</td>
<td>$227 million</td>
<td>$2.241 billion</td>
<td>$5.46 billion</td>
<td>$3.212 billion</td>
</tr>
</tbody>
</table>

Board policies and principles on water bonds

The Water Authority board has adopted Priorities and Principles for a Water Bond, which are incorporated into the board’s Legislative Policy Guidelines. The following table shows how the current bond measure is, or is not consistent with the Water Authority’s water bond policies.
<table>
<thead>
<tr>
<th>Board Policy</th>
<th>Does SBX7-2 comply?</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Provides an equitable share of funding to San Diego County, with major funding categories being divided by county and funded on a per-capita basis to ensure bond proceeds are distributed throughout the state in proportion to taxpayers’ payments on the bonds.</td>
<td>Yes</td>
<td>Of the $2.47 million allocated to specific regions of the state, the San Diego region was allocated $227 million, or 9.2 percent. San Diego County’s population is 8.3 percent of the state’s population.</td>
</tr>
<tr>
<td>2. Focuses on statewide priorities, including restoration of fish and wildlife habitat, construction of an improved method of conveyance of water through or around the Delta that provides water supply reliability to Delta water users, promotion of greater regional and local self-sufficiency, surface storage, and promotion of water use efficiency.</td>
<td>Yes</td>
<td>SBX7-2 provides much of its funding to Delta Sustainability and to Water Supply Reliability. The bond measure does not provide funding for construction of an improved method of conveyance in the Bay-Delta, but does fund a portion of public’s share of ecosystem improvements that must be funded as part of the co-equal goals.</td>
</tr>
<tr>
<td>3. Provides the state’s share of funding for Bay-Delta conveyance projects.</td>
<td>No direct funding</td>
<td>The bond measure does not provide any funds for the conveyance project. However, under agreements with SWP and CVP contractors and recently enacted legislation, the state will pay for the public benefits derived from construction of the Bay-Delta conveyance facilities and implementation of the BDCP. The bond measure provides $2.25 billion for this purpose.</td>
</tr>
<tr>
<td>4. Provides funding for water infrastructure that resolves conflicts in the state’s water system and provides long-term benefits to water supply, water supply reliability, water quality and ecosystem restoration.</td>
<td>Yes</td>
<td>The bond provides funding for the public benefits derived from a Bay-Delta fix and for public benefits of surface storage upstream of the Bay-Delta. The measure also provides funding for local and regional conveyance and alternative water supplies, such as water use efficiency, desalination, and water recycling.</td>
</tr>
<tr>
<td></td>
<td>Defines the “San Diego sub-region” and “San Diego county watersheds” as “those portions of the westward-flowing watershed of the South Coast hydrologic region situated within the boundaries of San Diego County.”</td>
<td>Partially</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>6</td>
<td>Includes within IRWM funding money that a region may use over time to develop and refine its plan and to develop institutional structures necessary to establish and implement the plan.</td>
<td>T.B.D.</td>
</tr>
<tr>
<td>7</td>
<td>Gives primary consideration to funding priorities established by local and regional entities through their IRWM planning process.</td>
<td>N/A</td>
</tr>
<tr>
<td>8</td>
<td>Ensures the application process for funding is not unnecessarily burdensome and costly, with an emphasis on streamlining the process.</td>
<td>T.B.D.</td>
</tr>
<tr>
<td>9</td>
<td>Limits state overhead to no more than 5% of bond funding amounts.</td>
<td>Yes</td>
</tr>
<tr>
<td>10</td>
<td>Places as much emphasis and provides at least as much funding for surface storage as for groundwater storage.</td>
<td>Yes</td>
</tr>
</tbody>
</table>
|   | Legislation, Conservation and Outreach Committee  
|   | April 17, 2013  
|   | Page 8 of 9  
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Funds emergency and carryover storage projects such as the San Vicente dam raise project.</td>
<td>Yes</td>
<td>The bond measure allocates $100 million for “…local and regional water projects, including surface storage projects…” in San Diego County.</td>
</tr>
<tr>
<td>12</td>
<td>Consolidates administration of all voter-approved water-related bond funding in one place, preserves existing expertise within the state bureaucracy to manage bond funding processes, and provides consistent application and evaluation of bond funding applications.</td>
<td>No</td>
<td>The bond measure allocates bond funding among a number of state agencies, although the majority of the funding flows through DWR. The bond measure does not specifically address the other concerns in this policy.</td>
</tr>
<tr>
<td>13</td>
<td>Provides funding that results in net increases in real water supply and water supply reliability.</td>
<td>Yes</td>
<td>This bond measure provides funding for Bay-Delta improvements that are intended to improve water supply reliability. It also provides funding for surface storage projects that should improve water supply reliability. And, the bond measure provides funding for diversified water supplies such as water conservation, recycling, and desalination.</td>
</tr>
</tbody>
</table>

While the bond measure does not meet every policy objective adopted by the Water Authority’s Board, on balance it provides the San Diego region with significant benefits in terms of water supply reliability. It currently provides direct funding to the San Diego region and lays the foundation for a Bay-Delta fix that is intended to improve the region’s water supply reliability.

**Proposed priorities for renegotiation of a water bond measure**

The board’s existing Legislative Policy Guidelines applicable to water bonds remain relevant, and staff does not recommend any modifications. However, given the likelihood that the 2014 water bond will be modified and reduced in its overall amount, it is recommended that the Board establish priorities for a revised water bond measure to provide staff and the Water Authority’s legislative advocates with guidance to use during negotiations.

**Recommended priorities for a revised 2014 water bond measure:**

- Support public funding of ecosystem restoration of the Bay-Delta in support of the co-equal goals of ecosystem restoration and water supply reliability in the Bay-Delta.
• Oppose efforts to remove direct allocations for San Diego County unless all such allocations are removed; otherwise work to preserve the $227 million funding allocations for the San Diego region.

• If all direct allocations are eliminated from the bond measure, then ensure funding from all chapters and categories is provided on an open and competitive basis, and with a requirement for cost-sharing by the applicant.

• Local and regional supply projects should be funded through the Integrated Regional Water Management (IRWM) chapter of the water bond, with allocation made by region within the state in proportion to each region’s population.

• Support funding for the expansion and addition of state-owned or controlled surface storage that improves water supply reliability of the State Water Project.

Staff recommends the Board adopt these proposed priorities for renegotiation of a water bond measure.

Prepared by: Alexi Schnell, Management Analyst
Approved by: Dennis A. Cushman, Assistant General Manager

Attachment: 1. SBX7-2 (Cogdill) Water Bond
THE SAFE, CLEAN, AND RELIABLE DRINKING WATER SUPPLY ACT OF 2010
SB X7 2 (COGDILL), Stat. 2009-2010, 7th Ex, Ch. 3

AS AMENDED BY:
AB 153 (HERNANDEZ), Stat. 2010, Ch. 226;
AB 1265 (CABALLERO), Stat. 2010, Ch. 126; AND
AB 1422 (PEREA), Stat. 2012, Ch. 74

DIVISION 26.7.
THE SAFE, CLEAN, AND RELIABLE DRINKING WATER SUPPLY ACT OF 2012
(Amended by Section 1 of Chapter 126 of the Statutes of 2010)

CHAPTER 1. SHORT TITLE

79700. This division shall be known, and may be cited, as the Safe, Clean, and Reliable Drinking Water Supply Act of 2012.
(Amended by Section 2 of Chapter 126 of the Statutes of 2010)

CHAPTER 2. FINDINGS AND DECLARATIONS

79701. The people of California find and declare all of the following:
   (a) Safeguarding supplies of clean, safe drinking water to California's homes, businesses, and farms is an essential responsibility of government, and critical to protecting the quality of life for Californians.
   (b) Every Californian should have access to clean, safe, and reliable drinking water.
   (c) Providing adequate supplies of clean, safe, and reliable drinking water is vital to keeping California's economy growing and strong.
   (d) Encouraging water conservation and recycling are commonsense methods to make more efficient use of existing water supplies.
   (e) Protecting lakes, rivers, and streams from pollution, cleaning up polluted groundwater supplies, and protecting water sources that supply the entire state are crucial to providing a reliable supply of drinking water and protecting the state's natural resources.
CHAPTER 3. DEFINITIONS

79702. Unless the context otherwise requires, the definitions set forth in this section govern the construction of this division, as follows:

(a) "Bay Delta Conservation Plan" means the final plan prepared pursuant to the planning agreement regarding the Bay Delta Conservation Plan, dated October 6, 2006.

(b) "Bay-Delta Estuary" means the Delta, Suisun Bay, and Suisun Marsh.

(c) "CALSFED Bay-Delta Program" means the program described in the Record of Decision dated August 28, 2000.

(d) "Commission" means the California Water Commission.

(e) "Committee" means the Safe, Clean, and Reliable Drinking Water Supply Finance Committee created by Section 79812.

(f) "Delta" means the Sacramento-San Joaquin Delta, as defined in Section 12220.

(g) "Delta conveyance facilities" means facilities that convey water directly from the Sacramento River to the State Water Project or the federal Central Valley Project pumping facilities in the south Delta.

(h) "Delta counties" means the Counties of Solano, Yolo, Sacramento, Contra Costa, and San Joaquin.

(i) "Delta Plan" has the meaning set forth in Section 85059.

(j) "Department" means the Department of Water Resources.

(k) "Director" means the Director of Water Resources.

(l) "Disadvantaged community" has the meaning set forth in subdivision (a) of Section 79505.5.

(m) "Economically distressed area" means a municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less, with an annual median household income that is less than 85 percent of the statewide median household income, and with one or more of the following conditions as determined by the department:

1. Financial hardship.
2. Unemployment rate at least 2 percent higher than the statewide average.
3. Low population density.

(a) "Fund" means the Safe, Clean, and Reliable Drinking Water Supply Fund of 2012 created by Section 79716.

(o) "Integrated regional water management plan" has the meaning set forth in Section 10534.

(p) "Nonprofit organization" means an organization qualified to do business in California and qualified under Section 501(c)(3) of Title 26 of the United States Code.

(q) "Public agency" means a state agency or department, district, joint powers authority, city, county, city and county, or other political subdivision of the state.
The Safe, Clean, and Reliable Drinking Water Supply Act of 2010, as amended

(r) "Secretary" means the Secretary of the Natural Resources Agency.
(a) "State General Obligation Bond Law" means the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code).

(Amended by Section 3 of Chapter 126 of the Statutes of 2010)

CHAPTER 4. GENERAL PROVISIONS

79705. An amount that equals not more than 5 percent of the funds allocated for a grant program pursuant to this division may be used to pay the administrative costs of that program.

79706. Up to 10 percent of funds allocated for each program funded by this division may be expended for planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized under that program. This section shall not otherwise restrict funds ordinarily used by an agency for "preliminary plans," "working drawings," and "construction" as defined in the annual Budget Act for a capital outlay project or grant project. Water quality monitoring shall be integrated into the surface water ambient monitoring program administered by the State Water Resources Control Board.

79707. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development or implementation of programs or projects authorized or funded under this division other than Chapter 8 (commencing with Section 79740).

79708. (a) Prior to disbursing grants pursuant to this division, each state agency that is required to administer a competitive grant program under this division shall develop and adopt project solicitation and evaluation guidelines. The guidelines may include a limitation on the dollar amount of grants to be awarded.

(b) Prior to disbursing grants, the state agency shall conduct three public meetings to consider public comments prior to finalizing the guidelines. The state agency shall publish the draft solicitation and evaluation guidelines on its Internet Web site at least 30 days before the public meetings. One meeting shall be conducted at a location in northern California, one meeting shall be conducted at a location in the central valley, and one meeting shall be conducted at a location in southern California. Upon adoption, the state agency shall transmit copies of the guidelines to the fiscal committees and the appropriate policy committees of the Legislature.
The Safe, Clean, and Reliable Drinking Water Supply Act of 2010, as amended

79709. It is the intent of the people that the investment of public funds pursuant to this division will result in public benefits.

79710. The State Auditor shall annually conduct a programmatic review and an audit of expenditures from the fund. The State Auditor shall report its findings annually on or before March 1 to the Governor and the Legislature, and shall make the findings available to the public.

79711. Funds provided by this division shall not be expended to support or pay for the costs of environmental mitigation measures or compliance obligations of any party except as part of the environmental mitigation costs of projects financed by this division or for costs for groundwater cleanup pursuant to the requirements of Chapter 10 (commencing with Section 79770). Funds provided by this division may be used for environmental enhancements or other public benefits.

79712. Funds provided by this division shall not be expended to pay the costs of the design, construction, operation, or maintenance of Delta conveyance facilities. Those costs shall be the responsibility of the water agencies that benefit from the design, construction, operation, or maintenance of those facilities.

79713. (a) This division does not diminish, impair, or otherwise affect in any manner whatsoever any area of origin, watershed of origin, county of origin, or any other water rights protections, including, but not limited to, rights to water appropriated prior to December 19, 1914, provided under the law. This division does not limit or otherwise affect the application of Article 1.7 (commencing with Section 1215) of Chapter 1 of Part 2 of Division 2, Sections 10505, 10505.5, 11128, 11460, 11461, 11462, and 11463, and Sections 12200 to 12220, inclusive.

(b) For the purposes of this division, an area that utilizes water that has been diverted and conveyed from the Sacramento River hydrologic region, for use outside the Sacramento River hydrologic region or the Delta, shall not be deemed to be immediately adjacent thereto or capable of being conveniently supplied with water therefrom by virtue or on account of the diversion and conveyance of that water through facilities that may be constructed for that purpose after January 1, 2010.

(c) Nothing in this division supersedes, limits, or otherwise modifies the applicability of Chapter 10 (commencing with Section 1700) of Part 2 of Division 2, including petitions related to any new conveyance constructed or operated in accordance with Chapter 2 (commencing with Section 85320) of Part 4 of Division 35.

(d) Unless otherwise expressly provided, nothing in this division supersedes, reduces, or otherwise affects existing legal protections, both procedural and substantive, relating to the state board's regulation of diversion and use of water, including, but not limited to,
The Safe, Clean, and Reliable Drinking Water Supply Act of 2010, as amended

water right priorities, the protection provided to municipal interests by Sections 106 and 106.5, and changes in water rights. Nothing in this division expands or otherwise alters the state board's existing authority to regulate the diversion and use of water or the courts' existing concurrent jurisdiction over California water rights.

79714. Eligible applicants under this division are public agencies, nonprofit organizations, public utilities, and mutual water companies. To be eligible for funding under this division, a project proposed by a public utility that is regulated by the Public Utilities Commission or a mutual water company shall have a clear and definite public purpose and shall benefit the customers of the water system.

79715. The Legislature may enact legislation necessary to implement programs funded by this division, except as otherwise provided in Section 79749.5.

79716. The proceeds of bonds issued and sold pursuant to this division shall be deposited in the Safe, Clean, and Reliable Drinking Water Supply Fund of 2012, which is hereby created in the State Treasury.

(Amended by Section 4 of Chapter 126 of the Statutes of 2010)

CHAPTER 5. DROUGHT RELIEF

79720. The sum of four hundred fifty-five million dollars ($455,000,000) shall be available, upon appropriation by the Legislature from the fund, for the purposes of this Chapter.

79720.1. (a) From the funds described in Section 79720, one hundred ninety million dollars ($190,000,000) shall be available, upon appropriation by the Legislature from the fund, for the planning, design, and construction of local and regional drought relief projects that reduce the impacts of drought conditions, including, but not limited to, the impacts of reductions in Delta diversions. Eligible projects include all of the following:

1) Water conservation and efficiency projects, including installation of the most water efficient fixtures commercially available.

2) Water recycling and related infrastructure.

3) Groundwater cleanup.

4) Local and regional conveyance projects that improve water supplies and public benefits associated with conveyance facilities.

5) Other local and regional water supply reliability projects.

6) Local and regional surface water storage projects that provide emergency water supplies and water supply reliability in drought conditions.
The Safe, Clean, and Reliable Drinking Water Supply Act of 2010, as amended

(b) Projects funded pursuant to this section shall meet both of the following requirements:
   (1) The project will provide a sustainable water supply that does not contribute to groundwater overdraft or increase surface water diversions.
   (2) The project is capable of being operational within two years of receiving the grant.
   (c) Preference shall be given to applicants that can demonstrate substantial past and current investments in conservation and local water projects.
   (d) Not more than 10 percent of the funds provided pursuant to this section shall be available for planning, investigations, studies, and monitoring.
   (e) The department shall require a cost share of not less than 50 percent of total project costs from nonstate sources. The department may waive or reduce the cost-sharing requirement for projects that directly benefit disadvantaged communities or economically distressed areas.
   (f) From the funds described in this section, the sum of one hundred million dollars ($100,000,000) shall be made available for local and regional water projects, including surface storage projects, that provide emergency water supplies and water supply reliability in drought conditions in San Diego County.

79720.2. From the funds described in Section 79720, the sum of ninety million dollars ($90,000,000) shall be available, upon appropriation by the Legislature from the fund, for grants to disadvantaged communities and economically distressed areas experiencing economic impacts from drought for drought relief projects and programs.

79720.3. From the funds described in Section 79720, the sum of seventy-five million dollars ($75,000,000) shall be available, upon appropriation by the Legislature from the fund, to the State Water Resources Control Board for grants for small community wastewater treatment projects, to protect water quality, that meet all of the following criteria:
   (a) The project is for the planning, design, permitting, construction, or improvement of a wastewater treatment facility, sewer system, or related infrastructure necessary to meet water quality standards or prevent contamination of surface water or groundwater resources.
   (b) The project will serve a community with a population of 20,000 or less.
   (c) The project meets other standards that may be established by the State Water Resources Control Board with respect to the design, construction, financing, and operation of the project.
The Safe, Clean, and Reliable Drinking Water Supply Act of 2010, as amended

79720.4. (a) From the funds described in Section 79720, eighty million dollars ($80,000,000) shall be available for deposit into the Safe Drinking Water State Revolving Fund created pursuant to Section 116760.30 of the Health and Safety Code.

(b) From the funds described in this section, up to eight million dollars ($8,000,000) shall be made available for grants for projects within the City of Maywood that design and implement water supply infrastructure upgrades that provide for safe drinking water.

79720.6. From the funds described in Section 79720, the sum of twenty million dollars ($20,000,000) shall be available for water quality and public health projects on the New River.

CHAPTER 6. WATER SUPPLY RELIABILITY

79721. The sum of one billion fifty million dollars ($1,050,000,000) shall be available, upon appropriation by the Legislature, from the fund to the department for competitive grants and expenditures in accordance with Section 79722.

79722. (a) Except as provided in subdivision (f), the department shall award grants to eligible projects that implement an adopted integrated regional water management plan.

(b) An urban water supplier that does not prepare, adopt, and submit its urban water management plan in accordance with the Urban Water Management Planning Act (Part 2.6 (commencing with Section 10610) of Division 6) is ineligible to receive funds made available pursuant to Section 79721 until the urban water management plan is prepared and submitted in accordance with the requirements of that act.

(c) For the purposes of awarding a grant under this Chapter, the department shall require a local cost share of not less than 50 percent of the total costs of the project. The department may waive or reduce the cost-sharing requirement for projects that directly benefit a disadvantaged community or an economically distressed area.

(d) Eligible projects are those included in adopted integrated regional water management plans consistent with Part 2.2 (commencing with Section 10530) of Division 6, including, but not limited to, local and regional surface water storage projects.

(e) The funding provided in Section 79721 shall be allocated to each hydrologic region as identified in the California Water Plan in accordance with this subdivision. For the South Coast hydrologic region, the department shall establish three funding areas that reflect the watersheds of San Diego County (designated as the San Diego subregion), the Santa Ana River watershed and southern Orange County (designated as the Santa Ana subregion), and the Los Angeles and Ventura County watersheds (designated as the Los Angeles subregion), and shall allocate funds to those areas in accordance with this subdivision. The North and South Lahontan hydrologic regions shall be treated as one area for the purpose of allocating funds. For purposes of this subdivision, the Sacramento
The Safe, Clean, and Reliable Drinking Water Supply Act of 2010, as amended

River hydrologic region does not include the Delta. For purposes of this subdivision, the Mountain Counties Overlay is not eligible for funds from the Sacramento River hydrologic region or the San Joaquin River hydrologic region. The department may recognize multiple integrated regional water management plans in each of the areas allocated funding. Funds made available by this Chapter shall be allocated as follows:

(1) North Coast: $45,000,000.
(2) San Francisco Bay: $132,000,000.
(3) Central Coast: $58,000,000.
(4) Los Angeles subregion: $198,000,000.
(5) Santa Ana subregion: $128,000,000.
(6) San Diego subregion: $87,000,000.
(7) Sacramento River: $76,000,000.
(8) San Joaquin River: $64,000,000.
(9) Tulare/Kern: $70,000,000.
(10) North/South Lahontan: $51,000,000.
(11) Colorado River Basin: $47,000,000.
(12) Mountain Counties Overlay: $44,000,000.
(13) Interregional: $50,000,000.

(f) Interregional funds may be expended directly or granted by the department to address multiregional needs or state priorities, including, but not limited to, any of the following:

(1) Investing in new water technology development and deployment.
(2) Meeting state water recycling and water conservation goals.
(3) Adapting to climate change impacts.
(4) Reducing contributions to climate change.
(5) Other projects to improve statewide water management systems.
(6) Other projects and activities designed to meet the needs of disadvantaged communities or economically distressed areas including technical and grant writing assistance.

(g) Ten million dollars of the interregional funds shall be available for a grant to the University of California, Sierra Nevada Research Institute of the University of California, for the development and deployment of measurement infrastructure and related information technology to identify and analyze water supply impacts of climate change on the Sierra Nevada snow pack and runoff.

79722.5. Of the funds provided in Section 79721, not less than 10 percent shall be allocated to disadvantaged communities.

79723. (a) The sum of three hundred fifty million dollars ($350,000,000) shall be available, upon appropriation by the Legislature, from the fund to the department for
grants and expenditures for the planning, design, and construction of local and regional conveyance projects that support regional and interregional connectivity and water management. Projects shall be consistent with an adopted integrated regional water management plan and shall provide one or more of the following benefits:

(1) Improvements in regional or interregional water supply and water supply reliability.

(2) Mitigation of conditions of groundwater overdraft, saline water intrusion, water quality degradation, or subsidence.

(3) Adaptation to the impacts of hydrologic changes.

(4) Improved water security from drought, natural disasters, or other events that could interrupt imported water supplies.

(5) Providing safe drinking water for disadvantaged communities and economically distressed areas.

(b) Not more than 10 percent of the funds provided by this section shall be available for planning, investigations, studies, and monitoring.

(c) The department shall require a cost share of not less than 50 percent of total project costs from nonstate sources. The department may waive or reduce the cost share requirement for projects that directly benefit disadvantaged communities or economically distressed areas.

CHAPTER 7. DELTA SUSTAINABILITY

79730. (a) The Bay-Delta Estuary is a unique and irreplaceable combination of environmental and economic resources. Current management and use of the Delta is not sustainable, and results in a high level of conflict among various interests. Future Delta sustainability is threatened by changing hydrology due to climate change, water diversions, flood risk, seismic events, nonnative species, toxics, and other environmental problems. Future management of the Delta must improve Delta ecosystem health and improve the means of Delta water conveyance in order to protect drinking water quality, improve water supply reliability, restore ecosystem health, and preserve agricultural and recreational values in the Delta, while providing to counties and watersheds of origin assurances that their priority to water resources will be protected and that programs or facilities implemented or constructed in the Delta will not result in redirection of unmitigated, significant adverse impacts to the counties and watershed of origin. Many sources of funding will be needed to implement improved Delta management.

(b) This Chapter provides state funding for public benefits associated with projects needed to assist in the Delta’s sustainability as a vital resource for fish, wildlife, water quality, water supply, agriculture, and recreation.
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79731. The sum of two billion two hundred fifty million dollars ($2,250,000,000) shall be available, upon appropriation from the fund, for grants and direct expenditures, as follows:

(a) (1) Seven hundred fifty million dollars ($750,000,000) for projects, including grants to Delta counties and cities within the Delta, that provide public benefits and support Delta sustainability options, including projects and supporting scientific studies and assessments that do any of the following:

(A) Ensure that urban and agricultural water supplies derived from the Delta, including water supplies used within the Delta, are not disrupted because of catastrophic failures of Delta levees resulting from earthquakes, floods, land sinking, rising ocean levels, or other forces.

(B) Assist in preserving economically viable and sustainable agriculture and other economic activities in the Delta.

(C) Improve the quality of drinking water derived from the Delta.

(D) Improve levee and flood control facilities and other vital infrastructure necessary to protect Delta communities affected by the implementation of this Chapter.

(E) Provide physical improvements or other actions to create water flow and water quality conditions within the Delta to provide adequate habitat for native fish and wildlife.

(F) Facilitate other projects that provide public benefits and support Delta sustainability options approved by the Legislature, including costs associated with planning, monitoring, and design of alternatives, and project modifications and adaptations necessary to achieve the goals of this Chapter.

(G) Mitigate other impacts of water conveyance and ecosystem restoration.

(H) Provide or improve water quality facilities and other infrastructure.

(2) Of the funds provided in this subdivision, not less than fifty million dollars ($50,000,000) shall be available for matching grants for improvements to wastewater treatment facilities upstream of the Delta to improve Delta water quality.

(3) Of the funds provided in this subdivision, up to two hundred fifty million dollars ($250,000,000) may be expended in the Delta to provide assistance to local governments and the local agricultural economy due to loss of productive agricultural lands for habitat and ecosystem restoration within the Delta.

(b) One billion five hundred million dollars ($1,500,000,000) for projects to protect and enhance the sustainability of the Delta ecosystem, including any of the following:

(1) Projects for the development and implementation of the Bay Delta Conservation Plan, consistent with Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code. The projects shall be implemented through a cooperative effort among regulatory agencies, regulated and potentially regulated entities, and affected parties, including state and federal water contractors. These funds may be expended for the preparation of environmental documentation and environmental compliance.
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(2) Other projects to protect and restore native fish and wildlife dependent on the Delta ecosystem, including the acquisition of water rights and the removal or reduction of undesirable invasive species.

(3) Projects to reduce greenhouse gas emissions from exposed Delta soils.

(4) Projects that reduce impacts of mercury contamination of the Delta and its watersheds, and remediation and elimination of continuing sources of mercury contamination.

(5) Scientific studies and assessments that support the projects authorized under this section.

(c) Funds provided by this Chapter shall be available for appropriation to, among other entities, the Sacramento-San Joaquin Delta Conservancy for implementation consistent with the Delta Plan.

79732. (a) A project that receives funding pursuant to subdivision (a) of Section 79731 shall only be eligible for funding pursuant to other provisions of this division to the extent that the combined state funding pursuant to this division does not exceed 50 percent of the total project costs.

(b) The department shall determine what constitutes a project for the purposes of subdivision (a).

CHAPTER 8. STATEWIDE WATER SYSTEM OPERATIONAL IMPROVEMENT

79740. (a) Notwithstanding Section 162, the commission may make the determinations, findings, and recommendations required of it by this Chapter independent of the views of the director. All final actions by the commission in implementing this Chapter shall be taken by a majority of the members of the commission at a public meeting noticed and held pursuant to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

(b) Notwithstanding Section 13340 of the Government Code, the sum of three billion dollars ($3,000,000,000) is hereby continuously appropriated from the fund, without regard to fiscal years, to the commission for public benefits associated with water storage projects that improve the operation of the state water system, are cost effective, and provide a net improvement in ecosystem and water quality conditions, in accordance with this Chapter. Funds authorized for, or made available to, the commission pursuant to this Chapter shall be available and expended only for the purposes provided in this Chapter, and shall not be subject to appropriation or transfer by the Legislature or the Governor for any other purpose.
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(c) Projects shall be selected by the commission through a competitive public process that ranks potential projects based on the expected return for public investment as measured by the magnitude of the public benefits provided, pursuant to criteria established under this Chapter.

(d) Any project constructed with funds provided by this Chapter shall be subject to Section 11590.

79741. Projects for which the public benefits are eligible for funding under this Chapter consist of only the following:

(a) Surface storage projects identified in the CALFED Bay-Delta Program Record of Decision, dated August 28, 2000, except for projects prohibited by Chapter 1.4 (commencing with Section 5093.50) of Division 5 of the Public Resources Code.

(b) Groundwater storage projects and groundwater contamination prevention or remediation projects that provide water storage benefits.

(c) Conjunctive use and reservoir reoperation projects.

(d) Local and regional surface storage projects that improve the operation of water systems in the state and provide public benefits.

79742. A project shall not be funded pursuant to this Chapter unless it provides measurable improvements to the Delta ecosystem or to the tributaries to the Delta.

79743. (a) Funds allocated pursuant to this Chapter may be expended solely for the following public benefits associated with water storage projects:

1) Ecosystem improvements, including changing the timing of water diversions, improvement in flow conditions, temperature, or other benefits that contribute to restoration of aquatic ecosystems and native fish and wildlife, including those ecosystems and fish and wildlife in the Delta.

2) Water quality improvements in the Delta, or in other river systems, that provide significant public trust resources, or that clean up and restore groundwater resources.

3) Flood control benefits, including, but not limited to, increases in flood reservation space in existing reservoirs by exchange for existing or increased water storage capacity in response to the effects of changing hydrology and decreasing snow pack on California's water and flood management system.

4) Emergency response, including, but not limited to, securing emergency water supplies and flows for dilution and salinity repulsion following a natural disaster or act of terrorism.

5) Recreational purposes, including, but not limited to, those recreational pursuits generally associated with the outdoors.
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(b) Funds shall not be expended pursuant to this Chapter for the costs of environmental mitigation measures or compliance obligations except for those associated with providing the public benefits as described in Section 79743.

79744. In consultation with the Department of Fish and Game, the State Water Resources Control Board, and the department, the commission shall develop and adopt, by regulation, methods for quantification and management of public benefits described in Section 79743 by December 15, 2012. The regulations shall include the priorities and relative environmental value of ecosystem benefits as provided by the Department of Fish and Game and the priorities and relative environmental value of water quality benefits as provided by the State Water Resources Control Board.

79745. (a) Except as provided in subdivision (c), no funds allocated pursuant to this Chapter may be allocated for a project before December 15, 2012, and until the commission approves the project based on the commission's determination that all of the following have occurred:

1. The commission has adopted the regulations specified in Section 79744 and specifically quantified and made public the cost of the public benefits associated with the project.

2. The department has entered into a contract with each party that will derive benefits, other than public benefits, as defined in Section 79743, from the project that ensures the party will pay its share of the total costs of the project. The benefits available to a party shall be consistent with that party’s share of total project costs.

3. The department has entered into a contract with each public agency identified in Section 79744 that administers the public benefits, after that agency makes a finding that the public benefits of the project for which that agency is responsible meet all the requirements of this Chapter, to ensure that the public contribution of funds pursuant to this Chapter achieves the public benefits identified for the project.

4. The commission has held a public hearing for the purposes of providing an opportunity for the public to review and comment on the information required to be prepared pursuant to this subdivision.

5. All of the following additional conditions are met:

(A) Feasibility studies have been completed.

(B) The commission has found and determined that the project is feasible, is consistent with all applicable laws and regulations, and will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta.

(C) All environmental documentation associated with the project has been completed, and all other federal, state, and local approvals, certifications, and agreements required to be completed have been obtained.
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(b) The commission shall submit to the Legislature its findings for each of the criteria identified in subdivision (a) for a project funded pursuant to this Chapter.

(c) Notwithstanding subdivision (a), funds may be made available under this Chapter for the completion of environmental documentation and permitting of a project.

79746. (a) The public benefit cost share of a project funded pursuant to this Chapter, other than a project described in subdivision (c) of Section 79741, may not exceed 50 percent of the total costs of any project funded under this Chapter.

(b) No project may be funded unless it provides ecosystem improvements as described in paragraph (1) of subdivision (a) of Section 79743 that are at least 50 percent of total public benefits of the project funded under this Chapter.

79747. (a) A project is not eligible for funding under this Chapter unless, by January 1, 2018, all of the following conditions are met:

(1) All feasibility studies are complete and draft environmental documentation is available for public review.

(2) The commission makes a finding that the project is feasible, and will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta.

(3) The director receives commitments for not less than 75 percent of the nonpublic benefit cost share of the project.

(b) If compliance with subdivision (a) is delayed by litigation or failure to promulgate regulations, the date in subdivision (a) shall be extended by the commission for a time period that is equal to the time period of the delay, and funding under this Chapter that has been dedicated to the project shall be encumbered until the time at which the litigation is completed or the regulations have been promulgated.

79748. Surface storage projects funded pursuant to this Chapter and described in subdivision (a) of Section 79741 may be made a unit of the Central Valley Project as provided in Section 11290 and may be financed, acquired, constructed, operated, and maintained pursuant to Part 3 (commencing with Section 11100) of Division 6.

79749. (a) The funds allocated for the design, acquisition, and construction of surface storage projects identified in the CALFED Bay-Delta Record of Decision, dated August 28, 2000, pursuant to this Chapter may be provided for those purposes to local joint powers authorities formed by irrigation districts and other local water districts and local governments within the applicable hydrologic region to design, acquire, and construct those projects.

(b) The joint powers authorities described in subdivision (a) may include in their membership governmental ... partners that are not located within their respective
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hydrologic regions in financing the surface storage projects, including, as appropriate, cost share participation or equity participation. Notwithstanding Section 6525 of the Government Code, the joint powers authorities described in subdivision (a) shall not include in their membership any for-profit corporation, or any mutual water company whose shareholders and members include a for-profit corporation or any other private entity. The department shall be an ex-officio member of each joint powers authority subject to this section, but the department shall not control the governance, management, or operation of the surface water storage projects.

(c) A joint powers authority subject to this section shall own, govern, manage, and operate a surface water storage project, subject to the requirement that the ownership, governance, management, and operation of the surface water storage project shall advance the purposes set forth in this Chapter.

(Amended by Section 5 of Chapter 126 of the Statutes of 2010)

79749.5. (a) In approving the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, the people were informed and hereby declare that the provisions of this Chapter are necessary, integral, and essential to meeting the single object or work of the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. As such, any amendment of the provisions of this Chapter by the Legislature without voter approval would frustrate the scheme and design that induced voter approval of this act. The people therefore find and declare that any amendment of the provisions of this Chapter by the Legislature shall require a vote of two-thirds of the membership in each house of the Legislature and voter approval.

(b) This section shall not govern or be used as authority for determining whether the amendment of any other provision of this act not contained in this Chapter would constitute a substantial change in the scheme and design of this act requiring voter approval.

(Amended by Section 5 of Chapter 126 of the Statutes of 2010)

CHAPTER 9. CONSERVATION AND WATERSHED PROTECTION

79750. The sum of one billion seven hundred eighty-five million dollars ($1,785,000,000) shall be available, upon appropriation by the Legislature from the fund, in accordance with this Chapter, for expenditures and grants for ecosystem and watershed protection and restoration projects, including, but not limited to, all of the following watersheds:

(a) The San Joaquin River watershed.
(b) The Kern River and Tulare Basin watersheds.
(c) The Salton Sea and Colorado River watersheds.
(d) The Los Angeles River watershed.
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(e) The San Gabriel River watershed.
(f) The Santa Ana River watershed.
(g) The Klamath River watershed, including the Trinity, Scott, and Shasta Rivers and watersheds.
(h) The North Coast watersheds.
(i) The San Francisco Bay watersheds.
(j) The Central Coast watersheds.
(k) The South Coast watersheds.
(l) The Lake Tahoe Basin watershed.
(m) The Sacramento River watershed, including the Yolo Bypass.
(n) The San Diego County coastal watersheds.
(o) The Ventura River watershed.
(p) The Sierra Nevada Mountain watersheds.
(q) The Mojave River watershed.
(r) The Owens River watershed.
s) The Santa Monica Bay watershed.
t) The watersheds of Marin County.
(u) The watersheds of Orange County.

79751. Funds provided under this Chapter may be appropriated to the Natural Resources Agency, the Department of Fish and Game, the Wildlife Conservation Board, the California Conservation Corps, the Department of Conservation, the Department of Parks and Recreation, the Department of Forestry and Fire Protection, or to state conservancies for expenditures and grants consistent with this Chapter and other applicable laws.

79752. (a) Funds provided for the Sacramento River and San Joaquin River watersheds under Section 79750 shall be available for projects consistent with the ecosystem restoration program element of the California Bay-Delta Program, or its successor, or the San Joaquin River Parkway Master Plan.

(b) Funds provided for Salton Sea watershed projects under Section 79750 shall be appropriated to the Natural Resources Agency and shall be available for Salton Sea restoration activities identified for “Period I” in the Natural Resources Agency report entitled “Salton Sea Ecosystem Restoration Program Preferred Alternative Report and Funding Plan,” dated May 2007.

(c) Funds provided for the Lake Tahoe Basin watershed under Section 79750 shall be available for projects consistent with the Lake Tahoe Environmental Improvement Program.

(d) Funds provided for the Los Angeles River and San Gabriel River watersheds under Section 79750 shall be available pursuant to

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Section 79508, and for projects identified in the Los Angeles River Revitalization Master Plan.

79754. For restoration and ecosystem protection projects under this Chapter, the services of the California Conservation Corps or community conservation corps shall be used whenever feasible.

79755. (a) Of the funds provided in Section 79750, not less than two hundred fifty million dollars ($250,000,000) shall be available to the State Coastal Conservancy for projects within coastal counties and coastal watersheds. Of this amount, not less than forty million dollars ($40,000,000) shall be available for grants in San Diego County, including not less than twenty million dollars ($20,000,000) in grants to the San Diego River Conservancy, not less than forty million dollars ($40,000,000) shall be available for the Santa Ana River Parkway, and not less than twenty million dollars ($20,000,000) shall be available for grants for protection and restoration of the Bolsa Chica wetlands and adjacent uplands and for associated visitor and interpretive natural history or archeological facilities.

(b) Of the funds provided in Section 79750, not less than one hundred million dollars ($100,000,000) shall be available to the Wildlife Conservation Board for direct expenditures or grants for the acquisition of water rights from willing sellers and the conveyance of water for the benefit of migratory birds on wildlife refuges and wildlife habitat areas subject to Section 3406(d) of the federal Central Valley Project Improvement Act (Public Law 102-575), if the acquisition of water rights by the Wildlife Conservation Board is consistent with that federal act. All costs associated with the acquisition of water rights by the Wildlife Conservation Board for the purposes set forth under this section shall be paid out of the funds designated for the Wildlife Conservation Board.

(c) Of the funds provided in Section 79750, not less than two hundred fifteen million dollars ($215,000,000) shall be available to the Wildlife Conservation Board for direct expenditures or grants for the protection or restoration of watershed lands or rivers and streams that support species listed as threatened or endangered under state or federal law, consistent with the requirements of programs identified in Division 2 (commencing with Section 700) of the Fish and Game Code, and requirements to implement or develop a natural community conservation plan pursuant to Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code. Of the funds provided in this section, the sum of twenty-five million dollars ($25,000,000) shall be available to the San Joaquin River Conservancy for river parkway projects. Of the funds provided in this subdivision, not less than twenty million dollars ($20,000,000) shall be available for watershed protection projects that reduce the fragmentation of habitats by promoting the linkage of existing public lands in Ventura County. In order to ensure programmatic consistency
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with ongoing state conservancy programs, any project financed pursuant to this paragraph
within the jurisdiction of any conservancy, shall be upon application of, and by grant to,
that respective conservancy. The conservancy may apply on behalf of a local agency, and
in that case, the board may make the grant award directly to that local agency.

(d) Of the funds provided in Section 79750, seventy-five million dollars
($75,000,000) shall be available to the San Gabriel and Lower Los Angeles Rivers and
Mountains Conservancy for the purposes described in subdivision (d) of Section 79752.

(e) Of the funds provided in Section 79750, seventy-five million dollars
($75,000,000) shall be available to the Santa Monica Mountains Conservancy for
implementation of watershed protection activities throughout the watershed of the upper
Los Angeles River.

(f) Of the funds provided in Section 79750, twenty million dollars ($20,000,000) shall
be available to the Baldwin Hills Conservancy.

(g) Of the funds provided in Section 79750, twenty-five million dollars ($25,000,000)
shall be available for Santa Monica Bay watershed projects pursuant to Division 23
(commencing with Section 33000) of the Public Resources Code.

(h) Of the funds provided in Section 79750, fifty million dollars ($50,000,000) shall
be available to the State Coastal Conservancy for coastal salmonid restoration projects.

(i) Of the funds provided in Section 79750, one hundred million dollars
($100,000,000) shall be available to the Lake Tahoe Conservancy for the Lake Tahoe
Environmental Improvement Program as described in subdivision (c) of Section 79752.

(j) Of the funds provided in Section 79750, twenty million dollars ($20,000,000) shall
be available to the Department of Conservation for the California Farmland Conservancy
Program Act (Division 10.2 (commencing with Section 10200) of the Public Resources
Code). Up to twenty million dollars ($5,000,000) may be used for the Department of
Conservation Watershed Coordinator Grant Program.

(k) Of the funds provided in Section 79750, fifty million dollars ($50,000,000) shall
be available to the secretary for projects in accordance with the California River
Parkways Act of 2004 (Chapter 3.8 (commencing with Section 5750) of Division 5 of the
Public Resources Code). Up to twenty million dollars ($20,000,000) may be transferred
to the department for the Urban Streams Restoration Program pursuant to Section 7048 of
the Water Code.

(l) Of the funds provided in Section 79750, not less than seventy-five million dollars
($75,000,000) shall be available to the Sierra Nevada Conservancy for grants, loans,
direct expenditures, and other purposes and projects consistent with the mission and laws
governing the conservancy, including, but not limited to, physical projects, projects for
the provision of public access, educational and interpretive activities, projects to improve
community sustainability and institutional infrastructure, planning, including
collaborative public processes, monitoring, and research activities.
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(m) Of the funds provided in Section 79750, one hundred million dollars ($100,000,000) shall be available for Salton Sea restoration pursuant to subdivision (b) of Section 79752.

(n) Of the funds provided in Section 79750, ten million dollars ($10,000,000) shall be available to the Natural Resources Agency for planning for natural resources and watershed protections to address climate change impacts and adaptation.

(o) Of the funds provided in Section 79750, thirty million dollars ($30,000,000) shall be available to the Department of Parks and Recreation for grants for watershed education facilities. Of this amount, twenty million dollars ($20,000,000) shall be available for capital improvements to watershed education centers that serve an urban area with a population of over one million.

(p) Of the funds provided in Section 79750, ten million dollars ($10,000,000) shall be deposited in the California Waterfowl Habitat Preservation Account for the purposes of implementing the California Waterfowl Habitat Program described in Article 7 (commencing with Section 3460) of Chapter 2 of Part 1 of Division 4 of the Fish and Game Code, the California Landowner Incentive Program, and the Permanent Wetland Easement Program.

79756. (a) One hundred million dollars ($100,000,000) of the funds provided pursuant to Section 79750 shall be allocated to the Department of Forestry and Fire Protection for direct expenditures or grants for fuel treatment and forest restoration projects to protect watersheds tributary to dams or reservoirs from the adverse impacts of fire and erosion, to promote forest health in those watersheds, to protect life and property, to provide for climate change adaptation, and reduce total wildfire costs and losses. Funds shall be available in accordance with the following requirements:

(1) Sixty-seven million dollars ($67,000,000) shall be available to the Department of Forestry and Fire Protection to provide technical assistance for project development and implementation and to fund grants to public agencies and nonprofit organizations for the purpose of fuel treatment projects that will reduce wildfire risks, protect watersheds tributary to water storage facilities, and promote watershed health.

(2) Twenty-five million dollars ($25,000,000) shall be available to the Department of Forestry and Fire Protection to provide technical assistance for project development and implementation, and for grants and loans for fuel treatment and reforestation projects to eligible landowners as defined in subdivision (b) of Section 4793 of the Public Resources Code and consistent with the provisions of the California Forest Improvement Act of 1978.

(3) The sum of eight million dollars ($8,000,000) shall be available to do all of the following:

(A) Reimburse incremental costs to the Department of Forestry and Fire Protection resulting from implementation of fuel reduction projects consistent with the provisions of
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the Vegetation Management Program established under Article 2 (commencing with Section 4475) of Chapter 7 of Part 2 of Division 4 of the Public Resources Code.

These projects shall include three or more pilot projects to utilize the fuels removed for energy production or other wood product uses.

(B) Reimburse costs of conservation camp crews used to conduct fuel reduction activities, and costs to the Department of Forestry and Fire Protection for conducting prefire management projects consistent with the 1996 California Fire Plan or its successor plan.

(b) Funding criteria and projects shall demonstrate the linkage between the project and the protection of watershed health, protection of watershed storage capacity, maintenance or enhancement of forest health, protection of life and property, and greenhouse gas reduction.

79757. Of the funds provided in Section 79750, not more than two hundred fifty million dollars ($250,000,000) shall be available for dam removal and related measures in the Klamath River watershed if the secretary finds that all of the following conditions have been met:

(a) The State of California, the State of Oregon, the United States, and PacifiCorp have executed a dam removal agreement.

(b) The State of California, the State of Oregon, and the United States have made the determinations required under the agreement to effect dam removal.

(c) Ratepayer funds required by the agreement have been authorized and will be timely provided.

(d) All other conditions required in the agreement have been met.

79758. Of the funds provided in Section 79750, not less than twenty million dollars ($20,000,000) shall be allocated to Siskiyou County for the purpose of economic development as defined in Section 13997.2 of the Government Code.

79759. Of the funds provided in Section 79750, the sum of fifty million dollars ($50,000,000) shall be available, upon appropriation by the Legislature from the fund, to the California State University for the purposes of funding agricultural water supply, water use, efficiency, water quality, and related research and education efforts in accordance with the California State University Water Resources and Policy Initiatives.

79759.5. Of the funds provided in Section 79750, the sum of fifty million dollars ($50,000,000) shall be available to the State Coastal Conservancy for projects that meet the requirements of the California Ocean Protection Act (Division 26.5 (commencing with Section 35500) of the Public Resources Code).
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79760. Of the funds provided in Section 79750, sixty million dollars ($60,000,000) shall be available to the Natural Resources Agency for projects authorized under Section 3406 (b) (10) of the Central Valley Project Improvement Act that improve salmonid fish passage in the Sacramento River watershed.

79760.5. Of the funds provided in Section 79750, fifty million dollars ($50,000,000) shall be available, upon appropriation by the Legislature from the fund, to the Wildlife Conservation Board to capitalize an advanced public infrastructure revolving fund mitigation program, to be established by statute, designed to improve the environmental effectiveness and efficiency of infrastructure mitigation. These funds shall not be used to subsidize or decrease the mitigation obligations of any party.

79761. For the purposes of this Chapter, the terms “restoration” and “protection” have the meanings set forth in Section 75005 of the Public Resources Code.

CHAPTER 10. GROUNDWATER PROTECTION AND WATER QUALITY

79770. (a) The sum of one billion dollars ($1,000,000,000) shall be available, upon appropriation by the Legislature from the fund, for expenditures, grants, and loans for projects to prevent or reduce the contamination of groundwater that serves as a source of drinking water. Projects shall be consistent with an adopted integrated regional water management plan. Funds appropriated pursuant to this section shall be available to the State Department of Public Health for projects necessary to protect public health by preventing or reducing the contamination of groundwater that serves as a major source of drinking water for a community.

(b) Projects shall be prioritized based upon the following criteria:

1) The threat posed by groundwater contamination to the affected community's overall drinking water supplies, including the need for treatment of alternative supplies if groundwater is not available due to contamination.

2) The potential for groundwater contamination to spread and reduce drinking water supply and water storage for nearby population areas.

3) The potential of the project, if fully implemented, to enhance local water supply reliability.

4) The potential of the project to increase opportunities for groundwater recharge and optimization of groundwater supplies.

(c) The State Department of Public Health shall give additional consideration to projects that meet any of the following criteria:

1) The project is implemented pursuant to a comprehensive basinwide groundwater quality management and remediation plan or is necessary to develop a comprehensive groundwater plan.
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(2) Affected groundwater provides a local supply that, if contaminated and not remediated, will require import of additional water from outside the region.

(3) The project will serve an economically disadvantaged community or an economically distressed area.

(4) The project addresses contamination at a site where the responsible parties have not been identified, or where the responsible parties are unwilling or unable to pay for cleanup.

(d) Of the amount made available by this section, not less than one hundred million dollars ($100,000,000) shall be available for costs associated with projects, programs, or activities that meet the requirements of this section and both of the following criteria:

(1) The costs are part of a basinwide management and remediation plan for which federal funds have been allocated.

(2) The costs address contamination at a site on the list maintained by the Department of Toxic Substances Control pursuant to Section 25356 of the Health and Safety Code or a site listed on the National Priorities List pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Sec. 9601 et seq.).

(e) Of the amount made available by this section, one hundred million dollars ($100,000,000) shall be available to the State Department of Public Health for grants and direct expenditures to finance emergency and urgent actions in accordance with this section on behalf of disadvantaged communities and economically distressed areas to ensure that safe drinking water supplies are available to all Californians.

(f) The Legislature, by statute, shall establish both of the following:

(1) Requirements for repayment of grant funds in the event of cost recovery from parties responsible for the groundwater contamination.

(2) Requirements for recipients of grants to make reasonable efforts to recover costs from parties responsible for groundwater contamination.

//(Amended by Section 1 of Chapter 226 of the Statutes of 2010)//

CHAPTER 11. WATER RECYCLING PROGRAM

79780. The sum of one billion dollars ($1,000,000,000) shall be available, upon appropriation by the Legislature from the fund, for grants and loans for water recycling and advanced treatment technology projects, including all of the following:

(a) Water recycling projects.

(b) Contaminant and salt removal projects, including groundwater and seawater desalination.

(c) Dedicated distribution infrastructure for recycled water, including commercial and industrial end-user retrofit projects to allow use of recycled water.

(d) Pilot projects for new salt and contaminant removal technology.

(e) Groundwater recharge infrastructure related to recycled water.
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(f) Technical assistance and grant writing assistance for disadvantaged communities.

79781. Of the funds made available in Section 79780, not less than fifty million dollars ($50,000,000) shall be available for projects that are designed to help restore lost water supply reliability in areas with widespread groundwater contamination in locations that contain sites that are listed by the Department of Toxic Substances Control pursuant to Section 25356 of the Health and Safety Code or a site listed on the National Priorities List pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.) and for which federal funds have been allocated pursuant to Public Law 106-554.

79782. For projects funded pursuant to the funds made available pursuant to Section 79780, at least a 50-percent local cost share shall be required. That cost share may be suspended or reduced for disadvantaged communities and economically distressed areas.

79783. Projects funded pursuant to the funds made available pursuant to Section 79780 shall be selected on a competitive basis, considering all of the following criteria:
   (a) Water supply reliability improvement.
   (b) Water quality and ecosystem benefits related to decreased reliance on diversions from the Delta or instream flows.
   (c) Public health benefits from improved drinking water quality.
   (d) Cost effectiveness.
   (e) Energy efficiency and greenhouse gas emission impacts.

79784. (a) (1) The sum of two hundred fifty million dollars ($250,000,000) shall be available, upon appropriation by the Legislature from the fund, for direct expenditures, grants, and loans for water conservation and water use efficiency plans, projects, and programs, including any of the following:
   (A) Urban water conservation plans, projects, and programs, implemented to achieve urban water use targets pursuant to Chapter 3 (commencing with Section 10608.16) of Part 2.55 of Division 6. Priority for funding shall be given to programs that do the following:
      (i) Assist water suppliers and regions to implement conservation programs and measures that are not locally cost-effective.
      (ii) Support water supplier and regional efforts to implement programs targeted to enhance water use efficiency for commercial, industrial, and institutional water users.
      (iii) Assist water suppliers and regions with programs and measures targeted toward realizing the conservation benefits of implementation of the provisions of the state landscape model ordinance.

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(B) Agricultural water use efficiency projects and programs pursuant to Part 2.8 (commencing with Section 10800) of Division 6.
(C) Agricultural water management plans developed pursuant to Part 2.8 (commencing with Section 10800) of Division 6.

(2) The department shall award grants or loans under this Chapter in a competitive process that considers, as primary factors, the local and statewide conservation and water use efficiency benefits of the measures proposed for grants.

(b) Section 1011 applies to all conservation measures that an agricultural water supplier or an urban water supplier implements with funding under this Chapter. This subdivision does not limit the application of Section 1011 to any other measures or projects implemented by a water supplier.

CHAPTER 12. FISCAL PROVISIONS

79810. (a) Bonds in the total amount of eleven billion one hundred forty million dollars ($11,140,000,000), not including the amount of any refunding bonds issued in accordance with Section 79822, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this division and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute valid and binding obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) The Treasurer shall sell the bonds authorized by the committee pursuant to this section. The bonds shall be sold upon the terms and conditions specified in a resolution to be adopted by the committee pursuant to Section 16731 of the Government Code.

79811. The bonds authorized by this division shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, and all of the provisions of that law apply to the bonds and to this division and are hereby incorporated in this division as though set forth in full in this division, except Section 16727 of the Government Code shall not apply to the extent that it is inconsistent with any other provision of this division.

79812. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this division, the Safe, Clean, and Reliable Drinking Water Finance Committee is hereby created. For purposes of this division, the Safe, Clean, and Reliable Drinking Water Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law.

(b) The committee consists of the Director of Finance, the Treasurer, the Controller, the Director of Water Resources, and the Secretary of the Natural Resources Agency. Notwithstanding any other provision of law, any member may designate a deputy to act
as that member in his or her place for all purposes, as though the member were personally present.

(c) The Treasurer shall serve as chairperson of the committee.

(d) A majority of the members of the committee shall constitute a quorum of the committee, and may act for the committee.

79813. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this division to carry out the actions specified in this division and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

79814. "Board," as defined in Section 16722 of the Government Code for the purposes of compliance with the State General Obligation Bond Law, means the department.

79815. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

79816. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this division, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this division, as the principal and interest become due and payable.

(b) The sum that is necessary to carry out the provisions of Section 79819, appropriated without regard to fiscal years.

79817. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account in accordance with Section 16312 of the Government Code for the purpose of carrying out this division. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this division. The board shall execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated in accordance with this division.

79818. Notwithstanding any other provision of this division, or of the State General Obligation Bond Law, if the Treasurer sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions, the Treasurer may maintain separate accounts for the bond proceeds invested and for the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other
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payment required under federal law or take any other action with respect to the
investment and use of those bond proceeds, as may be required or desirable under federal
law in order to maintain the tax-exempt status of those bonds and to obtain any other
advantage under federal law on behalf of the funds of this state.

79819. For the purposes of carrying out this division, the Director of Finance may
authorize the withdrawal from the General Fund of an amount or amounts not to exceed
the amount of the unsold bonds that have been authorized by the committee to be sold for
the purpose of carrying out this division. Any amounts withdrawn shall be deposited in
the fund. Any money made available under this section shall be returned to the General
Fund, with interest at the rate earned by the money in the Pooled Money Investment
Account, from proceeds received from the sale of bonds for the purpose of carrying out
this division.

79820. All money deposited in the fund that is derived from premiums and accrued
interest on bonds sold pursuant to this division shall be reserved in the fund and shall be
available for transfer to the General Fund as a credit to expenditures for bond interest.

79821. Pursuant to Chapter 4 (commencing with Section 16720) of Part 3 of
Division 4 of Title 2 of the Government Code, the cost of bond issuance shall be paid out
of the bond proceeds. These costs shall be shared proportionately by each program
funded through this division.

79822. The bonds issued and sold pursuant to this division may be refunded in
accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
Division 4 of Title 2 of the Government Code, which is a part of the State General
Obligation Bond Law. Approval by the electors of the state for the issuance of the bonds
under this division shall include approval of the issuance of any bonds issued to refund
any bonds originally issued under this division or any previously issued refunding bonds.

79823. The proceeds from the sale of bonds authorized by this division are not
"proceeds of taxes" as that term is used in Article XIII B of the California Constitution,
and the disbursement of these proceeds is not subject to the limitations imposed by that
article.

79824. Of the eleven billion one hundred forty million dollars ($11,140,000,000) in
bonds authorized in this division, no more than five billion five hundred seventy million
dollars ($5,570,000,000) shall be sold by the Treasurer before July 1, 2015.

SEC. 2. Section 1 of this act shall be submitted to the voters at the \textit{November 6, 2012
4, 2014}, statewide general election, \textit{instead of the November 2, 2010-6, 2012 statewide
general election}, in accordance with provisions of the Government Code and the
Elections Code governing the submission of a statewide measure to the voters.
\textit{(Amended by Section 6 of Chapter 126 of the Statutes of 2010)}
\textit{(Amended by Section 1 of Chapter 74 of the Statutes of 2012)}
The Safe, Clean, and Reliable Drinking Water Supply Act of 2010, as amended

SEC. 3. (a) Section 1 of this act shall take effect only upon the approval by the voters of the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, as set forth in that section at the November 6, 2012, statewide general election.

(b) (1) Notwithstanding Section 9051 of the Elections Code or any other provision of law, the Attorney General shall prepare and return to the Secretary of State a ballot title and summary in 10-point type for all state ballot pamphlets of the November 6, 2012, statewide general election that contains the following title and summary for Senate Bill 2, adopted by the Legislature at the 2009–10 Seventh Extraordinary Session:

“SAFE, CLEAN, AND RELIABLE DRINKING WATER SUPPLY ACT OF 2012”
and in the same square under those words:

“To protect water quality and ensure safe, clean drinking water; meet the water supply needs of California residents, farms, businesses, expand water conservation and recycling; restore fish and wildlife habitats; reduce polluted runoff that contaminates rivers, streams, beaches, and bays; and protect the safety of water supplies threatened by earthquakes and other natural disasters; the State of California shall issue bonds totaling eleven billion one hundred forty million dollars ($11,140,000,000) paid from existing state funds subject to independent, annual audits, and citizen oversight.”

(2) The language in paragraph (1) shall be the only language included in the title and summary for Senate Bill 2, adopted by the Legislature at the 2009–10 Seventh Extraordinary Session, and the Attorney General shall not supplement, subtract from, or revise that language.

(3) Notwithstanding any other provision of law, including Sections 9050, 9051, 13247, and 13262, of the Elections Code, the language in paragraph (1) for the title and summary shall also be the language included in the ballot label for the condensed statement of the ballot title, and the Attorney General shall not supplement, subtract from, or revise that language, except that the Attorney General may include the fiscal impact summary prepared pursuant to Section 9087 of the Elections Code and Section 88003 of the Government Code. The ballot label is the condensed statement of the ballot title and the financial impact summary.

(e) Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

(d) Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choices by means thereof are in compliance with this section.

(Amended by Section 6 of Chapter 126 of the Statutes of 2010)
(Amended by Section 2 of Chapter 74 of the Statutes of 2012)
April 17, 2013

Attention: Legislation, Conservation and Outreach Committee

Adopt positions on various state bills. (Action)

Staff recommendation
1. Adopt a position of Oppose Unless Amended on AB 380 (Dickinson)
2. Adopt a position of Oppose on AB 543 (Campos)
3. Adopt a position of Oppose on AB 823 (Eggman)
4. Adopt a position of Oppose on AB 953 (Ammiano)
5. Adopt a position of Oppose Unless Amended on SB 436 (Jackson)
6. Adopt a position of Oppose on SB 617 (Evans)

Alternatives
1. Do not adopt one or more of the recommended positions.
2. Modify one or more of the positions.

Fiscal Impact
No direct fiscal impact.

Background
Staff recommends that the Board take the following positions on bills that have been introduced in the California Legislature in 2013.

Discussion
California Environmental Quality Act (CEQA) related legislation:

AB 380 (Dickinson) Environmental Quality: Notice Requirements
Existing law requires lead agencies to provide public notice sufficiently prior to adoption of a negative declaration or mitigated negative declaration, or certification of an environmental impact report (EIR), to allow for mandated public review. It also requires that this notice be given to specified parties by at least one of several procedures.

AB 380 would require a lead agency to conduct at least one public scoping meeting for a project that may affect highways under the jurisdiction of the Department of Transportation, if requested, or for a project of statewide, regional, or area wide significance and to provide notice of each public scoping meeting. This bill requires a lead agency that is preparing an EIR or a negative declaration to provide public notice within a reasonable period of time prior to certification of the EIR or adoption of the negative declaration. It would also revise public notice requirements to require the notice be given to the State Clearinghouse and project applicants by at least one of several procedures. Besides filing required notices with the county clerk, this bill would also require all notices to be filed with and posted on the Office and Planning and Research’s Internet web site and the lead agency’s Internet web site, respectively.

The Water Authority currently files certain public notices with the county clerk and, for projects having state, area, or region-wide importance, with the Office of Planning and Research (OPR). This bill would require all notices to be filed with both the county clerk and OPR. There is concern that OPR does not have the resources to timely process and post notices for every
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project being approved throughout the state. Without a substantial increase in OPR staffing, this would result in confusion and a posting backlog. Further, it is duplicative to require posting at both OPR and the county clerk; a single posting location would provide consistency. If OPR is to be the designated repository for all notices, staff recommends that the requirement for duplicative posting with the county clerk be eliminated, and that OPR establish an Internet database where public agencies can directly upload the required notices; thus relieving OPR of both posting and staffing issues.

Staff recommends a position of Oppose unless amended on AB 380.

AB 543 (Campos) California Environmental Quality Act: Translation
Existing law establishes regulations related to a number of environmental issues, including the preparation and completion of specified environmental review documents for proposed projects that may affect the environment.

AB 543 would require that all notices, documents, or executive summaries required by CEQA be translated if the impacted community has a substantial number of non-English speaking people. It is not clear how “substantial number” is defined. This legislation would require lead agencies to incur potentially significant unreimbursed additional costs to provide one or more language translations. The Water Authority’s legislative policy guidelines state that the Water Authority shall oppose legislation that imposes mandated costs or regulatory constraints on local governments without providing subventions to reimburse local governments for such costs.

(2013 Legislative Policy Guidelines, Fiscal Policy and Water Rates, Oppose, page 19, item 1.)

Staff recommends a position of Oppose on AB 543.

AB 823 (Eggman) Environment: California Farmland Protection Act
AB 823 would require a minimum level of mitigation for any residential, commercial, civic, industrial, infrastructure, or other similar project that results in the permanent or long-term conversion of agricultural lands to non-agricultural use. Mitigation would consist of the permanent protection and conservation of land suitable for agricultural use. Mitigation would consist of the permanent protection and conservation of land suitable for agricultural use.

Agricultural lands are converted to non-agricultural uses for a number of reasons (e.g., increased capital and operating costs, increased regulatory burdens, and competition). Simply preserving farmland does not address the underlying reasons of why land is converted, and there is no mechanism to mandate uneconomic, agricultural land to be kept in production. Requiring project applicants to mitigate for actions not under their control is inappropriate. This legislation would require projects to incur substantial additional mitigation costs.

Staff recommends a position of Oppose on AB 823.

AB 953 (Ammiano) California Environmental Quality Act
As discussed above, existing law establishes regulations related to a number of environmental issues, including the preparation and completion of specified environmental review documents for proposed projects that may affect the environment.
AB 953 would revise the definitions of “environment” and “significant effect on the environment” and require the lead agency to include a specific analysis of any significant effects that may result from locating the proposed project near, or attracting people to, existing or reasonably foreseeable natural hazards or adverse environmental conditions.

This bill contains some of the provisions similar to those contained in SB 617 discussed below, specifically revisions in certain definitions and required analysis that make environmental documents more susceptible to legal challenge.

Staff recommends a position of Oppose on AB 953.

**SB 436 (Jackson) Environmental Quality: Public Notice**

SB 436 is very similar to AB 380 (Dickinson), discussed above. This bill would require a lead agency to conduct at least one public scoping meeting for a project that may affect highways under the jurisdiction of the Department of Transportation, if requested, or for a project of statewide, regional, or area wide significance and to provide notice of each public scoping meeting. It requires a lead agency that is preparing an EIR or a negative declaration to provide public notice within a reasonable period of time prior to certification of the EIR or adoption of the negative declaration. It would also revise public notice requirements to require the notice be given to the State Clearinghouse and project applicants by at least one of several procedures. Besides filing required notices with the county clerk, this bill would also require all notices to be filed with and posted on the Office and Planning and Research’s Internet web site and the lead agency’s Internet web site, respectively.

For the same reasons listed under AB 380, if OPR is to be the designated repository for all notices, the bill should be amended to remove the requirement for a duplicative posting with the county clerk, and OPR should establish an Internet database where public agencies can directly upload the required notices.

Staff recommends a position of Oppose unless amended on SB 436.

**SB 617 (Evans) Environmental Quality: Public Notice**

Existing law establishes a procedure for the preparation and certification of the record of proceedings upon the filing of an action or proceeding challenging a lead agency’s action on the grounds of noncompliance with CEQA. Existing law defines “environment” and “significant effect on the environment” for the purpose of factual analysis.

SB 617 would require public notices to be filed with both the Office of Planning and Research (OPR) and the county clerk and be posted by the county clerk for public review. The bill would require OPR to post notices on a publicly available online database. The bill would authorize OPR to charge a $10 administrative fee per notice filed. The bill would specify that a time period or limitation period specified by CEQA does not commence until the notice is actually posted for public review by the county clerk or is available in the online database, whichever is later. It would also require 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, EIRs, or other environmental documents. In addition, it would revise the definitions of “environment” and “significant effect on the environment” and require the lead agency to include in the EIR a detailed statement on any significant effects that may result from locating development near, or attracting people to, existing or reasonably foreseeable natural hazards or adverse environmental conditions.

This bill contains noticing provisions similar to those contained in AB 380 and SB 436, discussed above. For the same reasons listed under AB 380, if OPR is to be the designated repository for all notices, the bill should be amended to remove the requirement for a duplicative posting with the county clerk, and OPR should establish an Internet database where public agencies can directly upload the required notices.

In addition, the proposed definition revisions broaden the required analysis to include not only the effects of the project on the environment, but the effects of the environment on the project. This additional analysis provides another layer of complexity that increases uncertainty in assessing the range and magnitude of potential significant effects, thus making environmental documents more susceptible to legal challenges.

Staff recommends a position of Oppose on SB 617.

Summary
These bills were introduced in what is likely the opening round of a contentious debate on CEQA reform. CEQA related legislation currently under review by the Water Authority ranges from bills simply clarifying existing law to bills that would impose additional administrative burdens on how the Water Authority and its member agencies are regulated under CEQA. Staff will remain diligent in reviewing proposed legislation to ensure proposed changes are truly effective in improving CEQA implementation.

Prepared by: Alexi Schnell, Management Analyst
Approved by: Dennis A. Cushman, Assistant General Manager

Attachments: AB 380
            AB 543
            AB 823
            AB 953
            SB 436
            SB 617
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL No. 380

Introduced by Assembly Member Dickinson

February 14, 2013

An act to amend Sections 21080.5, 21083.9, 21092, 21092.2, 21092.3, 21108, 21152, and 21161 of the Public Resources Code, relating to the California Environmental Quality Act.

LEGISLATIVE COUNSEL'S DIGEST

AB 380, as introduced, Dickinson. California Environmental Quality Act: notice requirements

1. The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

CEQA authorizes the Secretary of the Natural Resources Agency to certify a regulatory program that meets specified requirements. CEQA provides that written documentation required by those certified regulatory programs may be submitted in lieu of an EIR. CEQA requires an administering agency to file with the secretary a notice of decision made pursuant to the certified regulatory program, which is required to be available for public inspection. CEQA requires a lead agency to
call a scoping meeting for specified projects and provide a notice of the meeting to specified entities. CEQA requires the lead agency or a project proponent to file a notice of approval or determination with Office of Planning and Research if the lead agency is a state agency or the county clerk if the lead agency is a local agency. CEQA requires a public agency that has completed an EIR to file with the Office of Planning and Research a notice of completion.

CEQA requires a lead agency determining that an EIR is required for a project to send a notice of that determination to specified public agencies. CEQA requires a lead agency preparing an EIR, a negative declaration, or making a specified determination regarding a subsequent project to provide a public notice within a reasonable time period before the certification of the EIR, or the adoption of a negative declaration, or making the specified determination. CEQA requires those notices to be posted in the office of the county clerk in each county in which the project is located and requires the notices to remain posted for 30 days. CEQA requires the county clerk to post the notice within 24 hours of receipt.

This bill would additionally require the above mentioned notices to be filed with both the Office of Planning and Research and the county clerk and be posted by county clerk for public review. The bill would require the county clerk to post the notices within one business day, as defined, of receipt and stamp on the notice the date on which the notices were actually posted. By expanding the services provided by the lead agency and the county clerk, this bill would impose a state-mandated local program. The bill would require the county clerk to post the notices for at least 30 days. The bill would require the Office of Planning and Research to post the notices on a publicly available online database established and maintained by the office. The bill would require the office to stamp the notices with the date on which the notices were actually posted for online review and would require the notices to be posted for at least 30 days. The bill would authorize the office to charge an administrative fee not to exceed $10 per notice filed. The bill would specify that a time period or limitation periods specified by CEQA does not commence until the notices are actually posted for public review by the county clerk or is available in the online database, whichever is later. The bill would require the notice of determination to be filed solely by the lead agency.

(2) CEQA authorizes, for a project that is determined by a state agency to be exempted from the requirements of CEQA, a state agency
or a project proponent to file a notice of determination with the Office of Planning and Research. CEQA authorizes, for a project that is determined by a local agency to be exempted from the requirements of CEQA, a local agency or a project proponent to file a notice of determination with the county clerk of the county in which the project is located.

This bill would require that notice of determination be filed with both the Office of Planning and Research and the county clerk. By requiring a county clerk to receive and post that notice of determination filed by a state agency, this bill would impose a state-mandated local program. The bill would provide that notice of determination be filed by the lead agency only.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.


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

1 SECTION 1. Section 21080.5 of the Public Resources Code is amended to read:
2 21080.5. (a) Except as provided in Section 21158.1, when the regulatory program of a state agency requires a plan or other written documentation containing environmental information and complying with paragraph (3) of subdivision (d) to be submitted in support of an activity listed in subdivision (b), the plan or other written documentation may be submitted in lieu of the environmental impact report required by this division if the Secretary of the Natural Resources Agency has certified the regulatory program pursuant to this section.
4 (b) This section applies only to regulatory programs or portions thereof that involve either of the following:
5 (1) The issuance to a person of a lease, permit, license, certificate, or other entitlement for use.
6 (2) The adoption or approval of standards, rules, regulations, or plans for use in the regulatory program.
(c) A regulatory program certified pursuant to this section is exempt from Chapter 3 (commencing with Section 21100), Chapter 4 (commencing with Section 21150), and Section 21167, except as provided in Article 2 (commencing with Section 21157) of Chapter 4.5.

(d) To qualify for certification pursuant to this section, a regulatory program shall require the utilization of an interdisciplinary approach that will ensure the integrated use of the natural and social sciences in decisionmaking and that shall meet all of the following criteria:

1. The enabling legislation of the regulatory program does both of the following:
   (A) Includes protection of the environment among its principal purposes.
   (B) Contains authority for the administering agency to adopt rules and regulations for the protection of the environment, guided by standards set forth in the enabling legislation.

2. The rules and regulations adopted by the administering agency for the regulatory program do all of the following:
   (A) Require that an activity will not be approved or adopted as proposed if there are feasible alternatives or feasible mitigation measures available that would substantially lessen a significant adverse effect that the activity may have on the environment.
   (B) Include guidelines for the orderly evaluation of proposed activities and the preparation of the plan or other written documentation in a manner consistent with the environmental protection purposes of the regulatory program.
   (C) Require the administering agency to consult with all public agencies that have jurisdiction, by law, with respect to the proposed activity.
   (D) Require that final action on the proposed activity include the written responses of the issuing authority to significant environmental points raised during the evaluation process.
   (E) Require the filing of a notice of the decision by the administering agency on the proposed activity with the Secretary of the Resources Agency. Those notices shall be available for public inspection, and a list of the notices shall be posted on a weekly basis in the Office of the Resources Agency. Each list shall remain posted for a period of 30 days pursuant to Section 21092.3.
(F) Require notice of the filing of the plan or other written
documentation to be posted pursuant to Section 21092.3 and made
to the public and to a person who requests, in writing, notification.
The notification shall be made in a manner that will provide the
public or a person requesting notification with sufficient time to
review and comment on the filing.
(3) The plan or other written documentation required by the
regulatory program does both of the following:
(A) Includes a description of the proposed activity with
alternatives to the activity, and mitigation measures to minimize
any significant adverse effect on the environment of the activity.
(B) Is available for a reasonable time for review and comment
by other public agencies and the general public.
(e) (1) The Secretary of the Natural Resources Agency shall
certify a regulatory program that the secretary determines meets
all the qualifications for certification set forth in this section, and
withdraw certification on determination that the regulatory program
has been altered so that it no longer meets those qualifications.
Certification and withdrawal of certification shall occur only after
compliance with Chapter 3.5 (commencing with Section 11340)
of Part 1 of Division 3 of Title 2 of the Government Code.
(2) In determining whether or not a regulatory program meets
the qualifications for certification set forth in this section, the
inquiry of the secretary shall extend only to the question of whether
the regulatory program meets the generic requirements of
subdivision (d). The inquiry may not extend to individual decisions
to be reached under the regulatory program, including the nature
of specific alternatives or mitigation measures that might be
proposed to lessen any significant adverse effect on the
environment of the activity.
(3) If the secretary determines that the regulatory program
submitted for certification does not meet the qualifications for
certification set forth in this section, the secretary shall adopt
findings setting forth the reasons for the determination.
(f) After a regulatory program has been certified pursuant to
this section, a proposed change in the program that could affect
compliance with the qualifications for certification specified in
subdivision (d) may be submitted to the Secretary of the Natural
Resources Agency for review and comment. The scope of the
secretary’s review shall extend only to the question of whether the
regulatory program meets the generic requirements of subdivision 
(d). The review may not extend to individual decisions to be 
reached under the regulatory program, including specific 
alternatives or mitigation measures that might be proposed to lessen 
any significant adverse effect on the environment of the activity. 
The secretary shall have 30 days from the date of receipt of the 
proposed change to notify the state agency whether the proposed 
change will alter the regulatory program so that it no longer meets 
the qualification for certification established in this section and 
will result in a withdrawal of certification as provided in this 
section.

(g) An action or proceeding to attack, review, set aside, void, 
or annul a determination or decision of a state agency approving 
or adopting a proposed activity under a regulatory program that 
has been certified pursuant to this section on the basis that the plan 
or other written documentation prepared pursuant to paragraph (3) 
of subdivision (d) does not comply with this section shall be 
commenced not later than 30 days from the date of the filing of 
otice of the approval or adoption of the activity.

(h) (1) An action or proceeding to attack, review, set aside, 
void, or annul a determination of the Secretary of the Natural 
Resources Agency to certify a regulatory program pursuant to this 
section on the basis that the regulatory program does not comply 
with this section shall be commenced within 30 days from the date 
of certification by the secretary.

(2) In an action brought pursuant to paragraph (1), the inquiry 
shall extend only to whether there was a prejudicial abuse of 
discretion by the secretary. Abuse of discretion is established if 
the secretary has not proceeded in a manner required by law or if 
the determination is not supported by substantial evidence.

(i) For purposes of this section, a county agricultural 
commissioner is a state agency.

(j) For purposes of this section, an air quality management 
district or air pollution control district is a state agency, except 
that the approval, if any, by a district of a nonattainment area plan 
is subject to this section only if, and to the extent that, the approval 
adopts or amends rules or regulations.

(k) (1) The secretary, by July 1, 2004, shall develop a protocol 
for reviewing the prospective application of certified regulatory 
programs to evaluate the consistency of those programs with the
requirements of this division. Following the completion of the
development of the protocol, the secretary shall provide a report
to the Senate Committee on Environmental Quality and the
Assembly Committee on Natural Resources regarding the need
for a grant of additional statutory authority authorizing the secretary
to undertake a review of the certified regulatory programs.
(2) The secretary may update the protocol, and may update the
report provided to the legislative committees pursuant to paragraph
(1) and provide, in compliance with Section 9795 of the
Government Code, the updated report to those committees if
additional statutory authority is needed.
(3) The secretary shall provide a significant opportunity for
public participation in developing or updating the protocol
described in paragraph (1) or (2) including, but not limited to, at
least two public meetings with interested parties. A notice of each
meeting shall be provided at least 10 days prior to the meeting to
a person who files a written request for a notice with the agency
and to the Senate Committee on Environmental Quality and the
Assembly Committee on Natural Resources.
SEC. 2. Section 21083.9 of the Public Resources Code is
amended to read:
21083.9. (a) Notwithstanding Section 21080.4, 21104, or
21153, a lead agency shall call at least one public scoping meeting
for either of the following:
(1) A proposed project that may affect highways or other
facilities under the jurisdiction of the Department of Transportation
if the meeting is requested by the department. The lead agency
shall call the scoping meeting as soon as possible, but not later
than 30 days after receiving the request from the Department of
Transportation.
(2) A project of statewide, regional, or areawide significance.
(b) The lead agency shall provide notice of at least one scoping
meeting held pursuant to paragraph (2) of subdivision (a) by posting
a notice of meeting pursuant to Section 21092.3, and providing
copies of the notice to all of the following:
(1) A county or city that borders on a county or city within
which the project is located, unless otherwise designated annually
by agreement between the lead agency and the county or city.
(2) A responsible agency.
(3) A public agency that has jurisdiction by law with respect to
the project.
(4) A transportation planning agency or public agency required
to be consulted pursuant to Section 21092.4.
(5) A public agency, organization, or individual who has filed
a written request for the notice.
(c) For a public agency, organization, or individual that is
required to be provided notice of a lead agency public meeting,
the requirement for notice of a scoping meeting pursuant to
subdivision (b) may be met by including the notice of a scoping
meeting in the public meeting notice.
(d) A scoping meeting that is held in the city or county within
which the project is located pursuant to the federal National
Environmental Policy Act of 1969 (42 U.S.C. Sec. 4321 et seq.)
and the regulations adopted pursuant to that act shall be deemed
to satisfy the requirement that a public scoping meeting be held
for a project subject to paragraph (2) of subdivision (a) if the lead
agency meets the notice requirements of subdivision (b) or
subdivision (c).
(e) The referral of a proposed action to adopt or substantially
amend a general plan to a city or county pursuant to paragraph (1)
of subdivision (a) of Section 65352 of the Government Code may
be conducted concurrently with the public scoping meeting required
pursuant to this section, and the city or county may submit its
comments as provided pursuant to subdivision (b) of that section
at the public scoping meeting.
SEC. 3. Section 21092 of the Public Resources Code is
amended to read:
21092. (a) A lead agency that is preparing an environmental
impact report or a negative declaration or making a determination
pursuant to subdivision (c) of Section 21157.1 shall provide public
notice of that fact within a reasonable period of time prior to
certification of the environmental impact report, adoption of the
negative declaration, or making the determination pursuant to
subdivision (c) of Section 21157.1.
(b) (1) The notice shall specify the period during which
comments will be received on the draft environmental impact
report or negative declaration, and shall include the date, time, and
place of any public meetings or hearings on the proposed project,
a brief description of the proposed project and its location, the
significant effects on the environment, if any, anticipated as a result
of the project, the address where copies of the draft environmental
impact report or negative declaration, and all documents referenced
in the draft environmental impact report or negative declaration,
are available for review, and a description of how the draft
environmental impact report or negative declaration can be
provided in an electronic format.
(2) This section shall not be construed in any manner that results
in the invalidation of an action because of the alleged inadequacy
of the notice content if there has been substantial compliance with
the notice content requirements of this section.
(3) The notice required by this section shall be filed and posted
pursuant to Section 21092.3 and given to the last known name and
address of all organizations and individuals who have previously
requested notice, and shall also be given by at least one of the
following procedures:
(A) Publication, no fewer times than required by Section 6061
of the Government Code, by the public agency in a newspaper of
general circulation in the area affected by the proposed project. If
more than one area will be affected, the notice shall be published
in the newspaper of largest circulation from among the newspapers
of general circulation in those areas.
(B) Posting of notice by the lead agency on- and off-site in the
area where the project is to be located.
(C) Direct mailing to the owners and occupants of contiguous
property shown on the latest equalized assessment roll.
(c) For a project involving the burning of municipal wastes,
hazardous waste, or refuse-derived fuel, including, but not limited
to, tires, meeting the qualifications of subdivision (d), notice shall
be given to all organizations and individuals who have previously
requested notice and shall also be given by at least the procedures
specified in subparagraphs (A), (B), and (C) of paragraph (3) of
subdivision (b). In addition, notification shall be given by direct
mailing to the owners and occupants of property within one-fourth
of a mile of any parcel or parcels on which is located a project
subject to this subdivision.
(d) The notice requirements of subdivision (c) apply to both of
the following:
(1) The construction of a new facility.
(2) The expansion of an existing facility that burns hazardous waste which would increase its permitted capacity by more than 10 percent. For purposes of this paragraph, the amount of expansion of an existing facility shall be calculated by comparing the proposed facility capacity with whichever of the following is applicable:

(A) The facility capacity approved in the facility’s hazardous waste facilities permit pursuant to Section 25200 of the Health and Safety Code or its grant of interim status pursuant to Section 25200.5 of the Health and Safety Code, or the facility capacity authorized in any state or local agency permit allowing the construction or operation of a facility for the burning of hazardous waste, granted before January 1, 1990.

(B) The facility capacity authorized in the facility’s original hazardous waste facilities permit, grant of interim status, or any state or local agency permit allowing the construction or operation of a facility for the burning of hazardous waste, granted on or after January 1, 1990.

(e) The notice requirements specified in subdivision (b) or (c) shall not preclude a public agency from providing additional notice by other means if the agency so desires, or from providing the public notice required by this section at the same time and in the same manner as public notice otherwise required by law for the project.

SEC. 4. Section 21092.2 of the Public Resources Code is amended to read:

21092.2. (a) The notices required pursuant to Sections 21080.4, 21080.5, 21083.9, 21092, 21108, 21152, and 21161 shall be mailed to every person who has filed a written request for notices with either the clerk of the governing body or, if there is no governing body, the director of the agency. If the agency offers to provide the notices by email, upon filing a written request for notices, a person may request that the notices be provided to him or her by email. The request may also be filed with any other person designated by the governing body or director to receive these requests. The agency may require requests for notices to be annually renewed. The public agency may charge a fee, except to other public agencies, that is reasonably related to the costs of providing this service.
(b) Subdivision (a) shall not be construed in any manner that results in the invalidation of an action because of the failure of a person to receive a requested notice, if there has been substantial compliance with the requirements of this section.

(c) The notices required pursuant to Sections 21080.4 and 21161 shall be provided by the State Clearinghouse to any legislator in whose district the project has an environmental impact, if the legislator requests the notice and the State Clearinghouse has received it.

SEC. 5. Section 21092.3 of the Public Resources Code is amended to read:

21092.3. (a) The notices required pursuant to Sections 21080.4 and, 21080.5, 21083.9, 21092 for an environmental impact report, 21108, 21152, and 21161 shall be posted in the office of the county clerk of each county in which the project will be located and shall remain posted for a period of at least 30 days of the full duration of any statutory time period under this division the notice may commence, whichever is longer. The notice required pursuant to Section 21092 for a negative declaration shall be so posted for a period of 20 days, unless otherwise required by law to be posted for 30 days. The county clerk shall post the notices within 24 hours of receipt one business day of receipt and shall stamp on the notice the date on which it was actually posted for public review.

(b) The notices required pursuant to Sections 21080.4, 21080.5, 21083.9, 21092, 21108, 21152, and 21161 shall be filed with, and posted on a publicly available, online database established and maintained by the Office of Planning and Research. The online database shall include the capability to view and download the notices in the form filed with the Office of Planning and Research. Notices filed in the online database shall be stamped by the Office of Planning and Research with the date on which they were actually posted for online review by the public, and shall remain posted for a period of at least 30 days or the duration of any time period the notice may commence, whichever is longer. The Office of Planning and Research shall post the notices in its online database within one business day of receipt. The Office of Planning and Research may require the agency filing the notice to pay an administrative fee not to exceed ten dollars ($10) per notice filed for the purposes of maintaining its online database and implementing its duties under this section. The agency filing the
notice may recover its filing costs from the person specified in subdivision (b) or (c) of Section 21065, as reflected in the agency’s record of proceedings.

(c) Any time periods of limitation periods established under this division that are subject to the notices posted under this section shall not commence until the notice is actually posted for public review by the county clerk and in the online database maintained by the Office of Planning and Research. If the county clerk and the Office of Planning and Research posts the notice on different days, the time period shall run from the date of the later posting.

(d) For the purposes of this section, “business days” does not include Saturday, Sunday, or a day observed as a holiday by the state government.

SEC. 6. Section 21108 of the Public Resources Code is amended to read:

21108. (a) If a state agency approves or determines to carry out a project that is subject to this division, the state agency shall file notice of that approval or that determination with the Office of Planning and Research and with the county clerk of each county in which the project will be located. The notice shall identify the person or persons in subdivision (b) or (c) of Section 21065, as reflected in the agency’s record of proceedings, and indicate the determination of the state agency whether the project will, or will not, have a significant effect on the environment and shall indicate whether an environmental impact report has been prepared pursuant to this division.

(b) If a state agency determines that a project is not subject to this division pursuant to subdivision (b) of Section 21080 or Section 21172, and the state agency approves or determines to carry out the project, the state agency or the person specified in subdivision (b) or (c) of Section 21065 may file notice of the determination with the county clerk of each county in which the project will be located and the Office of Planning and Research. A notice filed pursuant to this subdivision shall identify the person or persons in subdivision (b) or (c) of Section 21065, as reflected in the agency’s record of proceedings. A notice filed pursuant to this subdivision by a person specified in subdivision (b) or (c) of Section 21065 shall have a certificate of determination attached to it issued by the state agency responsible for making the determination that the project is not subject to this division pursuant
to subdivision (b) of Section 21080 or pursuant to Section 21172.

The certificate of determination may be in the form of a certified
copy of an existing document or record of the state agency.

(c) A notice filed pursuant to this section shall be available for
public inspection, and a list of these notices shall be posted on a
weekly basis in the Office of Planning and Research. Each list
shall remain posted for a period of 30 days. The Office of Planning
and Research shall retain each notice for not less than 12 months.

SEC. 7. Section 21152 of the Public Resources Code is
amended to read:

21152. (a) If a local agency approves or determines to carry
out a project that is subject to this division, the local agency shall
file notice of the approval or the determination within five working
days after the approval or determination becomes final, with the
county clerk of each county in which the project will be located
and with the Office of Planning and Research. The notice shall
identify the person or persons in subdivision (b) or (c) of Section
21065, as reflected in the agency’s record of proceedings, and
indicate the determination of the local agency whether the project
will, or will not, have a significant effect on the environment and
shall indicate whether an environmental impact report has been
prepared pursuant to this division. The notice shall also include
certification that the final environmental impact report, if one was
prepared, together with comments and responses, is available to
the general public.

(b) If a local agency determines that a project is not subject to
this division pursuant to subdivision (b) of Section 21080 or
pursuant to Section 21172, and the local agency approves or
determines to carry out the project, the local agency or the person
specified in subdivision (b) or (c) of Section 21065 may file a
notice of the determination with the county clerk of each county
in which the project will be located and the Office of Planning and
Research. A notice filed pursuant to this subdivision shall identify
the person or persons in subdivision (b) or (c) of Section 21065,
as reflected in the agency’s record of proceedings. A notice filed
pursuant to this subdivision by a person specified in subdivision
(b) or (c) of Section 21065 shall have a certificate of determination
attached to it issued by the local agency responsible for making
the determination that the project is not subject to this division
pursuant to subdivision (b) of Section 21080 or Section 21172.
The certificate of determination may be in the form of a certified copy of an existing document or record of the local agency.

(e) A notice filed pursuant to this section shall be available for public inspection, and shall be posted within 24 hours of receipt in the office of the county clerk. A notice shall remain posted for a period of 30 days. Thereafter, the clerk shall return the notice to the local agency with a notation of the period it was posted. The local agency shall retain the notice for not less than 12 months.

SEC. 8. Section 21161 of the Public Resources Code is amended to read:

21161. Whenever a public agency has completed an environmental impact report, it shall cause a notice of completion of that report to be filed with the county clerk of each county in which the project will be located and the Office of Planning and Research. The notice of completion shall briefly identify the project and shall indicate that an environmental impact report has been prepared. The notice of completion shall identify the project location by latitude and longitude. Failure to file the notice required by this section shall not affect the validity of a project.

SEC. 9. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.
AMENDED IN ASSEMBLY APRIL 8, 2013
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 543

Introduced by Assembly Member Campos

February 20, 2013

An act to add Section 21097 to the Public Resources Code, relating to environmental quality.

LEGISLATIVE COUNSEL’S DIGEST


Existing law, the California Environmental Quality Act (CEQA), referred to as CEQA, requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

This bill would require a lead agency to translate any notice, document, or executive summary required by the act, certain notices required by the act and a summary of any negative declaration, mitigated negative declaration, or environmental impact report, when the impacted community has a substantial number of non-English-speaking people, as specified defined. By requiring a lead
agency to translate these writings notices and documents, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions:

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.


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

SECTION 1. Section 21097 is added to the Public Resources Code, to read:

21097. (a) A lead agency shall translate any notice, document, or executive summary required by this division each of the following when the impacted community has a substantial number of non-English-speaking people, as specified in Section 7296.2 of the Government Code: people:

(1) Any notice required pursuant to Section 21080.5, 21083.9, 21092, 21152, or 21161.

(2) A summary of any negative declaration, mitigated negative declaration, or environmental impact report.

(b) For the purposes of this section, "substantial number of non-English-speaking people" means members of a group who either do not speak English or who are unable to effectively communicate in English because it is not their native language, and who comprise 5 percent or more of the people who may be affected by the project.

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made
pursuant to Part 7 (commencing with Section 17500) of Division
4 of Title 2 of the Government Code:

SEC. 2. No reimbursement is required by this act pursuant to
Section 6 of Article XIII B of the California Constitution because
a local agency or school district has the authority to levy service
charges, fees, or assessments sufficient to pay for the program or
level of service mandated by this act, within the meaning of Section
AMENDED IN ASSEMBLY MARCH 11, 2013
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL No. 823

Introduced by Assembly Member Eggman

February 21, 2013

An act to add Sections 21095.5, 21095.6, and 21095.7 to the Public Resources Code, relating to the environment.

LEGISLATIVE COUNSEL’S DIGEST


(1) The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

This bill would require a lead agency, for a project that converts agricultural lands for nonagricultural uses, to require mitigation measures consisting, at a minimum, of providing replacement acreage through specified mechanisms to ensure the availability of agricultural production capacity. Because a lead agency would be required to provide a higher level of service by requiring the specified mitigation measure, the bill would impose a state-mandated local program enact the
California Farmland Protection Act, which would require that an applicant for a project, as defined, that involves the conversion of agricultural land to a permanent or long-term nonagricultural use, including a residential, commercial, civic, industrial, infrastructure, or other similar use, at a minimum, mitigate the identified environmental impacts associated with the conversion of those lands through the permanent protection and conservation of land suitable for agricultural uses, and would require that an adopted mitigation measure providing for the protection of agricultural land meet specified requirements. The act would require that any lands identified and proposed for conservation and protection meet specified criteria. The act would provide that a project is deemed to have fully mitigated all identified significant project-level and cumulative impacts on agricultural resources and no further mitigation is required if specified conditions are met. The act would require the Office of Planning and Research, no later than December 31, 2014, to promulgate regulations covering projects subject to the act. By imposing new duties on a lead agency with regard to the review and approval of the mitigation measures required by the act, the bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.


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

1 SECTION 1.—(a) The Legislature finds and declares that California agriculture is a $43,000,000,000 per year industry, one of the state’s largest and most significant industries. California agriculture supplies 90 percent of the nation’s nuts and wine grapes, more than one-half of the country’s fruits and vegetables and is the leading producer of dairy products.

(b) It is the intent of the Legislature to enhance the long-term viability of California agriculture by clarifying farmland mitigation requirements under the California Environmental Quality Act
(Division 13 (commencing with Section 21000) of the Public
Resources Code:
SEC. 2. Section 21095.5 is added to the Public Resources Code,
to read:
21095.5. For a project that converts agricultural lands for
nonagricultural uses, the lead agency shall require mitigation
measures consisting, at a minimum, of providing replacement
acreage through a grant, in perpetuity, of an agricultural or
farmland conservation easement, a deed restriction, or other
conservation mechanism on the replacement acreage to ensure the
availability of agricultural production capacity by limiting
nonagricultural development that is inconsistent with agricultural
uses and related activities for the benefit of a qualified entity:
SECTION 1. This act shall be known, and may be cited, as the
California Farmland Protection Act.
SEC. 2. Section 21095.5 is added to the Public Resources Code,
to read:
21095.5. (a) The Legislature finds and declares all of the
following:
(1) California is the nation’s leader in food production and
contributes significantly to both national and global food security.
(2) California agricultural production depends on soil, water,
and climate conditions found in one of only five Mediterranean
growing regions on Earth.
(3) Dependent on land and natural resources, California
agriculture is uniquely vulnerable to global warming. Global
warming poses a serious threat to California agriculture with
rising temperatures, constrained water resources, increases in
extreme weather events, reduced winter chilling hours, and rising
sea levels.
(4) California agriculture is also uniquely positioned to provide
climate benefits by reducing greenhouse gas emissions. Research
funded by the State Energy Resources Conservation and
Development Commission’s Public Interest Energy Research
program found that an acre of irrigated cropland emits 70 times
fewer greenhouse gas emissions than an acre of urban land.
(5) California’s growing population places additional demands
on both our food supply and on the development of agricultural
land for nonagricultural purposes. An average of approximately
30,000 acres of California agricultural land is permanently converted to nonagricultural uses every year.

(6) The preservation of a maximum amount of the limited supply of agricultural land is necessary for conservation of the state’s natural resources, the maintenance of the agricultural economy of the state, and the assurance of an adequate, healthy, and nutritious food supply for the residents of this state and nation.

(7) California’s statewide land use planning priorities include the goal of protecting, preserving, and enhancing the state’s most valuable natural resources, including working landscapes such as farm, range, and forest lands as described in Section 65041.1 of the Government Code.

(8) Through the California Land Conservation Act of 1965 (Article 1 (commencing with Section 51200) of Chapter 7 of Part 1 of Division 1 of Title 5 of the Government Code), California has provided legal and financial incentives for farmers and ranchers to keep land in agricultural production, thereby discouraging the premature and unnecessary conversion of agricultural land to urban uses and discouraging discontiguous urban development patterns that unnecessarily increase the costs of community services.

(9) Since 1998, California has invested in the protection of agricultural lands near urban areas through the California Farmland Conservancy Program Act (Division 10.2 (commencing with Section 10200)) recognizing that conservation of these lands is necessary due to increasing development pressures and the effects of urbanization on farmland close to cities.

(10) This division requires the analysis and adoption of feasible mitigation for projects with significant effects on agricultural resources.

(11) Local entities play a vital role in regulating the use of land under their jurisdiction, including the conservation of agricultural lands through appropriate zoning and planning activities, as well as determinations of the potential environmental impacts of proposed land use changes.

(12) Despite the analysis and mitigation requirements of this division with respect to projects that result in agricultural land conversion, lead agencies do not consistently require feasible mitigation for agricultural land conversion impacts.
(13) The conversion of agricultural land, as defined in Section 56016 of the Government Code, to nonagricultural uses without appropriate mitigation negatively affects California's economic development, natural resources, social and economic equity, and environmental quality.

(b) It is the intent of the Legislature to adopt minimum statewide mitigation standards for projects that result in the conversion of agricultural land to nonagricultural uses including residential, commercial, civic, industrial, subdivision, infrastructure, or similar land development projects. The conversion of agricultural land to nonagricultural uses is an issue of statewide concern. It is therefore the policy of the state that each lead agency comply with the requirements of this section when approving projects that convert agricultural lands to nonagricultural uses.

SEC. 3. Section 21095.6 is added to the Public Resources Code, to read:

21095.6. (a) For purposes of this section, Sections 21095.6, and Section 21095.7 a "qualified entity" means a land trust, city, county, nonprofit organization, resource conservation district, special district, or regional park or open-space district or regional park or open-space authority that has the conservation of farmland among its stated purposes.

(b) An applicant for a project, as defined in Section 21065, that involves the conversion of agricultural land to a permanent or long-term nonagricultural use, including residential, commercial, civic, industrial, infrastructure, or other similar land development projects shall, at a minimum, mitigate the identified environmental impacts associated with the conversion of those lands through the permanent protection and conservation of land suitable for agricultural uses.

(c) An adopted mitigation measure that provides for the protection of agricultural land shall require at least one of the following:

(1) A grant in perpetuity to a qualified entity of an agricultural conservation easement that limits development that is inconsistent with agricultural uses and related activities to ensure the protection and stewardship of the agricultural productive capacity of the mitigation land.

(2) The project applicant to pay, or cause to be paid, a fee to the lead agency sufficient to acquire a perpetual agricultural
conservation easement that meets all the requirements of this section. The lead agency may secure an easement through a payment to a qualified entity or to the Department of Conservation for the California Farmland Conservancy Program through a deposit to either the California Farmland Conservancy Program Fund, created pursuant to Section 10230, or the Farm, Ranch, and Watershed Account, created pursuant to paragraph (2) of subdivision (c) of Section 10252.5, for the purposes of acquiring a perpetual agricultural conservation easement that meets all the requirements of this section.

(3) The project applicant to enter into a fee agreement with a qualified entity to acquire an agricultural conservation easement that meets all the requirements of this section.

(d) Any fees paid by a project applicant pursuant to paragraph (2) or (3) of subdivision (c) to comply with this section shall include the purchase price of an agricultural conservation easement, all transaction costs, and funding for a reasonable endowment for the purpose of monitoring, administering, legal defense, and all other services provided by the qualified entity to acquire, manage, and monitor the easement in perpetuity.

(e) Any lands identified and proposed for conservation and protection pursuant to subdivision (c) shall, at a minimum, meet all of the following criteria:

(1) The mitigation acreage of conserved lands is at least equal to the acreage of the agricultural land converted to nonagricultural uses.

(2) The soil quality of the conserved agricultural land is comparable to, or better than, the land that is converted to a nonagricultural use.

(3) The conserved agricultural land has an adequate water supply for the purposes of producing irrigated crops, watering of livestock, or other agricultural purposes for which the conserved agricultural land is suited.

(4) The conserved agricultural land is located as close to the project site as the lead agency determines is feasible or is part of an area designed as a priority agricultural mitigation or protection area in an adopted general plan, regional advance mitigation plan, greenprint, sustainable communities strategy prepared pursuant to the Sustainable Communities and Climate Protection
Act of 2008 (Chapter 728 of the Statutes of 2008), or other local
or statewide plan that promotes agricultural land protection.

(5) The conserved agricultural land has not been previously
encumbered by another conservation easement that restricts the
landowner’s development rights.

(6) The environmental document and other relevant project
approval documents specify that the mitigation land shall be
protected through a legal agreement meeting the requirements of
paragraph (1) of subdivision (c) prior to commencement of any
construction activity. This requirement does not apply to mitigation
measures meeting the requirements of either paragraph (2) or (3)
of subdivision (c).

(f) The appropriate fee for purchase of suitable mitigation lands
under paragraph (2) or (3) of subdivision (c) shall be based on an
approved nexus study or an appraisal by an independent real estate
appraiser that indicates the fee value necessary to purchase
suitable mitigation lands meeting the standards of this subdivision.

(g) Compliance with an existing adopted mitigation ordinance
for the conversion of agricultural land that meets the minimum
standards in paragraphs (2), (3), (4), and (5) of subdivision (e)
shall be deemed to satisfy the requirements of this section. To the
extent that these locally adopted requirements exceed the minimum
standards set forth in this section, this subdivision does not
supersede those requirements.

(h) Compliance with the minimum mitigation standards set forth
in this section does not constitute compliance with the “full
mitigation” provisions set forth in paragraph (1) of subdivision
(a) of Section 21095.7.

SEC. 4. Section 21095.7 is added to the Public Resources Code,
to read:

21095.7. (a) (1) A project is deemed to have fully mitigated
all identified significant project-level and cumulative impacts on
agricultural resources and no further mitigation shall be required
for those impacts if one of the following conditions is met:

(A) The mitigation ratio of conserved land to converted land is
two acres for every one acre of converted land.

(B) For a project located within an existing city’s jurisdictional
limits, the mitigation acreage of conserved lands is at least equal
to the acreage of the agricultural land converted to nonagricultural
uses, and meets at least one of the following criteria:
(i) The project is a residential housing project that has a density of at least two times the statewide average of persons-per-acre (PPA) development ratios.

(ii) The project is a commercial development with a minimum of at least two times the statewide floor-to-area ratio (FAR).

(iii) The project is a mixed-use development that meets the PPA and FAR formulas in subparagraphs (A) and (B).

(2) In order to rely on this section, the lead agency must make findings supported by substantial evidence in the record demonstrating that each applicable factor is satisfied.

(b) The Office of Planning and Research shall promulgate regulations consistent with the findings and declarations set forth in Section 21095.5 and the requirements of this section with regard to the identification of additional categories of mitigation that fully mitigate project-level and cumulative impacts of projects that convert agricultural land. Those regulations shall be promulgated by December 31, 2014. The categories of mitigation described by the Office of Planning and Research in those regulations shall do all of the following:

(1) Meet the minimum mitigation standards described in subdivision (c) of Section 21095.6.

(2) Address one or more of the findings in Section 21095.5.

(3) Reasonably mitigate both project-level and cumulative-level impacts associated with a project's conversion of agricultural land. In this regard, the location and quality of agricultural land to be protected may be relevant.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.
An act to amend Sections 21060.5, 21068, and 21100 of the Public Resources Code, relating to the California Environmental Quality Act.

LEGISLATIVE COUNSEL'S DIGEST

AB 953, as introduced, Ammiano. California Environmental Quality Act.

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA defines "environment" and "significant effect on the environment" for its purposes. CEQA requires the EIR to include a detailed statement setting forth specified facts.

This bill would revise those definitions, as specified. This bill would additionally require the lead agency to include in the EIR a detailed statement on any significant effects that may result from locating the proposed project near, or attracting people to, existing or reasonably foreseeable natural hazards or adverse environmental conditions.
Because the lead agency would be required to undertake this additional consideration, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.


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

SECTION 1. Section 21060.5 of the Public Resources Code is amended to read:

21060.5. "Environment" means the physical conditions which exist within the area which will be affected by a proposed project, including land, air, water, minerals, flora, fauna, noise, objects of historic or aesthetic significance, as well as the health and safety of people affected by the physical conditions at the location of a project.

SEC. 2. Section 21068 of the Public Resources Code is amended to read:

21068. "Significant effect on the environment" means a substantial, or potentially substantial, adverse change in the environment. "Significant effect on the environment" includes exposure of people, either directly or indirectly, to a substantial existing or reasonably foreseeable natural hazard or adverse condition of the environment.

SEC. 3. Section 21100 of the Public Resources Code is amended to read:

21100. (a) All lead agencies shall prepare, or cause to be prepared by contract, and certify the completion of, an environmental impact report on any project which they propose to carry out or approve that may have a significant effect on the environment. Whenever feasible, a standard format shall be used for environmental impact reports.

(b) The environmental impact report shall include a detailed statement setting forth all of the following:

(1) All significant effects on the environment of the proposed project.
(2) In a separate section:
(A) Any significant effect on the environment that cannot be avoided if the project is implemented.
(B) Any significant effect on the environment that would be irreversible if the project is implemented.
(3) Mitigation measures proposed to minimize significant effects on the environment, including, but not limited to, measures to reduce the wasteful, inefficient, and unnecessary consumption of energy.
(4) Alternatives to the proposed project.
(5) The growth-inducing impact of the proposed project.
(6) Any significant effects that may result from locating the proposed project near, or attracting people to, existing or reasonably foreseeable natural hazards or adverse environmental conditions.
(c) The report shall also contain a statement briefly indicating the reasons for determining that various effects on the environment of a project are not significant and consequently have not been discussed in detail in the environmental impact report.
(d) For purposes of this section, any significant effect on the environment shall be limited to substantial, or potentially substantial, adverse changes in physical conditions—**which that** exist within the area as defined in Section 21060.5.
(e) Previously approved land use documents, including, but not limited to, general plans, specific plans, and local coastal plans, may be used in cumulative impact analysis.
SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.
An act to amend Sections 21083.9, 21092, 21108, and 21152 and 21092 of the Public Resources Code, relating to environmental quality.

LEGISLATIVE COUNSEL'S DIGEST


(1) The California Environmental Quality Act (CEQA) Act, commonly referred to as CEQA, requires a lead agency to prepare, or cause to be prepared, and certify the completion of, an environmental impact report (EIR) report, also known as an EIR, on a project, as defined, that it proposes to carry out or approve that may have a significant effect on the environment, as defined, or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires the lead agency to call at least one scoping meeting for a project that may affect highways or other facilities under the jurisdiction of the Department of Transportation if the meeting is requested by the department, or for a project of statewide, regional, or areawide significance. CEQA requires the lead agency to provide to specified entities a notice of at least one scoping meeting.

This bill would require a lead agency to conduct at least one public scoping meeting for the specified projects and to provide notice to the specified entities of at least one public scoping meeting.

(2) CEQA requires any lead agency that is preparing an EIR or a negative declaration or making a determination, pursuant to a specified provision of law, to provide public notice within a reasonable period.
of time prior to certification of the EIR or adoption of the negative declaration. Existing law requires that notice be given to the last known name and address of all organizations and individuals who previously requested the notice and by at least one of several procedures, including by direct mailing to the owners and occupants of contiguous property shown on the latest equalized assessment roll.

This bill would revise these notice requirements to require that the notice be given to a list of specified parties, including the State Clearinghouse and project applicants, and by at least one of the several listed procedures.

(3) CEQA requires a state agency or local agency that approves or determines to carry out a project that is subject to the act, to file notice of the approval or determination with the Office of Planning and Research or the county clerk of each county in which the project will be located, respectively, and to have the notice posted in the Office of Planning and Research or the office of the county clerk, respectively.

This bill would also require the notices to be posted on the Office and Planning and Research’s Internet Web site and the lead agency’s Internet Web site, respectively. If the lead agency cannot maintain an Internet Web site with the specified information, the bill would require the lead agency to provide a link on its Internet Web site to the required information. The bill would also require a notice filed by a local agency to also be filed with the Office of Planning and Research. By requiring local agencies to follow specified notice requirements in regard to CEQA, this bill would impose a state-mandated local program.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions:

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

SECTION 1. Section 21083.9 of the Public Resources Code is amended to read:
21083.9. (a) Notwithstanding Section 21080.4, 21104, or 21153, a lead agency shall conduct at least one public scoping meeting for either of the following:
(1) A proposed project that may affect highways or other facilities under the jurisdiction of the Department of Transportation if the meeting is requested by the department. The lead agency shall call the scoping meeting as soon as possible, but not later than 30 days after receiving the request from the Department of Transportation.
(2) A project of statewide, regional, or areawide significance.
(b) The lead agency shall provide notice of at least one public scoping meeting held pursuant to paragraph (2) of subdivision (a) to all of the following:
(1) A county or city that borders on a county or city within which the project is located, unless otherwise designated annually by agreement between the lead agency and the county or city.
(2) A responsible agency.
(3) A public agency that has jurisdiction by law with respect to the project.
(4) A transportation planning agency or public agency required to be consulted pursuant to Section 21092.4.
(5) A public agency, organization, or individual who has filed a written request for the notice.
(c) For a public agency, organization, or individual that is required to be provided notice of a lead agency public meeting, the requirement for notice of a scoping meeting pursuant to subdivision (b) may be met by including the notice of a scoping meeting in the public meeting notice.
(d) A public scoping meeting that is held in the city or county within which the project is located pursuant to the federal National Environmental Policy Act of 1969 (42 U.S.C. Sec. 4321 et seq.) and the regulations adopted pursuant to that act shall be deemed to satisfy the requirement that a scoping meeting be held for a project subject to paragraph (2) of subdivision (a) if the lead agency meets the notice requirements of subdivision (b) or subdivision (c).
(e) The referral of a proposed action to adopt or substantially
amend a general plan to a city or county pursuant to paragraph (1)
of subdivision (a) of Section 65352 of the Government Code may
be conducted concurrently with the public scoping meeting required
pursuant to this section, and the city or county may submit its
comments as provided pursuant to subdivision (b) of that section:
Section 65352 of the Government Code at the public scoping
meeting.

SEC. 2. Section 21092 of the Public Resources Code is
amended to read:

21092. (a) A lead agency that is preparing an environmental
impact report or a negative declaration or making a determination
pursuant to subdivision (c) of Section 21157.1 shall provide public
notice of that fact within a reasonable period of time prior to
certification of the environmental impact report, adoption of the
negative declaration, or making the determination pursuant to
subdivision (c) of Section 21157.1.

(b) (1) The notice shall specify the period during which
comments will be received on the draft environmental impact
report or negative declaration, and shall include the date, time, and
place of any public meetings or hearings on the proposed project,
a brief description of the proposed project and its location, the
significant effects on the environment, if any, anticipated as a result
of the project, the address where copies of the draft environmental
impact report or negative declaration, and all documents referenced
in the draft environmental impact report or negative declaration,
are available for review, and a description of how the draft
environmental impact report or negative declaration can be
provided in an electronic format.

(2) This section shall not be construed in any manner that results
in the invalidation of an action because of the alleged inadequacy
of the notice content if there has been substantial compliance with
the notice content requirements of this section.

(3) (A) The notice required by this section shall be given to all
of the following:

(i) The last known name and address of all organizations and
individuals who have previously requested notice.

(ii) By mail to the owners and occupants of contiguous property
shown on the latest equalized assessment roll.
(iii) By mail or electronic mail to responsible and trustee agencies.
(iv) By mail or electronic mail to a project applicant, if different than the lead agency, and the applicant's duly authorized agent.
(v) The State Clearinghouse.
(B) The notice required by this section shall also be given by at least one of the following procedures:
(i) Publication, no fewer times than required by Section 6061 of the Government Code, by the public agency in a newspaper of general circulation in the area affected by the proposed project. If more than one area will be affected, the notice shall be published in the newspaper of largest circulation from among the newspapers of general circulation in those areas.
(ii) Posting of notice by the lead agency on- and off-site in the area where the project is to be located.
(c) For a project involving the burning of municipal wastes, hazardous waste, or refuse-derived fuel, including, but not limited to, tires, meeting the qualifications of subdivision (d), notice shall be given to all organizations and individuals who have previously requested notice and shall also be given by at least the procedures specified in subparagraphs (A) and (B) of paragraph (3) of subdivision (b). In addition, notification shall be given by direct mailing to the owners and occupants of property within one-fourth of a mile of any parcel or parcels on which is located a project subject to this subdivision is located.
(d) The notice requirements of subdivision (c) apply to both of the following:
(1) The construction of a new facility.
(2) The expansion of an existing facility that burns hazardous waste which would increase its permitted capacity by more than 10 percent. For purposes of this paragraph, the amount of expansion of an existing facility shall be calculated by comparing the proposed facility capacity with whichever of the following is applicable:
(A) The facility capacity approved in the facility's hazardous waste facilities permit pursuant to Section 25200 of the Health and Safety Code or its grant of interim status pursuant to Section 25200.5 of the Health and Safety Code, or the facility capacity authorized in any state or local agency permit allowing the...
construction or operation of a facility for the burning of hazardous waste, granted before January 1, 1990.

(B) The facility capacity authorized in the facility’s original hazardous waste facilities permit, grant of interim status, or any state or local agency permit allowing the construction or operation of a facility for the burning of hazardous waste, granted on or after January 1, 1990.

(c) The notice requirements specified in subdivision (b) or (c) shall not preclude a public agency from providing additional notice by other means if the agency so desires, or from providing the public notice required by this section at the same time and in the same manner as public notice otherwise required by law for the project.

SEC. 3. Section 21108 of the Public Resources Code is amended to read:

21108. (a) If a state agency approves or determines to carry out a project that is subject to this division, the state agency shall file notice of that approval or that determination with the Office of Planning and Research. The notice shall identify the person or persons in subdivision (b) or (c) of Section 21065, as reflected in the agency’s record of proceedings, and indicate the determination of the state agency whether the project will, or will not, have a significant effect on the environment and shall indicate whether an environmental impact report has been prepared pursuant to this division.

(b) If a state agency determines that a project is not subject to this division pursuant to subdivision (b) of Section 21080, and the state agency approves or determines to carry out the project, the state agency or the person specified in subdivision (b) or (c) of Section 21065 may file notice of the determination with the Office of Planning and Research. A notice filed pursuant to this subdivision shall identify the person or persons in subdivision (b) or (c) of Section 21065, as reflected in the agency’s record of proceedings. A notice filed pursuant to this subdivision by a person specified in subdivision (b) or (c) of Section 21065 shall have a certificate of determination attached to it issued by the state agency responsible for making the determination that the project is not subject to this division pursuant to subdivision (b) of Section 21080. The certificate of determination may be in the form of a certified copy of an existing document or record of the state agency.
(c)(1) A notice filed pursuant to this section shall be available for public inspection, and a list of these notices shall be posted on a weekly basis in the Office of Planning and Research. Each list shall remain posted for a period of 30 days. The Office of Planning and Research shall retain each notice for not less than 12 months.

(2) A notice filed pursuant to this section shall be posted by the Office of Planning and Research on its Internet Web site within one business day after its filing. The notice shall remain on the Internet Web site for not less than 12 months.

SEC. 4. Section 21152 of the Public Resources Code is amended to read:

21152. (a) If a local agency approves or determines to carry out a project that is subject to this division the local agency shall file notice of the approval or the determination, within five working days after the approval or determination becomes final, with the county clerk of each county in which the project will be located. The notice shall identify the person or persons in subdivision (b) or (c) of Section 21065, as reflected in the agency’s record of proceedings, and indicate the determination of the local agency whether the project will, or will not, have a significant effect on the environment and shall indicate whether an environmental impact report has been prepared pursuant to this division. The notice shall also include certification that the final environmental impact report, if one was prepared, together with comments and responses, is available to the general public.

(b) If a local agency determines that a project is not subject to this division pursuant to subdivision (b) of Section 21080, and the local agency approves or determines to carry out the project, the local agency or the person specified in subdivision (b) or (c) of Section 21065 may file a notice of the determination with the county clerk of each county in which the project will be located. A notice filed pursuant to this subdivision shall identify the person or persons in subdivision (b) or (c) of Section 21065, as reflected in the agency’s record of proceedings. A notice filed pursuant to this subdivision by a person specified in subdivision (b) or (c) of Section 21065 shall have a certificate of determination attached to it issued by the local agency responsible for making the determination that the project is not subject to this division pursuant to subdivision (b) of Section 21080. The certificate of
determination may be in the form of a certified copy of an existing
document or record of the local agency:
(c) (1) A notice filed pursuant to this section shall be available
for public inspection, and shall be posted within 24 hours of receipt
in the office of the county clerk and on the lead agency's Internet
Web-site. A notice shall remain posted for a period of 30 days.
Thereafter, the clerk shall return the notice to the local agency with
a notation of the period it was posted. The local agency shall retain
the notice for not less than 12 months:
(2) If the lead agency cannot maintain an Internet Web site with
the information required pursuant to this section, the lead agency
shall provide a link on its Internet Web site that directs the user to
the required information:
(d) (1) A notice filed pursuant to this section shall also be filed
with the Office of Planning and Research:
(2) A notice filed pursuant to this subdivision shall be posted
by the Office of Planning and Research on its Internet Web site
within one business day after its filing. The notice shall be retained
on the Internet Web site for not less than 12 months:
SEC. 5. If the Commission on State Mandates determines that
this act contains costs mandated by the state, reimbursement to
local agencies and school districts for those costs shall be made
pursuant to Part 7 (commencing with Section 17500) of Division
4 of Title 2 of the Government Code.
SEC. 3. No reimbursement is required by this act pursuant to
Section 6 of Article XIII B of the California Constitution because
a local agency or school district has the authority to levy service
charges, fees, or assessments sufficient to pay for the program or
level of service mandated by this act, within the meaning of Section
An act to amend Sections 21060.5, 21068, 21080.5, 21083.9, 21092, 21092.2, 21092.3, 21100, 21108, 21152, and 21161 of, to amend, repeal, and add Section 21167.6 of, to add and repeal Section 21167.6.2 of, and to repeal Sections 21080.01, 21080.02, 21080.03, and 21080.04 of, the Public Resources Code, relating to the California Environmental Quality Act.

LEGISLATIVE COUNSEL'S DIGEST

SB 617, as amended, Evans. California Environmental Quality Act. (1) The California Environmental Quality Act (CEQA), referred to as CEQA requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report (EIR), referred to as an EIR on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

CEQA authorizes the Secretary of the Natural Resources Agency to certify a regulatory program that meets specified requirements. CEQA provides that written documentation required by those certified regulatory programs may be submitted in lieu of an EIR. CEQA requires
an administering agency to file with the secretary a notice of decision made pursuant to the certified regulatory program, which is required to be available for public inspection. CEQA requires a lead agency to call a scoping meeting for specified projects and provide a notice of the meeting to specified entities. CEQA requires the lead agency or a project proponent to file a notice of approval or determination with the Office of Planning and Research if the lead agency is a state agency or with the county clerk if the lead agency is a local agency. CEQA requires a public agency that has completed an EIR to file with the Office of Planning and Research a notice of completion.

CEQA requires a lead agency determining that an EIR is required for a project to send a notice of that determination to specified public agencies. CEQA requires a lead agency preparing an EIR, a negative declaration, or making a specified determination regarding a subsequent project to provide a public notice within a reasonable time period before the certification of the EIR, or the adoption of a negative declaration, or making the specified determination. CEQA requires those notices to be posted in the office of the county clerk in each county in which the project is located and requires the notices to remain posted for 30 days. CEQA requires the county clerk to post the notice within 24 hours of receipt.

This bill would additionally require the above mentioned notices to be filed with both the Office of Planning and Research and the county clerk and be posted by the county clerk for public review. The bill would require the county clerk to post the notices within one business day, as defined, of receipt and stamp on the notice the date on which the notices were actually posted. By expanding the services provided by the lead agency and the county clerk, this bill would impose a state-mandated local program. The bill would require the county clerk to post the notices for at least 30 days. The bill would require the Office of Planning and Research to post the notices on a publicly available online database established and maintained by the office. The bill would require the office to stamp the notices with the date on which the notices were actually posted for online review and would require the notices to be posted for at least 30 days. The bill would authorize the office to charge an administrative fee not to exceed $10 per notice filed. The bill would specify that a time period or limitation period specified by CEQA does not commence until the notice is actually posted for public review by the county clerk or is available in the online database, whichever is
later. The bill would require the notice of determination to be filed solely by the lead agency.

(2) CEQA authorizes, for a project that is determined by a state agency to be exempted from the requirements of CEQA, a state agency or a project proponent to file a notice of determination with the Office of Planning and Research. CEQA authorizes, for a project that is determined by a local agency to be exempted from the requirements of CEQA, a local agency or a project proponent to file a notice of determination with the county clerk of the county in which the project is located.

This bill would require that notice of determination be filed with both the Office of Planning and Research and the county clerk. By requiring a county clerk to receive and post that notice of determination filed by a state agency, this bill would impose a state-mandated local program. The bill would provide that notice of determination be filed by the lead agency only.

(3) This bill would require the Office of Planning and Research and the county clerk, after the posting of the notices filed with them, to return the notice to the filing agency with a notation of the period the notice was posted. By requiring a county clerk to return the notice, this bill would impose a state-mandated local program.

(4) CEQA establishes a procedure for the preparation and certification of the record of proceedings upon the filing of an action or proceeding challenging a lead agency’s action on the grounds of noncompliance with CEQA.

This bill would require, until January 1, 2017, the lead agency, at the request of a project applicant, to, among other things, prepare a record of proceedings concurrently with the preparation of negative declarations, mitigated negative declarations, EIRs, or other environmental documents for specified projects. Because the bill would require a lead agency to prepare the record of proceedings as provided, this bill would impose a state-mandated local program. The bill would condition, upon the consent of a lead agency that is a state agency, the application to state agency of the concurrent preparation of the record of proceedings.

(5) CEQA defines “environment” and “significant effect on the environment” for its purposes. CEQA requires the EIR to include a detailed statement setting forth specified facts.

This bill would revise those definitions, as specified. This bill would additionally require the lead agency to include in the EIR a detailed
statement on any significant effects that may result from locating
development near, or attracting people to, existing or reasonably
foreseeable natural hazards or adverse environmental conditions.
Because the lead agency would be required to undertake this additional
consideration, this bill would impose a state-mandated local program.

(6) The bill would repeal certain exemptions from the requirements
of CEQA related to the California Men’s Colony West Facility, a prison
facilities facility at or in the vicinity of Corcoran, a certain prison facility
in the County of King, and the Napa Valley Wine Train.

(7) The California Constitution requires the state to reimburse local
agencies and school districts for certain costs mandated by the state.
Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act
for a specified reason.

State-mandated local program: yes.

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

SECTION 1. Section 21060.5 of the Public Resources Code
is amended to read:

21060.5. “Environment” means the physical conditions that
exist within the area that will be affected by a proposed project,
including land, air, water, minerals, flora, fauna, noise, objects of
historic or aesthetic significance, as well as the health and safety
of people affected by the physical conditions at the location of a
project.

SEC. 2. Section 21068 of the Public Resources Code is
amended to read:

21068. “Significant effect on the environment” means a
substantial, or potentially substantial, adverse change in the
environment. “Significant effect on the environment” includes
exposure of people, either directly or indirectly, to substantial
existing or reasonably foreseeable natural hazard or adverse
condition of the environment.

SEC. 3. Section 21080.01 of the Public Resources Code is
repealed.

SEC. 4. Section 21080.02 of the Public Resources Code is
repealed.
SEC. 5. Section 21080.03 of the Public Resources Code is repealed.
SEC. 6. Section 21080.04 of the Public Resources Code is repealed.
SEC. 7. Section 21080.5 of the Public Resources Code is amended to read:
21080.5. (a) Except as provided in Section 21158.1, when the regulatory program of a state agency requires a plan or other written documentation containing environmental information and complying with paragraph (3) of subdivision (d) to be submitted in support of an activity listed in subdivision (b), the plan or other written documentation may be submitted in lieu of the environmental impact report required by this division if the Secretary of the Natural Resources Agency has certified the regulatory program pursuant to this section.
(b) This section applies only to regulatory programs or portions thereof that involve either of the following:
(1) The issuance to a person of a lease, permit, license, certificate, or other entitlement for use.
(2) The adoption or approval of standards, rules, regulations, or plans for use in the regulatory program.
(c) A regulatory program certified pursuant to this section is exempt from Chapter 3 (commencing with Section 21100), Chapter 4 (commencing with Section 21150), and Section 21167, except as provided in Article 2 (commencing with Section 21157) of Chapter 4.5.
(d) To qualify for certification pursuant to this section, a regulatory program shall require the utilization of an interdisciplinary approach that will ensure the integrated use of the natural and social sciences in decisionmaking and that shall meet all of the following criteria:
(1) The enabling legislation of the regulatory program does both of the following:
(A) Includes protection of the environment among its principal purposes.
(B) Contains authority for the administering agency to adopt rules and regulations for the protection of the environment, guided by standards set forth in the enabling legislation.
(2) The rules and regulations adopted by the administering agency for the regulatory program do all of the following:
(A) Require that an activity will not be approved or adopted as proposed if there are feasible alternatives or feasible mitigation measures available that would substantially lessen a significant adverse effect that the activity may have on the environment.

(B) Include guidelines for the orderly evaluation of proposed activities and the preparation of the plan or other written documentation in a manner consistent with the environmental protection purposes of the regulatory program.

(C) Require the administering agency to consult with all public agencies that have jurisdiction, by law, with respect to the proposed activity.

(D) Require that final action on the proposed activity include the written responses of the issuing authority to significant environmental points raised during the evaluation process.

(E) Require the filing of a notice of the decision by the administering agency on the proposed activity pursuant to Section 21092.3.

(F) Require notice of the filing of the plan or other written documentation to be posted pursuant to Section 21092.3 and made to the public and to a person who requests, in writing, notification. The notification shall be made in a manner that will provide the public or a person requesting notification with sufficient time to review and comment on the filing.

(3) The plan or other written documentation required by the regulatory program does both of the following:

(A) Includes a description of the proposed activity with alternatives to the activity, and mitigation measures to minimize any significant adverse effect on the environment of the activity.

(B) Is available for a reasonable time for review and comment by other public agencies and the general public.

(e) (1) The Secretary of the Natural Resources Agency shall certify a regulatory program that the secretary determines meets all the qualifications for certification set forth in this section, and withdraw certification on determination that the regulatory program has been altered so that it no longer meets those qualifications. Certification and withdrawal of certification shall occur only after compliance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(2) In determining whether or not a regulatory program meets the qualifications for certification set forth in this section, the
inquiry of the secretary shall extend only to the question of whether
the regulatory program meets the generic requirements of
subdivision (d). The inquiry may not extend to individual decisions
to be reached under the regulatory program, including the nature
of specific alternatives or mitigation measures that might be
proposed to lessen any significant adverse effect on the
environment of the activity.
(3) If the secretary determines that the regulatory program
submitted for certification does not meet the qualifications for
certification set forth in this section, the secretary shall adopt
findings setting forth the reasons for the determination.
(f) After a regulatory program has been certified pursuant to
this section, a proposed change in the program that could affect
compliance with the qualifications for certification specified in
subdivision (d) may be submitted to the Secretary of the Natural
Resources Agency for review and comment. The scope of the
secretary's review shall extend only to the question of whether the
regulatory program meets the generic requirements of subdivision
(d). The review may not extend to individual decisions to be
reached under the regulatory program, including specific
alternatives or mitigation measures that might be proposed to lessen
any significant adverse effect on the environment of the activity.
The secretary shall have 30 days from the date of receipt of the
proposed change to notify the state agency whether the proposed
change will alter the regulatory program so that it no longer meets
the qualification for certification established in this section and
will result in a withdrawal of certification as provided in this
section.
(g) An action or proceeding to attack, review, set aside, void,
or annul a determination or decision of a state agency approving
or adopting a proposed activity under a regulatory program that
has been certified pursuant to this section on the basis that the plan
or other written documentation prepared pursuant to paragraph (3)
of subdivision (d) does not comply with this section shall be
commenced not later than 30 days from the date of the posting of
notice of the approval or adoption of the activity pursuant to
Section 21092.3.
(h) (1) An action or proceeding to attack, review, set aside,
void, or annul a determination of the Secretary of the Natural
Resources Agency to certify a regulatory program pursuant to this
section on the basis that the regulatory program does not comply
with this section shall be commenced within 30 days from the date
of certification by the secretary.
(2) In an action brought pursuant to paragraph (1), the inquiry
shall extend only to whether there was a prejudicial abuse of
discretion by the secretary. Abuse of discretion is established if
the secretary has not proceeded in a manner required by law or if
the determination is not supported by substantial evidence.
(i) For purposes of this section, a county agricultural
commissioner is a state agency.
(j) For purposes of this section, an air quality management
district or air pollution control district is a state agency, except
that the approval, if any, by a district of a nonattainment area plan
is subject to this section only if, and to the extent that, the approval
adopts or amends rules or regulations.
(k) (1) The secretary, by July 1, 2004, shall develop a protocol
for reviewing the prospective application of certified regulatory
programs to evaluate the consistency of those programs with the
requirements of this division. Following the completion of the
development of the protocol, the secretary shall provide a report
to the Senate Committee on Environmental Quality and the
Assembly Committee on Natural Resources regarding the need
for a grant of additional statutory authority authorizing the secretary
to undertake a review of the certified regulatory programs.
(2) The secretary may update the protocol, and may update the
report provided to the legislative committees pursuant to paragraph
(1) and provide, in compliance with Section 9795 of the
Government Code, the updated report to those committees if
additional statutory authority is needed.
(3) The secretary shall provide a significant opportunity for
public participation in developing or updating the protocol
described in paragraph (1) or (2) including, but not limited to, at
least two public meetings with interested parties. A notice of each
meeting shall be provided at least 10 days prior to the meeting to
a person who files a written request for a notice with the agency
and to the Senate Committee on Environmental Quality and the
Assembly Committee on Natural Resources.
SEC. 8. Section 21083.9 of the Public Resources Code is
amended to read:
21083.9. (a) Notwithstanding Section 21080.4, 21104, or
21153, a lead agency shall conduct at least one public scoping
meeting for either of the following:
(1) A proposed project that may affect highways or other
facilities under the jurisdiction of the Department of Transportation
if the meeting is requested by the department. The lead agency
shall call the scoping meeting as soon as possible, but not later
than 30 days after receiving the request from the Department of
Transportation.
(2) A project of statewide, regional, or areawide significance.
(b) The lead agency shall provide notice of at least one public
scoping meeting held pursuant to paragraph (2) of subdivision (a)
by posting a notice of meeting pursuant to Section 21092.3, and
providing copies of the notice to all of the following:
(1) A county, city, or tribal land that borders on a county or city
within which the project is located, unless otherwise designated
annually by agreement between the lead agency and the county,
city, or tribal government.
(2) A responsible agency.
(3) A public agency that has jurisdiction by law with respect to
the project.
(4) A transportation planning agency or public agency required
to be consulted pursuant to Section 21092.4.
(5) A public agency, organization, or individual who has filed
a written request for the notice.
(c) For a public agency, organization, or individual that is
required to be provided notice of a lead agency public meeting,
the requirement for notice of a scoping meeting pursuant to
subdivision (b) may be met by including the notice of a scoping
meeting in the public meeting notice.
(d) A public scoping meeting that is held in the city or county
within which the project is located pursuant to the federal National
Environmental Policy Act of 1969 (42 U.S.C. Sec. 4321 et seq.)
and the regulations adopted pursuant to that act shall be deemed
to satisfy the requirement that a public scoping meeting be held
for a project subject to paragraph (2) of subdivision (a) if the lead
agency meets the notice requirements of subdivision (b) or
subdivision (c).
(e) The referral of a proposed action to adopt or substantially
amend a general plan to a city or county pursuant to paragraph (1)
of subdivision (a) of Section 65352 of the Government Code may
be conducted concurrently with the public scoping meeting required
pursuant to this section, and the city or county may submit its
comments as provided pursuant to subdivision (b) of that section
at the public scoping meeting.
SEC. 9. Section 21092 of the Public Resources Code is
amended to read:
21092. (a) A lead agency that is preparing an environmental
impact report or a negative declaration or making a determination
pursuant to subdivision (c) of Section 21157.1 shall provide public
notice of that fact within a reasonable period of time prior to
certification of the environmental impact report, adoption of the
negative declaration, or making the determination pursuant to
subdivision (c) of Section 21157.1.
(b) (1) The notice shall specify the period during which
comments will be received on the draft environmental impact
report or negative declaration, and shall include the date, time, and
place of any public meetings or hearings on the proposed project,
a brief description of the proposed project and its location, the
significant effects on the environment, if any, anticipated as a result
of the project, the address where copies of the draft environmental
impact report or negative declaration, and all documents referenced
in the draft environmental impact report or negative declaration,
are available for review, and a description of how the draft
environmental impact report or negative declaration can be
provided in an electronic format.
(2) This section shall not be construed in any manner that results
in the invalidation of an action because of the alleged inadequacy
of the notice content if there has been substantial compliance with
the notice content requirements of this section.
(3) The notice required by this section shall be filed and posted
pursuant to Section 21092.3 and given to the last known name and
address of all organizations and individuals who have previously
requested notice, and shall also be given by at least one of the
following procedures:
(A) Publication, no fewer times than required by Section 6061
of the Government Code, by the public agency in a newspaper of
general circulation in the area affected by the proposed project. If
more than one area will be affected, the notice shall be published
in the newspaper of largest circulation from among the newspapers
of general circulation in those areas.
(B) Posting of notice by the lead agency on- and off-site in the
area where the project is to be located.
(C) Direct mailing to the owners and occupants of contiguous
property shown on the latest equalized assessment roll.
(c) For a project involving the burning of municipal wastes,
hazardous waste, or refuse-derived fuel, including, but not limited
to, tires, meeting the qualifications of subdivision (d), notice shall
be given to all organizations and individuals who have previously
requested notice and shall also be given by at least the procedures
specified in subparagraphs (A), (B), and (C) of paragraph (3) of
subdivision (b). In addition, notification shall be given by direct
mailing to the owners and occupants of property within one-fourth
of a mile of any parcel or parcels on which is located a project
subject to this subdivision.
(d) The notice requirements of subdivision (c) apply to both of
the following:
(1) The construction of a new facility.
(2) The expansion of an existing facility that burns hazardous
waste which would increase its permitted capacity by more than
10 percent. For purposes of this paragraph, the amount of expansion
of an existing facility shall be calculated by comparing the
proposed facility capacity with whichever of the following is
applicable:
(A) The facility capacity approved in the facility’s hazardous
waste facilities permit pursuant to Section 25200 of the Health and
Safety Code or its grant of interim status pursuant to Section
25200.5 of the Health and Safety Code, or the facility capacity
authorized in any state or local agency permit allowing the
construction or operation of a facility for the burning of hazardous
waste, granted before January 1, 1990.
(B) The facility capacity authorized in the facility’s original
hazardous waste facilities permit, grant of interim status, or any
state or local agency permit allowing the construction or operation
of a facility for the burning of hazardous waste, granted on or after
January 1, 1990.
(e) The notice requirements specified in subdivision (b) or (c)
shall not preclude a public agency from providing additional notice
by other means if the agency so desires, or from providing the
public notice required by this section at the same time and in the same manner as public notice otherwise required by law for the project.

SEC. 10. Section 21092.2 of the Public Resources Code is amended to read:

21092.2. (a) The notices required pursuant to Sections 21080.4, 21080.5, 21083.9, 21092, 21108, 21152, and 21161 shall be mailed to every person who has filed a written request for notices with either the clerk of the governing body or, if there is no governing body, the director of the agency. If the agency offers to provide the notices by email, upon filing a written request for notices, a person may request that the notices be provided to him or her by email. The request may also be filed with any other person designated by the governing body or director to receive these requests. The agency may require requests for notices to be annually renewed. The public agency may charge a fee, except to other public agencies, that is reasonably related to the costs of providing this service.

(b) Subdivision (a) shall not be construed in any manner that results in the invalidation of an action because of the failure of a person to receive a requested notice, if there has been substantial compliance with the requirements of this section.

(c) The notices required pursuant to Sections 21080.4 and 21161 shall be provided by the State Clearinghouse to any legislator in whose district the project has an environmental impact, if the legislator requests the notice and the State Clearinghouse has received it.

SEC. 11. Section 21092.3 of the Public Resources Code is amended to read:

21092.3. (a) The notices required pursuant to Sections 21080.4, 21080.5, 21083.9, 21092, 21108, 21152, and 21161 shall be filed with and posted for public review in the office of the county clerk of each county in which the project will be located and shall remain posted for a period of at least 30 days or the full duration of any time period under this division that may commence upon the filing of the notice, whichever is longer. The clerk shall, thereafter, return the notice to the filing agency with a notation of the period it was posted. The county clerk shall post the notices within one business day of receipt and shall stamp on the notice the date on which it was actually posted for public review.
(b) The notices required pursuant to Sections 21080.4, 21080.5, 21083.9, 21092, 21108, 21152, and 21161 shall be filed with, and posted on, a publicly available, online database established and maintained by the Office of Planning and Research. The online database shall include the capability to view and download the notices in the form filed with the Office of Planning and Research. Notices filed in the online database shall be stamped by the Office of Planning and Research with the date on which they were actually posted for online review by the public, and shall remain electronically available in the database for a minimum of 10 years. The Office of Planning and Research shall retain the physical copy of the notice for at least 30 days or for the full duration of a time period required pursuant to this division that may commence upon the filing of the notice, whichever is longer. The Office of Planning and Research shall, thereafter, return the notice to the filing agency with a notation of the period it was posted. The Office of Planning and Research shall post the notices in its online database within one business day of receipt. The Office of Planning and Research may require the agency filing the notice to pay an administrative fee not to exceed ten dollars ($10) per notice filed for the purposes of maintaining its online database and implementing its duties under this section. The agency filing the notice may recover its filing costs from the person specified in subdivision (b) or (c) of Section 21065, as reflected in the agency’s record of proceedings.

(c) Any time periods or limitation periods established under this division that are subject to the notices posted under this section shall not commence until the notice is actually posted for public review by the county clerk and in the online database maintained by the Office of Planning and Research. If the county clerk and the Office of Planning and Research posts the notice on different days, the time period shall run from the date of the later posting.

(d) For the purposes of this section, “business days” does not include Saturday, Sunday, or a day observed as a holiday by the state government.

SEC. 12. Section 21100 of the Public Resources Code is amended to read:

21100. (a) All lead agencies shall prepare, or cause to be prepared by contract, and certify the completion of, an environmental impact report on any project which they propose to carry out or approve that may have a significant effect on the
environment. Whenever feasible, a standard format shall be used for environmental impact reports.

(b) The environmental impact report shall include a detailed statement setting forth all of the following:

(1) All significant effects on the environment of the proposed project.

(2) In a separate section:

(A) Any significant effect on the environment that cannot be avoided if the project is implemented.

(B) Any significant effect on the environment that would be irreversible if the project is implemented.

(3) Mitigation measures proposed to minimize significant effects on the environment, including, but not limited to, measures to reduce the wasteful, inefficient, and unnecessary consumption of energy.

(4) Alternatives to the proposed project.

(5) The growth-inducing impact of the proposed project.

(6) Any significant effects that may result from locating development near, or attracting people to, existing or reasonably foreseeable natural hazards or adverse environmental conditions.

(c) The report shall also contain a statement briefly indicating the reasons for determining that various effects on the environment of a project are not significant and consequently have not been discussed in detail in the environmental impact report.

(d) For purposes of this section, any significant effect on the environment shall be limited to substantial, or potentially substantial, adverse changes in physical conditions which exist within the area as defined in Section 21060.5.

(e) Previously approved land use documents, including, but not limited to, general plans, specific plans, and local coastal plans, may be used in cumulative impact analysis.

SEC. 13. Section 21108 of the Public Resources Code is amended to read:

21108. (a) If a state agency approves or determines to carry out a project that is subject to this division, the state agency shall file notice of that approval or that determination with the Office of Planning and Research and with the county clerk of each county in which the project will be located. The notice shall identify the person or persons in subdivision (b) or (c) of Section 21065, as reflected in the agency's record of proceedings, and indicate the
determination of the state agency whether the project will, or will not, have a significant effect on the environment and shall indicate whether an environmental impact report has been prepared pursuant to this division.

(b) If a state agency determines that a project is not subject to this division pursuant to subdivision (b) of Section 21080 or Section 21172, and the state agency approves or determines to carry out the project, the state agency may file notice of the determination with the county clerk of each county in which the project will be located and the Office of Planning and Research. A notice filed pursuant to this subdivision shall identify the person or persons in subdivision (b) or (c) of Section 21065, as reflected in the agency's record of proceedings. A notice filed pursuant to this subdivision by a person specified in subdivision (b) or (c) of Section 21065 shall have a certificate of determination attached to it issued by the state agency responsible for making the determination that the project is not subject to this division pursuant to subdivision (b) of Section 21080 or pursuant to Section 21172. The certificate of determination may be in the form of a certified copy of an existing document or record of the state agency.

SEC. 14. Section 21152 of the Public Resources Code is amended to read:

21152. (a) If a local agency approves or determines to carry out a project that is subject to this division, the local agency shall file notice of the approval or the determination within five working days after the approval or determination becomes final, with the county clerk of each county in which the project will be located and with the Office of Planning and Research. The notice shall identify the person or persons in subdivision (b) or (c) of Section 21065, as reflected in the agency's record of proceedings, and indicate the determination of the local agency whether the project will, or will not, have a significant effect on the environment and shall indicate whether an environmental impact report has been prepared pursuant to this division. The notice shall also include certification that the final environmental impact report, if one was prepared, together with comments and responses, is available to the general public.

(b) If a local agency determines that a project is not subject to this division pursuant to subdivision (b) of Section 21080 or pursuant to Section 21172, and the local agency approves or
determines to carry out the project, the local agency may file a
notice of the determination with the county clerk of each county
in which the project will be located and the Office of Planning and
Research. A notice filed pursuant to this subdivision shall identify
the person or persons in subdivision (b) or (c) of Section 21065,
as reflected in the agency's record of proceedings. A notice filed
pursuant to this subdivision shall have a certificate of determination
attached to it issued by the local agency responsible for making
the determination that the project is not subject to this division
pursuant to subdivision (b) of Section 21080 or Section 21172.
The certificate of determination may be in the form of a certified
copy of an existing document or record of the local agency.
SEC. 15. Section 21161 of the Public Resources Code is
amended to read:
21161. Whenever a public agency has completed an
environmental impact report, it shall cause a notice of completion
of that report to be filed with the county clerk of each county in
which the project will be located and the Office of Planning and
Research. The notice of completion shall briefly identify the project
and shall indicate that an environmental impact report has been
prepared. The notice of completion shall identify the project
location by latitude and longitude. Failure to file the notice required
by this section shall not affect the validity of a project.
SEC. 16. Section 21167.6 of the Public Resources Code is
amended to read:
21167.6. Notwithstanding any other law, in all actions or
proceedings brought pursuant to Section 21167, except as provided
for in Section 21167.6.2 or those involving the Public Utilities
Commission, all of the following shall apply:
(a) At the time that the action or proceeding is filed, the plaintiff
or petitioner shall file a request that the respondent public agency
prepare the record of proceedings relating to the subject of the
action or proceeding. The request, together with the complaint or
petition, shall be served personally upon the public agency not
later than 10 business days from the date that the action or
proceeding was filed.
(b) (1) The public agency shall prepare and certify the record
of proceedings not later than 60 days from the date that the request
specified in subdivision (a) was served upon the public agency.
Upon certification, the public agency shall lodge a copy of the
record of proceedings with the court and shall serve on the parties
notice that the record of proceedings has been certified and lodged
with the court. The parties shall pay any reasonable costs or fees
imposed for the preparation of the record of proceedings in
conformance with any law or rule of court.
(2) The plaintiff or petitioner may elect to prepare the record
of proceedings or the parties may agree to an alternative method
of preparation of the record of proceedings, subject to certification
of its accuracy by the public agency, within the time limit specified
in this subdivision.
(c) The time limit established by subdivision (b) may be
extended only upon the stipulation of all parties who have been
properly served in the action or proceeding or upon order of the
court. Extensions shall be liberally granted by the court when the
size of the record of proceedings renders infeasible compliance
with that time limit. There is no limit on the number of extensions
that may be granted by the court, but no single extension shall
exceed 60 days unless the court determines that a longer extension
is in the public interest.
(d) If the public agency fails to prepare and certify the record
within the time limit established in paragraph (1) of subdivision
(b), or any continuances of that time limit, the plaintiff or petitioner
may move for sanctions, and the court may, upon that motion,
grant appropriate sanctions.
(e) The record of proceedings shall include, but is not limited
to, all of the following items:
(1) All project application materials.
(2) All staff reports and related documents prepared by the
respondent public agency with respect to its compliance with the
substantive and procedural requirements of this division and with
respect to the action on the project.
(3) All staff reports and related documents prepared by the
respondent public agency and written testimony or documents
submitted by any person relevant to any findings or statement of
overriding considerations adopted by the respondent agency
pursuant to this division.
(4) Any transcript or minutes of the proceedings at which the
decisionmaking body of the respondent public agency heard
testimony on, or considered any environmental document on, the
project, and any transcript or minutes of proceedings before any
advisory body to the respondent public agency that were presented

to the decisionmaking body prior to action on the environmental
documents or on the project.

(5) All notices issued by the respondent public agency to comply

with this division or with any other law governing the processing

and approval of the project.

(6) All written comments received in response to, or in

connection with, environmental documents prepared for the project,

including responses to the notice of preparation.

(7) All written evidence or correspondence submitted to, or

transferred from, the respondent public agency with respect to

compliance with this division or with respect to the project.

(8) Any proposed decisions or findings submitted to the

decisionmaking body of the respondent public agency by its staff,

or the project proponent, project opponents, or other persons.

(9) The documentation of the final public agency decision,

including the final environmental impact report, mitigated negative

declaration, or negative declaration, and all documents, in addition

to those referenced in paragraph (3), cited or relied on in the

findings or in a statement of overriding considerations adopted

pursuant to this division.

(10) Any other written materials relevant to the respondent

public agency’s compliance with this division or to its decision on

the merits of the project, including the initial study, any drafts of

any environmental document, or portions thereof, that have been

released for public review, and copies of studies or other documents

relied upon in any environmental document prepared for the project

and either made available to the public during the public review

period or included in the respondent public agency’s files on the

project, and all internal agency communications, including staff

notes and memoranda related to the project or to compliance with

this division.

(11) The full written record before any inferior administrative

decisionmaking body whose decision was appealed to a superior

administrative decisionmaking body prior to the filing of litigation.

(f) In preparing the record of proceedings, the party preparing

the record shall strive to do so at reasonable cost in light of the

scope of the record.

(g) The clerk of the superior court shall prepare and certify the

clerk’s transcript on appeal not later than 60 days from the date
that the notice designating the papers or records to be included in
the clerk's transcript was filed with the superior court, if the party
or parties pay any costs or fees for the preparation of the clerk's
transcript imposed in conformance with any law or rules of court.
Nothing in this subdivision precludes an election to proceed by
appendix, as provided in Rule 8.124 of the California Rules of
Court.

(h) Extensions of the period for the filing of any brief on appeal
may be allowed only by stipulation of the parties or by order of
the court for good cause shown. Extensions for the filing of a brief
on appeal shall be limited to one 30-day extension for the
preparation of an opening brief, and one 30-day extension for the
preparation of a responding brief, except that the court may grant
a longer extension or additional extensions if it determines that
there is a substantial likelihood of settlement that would avoid the
necessity of completing the appeal.

(i) At the completion of the filing of briefs on appeal, the
appellant shall notify the court of the completion of the filing of
briefs, whereupon the clerk of the reviewing court shall set the
appeal for hearing on the first available calendar date.

(j) This section shall remain in effect only until January 1, 2017,
and as of that date is repealed, unless a later enacted statute, that
is enacted before January 1, 2017, deletes or extends that date.

SEC. 17. Section 21167.6 is added to the Public Resources
Code, to read:

21167.6. Notwithstanding any other law, in all actions or
proceedings brought pursuant to Section 21167, except those
involving the Public Utilities Commission, all of the following
shall apply:

(a) At the time that the action or proceeding is filed, the plaintiff
or petitioner shall file a request that the respondent public agency
prepare the record of proceedings relating to the subject of the
action or proceeding. The request, together with the complaint or
petition, shall be served personally upon the public agency not
later than 10 business days from the date that the action or
proceeding was filed.

(b) (1) The public agency shall prepare and certify the record
of proceedings not later than 60 days from the date that the request
specified in subdivision (a) was served upon the public agency.
Upon certification, the public agency shall lodge a copy of the
record of proceedings with the court and shall serve on the parties
notice that the record of proceedings has been certified and lodged
with the court. The parties shall pay any reasonable costs or fees
imposed for the preparation of the record of proceedings in
conformance with any law or rule of court.
(2) The plaintiff or petitioner may elect to prepare the record
of proceedings or the parties may agree to an alternative method
of preparation of the record of proceedings, subject to certification
of its accuracy by the public agency, within the time limit specified
in this subdivision.
(c) The time limit established by subdivision (b) may be
extended only upon the stipulation of all parties who have been
properly served in the action or proceeding or upon order of the
court. Extensions shall be liberally granted by the court when the
size of the record of proceedings renders infeasible compliance
with that time limit. There is no limit on the number of extensions
that may be granted by the court, but no single extension shall
exceed 60 days unless the court determines that a longer extension
is in the public interest.
(d) If the public agency fails to prepare and certify the record
within the time limit established in paragraph (1) of subdivision
(b), or any continuances of that time limit, the plaintiff or petitioner
may move for sanctions, and the court may, upon that motion,
grant appropriate sanctions.
(e) The record of proceedings shall include, but is not limited
to, all of the following items:
(1) All project application materials.
(2) All staff reports and related documents prepared by the
respondent public agency with respect to its compliance with the
substantive and procedural requirements of this division and with
respect to the action on the project.
(3) All staff reports and related documents prepared by the
respondent public agency and written testimony or documents
submitted by any person relevant to any findings or statement of
overriding considerations adopted by the respondent agency
pursuant to this division.
(4) Any transcript or minutes of the proceedings at which the
decisionmaking body of the respondent public agency heard
testimony on, or considered any environmental document on, the
project, and any transcript or minutes of proceedings before any
advisory body to the respondent public agency that were presented
to the decisionmaking body prior to action on the environmental
documents or on the project.
(5) All notices issued by the respondent public agency to comply
with this division or with any other law governing the processing
and approval of the project.
(6) All written comments received in response to, or in
connection with, environmental documents prepared for the project,
including responses to the notice of preparation.
(7) All written evidence or correspondence submitted to, or
transferred from, the respondent public agency with respect to
compliance with this division or with respect to the project.
(8) Any proposed decisions or findings submitted to the
decisionmaking body of the respondent public agency by its staff,
or the project proponent, project opponents, or other persons.
(9) The documentation of the final public agency decision,
including the final environmental impact report, mitigated negative
declaration, or negative declaration, and all documents, in addition
to those referenced in paragraph (3), cited or relied on in the
findings or in a statement of overriding considerations adopted
pursuant to this division.
(10) Any other written materials relevant to the respondent
public agency’s compliance with this division or to its decision on
the merits of the project, including the initial study, any drafts of
any environmental document, or portions thereof, that have been
released for public review, and copies of studies or other documents
relied upon in any environmental document prepared for the project
and either made available to the public during the public review
period or included in the respondent public agency’s files on the
project, and all internal agency communications, including staff
notes and memoranda related to the project or to compliance with
this division.
(11) The full written record before any inferior administrative
decisionmaking body whose decision was appealed to a superior
administrative decisionmaking body prior to the filing of litigation.
(f) In preparing the record of proceedings, the party preparing
the record shall strive to do so at reasonable cost in light of the
scope of the record.
(g) The clerk of the superior court shall prepare and certify the
clerk’s transcript on appeal not later than 60 days from the date
that the notice designating the papers or records to be included in
the clerk’s transcript was filed with the superior court, if the party
or parties pay any costs or fees for the preparation of the clerk’s
transcript imposed in conformance with any law or rules of court.
Nothing in this subdivision precludes an election to proceed by
appendix, as provided in Rule 8.124 of the California Rules of
Court.

(h) Extensions of the period for the filing of any brief on appeal
may be allowed only by stipulation of the parties or by order of
the court for good cause shown. Extensions for the filing of a brief
on appeal shall be limited to one 30-day extension for the
preparation of an opening brief, and one 30-day extension for the
preparation of a responding brief, except that the court may grant
a longer extension or additional extensions if it determines that
there is a substantial likelihood of settlement that would avoid the
necessity of completing the appeal.

(i) At the completion of the filing of briefs on appeal, the
appellant shall notify the court of the completion of the filing of
briefs, whereupon the clerk of the reviewing court shall set the
appeal for hearing on the first available calendar date.

(j) This section shall become operative on January 1, 2017.

SEC. 18. Section 21167.6.2 is added to the Public Resources
Code, to read:

21167.6.2. (a) (1) Notwithstanding Section 21167.6, for a
project described in subdivision (f), upon the written request of a
project applicant received no later than 30 days after the date that
a lead agency makes a determination pursuant to subdivision (a)
of Section 21080.1, Section 21094.5, or Chapter 4.2 (commencing
with Section 21155), the lead agency shall prepare and certify the
record of proceedings in the following manner:

(1) (A) The lead agency for the project shall prepare the record of
proceedings pursuant to this division concurrently with the
administrative process.

(2) (B) All documents and other materials placed in the record of
proceedings that are not otherwise exempted from public disclosure
shall be posted on, and be downloadable from, an Internet Web
site maintained by the lead agency commencing with the date of
the release of the draft environmental document for a project
specified in subdivision (f). If the lead agency cannot maintain an
Internet Web site with the information required pursuant to this
section, the lead agency shall provide a link on the agency’s
Internet Web site to that information.

(3) Except as provided in subdivision (r) of Section 6254 of the
Government Code, Section 6254.10 of the Government Code,
Section 304 of the National Historic Preservation Act (16 U.S.C.
Sec. 470w-3), or subdivision (d) of Section 15120 of Title 14 of
the California Code of Regulations, the

(C) The lead agency shall make available to the public, in a
readily accessible electronic format, the draft environmental
document for a project specified in subdivision (f) and all other
documents submitted to, cited by, or relied on by, the lead agency
in the preparation of the draft environmental document for a project
specified in subdivision (f).

(4)

(D) A document prepared by the lead agency or submitted by
the applicant after the date of the release of the draft environmental
document for a project specified in subdivision (f) that is a part of
the record of the proceedings shall be made available to the public
in a readily accessible electronic format within five business days
after the document is released or received by the lead agency.

(5)

(E) The lead agency shall encourage written comments on the
project to be submitted in a readily accessible electronic format,
and shall make any comment available to the public in a readily
accessible electronic format within five days of its receipt.

(6)

(F) Within seven business days after the receipt of any comment
that is not in an electronic format, the lead agency shall convert
that comment into a readily accessible electronic format and make
it available to the public in that format.

(7)

(G) The lead agency shall certify the record of proceedings
within 30 days after the filing of the notice required pursuant to
Section 21108 or 21152.

(2) This subdivision does not require the disclosure or posting
of a trade secret, as defined in Section 6254.7 of the Government
Code, information about the location of archaeological sites or
sacred lands, or other information that is subject to the exemption
from disclosures specified in Section 6254 of the Government Code.

(b) Any dispute regarding the record of proceedings shall be resolved by the court in an action or proceeding brought pursuant to Section 21167. The parties shall meet and confer in good-faith effort to resolve any dispute before seeking resolution in court.

(c) The content of the record of proceedings shall be as specified in subdivision (e) of Section 21167.6.

(d) Subdivisions (g) to (i), inclusive, of Section 21167.6 are applicable to an appeal of a decision in an action or proceeding brought pursuant to Section 21167.

(e) The negative declaration, mitigated negative declaration, draft and final environmental impact report, or other environmental document for a project specified in subdivision (f) shall include a notice in no less than 12-point type stating the following:

"THIS NEGATIVE DECLARATION, MITIGATED NEGATIVE DECLARATION, EIR, OR ENVIRONMENTAL DOCUMENT IS SUBJECT TO SECTION 21167.6.2 OF THE PUBLIC RESOURCES CODE, WHICH REQUIRES THE RECORD OF PROCEEDINGS FOR THIS PROJECT TO BE PREPARED CONCURRENTLY WITH THE ADMINISTRATIVE PROCESS, DOCUMENTS PREPARED BY, OR SUBMITTED TO, THE LEAD AGENCY TO BE POSTED ON THE LEAD AGENCY’S INTERNET WEB SITE, AND THE LEAD AGENCY TO ENCOURAGE WRITTEN COMMENTS ON THE PROJECT TO BE SUBMITTED TO THE LEAD AGENCY IN A READILY ACCESSIBLE ELECTRONIC FORMAT."

(f) This section applies to the record of proceedings for the preparation of a negative declaration, mitigated negative declaration, environmental impact report, or other environmental document prepared for any of the following:

(1) A project determined to be of statewide, regional, or areawide environmental significance pursuant to subdivision (d) of Section 21083.

(2) A project subject to Section 21094.5 or Chapter 4.2 (commencing with Section 21155).
(3) (A) A project, other than one described in paragraphs (1) and (2), for which the lead agency consents to prepare the record of proceedings pursuant to this paragraph.

(B) The lead agency shall respond to a request by the project applicant within 10 business days from the date that the request pursuant to subdivision (a) is received by the lead agency.

(C) A project applicant and the lead agency may mutually agree, in writing, to extend the time period for the lead agency to respond pursuant to subparagraph (B), but they shall not extend that period beyond the commencement of the public review period for the proposed negative declaration, mitigated negative declaration, or draft environmental impact report.

(D) The request to prepare a record of proceedings pursuant to this paragraph shall be deemed denied if the lead agency fails to respond within 10 business days of receiving the request or within the time period agreed upon pursuant to subparagraph (C), whichever ends later.

(g) The project applicant shall reimburse the lead agency for the costs incurred in compliance with this section in a manner specified by the lead agency, and a plaintiff or petitioner in an action or proceeding filed pursuant to Section 21167, if any, is not required to pay these costs.

(h) For a lead agency that is a state agency, the preparation of the record of proceedings pursuant to this section applies if the state agency consents to the preparation of the record of proceedings pursuant to this section.

(i) The written request of the applicant submitted pursuant to subdivision (a) shall include an agreement to pay all of the lead agency’s costs in preparing and certifying the record of proceedings pursuant to this section and complying with the requirements of this section in a manner specified by the lead agency.

(i)
(j) This section shall remain in effect only until January 1, 2017, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2017, deletes or extends that date.

SEC. 19. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.
April 17, 2013

Attention: Legislation, Conservation and Outreach Committee

New WaterSmart Regional Water Conservation Website (Information)

Purpose
To preview the new WaterSmart regional water conservation website before it is launched. The website is being developed to provide the Water Authority and its member agencies with an updated, comprehensive online source of programs, tools and information to educate and assist water users in their efforts to improve water use efficiency.

Background
The Water Authority developed its first regional water conservation website, www.20gallonchallenge.com, in 2007. The Water Authority created this site in response to worsening water supply conditions in accordance with the regional Drought Management Plan (now called the Water Shortage and Drought Response Plan). The website supported the 20-Gallon Challenge drought response outreach campaign and provided a regional resource for tips, tools, rebates and programs to foster immediate and enhanced voluntary conservation efforts.

As water supply conditions worsened through 2008 and 2009, the Water Authority implemented additional stages of the Drought Management Plan, including ramped-up communication efforts. These efforts included a $1.8 million regional advertising and outreach campaign. The 20-Gallon Challenge website was a major referral point for advertising and outreach messages. At the height of the outreach campaign, the website received more than 20,000 visitors a month. Communications at this time were focused primarily on immediate calls for water use reductions in response to the drought conditions. After April 2009, messaging also helped ensure the region would achieve water shortage allocations imposed by the Metropolitan Water District of Southern California. (These mandatory allocations went into effect in July 2009 and lasted until April 2011.)

However, the Water Authority and its member agencies also recognized the need to eventually develop a longer-term outreach platform to support ongoing regional water use efficiency efforts regardless of hydrologic conditions. In 2008, the Water Authority, along with its member agencies and various public and private stakeholder groups, met and conducted focus groups and other research to develop a long-term approach for promoting water use efficiency. The long-term plan’s objectives were to increase awareness of water-efficient lifestyle choices, increase favorable public perception of water-efficient landscapes, and accelerate consumer acceptance of water-saving products and services in the market through the introduction of an umbrella water conservation brand. The brand identity this process produced, called “WaterSmart,” was adopted by the Water Authority’s Conservation Ad Hoc Committee in July 2008 and the Water Authority Board in September 2008.

In 2010, following several consecutive years of significant regional water use reductions and the adoption of new state legislation mandating per-capita water use be reduced 20 percent from
baseline levels by 2020, the Board requested staff to re-evaluate the Water Authority’s suite of existing and planned water conservation programs. The Water Authority convened member agency managers and conservation program staff to identify and prioritize water conservation program activities. Five core activities were identified by the majority of member agency managers as priorities:

- Residential water use surveys;
- K-12 educational programs;
- Landscape audits;
- Maximizing participation in MWD device-based incentive programs; and,
- Development of regional “how to” resource tools for member agencies and consumers to make it easier for customers to improve their water efficiency.

In December 2010, the Board directed staff to focus on these five categories of activities. In response, staff planned for the development of several resource tools, including a new website to promote the water-efficient “WaterSmart” lifestyle, during fiscal years 2012-2013. Funding for the development of these tools, including up to $150,000 for website development, was approved by the Board as part of the fiscal years 2012-2013 budget.

**Discussion**

The WaterSmart website will assist member agencies in keeping water use on track to meet their state-mandated 2020 targets. It will be a comprehensive, go-to source for finding information, tools and programs that support water-efficient lifestyle choices. Its website address will be separate and distinct from the Water Authority website, with its own unique domain name (www.watersmartsd.org).

Visually, the WaterSmart website also will have its own distinct identity. Based on research conducted as part of the development of the WaterSmart brand, the site uses a Mediterranean color palette to represent the San Diego region’s climate and lifestyle. The site’s content is designed to inform and inspire, ranging from program information to showcases of lush, water-efficient landscapes. Information is organized to be relevant to different target audiences, such as residential, businesses (including agriculture), homeowners associations, public sector water users, and teachers and students. During development, member agency conservation coordinators were consulted on content and design, and previewed its look and feel. The site’s content will include:

- Current water conservation programs and incentives;
- Tools and resources, including in-depth “how-to guides” and an online home water use calculator;
- Indoor and outdoor water conservation tips;
- Water conservation news and events;
- Video and photo galleries;
- Case studies (cases will be added over time);
- Frequently Asked Questions; and,
- Links to member agencies and partners, including the Water Conservation Garden and San Diego Botanic Garden.
The WaterSmart website will also allow users to subscribe to the Water Authority’s water conservation-themed e-newsletter and to specific pages on the site. Visitors will also be able to register for Water Authority classes or events. A password-protected area will be provided for member agencies and partners to access and share program materials.

Testing of the website is under way, with a launch date expected in May. After its launch, the Water Authority will market the WaterSmart website through several methods, including targeted advertising, media relations, e-newsletters, social media, and member agency outreach. The Water Authority will encourage other organizations to establish links to the new website to increase public awareness and use.

Prepared by: Michele Shumate, Water Resource Specialist
Reviewed by: Jason Foster, Director of Public Outreach and Conservation
Small Contractor Outreach and Opportunities Program (SCOOP) Quarterly Report

Background
The purpose of SCOOP is to maximize small-business participation on Water Authority contracts and procurements. SCOOP provides small businesses with resources and information through training, networking, and technical assistance. This report provides a summary of SCOOP program metrics and activities from July 1, 2012 through December 31, 2012.

Discussion
Outreach Activities
Water Authority representatives participated in 22 events with 20 various organizations and other government agencies. Major outreach events included the Caltrans Imperial Valley Procurement Fair, with 200 attendees; MANA’s Latina Success - Mujeres de Exito conference, with 400 attendees; and The Blue Book General Contractor Showcase, with more than 200 contractors and subcontractors. The Blue Book Building and Construction Network is a directory of suppliers, vendors, manufacturers, contractors, architects and other construction-related companies.

A highlight of the second quarter was the Energy and Water Efficiency Event for Small Businesses, co-hosted by the Water Authority and SDG&E. The event was funded in part by California utility customers under the auspices of the California Public Utilities Commission, and paid for in part through a grant from the Conservation Partners. The forum drew 114 attendees and included networking, a tour of the Energy Innovations Center and presentations on energy efficiency, water efficiency, and doing business with the Water Authority and SDG&E.

Training
Two hundred sixty-nine attendees, representing 99 unique firms, attended SCOOP training through the second quarter of FY 2013.

A panel discussion workshop on Teaming with Prime Contractors and Consultants featured representatives from Atkins North America, Dudek, Helix Environmental Planning, Kiewit Shea Desalination, and L.H. Woods & Sons, Inc. These five firms have worked on Water Authority projects and have included small businesses as subconsultants or subcontractors on their teams. During the discussion, panelists shared information on how to do business with them, tips on how small businesses can market themselves, and expectations related to job performance.

Online training represented 20 percent of SCOOP training participation. The online course system that hosts SCOOP training modules had 2,822 page visits, with an average of 470 page views per month. With the introduction of two new online tutorials - Bidding and Estimating and
Introduction to Surety Bonds, which were launched on December 3 – SCOOP now offers four online courses. Online modules provided 55 individuals the option of accessing SCOOP training material at their convenience this quarter.

Ratings from the course evaluations indicated continued high levels of satisfaction with both the classroom and online training program. Although they did not report the exact number of contracts or specific dollar amounts, seven companies listed receiving contracts or subcontracts with the Water Authority on their evaluations.

SCOOP Enhancements
As approved by the Board of Directors in March 2012, staff is working to implement three program enhancements: a Sheltered Market Program; bonding enhancements; and a Clearinghouse system for small-business registration.

The Sheltered Market Program will limit competition on certain solicitations valued at $10,000 to $150,000 to small businesses only. Staff is working with the system administrator on modifications to The Network, our e-procurement system. These modifications will improve functionality and accommodate the Sheltered Market process, which will launch on May 1, 2013.

The Clearinghouse will seek to evaluate the interest and feasibility of sharing one small-business registration system among multiple Southern California water agencies. Staff has evaluated registration systems used by other agencies and has also been attending the California Certification Alliance for Business meetings hosted by the Metropolitan Water District of Southern California. The purpose of the CCAB is to explore a uniform vendor registration system that would be hosted by MWD and that could be accessed by each agency’s e-procurement system. The advantage of this approach would be a Clearinghouse for registered small businesses; however, small businesses would still have to register separately in each agency’s procurement system. Reciprocity, in which an agency accepts another agency’s small-business certifications, was also discussed. Agencies participating in CCAB include SANDAG, the State of California, the Port of Long Beach, Los Angeles World Airports, Los Angeles Unified School District, the City of Los Angeles, Caltrans, L.A. Metro, and the University of Southern California.

Program Measurements
The Water Authority’s cumulative contract and purchase order awards through the second quarter of fiscal year 2013 was approximately $28 million. Small businesses received approximately $10 million, or 37 percent, of total dollars awarded, with $7.7 million awarded in construction, $2.2 million awarded for professional services, and $407,000 awarded for purchase orders. Minority- and women-owned businesses received $1.8 million.
The number of companies receiving contract or purchase order awards during the quarter was 238. Of those, 102, or 43 percent, were small businesses. Thirty-three, or 14 percent, were minority-and women-owned businesses.

Further details of SCOOP statistics are given in Table 1. SCOOP Measurements Summary. Information on minority-owned and women-owned businesses is made available to the Board for statistical purposes only.

Prepared by: Emily Yanushka, SCOOP Manager
Reviewed by: Denise Vedder, Senior Public Affairs Manager
Reviewed by: Jason Foster, Director of Public Outreach and Conservation
April 17, 2013

Attention: Legislation, Conservation and Outreach Committee

Government Relations Update (Information)

Discussion
This report is an update of the Water Authority’s government relations program.

The Legislature
Policy committee hearings on legislation introduced in 2013 began in early April. In a separate memo, staff is recommending positions on a number of bills this month; additional recommendations will be brought before the board over the course of the next several months.

Budget
The Governor’s “May Revise” budget is expected to be released in the second week of May. The release of the May Revise represents a turning point each year in the development of the ultimate budget passed by the Legislature. Issues of interest to the Water Authority in the budget process include the Colorado River Board, Department of Water Resources, and Department of Fish and Game relating to the Salton Sea.

Water Bond
Four bills have been introduced to modify or repeal the 2014 water bond. It is expected that several of these bills will be amended before they are heard in policy committees. The Water Authority’s legislative advocates have been participating in discussions at ACWA on how the water bond may be restructured. A separate memo on the 2014 water bond seeks board direction on Water Authority priorities in a revised water bond.

Bay-Delta
Since mid-March, the state Natural Resources Agency has released, in draft form, the first seven chapters of the Bay Delta Conservation Plan, and plans to release the remaining five draft chapters the week of April 22. Public meetings will also be held to review the drafts. Later this year, Resources is expected to release the associated environment impact report/environmental impact statement (EIR/EIS) for public comment.

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 March:

- Provided strategic advice and information regarding the Water Authority’s legislative interests.
• Conferred with the Assembly Speaker and the Senate President pro tem regarding the Water Authority’s interests.
• Scheduling and participating in meetings with Water Authority directors and staff on March 12.

John White’s activities in March included:

• Provided strategic advice and information regarding the Water Authority’s legislative interests.
• Scheduling and participating in meetings with Water Authority directors and staff on March 12.

**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: Dennis A. Cushman, Assistant General Manager
Reviewed by: Maureen A. Stapleton, General Manager
April 17, 2013

Attention: Legislation Conservation and Outreach Committee

Status Report on Legislation and Legislative Positions. (Information)

Background
Water Authority staff is currently reviewing and monitoring 155 bills in the Legislature for potential impact on the organization and its member agencies. Some of these bills are placeholder bills that do not propose substantive changes in the law, but which may be amended to propose such changes. Assembly and Senate policy committees must hear and report on fiscal bills in their respective houses by May 3, and on non-fiscal bills by May 10.

The Water Authority’s staff and legislative advocates review each bill in the context of the adopted 2013 Legislative Policy Guidelines. The Legislative Policy Guidelines provide direction to staff and the Water Authority’s legislative advocates to communicate support of, or opposition to legislation and amendments. Bills for which staff recommends a position are brought before the Legislation, Conservation and Outreach Committee and the Board for consideration.

Discussion
As of April 9, 2013, the Board is sponsoring one bill in the Legislature, and has taken a position of Support on five bills, a position of Oppose unless amended on one bill, and is watching two bills.

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 2013 Legislative Policy Guidelines. Attached is a matrix outlining current positions on legislation of interest to the Water Authority as of April 9, 2013. Also attached is a comprehensive list of bills that are under review and are being monitored by staff and legislative advocates.

Prepared by: Alexi Schnell, Management Analyst
Reviewed by: Dennis A. Cushman, Assistant General Manager

Attachments: 1. Matrix summarizing the Water Authority’s current positions on 2013-2014 legislation as of April 9, 2013
               2. List of legislation under review by Water Authority staff as of April 9, 2013
<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 115</td>
<td>Perea</td>
<td><strong>Safe Drinking Water State Revolving Fund</strong>&lt;br&gt;Under existing law, the California Department of Public Health is responsible for regulating public water systems, including small water systems, and for administering the Safe Drinking Water Revolving Fund (SDWRF) to provide grants and loans to public water systems to enable them to deliver water meeting drinking water standards. While CDPH has been effective in its regulation of large water systems, it has not been able to administer the SDWRF in a manner that would allow small disadvantaged communities to correct water quality problems in a timely manner. In addition, CDPH is a small part of the Health and Human Resources Agency (CHHSA) and often does not get the attention or resources needed to fulfill its mission.&lt;br&gt;&lt;br&gt;AB 115 is one in a suite of bills designed to help solve water quality problems in disadvantaged communities. AB 115 would make it easier for water suppliers to apply for funds under the Safe Drinking Water Revolving Fund.&lt;br&gt;&lt;br&gt;<strong>Status:</strong>&lt;br&gt;Assembly Appropriations Committee</td>
<td>Support (28-Mar-13)</td>
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<tr>
<td>AB 145</td>
<td>Perea</td>
<td><strong>State Water Resources Control Board: Drinking Water</strong>&lt;br&gt;Under existing law, the California Department of Public Health is responsible for regulating public water systems, including small water systems, and for administering the Safe Drinking Water Revolving Fund (SDWRF) to provide grants and loans to public water systems to enable them to deliver water meeting drinking water standards. While CDPH has been effective in its regulation of large water systems, it has not been able to administer the SDWRF in a manner that would allow small disadvantaged communities to correct water quality problems in a timely manner. In addition, CDPH is a small part of the Health and Human Resources Agency (CHHSA) and often does not get the attention or resources needed to fulfill its mission.&lt;br&gt;&lt;br&gt;AB 145 would move the Division of Drinking Water and Environmental Management from the Department of Public Health to the State Water Resources Control Board (SWRCB). The intent is to consolidate the state's drinking water regulatory authority and to eliminate inefficiencies. However, the SWRCB is focused on environmental issues. Drinking water regulation should stay where there is a public health focus. The amendment sought would allow the program, if the program is moved, to be a stand-alone program under another agency where it would retain a public health focus, such as Cal EPA.&lt;br&gt;&lt;br&gt;<strong>Status:</strong>&lt;br&gt;Assembly Committee on Environmental Safety and Toxic Materials</td>
<td>Oppose unless amended (28-Mar-13)</td>
</tr>
<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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| AB 762      | Patterson | **Renewable Energy Resources: Hydroelectric Generation**  
Under existing Public Utilities Code, the California Renewables Portfolio Standard Program (Program) requires the Public Utilities Commission to implement annual targets for procurement of eligible renewable energy resources. The code identifies eligible hydroelectric facilities as 30 megawatts or smaller that meet the specified criteria. The existing code includes in-line hydroelectric facilities similar to the Rancho Penasquitos Hydroelectric facility, but does not include pumped-storage facilities similar to the Lake Hodges Hydroelectric facility.  
AB 762 would amend the Public Utilities Code and Program to include eligible hydroelectric generation facilities of any size that meet the specified criteria. The Water Authority currently has no in-line hydroelectric facilities larger than 30 megawatts and does not foresee any future hydroelectric facilities exceeding this threshold. However, it may provide greater opportunity and flexibility for renewable energy opportunities in the future for the Water Authority and its member agencies.  
**Status:**  
Assembly Committee on Utilities and Commerce | Support (28-Mar-13) |
| AB 763      | Buchanan | **Aquatic Invasive Plants: Control and Eradication**  
Existing law designates the Department of Boating and Waterways (DBW) as the lead agency for controlling certain invasive plants in the Sacramento-San Joaquin Delta, its tributaries and the marsh.  
AB 763 would additionally designate the Department of Boating and Waterways as the lead agency for cooperating with other state and local agencies, and agencies of the U.S., in identifying, detecting, controlling, and administering programs to manage and eradicate invasive aquatic plants, instead of requiring legislative action each time an agency identifies a new species of invasive aquatic plant. The bill would authorize the DBW to take any action it determines is necessary to implement statewide management and eradication measures for these plants. The bill would require the DBW to consult with various other agencies to prioritize treatment, and determine the best methods of implementing identification, control and eradication methods. The DBW would also be required to notify the Department of Fish and Wildlife (DFW), and the DFW would be required to conduct a risk assessment and to report its findings to the Department of Boating and Waterways. Criteria for consideration would be whether the species may cause environmental damage, may cause harm to the state’s economy or infrastructure, or may obstruct navigation and recreational use of waterways or cause potential harm to manmade facilities.  
**Status:**  
Assembly Committee on Water, Parks and Wildlife | Support (28-Mar-13) |
AB 803  Hueso  Recycled Water  
In 2012, WateReuse sponsored AB 2398 to expedite permitting of recycled water in California. The Bill was held in the Senate with a commitment to convene a series of bicameral meetings to identify impediments to recycled water development and develop agreed-upon solutions. AB 803 is proposing legislative solutions in three key areas:

1. **Update of Titles 17 and 22 through statutory changes:**
   Existing law requires the California Department of Public Health to adopt uniform regulations regarding the use of recycled water. The existing Title 22 and Title 17 regulations are out of date. This legislation avoids the need for a regulatory updating by proposing statutory changes to definitions and compliance procedures in the recycled water regulations to clarify and simplify requirements.

2. **Alignment of Health and Safety Code and Water Code requirements for reporting spills**
   Existing law has inconsistent requirements for reporting spills of unauthorized discharge of recycled water.

3. **Point of Compliance for Advanced Treated Purified Water**
   Existing law requires an NPDES permit for discharge to surface waters including the augmentation of drinking reservoirs with advanced treated purified water. AB 803 states that where discharge requirements apply, the compliance point for the water quality of advanced treated purified water can be the point where it enters a raw water conveyance facility, rather than at the point of discharge. This will make it easier to allow the use of existing raw water pipelines to transport advanced treated purified water.

**Status:**
Assembly Committee on Water, Parks and Wildlife
## San Diego County Water Authority
### Summary of Current Positions on 2013-2014 Legislation
as of April 9, 2013

<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>AB 1258</td>
<td>Skinner</td>
<td><strong>Electricity: Hydroelectric Facilities</strong>&lt;br&gt; The Public Utilities Commission has regulatory authority over public utilities and can establish its own procedures. Under existing law, the Public Utilities Commission is required to open a new proceeding to determine the appropriate targets, if any, for each load-serving entity to procure viable and cost-effective energy storage systems to be achieved by December 31, 2015 and December 31, 2020.&lt;br&gt; AB 1258 would require the Public Utilities Commission to open a new proceeding or expand the scope of an existing proceeding to determine the potential use of hydroelectric facilities and specified pumped storage facilities (Helms, Balsam, Oroville and San Luis pumped storage facilities) to provide energy resources with delivery characteristics that may include dispatchable baseload, firm, and as-available capacity.&lt;br&gt; The Water Authority’s Lake Hodges pumped storage facility and the proposed San Vicente pumped storage project are similar types of facilities to the four pump storage facilities listed above.&lt;br&gt; <strong>Status:</strong>&lt;br&gt; Assembly Committee on Utilities and Commerce</td>
<td>Watch (28-Mar-13)</td>
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<tr>
<td>AB 1349</td>
<td>Gatto</td>
<td><strong>CalConserve Water Use Efficiency</strong>&lt;br&gt; In 2009, the legislature adopted SBX 7-7, which requires urban water agencies to reduce per capita water use 20 percent by 2020. AB 1349 would establish a sustainable funding source for loans for water use efficiency projects to reduce urban per capita water use, reduce greenhouse gas emissions through water efficiency, facilitate recycled water, and improve agricultural water use efficiency. The CalConserve Water Use Efficiency Fund would be created in the State Treasury. When appropriated, funds would be deposited into the revolving fund and repaid by loan recipients for future disbursements. The Department of Water Resources would manage the fund and would enter into agreements with local government agencies or investor-owned utilities that provide water or recycled water service, to provide loans for local water use efficiency or recycled water projects.&lt;br&gt; <strong>Status:</strong>&lt;br&gt; Assembly Committee on Water, Parks and Wildlife</td>
<td>Support (28-Mar-13)</td>
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<td>Bill Number</td>
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<tr>
<td>SB 425</td>
<td>DeSaulnier</td>
<td><strong>Public Works Peer Review Act of 2013</strong></td>
<td>Watch (28-Mar-13)</td>
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</table>

SB 425 would require any public works project valued at greater than $1 billion, inclusive of development, construction and projected maintenance costs, to establish a peer review group responsible for reviewing: 1) project demand studies; 2) design and engineering models and estimates; and 3) construction, testing and inspection practices. The peer review group would conduct all its business in a publicly accessible forum subject to the requirements of the Bagley-Keene Open Meeting Act and the peer review group would be required to submit documentation similar to a Form 700 statement disclosing their financial interests and lack of conflict of interest with the project. The administrating agency’s process of establishing the peer review group would be reviewed by the Bureau of State Audits to verify the selection of the peer group members was done according to a transparent process. The bill would prohibit a peer review group from taking action until a charter is created and agreed upon by the project agency and the relevant legislative body, which could lead to possible project delays.

SB 425 is duplicative of industry standard practices for large public works infrastructure projects. It is common to establish boards of senior consultants to advise and guide the project team with the design, construction and operation of large “megaprojects,” which are the subject of SB 425, and to dissect a project’s elements by a value engineering team to maximize the cost benefit. Value engineering is mandated for large Water Authority projects and boards of senior consultants were employed for the Olivenhain and San Vicente Dam projects. The use of boards of senior consultants and value engineering are recognized as “best practices” in public works and are often utilized on large complex projects. The peer review group as envisioned by this legislation attempts to combine these two industry-accepted practices into one and may not achieve the results anticipated.

**Status:**
Senate Committee on Governmental Organization
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<td><strong>CA AB 7</strong></td>
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<td><strong>CA AB 21</strong></td>
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<tr>
<td><strong>TITLE:</strong> Safe Drinking Water Small Community Grant Fund</td>
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</table>
HEARING: 04/10/2013 9:00 am

SUMMARY: Authorizes the assessment of a specified annual charge in lieu of interest on loans for water projects made pursuant to the Safe Drinking Water State Revolving Fund, and the deposit of that money into the Safe Drinking Water State Small Community Emergency Grant Fund. Authorizes the expending of the money in the fund for grants for specified water projects that serve disadvantaged and severely disadvantaged communities.

STATUS: 02/14/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

CA AB 26

AUTHOR: Bonilla [D]

TITLE: Greenhouse Gas Reduction Fund

FISCAL COMMITTEE: yes

URGENCY CLAUSE: no

INTRODUCED: 12/03/2012

LAST AMEND: 03/19/2013

DISPOSITION: Pending

COMMITTEE: Assembly Natural Resources Committee

HEARING: 04/29/2013 1:30 pm


STATUS: 03/19/2013 To ASSEMBLY Committee on NATURAL RESOURCES.

03/19/2013 From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.

03/19/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.

CA AB 30

AUTHOR: Perea [D]

TITLE: Water Quality

FISCAL COMMITTEE: yes

URGENCY CLAUSE: no

INTRODUCED: 12/03/2012

LAST AMEND: 01/24/2013

DISPOSITION: Pending

COMMITTEE: Assembly Appropriations Committee

HEARING: 04/10/2013 9:00 am

SUMMARY: Amends the Porter-Cologne Water Quality Control Act to authorize the Water Resources Control Board to assess an annual charge in connection with any financial assistance under the Water Pollution Control Revolving Fund without a change unless it is determined that the charge is not consistent with federal requirements regarding the fund, at which time the board would replace the charge with an identical interest rate. Relates to deposits to another specified water pollution control fund.

STATUS: 02/12/2013 From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Do pass to Committee on APPROPRIATIONS. (5-0)
CA AB 37

AUTHOR: Perea [D]
TITLE: Environmental Quality Act: Record of Proceedings
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 12/03/2012
LAST AMEND: 03/18/2013
DISPOSITION: Pending
COMMITTEE: Assembly Natural Resources Committee
HEARING: 04/15/2013 1:30 pm
SUMMARY:
Requires, for specified projects or upon the request of a project applicant and the consent of the lead agency, that the lead agency 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:
03/18/2013 From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.
03/18/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.

CA AB 39

AUTHOR: Skinner [D]
TITLE: Proposition 39: Implementation
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 12/03/2012
LAST AMEND: 04/09/2013
DISPOSITION: Pending
COMMITTEE: Assembly Natural Resources Committee
HEARING: 04/15/2013 1:30 pm
SUMMARY:
Requires the State Energy Resources Conservation and Development Commission to administer grants, loans, or other financial assistance to an eligible institution, defined as a public school, for the purpose of projects that create jobs by reducing energy demand and consumption at eligible institutions. Requires the computation and record of energy saved. Sets forth the project prioritization requirements for projects funded by the Jobs Creation Fund.
STATUS:
04/09/2013 From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.
04/09/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.

CA AB 52

AUTHOR: Gatto [D]
TITLE: Native Americans: California Environmental Quality Act
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 12/21/2012
LAST AMEND: 04/08/2013
DISPOSITION: Pending
COMMITTEE: Assembly Natural Resources Committee
HEARING: 04/15/2013 1:30 pm
SUMMARY:
Requires the Office of Planning and Research to revise the criteria for determining whether a proposed project has a significant effect on the environment to include effects on Native American cultural resources, sacred sites, or tribal reservation or rancheria community as required under the California Environmental Quality Act.

STATUS:
04/08/2013 From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.
04/08/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.

CA AB 69

AUTHOR: Perea [D]
TITLE: Groundwater: Nitrate at Risk Area Fund
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/10/2013
DISPOSITION: Pending
COMMITTEE: Assembly Appropriations Committee
HEARING: 04/10/2013 9:00 am
SUMMARY:
Establishes the Nitrate at Risk Area Fund. Provides that moneys in the fund would be available for the purposes of developing and implementing sustainable and affordable solutions for disadvantaged communities in specified areas designated by the State Department of Public Health, in conjunction with the State Water Resources Control Board.

STATUS:
03/12/2013 From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Do pass to Committee on APPROPRIATIONS. (8-0)

CA AB 71

AUTHOR: Perez V [D]
TITLE: Salton Sea Restoration
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/10/2013
LAST AMEND: 03/18/2013
DISPOSITION: Pending
COMMITTEE: Assembly Appropriations Committee
HEARING: 04/10/2013 9:00 am
SUMMARY:
Requires the Secretary of the Natural Resources Agency to lead Salton Sea restoration efforts. Requires the secretary to form a technical advisory group to provide guidance about evaluating, developing, or proposing future restoration or economic development activities. Requires the secretary to seek input from the Salton Sea Authority with regard to specified components of the restoration of the Salton Sea. Authorizes a restoration funding and feasibility study by the authority.

STATUS:
04/02/2013 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS. (15-0)
CA AB 72

**AUTHOR:** Holden [D]

**TITLE:** Municipal Water District: Board of Directors

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 01/10/2013

**LAST AMEND:** 03/19/2013

**DISPOSITION:** Pending

**FILE:** 30

**LOCATION:** Assembly Third Reading File

**SUMMARY:** Requires the directors of a municipal water district, except directors elected at a district formation election, to take office on the first Friday in December succeeding their election.

**STATUS:**

04/08/2013 In ASSEMBLY. Read second time. To third reading.

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CA AB 115

**AUTHOR:** Perea [D]

**TITLE:** Safe Drinking Water State Revolving Fund

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 01/14/2013

**DISPOSITION:** Pending

**COMMITTEE:** Assembly Appropriations Committee

**HEARING:** 04/10/2013 9:00 am

**SUMMARY:** Relates to the state Safe Drinking Water Act. Authorizes the Department of Public Health to fund projects by grant or loan where multiple water systems apply for funding as a single applicant for the purpose of consolidating water systems or extending services to households relying on private wells. Authorizes funding of a project to benefit a disadvantaged community.

**STATUS:**

03/12/2013 From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Do pass to Committee on APPROPRIATIONS. (8-0)

**NOTES:**

SDCWA Position: Support (3-28-2013)

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CA AB 118

**AUTHOR:** Env Safety & Toxic Material Cmt

**TITLE:** Safe Drinking Water State Revolving Fund

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 01/14/2013

**DISPOSITION:** Pending

**COMMITTEE:** Assembly Appropriations Committee

**HEARING:** 04/10/2013 9:00 am

**SUMMARY:** Authorizes the State Department of Public Health to adopt interim regulations for purposes of implementing provisions 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 at least 20 years.

**STATUS:**

03/12/2013 From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Do pass to Committee on
CA AB 119

AUTHOR: Env Safety & Toxic Material Cmt
TITLE: Water Treatment Devices
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/14/2013
LAST AMEND: 04/01/2013
DISPOSITION: Pending
COMMITTEE: Assembly Health Committee
HEARING: 04/09/2013 1:30 pm
SUMMARY:
Requires each manufacturer that offers for sale a water treatment device for which it makes a health of safety claim to submit specified information, including the manufacturer's contact information, product identification information, and the specific contaminant claimed to be removed or reduced by the device. Requires each manufacturer to pay a reasonable regulatory fee.
STATUS:
04/09/2013 From ASSEMBLY Committee on HEALTH: Do pass as amended to Committee on APPROPRIATIONS.

CA AB 142

AUTHOR: Perea [D]
TITLE: Safe, Clean, and Reliable Drinking Water Supply Act
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/17/2013
LAST AMEND: 03/19/2013
DISPOSITION: Pending
LOCATION: Assembly Water, Parks and Wildlife Committee
SUMMARY:
Requires a state department that expends moneys in grants or other expenditures from the Safe, Clean, and Reliable Drinking Water Supply Act of 2012 to provide information to the Treasurer within a specified time period including the total amount of moneys spent on each project or program, the specified location of the project, and the detailed description of the project. Requires the Treasurer to post this information on its Internet Web site.
STATUS:
03/19/2013 To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
03/19/2013 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.
03/19/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.

CA AB 145

AUTHOR: Perea [D]
TITLE: State Water Resources Control Board: Drinking Water
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/18/2013
DISPOSITION: Pending
LOCATION: Assembly Environmental Safety and Toxic Materials Committee
SUMMARY:
Transfers to the State Water Resources Control Board the various duties and responsibilities imposed on the State Department of Public Health by the State Safe Drinking Water Act and the Safe Drinking Water State Revolving Fund Law of 1997.

**STATUS:**
04/02/2013 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE:  Do pass to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS. (9-2)

**NOTES:**
SDCWA Position: Oppose unless amended (3-28-2013)

CA AB 147

**AUTHOR:** Perez V [D]
**TITLE:** Environment: Salton Sea: Dust Mitigation
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** no
**INTRODUCED:** 01/18/2013
**LAST AMEND:** 04/09/2013
**DISPOSITION:** Pending
**LOCATION:** Assembly Water, Parks and Wildlife Committee

Summary:
Requires the Secretary of the Natural Resources Agency to develop a strategic plan, containing specified elements, to guide the implementation of a project to monitor and mitigate dust pollution created at the Salton Sea as a result of the implementation of the Quantification Settlement Agreement.

**STATUS:**
04/09/2013 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.
04/09/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.

CA AB 148

**AUTHOR:** Perez V [D]
**TITLE:** Renewable Energy: Salton Sea
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** no
**INTRODUCED:** 01/18/2013
**DISPOSITION:** Pending
**COMMITTEE:** Assembly Natural Resources Committee
**HEARING:** 04/15/2013 1:30 pm
**SUMMARY:**
Requires the Natural Resources Agency to establish a Salton Sea Renewable Energy and Biofuel Research and Development Program in the Salton Sea basin to meet high-priority economic and environmental goals by providing grants to facilitate research and the commercial development of renewable energy and biofuel resources.

**STATUS:**
02/15/2013 To ASSEMBLY Committees on NATURAL RESOURCES and WATER, PARKS AND WILDLIFE.

CA AB 153

**AUTHOR:** Bonilla [D]
**TITLE:** Global Warming Solutions Act of 2006: Offsets
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** no
**INTRODUCED:** 01/18/2013

Summary:
Amends the Global Warming Solutions Act of 2006. Requires the State Air Resources Board to adopt a specified process for the review and consideration of new offset protocols and, commencing in 2014 and continuing thereafter, use that process to review and consider new offset protocols.

Excepts from the Public Employees' Pension Reform Act of 2013 certain multiemployer plans authorized under federal law and retirement plans for public employees whose collective bargaining rights are protected by a specified provision of federal law.

Prohibits a local government from denying an eligible facilities request for a modification of an existing wireless telecommunications facility that does not substantially change the physical dimension of the facility. Requires the local government to act on a request within a specified time period of that request. Prohibits the local government from requiring proof of gap in coverage as part of the approval of the request.
### CA AB 164

**Author:** Wieckowski [D]

**Title:** Infrastructure Financing

**Fiscal Committee:** no

**Urgency Clause:** no

**Introduced:** 01/23/2013

**Disposition:** Pending

**Location:** Assembly Local Government Committee

**Summary:**
Requires a lease agreement between a governmental agency undertaking an infrastructure project and a private entity to include performance bonds as security to ensure the completion of the construction of the facility and payment bonds to secure the payment of claims of laborers, mechanics, and materialmen employed on the work under contract.

**Status:**
- 01/31/2013 To ASSEMBLY Committee on LOCAL GOVERNMENT.

### CA AB 185

**Author:** Hernandez R [D]

**Title:** Open and Public Meetings: Televised Meetings

**Fiscal Committee:** yes

**Urgency Clause:** no

**Introduced:** 01/28/2013

**Last Amend:** 04/02/2013

**Disposition:** Pending

**Committee:** Assembly Local Government Committee

**Hearing:** 04/17/2013 1:30 pm

**Summary:**
Provides that an audio or video recording of an open and public meeting made at the direction of a local agency may be erased or destroyed 2 years after the recording. Requires a local agency that collects a franchise fee from the holder of a state franchise that provides PEG channels to televise open and public meetings of its legislative body and planning commission and, if financially feasible, to televise the open and public meetings of its advisory committee. Requires franchise fees for this purpose.

**Status:**
- 04/02/2013 From ASSEMBLY Committee on LOCAL GOVERNMENT with author’s amendments.
- 04/02/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.

### CA AB 194

**Author:** Campos [D]

**Title:** Open Meetings: Protections for Public Criticism

**Fiscal Committee:** yes

**Urgency Clause:** no

**Introduced:** 01/28/2013

**Disposition:** Pending

**Committee:** Assembly Local Government Committee

**Hearing:** 04/24/2013 1:30 pm

**Summary:**
Makes it a misdemeanor for a member of a legislative body, while acting as a chairperson of a legislative body of a local agency, to prohibit public criticism protected under the Ralph M. Brown Act. Authorizes a district attorney to
commence an action for the purpose of obtaining a judicial determination that an action taken by a legislative body of a local agency in violation of the protection for public criticism is null and void.

**STATUS:**
02/07/2013  To ASSEMBLY Committee on LOCAL GOVERNMENT.

**CA AB 218**

**AUTHOR:** Dickinson [D]

**TITLE:** Employment Applications: Criminal History

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/04/2013

**DISPOSITION:** Pending

**LOCATION:** Assembly Second Reading File

**SUMMARY:**
Prohibits a state or local agency from asking an applicant to disclose information regarding a criminal conviction until after the applicant's qualifications for the position have been determined to meet the requirements for the position. Includes specified findings and declarations of the Legislature in support of this policy.

**STATUS:**
04/02/2013  From ASSEMBLY Committee on JUDICIARY:  Do pass as amended to Committee on APPROPRIATIONS. (6-3)

**CA AB 229**

**AUTHOR:** Perez J [D]

**TITLE:** Infrastructure and Revitalization Financing Districts

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/04/2013

**LAST AMEND:** 04/08/2013

**DISPOSITION:** Pending

**COMMITTEE:** Assembly Local Government Committee

**HEARING:** 04/17/2013 1:30 pm

**SUMMARY:**
Authorizes the creation of an infrastructure and revitalization financing district and the issuance of debt with voter approval. Authorizes the creation of a district for up to 40 years and the issuance of debt with a final maturity date of up to 30 years. Authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases.

**STATUS:**
04/08/2013  From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.

04/08/2013  In ASSEMBLY.  Read second time and amended.  Re-referred to Committee on LOCAL GOVERNMENT.

**CA AB 240**

**AUTHOR:** Rendon [D]

**TITLE:** Mutual Water Companies

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/05/2013

**DISPOSITION:** Pending

**COMMITTEE:** Assembly Local Government Committee

**HEARING:** 04/17/2013 1:30 pm
SUMMARY:
Permits the board of directors of a mutual water company, if authorized by its articles or bylaws, to record a notice of lien against a shareholder's property if the shareholder has not timely paid any rate, charge, or assessment arising from, or related to, water services provided by the mutual water company to the shareholder's property and if the shareholder was given at least 20 days' notice of the lien.

STATUS:
02/15/2013 To ASSEMBLY Committee on LOCAL GOVERNMENT.

CA AB 246
AUTHOR: Bradford [D]
TITLE: Local Government: Open Meetings
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/06/2013
DISPOSITION: Pending
FILE: 31
LOCATION: Assembly Third Reading File

SUMMARY:
Makes technical, nonsubstantive changes to the Ralph M. Brown Act; authorizes the legislative body of a local agency to hold closed sessions with the Governor.

STATUS:
04/08/2013 In ASSEMBLY. Read second time. To third reading.

CA AB 259
AUTHOR: Logue [R]
TITLE: Nursing: CPR in Emergency Situations
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/07/2013
LAST AMEND: 03/19/2013
DISPOSITION: Pending
COMMITTEE: Assembly Health Committee
HEARING: 04/09/2013 1:30 pm

SUMMARY:
Makes refusing to administer cardiopulmonary resuscitation in an emergency situation unprofessional conduct for purposes of the Nursing Practice Act. Provides that if a skilled nursing facility, intermediate care facility, or a congregate living health facility implements or enforces a policy that prohibits a licensed professional nurse employed by the facility from administering cardiopulmonary resuscitation, that policy is void as against public policy.

STATUS:
04/09/2013 From ASSEMBLY Committee on HEALTH: Do pass as amended to Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION.

CA AB 262
AUTHOR: Waldron [R]
TITLE: Local Government: Organization
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/07/2013
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:
Makes technical, nonsubstantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 that governs the procedures for the formation, change of organization, and reorganization of cities and special districts.

STATUS:

02/07/2013 INTRODUCED.

CA AB 277

AUTHOR: Hall [D]
TITLE: Tribal Gaming: Compact Ratification
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/11/2013
LAST AMEND: 03/21/2013
DISPOSITION: Pending
LOCATION: Assembly Governmental Organization Committee
SUMMARY: Ratifies the tribal-state gaming compact entered into between the State and the North Fork Rancheria Band of Mono Indians, executed on a specified date. Ratifies the tribal-gaming compact entered into between the State and the Wiyot Tribe, executed on a specified date. Provides that, in deference to tribal sovereignty, certain actions are not projects for purposes of the California Environmental Quality Act.

STATUS:

03/21/2013 From ASSEMBLY Committee on GOVERNMENTAL ORGANIZATION with author's amendments.

03/21/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on GOVERNMENTAL ORGANIZATION.

CA AB 279

AUTHOR: Dickinson [D]
TITLE: Financial Affairs
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/11/2013
LAST AMEND: 03/21/2013
DISPOSITION: Pending
LOCATION: Assembly Second Reading File
SUMMARY: Relates to the instruments in, and criteria by, which a local agency, may invest and deposit its funds, including its surplus funds. Removes the term certificates of deposit and instead authorizes a local agency to invest in deposits. Excludes from public funds reporting requirements specified deposits required under these provisions.

STATUS:

04/08/2013 From ASSEMBLY Committee on BANKING AND FINANCE: Do pass. To Consent Calendar.

CA AB 288

AUTHOR: Levine [D]
TITLE: Oil and Gas: Hydraulic Fracturing
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/11/2013
LAST AMEND: 04/08/2013
DISPOSITION: Pending  
COMMITTEE: Assembly Natural Resources Committee  
HEARING: 04/15/2013 1:30 pm  
SUMMARY: Defines hydraulic fracturing and requires the operator of a well, at least 30 days prior to any hydraulic fracturing operations, to file with the State Oil and Gas Supervisor or the district deputy a written notice of intention to commence hydraulic fracturing. Prohibits any hydraulic fracturing operations until written approval is given by the supervisor or district deputy.

STATUS:  
04/08/2013 From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.  
04/08/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.

CA AB 295  
AUTHOR: Salas [D]  
TITLE: Statewide Water Reliability Act of 2014  
FISCAL COMMITTEE: yes  
URGENCY CLAUSE: no  
INTRODUCED: 02/11/2013  
LAST AMEND: 03/19/2013  
DISPOSITION: Pending  
LOCATION: Assembly Water, Parks and Wildlife Committee  
SUMMARY: Enacts the Statewide Water Reliability Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds to finance a public benefits associated with water storage projects program. Provides for submission of this bond act to the voters at the November 4, 2014, statewide general election. 
STATUS:  
03/19/2013 To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.  
03/19/2013 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.  
03/19/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.

CA AB 378  
AUTHOR: Hueso [D]  
TITLE: Resources: Delta Research  
FISCAL COMMITTEE: yes  
URGENCY CLAUSE: no  
INTRODUCED: 02/14/2013  
DISPOSITION: Pending  
LOCATION: Assembly Accountability and Administrative Review Committee  
SUMMARY: Requires a person conducting Delta research whose research is funded, in whole or in part, by the state, to take specified actions with regard to the sharing of the primary data, samples, physical collections, and other supporting materials created or gathered in the course of that research. Authorizes the Delta Independent Science Board to adopt guidelines to provide adjustments to, and, where essential, exceptions from, these requirements. 
STATUS:  
03/07/2013 To ASSEMBLY Committees on ACCOUNTABILITY AND
CA AB 380

AUTHOR: Dickinson [D]
TITLE: California Environmental Quality Act: Notice
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/14/2013
DISPOSITION: Pending
LOCATION: Assembly Local Government Committee
SUMMARY: Amends the California Environmental Quality Act. Requires that notices regarding environmental impact reports filed by lead agencies need to be filed with the Office of Planning and Research and the county clerk and posted by that clerk for public review. Provides additional duties regarding that notice by the Office and the county clerk. Provides notice requirements for projects that are determined to be exempted from the Act.

STATUS: 04/01/2013 From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on LOCAL GOVERNMENT. (6-2)

CA AB 407

AUTHOR: Perez V [D]
TITLE: New River Watershed Water Quality: Environment
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/15/2013
LAST AMEND: 03/21/2013
DISPOSITION: Pending
COMMITTEE: Assembly Environmental Safety and Toxic Materials Committee
HEARING: 04/16/2013 1:30 pm
SUMMARY: Requires the Natural Resources Agency and the Environmental Protection Agency to establish and administer the New River Watershed Water Quality, Public Health and River Parkway Development Program to coordinate the funding and implementation of the recommendations from the new River Improvement Project strategic plan. Requires a state agency awarding or granting funds for the implementation of the plan to integrate and align the contractual and administrative requirements for grants, loans, contracts.

STATUS: 03/21/2013 From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS with author's amendments.
03/21/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.

CA AB 416

AUTHOR: Gordon [D]
TITLE: Local Emission Reduction Program
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/15/2013
LAST AMEND: 04/04/2013
DISPOSITION: Pending
COMMITTEE: Assembly Local Government Committee
HEARING: 04/10/2013 1:30 pm
SUMMARY:
Creates the Local Emission Reduction Program and requires money to be available from the general fund for providing grants and other financial assistance to develop and implement greenhouse gas emissions reduction projects in the state, giving consideration to the ability of a project to create local job training and job creation benefits and achieve greenhouse gas emissions reduction. Provides the public entities that will be required to administer the program.

STATUS:
04/04/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.

CA AB 426

AUTHOR: Salas [D]
TITLE: Water Transfers: Temporary Changes
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/15/2013
LAST AMEND: 03/19/2013
DISPOSITION: Pending
LOCATION: Assembly Water, Parks and Wildlife Committee
SUMMARY:
Allows a water permittee or licensee to make a temporary change in the point of diversion, place of use, or purpose of use, up to the amount of the permit or license, in order to transfer or exchange water or water rights through a water transfer agreement if specific requirements are met. Requires the permittee or licensee to submit a notice of the transfer or exchange that includes specific information. Requires the State Water Resources Board to post that information on its Web site.

STATUS:
03/19/2013 To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
03/19/2013 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.
03/19/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.

CA AB 467

AUTHOR: Stone [D]
TITLE: Freshwater Protection Act
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/19/2013
LAST AMEND: 03/19/2013
DISPOSITION: Pending
COMMITTEE: Assembly Environmental Safety and Toxic Materials Committee
HEARING: 04/16/2013 1:30 pm
SUMMARY:
Establishes the Freshwater Protection Fund in the State Treasury, under the administration of the State Water Resources Control Board. Provides that money in the fund at the close of the fiscal year shall remain in the fund and shall not revert to the general fund. Requires the State Water Resources Control
Board, upon appropriation, to expend money from the fund for various purposes generally relating to groundwater and water quality.

**STATUS:**
- **03/19/2013** To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
- **03/19/2013** From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS with author's amendments.
- **03/19/2013** In ASSEMBLY. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.

**CA AB 504**

| AUTHOR: | Chesbro [D] |
| TITLE: | Fish and Game Commission: Salmon and Groundfish |
| FISCAL COMMITTEE: | yes |
| URGENCY CLAUSE: | no |
| INTRODUCED: | 02/20/2013 |
| DISPOSITION: | Pending |
| LOCATION: | Assembly Water, Parks and Wildlife Committee |
| SUMMARY: | Reduces the number of regular meetings per year for the Fish and Game Commission. Deletes a requirement regarding meeting notices. Revises provisions regarding the adding, amending, or repeal of regulations. Adds provisions regarding the regulation pertaining to salmon and groundfish seasons and hours, the bag and possession limits, and total take. |

**STATUS:**
- **03/04/2013** To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.

**CA AB 515**

| AUTHOR: | Dickinson [D] |
| TITLE: | California Environmental Quality Act: Judicial Review |
| FISCAL COMMITTEE: | yes |
| URGENCY CLAUSE: | no |
| INTRODUCED: | 02/20/2013 |
| LAST AMEND: | 03/11/2013 |
| DISPOSITION: | Pending |
| LOCATION: | Assembly Judiciary Committee |
| SUMMARY: | Establishes a CEQA Compliance Division of the Superior Court in a county in which the Attorney General maintains an office. Provides the division with original jurisdiction over actions of proceedings brought pursuant to the CEQA and matters related to land use and environmental laws. Provides decisions of the division may be reviewed by way of a petition for an extraordinary writ. Provides the contents of a writ if a public agency is found to be in error and what action the agency must take to comply. |

**STATUS:**
- **03/11/2013** Re-referred to ASSEMBLY Committees on JUDICIARY and NATURAL RESOURCES.
- **03/11/2013** From ASSEMBLY Committee on JUDICIARY with author's amendments.
- **03/11/2013** In ASSEMBLY. Read second time and amended. Re-referred to Committee on JUDICIARY.

**CA AB 519**

| AUTHOR: | Logue [R] |
| TITLE: | Unfair Competition |
Relates to unfair competition. Requires the court, prior to the imposition of any civil penalty, to consider all factors in mitigation of both the imposition and amount of any civil penalty.

STATUS:
04/02/2013 In ASSEMBLY Committee on JUDICIARY: Not heard.

CA AB 527

AUTHOR: Gaines B [R]

TITLE: Global Warming Solutions: Western Climate Initiative

SUMMARY: Relates to global warming and greenhouse gases. Subjects the Western Climate Initiative, Incorporated, and its appointees to the Bagley-Keene Open Meeting Act when performing their duties. Prohibits the state board from making a payment pursuant to any agreement, or contract with the Western Climate Initiative, Incorporated, unless the state board makes a finding of compliance with the Bagley-Keene Open Meeting Act. Provides for audits.

STATUS:
03/19/2013 To ASSEMBLY Committees on NATURAL RESOURCES and JUDICIARY.
03/19/2013 From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.
03/19/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.

CA AB 536

AUTHOR: Wagner [R]

TITLE: Contractors: Payments

SUMMARY: Amends existing law that allows specified persons to withhold for a contractor or subcontractor no more than a specified percentage of any disputed amount if there is a good faith dispute over the amount due on a contract payment. Excludes specified amounts from being considered disputed amounts. Provides that the authorized withholding is not wrongfully withheld.
CA AB 537

AUTHOR: Bonta [D]
TITLE: Meyers-Milias-Brown Act: Impasse Procedures
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2013
LAST AMEND: 03/19/2013
DISPOSITION: Pending
COMMITTEE: Assembly Public Employees, Retirement and Social Security Committee
HEARING: 04/24/2013 9:00 am

SUMMARY:
Provides that representatives of a public agency and an employee organization may, upon failure to reach an agreement, mutually agree on the appointment of a mediator and share the cost.

STATUS:
03/19/2013 To ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.
03/19/2013 From ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY with author’s amendments.
03/19/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.

CA AB 543

AUTHOR: Campos [D]
TITLE: California Environmental Quality Act: Translation
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2013
LAST AMEND: 04/08/2013
DISPOSITION: Pending
COMMITTEE: Assembly Natural Resources Committee
HEARING: 04/15/2013 1:30 pm

SUMMARY:
Requires a lead agency to translate any notice, document, or executive summary required by the California Environmental Quality Act (CEQA) when the impacted community has a substantial number of non-English-speaking people.

STATUS:
04/08/2013 From ASSEMBLY Committee on NATURAL RESOURCES with author’s amendments.
04/08/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.

CA AB 550

AUTHOR: Brown [D]
TITLE: Office of Small and Disabled Veteran Business
CA AB 562

FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2013
LAST AMEND: 03/14/2013
DISPOSITION: Pending
COMMITTEE: Assembly Jobs, Economic Development, and The Economy Committee
HEARING: 04/09/2013 9:00 am

SUMMARY:
Requires the head of a state agency to promote the use of small businesses in state contracting activity and take every reasonable means to ensure that a state contracting program is administered in a manner that promotes same. Requires the head of the agency to develop a plan for increasing small business participation levels when levels are low. Requires the Department of General Services to examine their contracting programs regarding such utilization. Relates to participation cost thresholds.

STATUS:
04/09/2013 From ASSEMBLY JOBS, ECON. DEV. & THE ECONOMY: Do pass as amended to Committee on ACCOUNTABILITY AND ADMINISTRATIVE REV.

CA AB 613

FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/20/2013
DISPOSITION: Pending
LOCATION: Assembly Local Government Committee
SUMMARY:
Relates to economic development activities by state and local agencies. Requires each local agency to provide information to the public before approving an economic development subsidy, and to hold hearings, and report on those subsidies.

STATUS:
03/04/2013 To ASSEMBLY Committee on LOCAL GOVERNMENT.

CA AB 616

FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/20/2013
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:
Makes technical, nonsubstantive changes to a provision of the Water Recycling Law that provides that a person recycling water or using recycled water in violation of specific provisions is guilty of a misdemeanor.

STATUS:
02/20/2013 INTRODUCED.
NOTES:
SDCWA Position: Sponsor

AUTHOR: Bocanegra [D]
TITLE: Local Public Employee Organizations: Dispute
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2013
LAST AMEND: 03/19/2013
DISPOSITION: Pending
COMMITTEE: Assembly Public Employees, Retirement and Social Security Committee
HEARING: 04/24/2013 9:00 am
SUMMARY:
Relates to local public employee organizations. Authorizes such organization, if a dispute was not submitted to a mediation, to request that the public agency submit the parties' differences to a factfinding panel. Provides that if either party disputes that a genuine impasse has been reached, the issue of whether the impasse exists may be submitted to the Public Employment Relations Board for resolution before the dispute is submitted to a factfinding panel. Authorizes a rep from each party on the panel.

STATUS:
03/19/2013 To ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.
03/19/2013 From ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY with author's amendments.
03/19/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.

CA AB 621
AUTHOR: Wagner [R]
TITLE: Local Government: Bonds
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/20/2013
LAST AMEND: 03/19/2013
DISPOSITION: Pending
COMMITTEE: Assembly Local Government Committee
HEARING: 04/17/2013 1:30 pm
SUMMARY:
Relates to local government bonds and investment firms. Prohibits a local agency from entering into a financial advisory, legal advisory, underwriting, or similar relationship with an individual or firm, with respect to a bond issue that requires voter approval, if that individual or firm, or an employee, agent, or person related to an employee or agent of the individual or firm, provided or will provide bond campaign services to the bond campaign.

STATUS:
03/19/2013 To ASSEMBLY Committees on LOCAL GOVERNMENT and ELECTIONS AND REAPPORTIONMENT.
03/19/2013 From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.
03/19/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.

CA AB 649
AUTHOR: Nazarian [D]
TITLE: Oil and Gas: Hydraulic Fracturing
FISCAL COMMITTEE: yes
Prohibits hydraulic fracturing, as well as the use of clean freshwater for purposes of hydraulic fracturing, on any oil or gas well, if the well is located a specified number of miles from an aquifer, until the completion of a report and a determination that hydraulic fracturing can be conducted without a risk to the public health, welfare, environment, or the economy.

CA AB 650

CA AB 669
Requires the operator of an oil or gas well prior to drilling, redrilling or deepening operations to submit proof to the supervisor that the Regional Water Quality Control Board has approved the method and location of wastewater disposal for the well. Requires the State Oil and Gas Supervisor to include information on the origin and total amount of freshwater used in each county for the production of oil and gas production, the disposal of wastewater and the well casing failures in each county.

STATUS:
04/01/2013 From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.
04/01/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.

CA AB 687

AUTHOR: Hernandez R [D]
TITLE: Electricity
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
DISPOSITION: Pending
LOCATION: Assembly Second Reading File

SUMMARY: Requires the Public Utilities Commission provide the highest priority to acquire electric services from other providers to entities treating and remediating groundwater that a federal, state, or local agency identifies as contaminated on a site listed as a Superfund site by the United States Environmental Protection Agency when authorizing additional direct transactions for retail nonresidential end-use customers.

STATUS:
04/08/2013 From ASSEMBLY Committee on UTILITIES AND COMMERCE: Do pass as amended to Committee on ENVIRON. SAFETY AND TOXIC MATERIALS. (9-5)

CA AB 690

AUTHOR: Campos [D]
TITLE: Jobs and Infrastructure Financing Districts
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
LAST AMEND: 04/09/2013
DISPOSITION: Pending
COMMITTEE: Assembly Local Government Committee
HEARING: 04/17/2013 1:30 pm

SUMMARY: Revises and recasts the provisions governing infrastructure financing districts. Provides for the creation of jobs and infrastructure financing districts with voter approval. Authorizes a public financing authority to enter into joint powers agreements with affected taxing entities with regard to nontaxing authority or powers only.

STATUS:
04/09/2013 From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.
04/09/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
CA AB 696

AUTHOR: Mansoor [R]
TITLE: Public Employment: Pensions
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY: Makes technical, nonsubstantive changes to provisions of the Public Employee's Pensions Reform Act of 2013, which provides that the Judges' Retirement System I and the Judges' Retirement System II are not required to adopt the defined benefit formula contained in certain other provisions.
STATUS: 02/21/2013 INTRODUCED.

CA AB 701

AUTHOR: Perez J [D]
TITLE: California Infrastructure and Economic Development Bank
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
DISPOSITION: Pending
COMMITTEE: Assembly Jobs, Economic Development, and The Economy Committee
HEARING: 04/09/2013 9:00 am
SUMMARY: Relates to the Infrastructure and Economic Development Bank and board of directors. Adds a Member of the Assembly and a Member of the Senate as advisory members of the board. Requires the bank to serve as the primary state agency for purposes of developing an application for any federal infrastructure bank or financing authority. Incorporates additional changes made by the Governor's Reorganization Plan No. 2 of 2012.
STATUS: 04/09/2013 From ASSEMBLY Committee on JOBS, ECONOMIC DEVELOPMENT AND THE ECONOMY: Do pass to Committee on APPROPRIATIONS.

CA AB 709

AUTHOR: Nestande [R]
TITLE: Salton Sea Authority: Restoration Plan
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
DISPOSITION: Pending
COMMITTEE: Assembly Water, Parks and Wildlife Committee
HEARING: 04/30/2013 9:00 am
SUMMARY: Requires the Salton Sea authority to submit the restoration plan to the Legislative Analyst (LAO) for review. Requires the LAO to complete its review by a specified date, and if the LAO determines that the plan is financially feasible and that the authority is capable of implementing the plan, the bill would appropriate from the Salton Sea Restoration Fund any moneys received under Proposition 84 to the authority to implement the plan.
STATUS: 03/07/2013 To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
CA AB 749

AUTHOR: Gorell [R]
TITLE: Public-Private Partnerships
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
DISPOSITION: Pending
COMMITTEE: Assembly Transportation Committee
HEARING: 04/15/2013 1:30 pm
SUMMARY:
Deletes the reference to the Public Infrastructure Advisory Commission established by the Business, Transportation and Housing Agency. Creates a new Public Infrastructure Advisory Commission. Requires the commission to establish best practices for public-private partnerships, and to identify other state departments that would benefit from similar contracting authority.
STATUS:
03/04/2013 To ASSEMBLY Committee on TRANSPORTATION.

CA AB 756

AUTHOR: Melendez [R]
TITLE: Environmental Quality Act: Court Review: Public Works
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
LAST AMEND: 03/19/2013
DISPOSITION: Pending
LOCATION: Assembly Judiciary Committee
SUMMARY:
Applies the provisions of the California Environmental Quality Act and the Jobs and Economic Improvement Through Environmental Leadership Act of 2011 to a public works project, defined to mean an infrastructure project carried out by the city, county, or state government or contracted out to a private entity by the local or state government.
STATUS:
03/19/2013 To ASSEMBLY Committees on JUDICIARY and NATURAL RESOURCES.
03/19/2013 From ASSEMBLY Committee on JUDICIARY with author's amendments.
03/19/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on JUDICIARY.

CA AB 762

AUTHOR: Patterson [R]
TITLE: Renewable Energy Resources: Hydroelectric Generation
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
DISPOSITION: Pending
LOCATION: Assembly Utilities and Commerce Committee
SUMMARY:
Revises the definition of an eligible renewable energy resource for the purposes of the Renewables Portfolio Standard Program to include a hydroelectric generation facility of any size if it meets certain requirements.
STATUS:
04/08/2013 In ASSEMBLY Committee on UTILITIES AND COMMERCE:
### CA AB 763

**AUTHOR:** Buchanan [D]  
**TITLE:** Aquatic Invasive Plants: Control and Eradication  
**FISCAL COMMITTEE:** yes  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 02/21/2013  
**LAST AMEND:** 03/18/2013  
**DISPOSITION:** Pending  
**COMMITTEE:** Assembly Water, Parks and Wildlife Committee  
**HEARING:** 04/16/2013 9:00 am  
**SUMMARY:** Designates the Department of Boating and Waterways as the lead agency of the state for the purpose of cooperating with other state and local public agencies and with federal agencies in identifying, detecting, controlling, and administering programs to manage and, when feasible, eradicate invasive aquatic plants and other aquatic pest plants in the Sacramento-San Joaquin Delta, its tributaries, and the Suisun Marsh. Provides required actions by specified agencies regarding invasive plants and pests.  
**STATUS:** 03/18/2013 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.  

### CA AB 792

**AUTHOR:** Mullin [D]  
**TITLE:** Local Government: Open Meetings  
**FISCAL COMMITTEE:** no  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 02/21/2013  
**LAST AMEND:** 04/01/2013  
**DISPOSITION:** Pending  
**FILE:** 34  
**LOCATION:** Assembly Third Reading File  
**SUMMARY:** Requires a local agency, if the agency is unable to post an agenda or notice on its Internet Web site because of software, hardware or network services impairment beyond the agency's reasonable control, to post the agenda or notice immediately upon resolution of the technological problems.  
**STATUS:** 04/08/2013 In ASSEMBLY. Read second time. To third reading.  

### CA AB 793

**AUTHOR:** Gray [D]  
**TITLE:** Renewable Energy: Public Utilities: Hydroelectric  
**FISCAL COMMITTEE:** no  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 02/21/2013  
**LAST AMEND:** 03/21/2013  
**DISPOSITION:** Pending  
**COMMITTEE:** Assembly Utilities and Commerce Committee
Requires a local publicly owned electric utility that receives a specified percentage of its consumption load demand from hydroelectric generation meeting specified requirements and other renewable energy resources to procure eligible renewable energy resources, including renewable energy credits, to meet only the electricity demands unsatisfied by its hydroelectric generation in any given year to satisfy its portfolio content requirements.

Amends an existing law that vests the State Energy Resources Conservation and Development Commission with the exclusive jurisdiction to certify sites for certain thermal powerplants. Requires the Commission to consider the effects of sea level rise on a proposed site and related facility during the certification process.
Enacts the Farmland Protection Act. Requires that an applicant for a defined project that involves the conversion of agricultural land to a permanent or long-term nonagricultural use, including a residential, commercial, civic, industrial, infrastructure, or other similar use, mitigate the identified environmental impacts associated with the conversion of those lands through the permanent protection and conservation of land suitable for agricultural uses. Requires certain criteria for specified lands.

Status:
03/11/2013 From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.
03/11/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
FISCAL COMMITTEE: yes  
URGENCY CLAUSE: no  
INTRODUCED: 02/22/2013  
LAST AMEND: 03/21/2013  
DISPOSITION: Pending  
LOCATION: Assembly Public Employees, Retirement and Social Security  

SUMMARY: Relates to the Board of Administration of the Public Employees' Retirement System. Requires the board to establish a wellness program that provides financial incentives for participation. Requires the board to offer a high deductible health plan and a health savings account option to public employees and annuitants. Establish the Public Employees' Health Savings Fund for employees who elect the high deductible or health savings plan option.  

STATUS: 03/21/2013 To ASSEMBLY Committees on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY and HEALTH.  
03/21/2013 From ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY with author's amendments.  
03/21/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.

CA AB 934  
AUTHOR: Cooley [D]  
TITLE: Local Agencies: Unclaimed Money  
FISCAL COMMITTEE: yes  
URGENCY CLAUSE: no  
INTRODUCED: 02/22/2013  
LAST AMEND: 03/21/2013  
COMMITTEE: Assembly Local Government Committee  
HEARING: 04/24/2013 1:30 pm  
SUMMARY: Requires a local agency to document that it has made a reasonable effort to locate the victim to who the restitution is owed prior to depositing funds into the Restitution Fund or using those funds for victim services.  
STATUS: 03/21/2013 To ASSEMBLY Committee on LOCAL GOVERNMENT.  
03/21/2013 From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.  
03/21/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.

CA AB 941  
AUTHOR: Rendon [D]  
TITLE: Controller: Reports  
FISCAL COMMITTEE: yes  
URGENCY CLAUSE: no  
INTRODUCED: 02/22/2013  
LAST AMEND: 04/01/2013  
DISPOSITION: Pending  
LOCATION: Assembly Local Government Committee  
SUMMARY:
Amend existing law which requires the Controller to annually compile and publish reports of the financial transactions of each county, city and school district. Changes the definition of a special district subject to the reporting requirements of the Controller. Authorizes the Controller to perform certain audits or investigations. Raises certain forfeiture amounts for all local agencies as specified.

**CA AB 953**

**AUTHOR:** Ammiano [D]

**TITLE:** California Environmental Quality Act

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/22/2013

**DISPOSITION:** Pending

**COMMITTEE:** Assembly Natural Resources Committee

**HEARING:** 04/15/2013 1:30 pm

**SUMMARY:** Amends the California Environmental Quality Act, which defines environment and significant effect on the environment for certain purposes. Revises those definitions. Requires a lead agency to include in an environmental assessment report, a detailed statement on any effects that may result in the locating a proposed project near natural hazards or adverse environmental conditions.

**STATUS:** 03/07/2013 To ASSEMBLY Committee on NATURAL RESOURCES.

**CA AB 982**

**AUTHOR:** Williams [D]

**TITLE:** Oil and Gas: Hydraulic Fracturing

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/22/2013

**DISPOSITION:** Pending

**COMMITTEE:** Assembly Natural Resources Committee

**HEARING:** 04/15/2013 1:30 pm

**SUMMARY:** Defines hydraulic fracturing. Requires any notice of intent to drill, rework, or deepen a well where hydraulic fracturing will occur to include a groundwater monitoring plan for review and approval by the Oil and Gas Supervisor and the appropriate regional water quality control board, which would contain specific information relating to groundwater, water quality, and the monitoring of wells and water quality.

**STATUS:** 03/07/2013 To ASSEMBLY Committee on NATURAL RESOURCES.

**CA AB 1035**

**AUTHOR:** Muratsuchi [D]

**TITLE:** Local Agencies: Financial Reports

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/22/2013

**LAST AMEND:** 04/04/2013
DISPOSITION: Pending
COMMITTEE: Assembly Local Government Committee
HEARING: 04/10/2013 1:30 pm
SUMMARY:
Raises the forfeiture amounts for a joint powers agency to which existing law does not apply. Doubles fines if the agency fails to submit the report to the Controller for 2 consecutive years. Triples the fines if the agency fails to submit the report to the Controller for 3 consecutive years, in which case the Controller would be required to conduct and independent audit report, the cost of which is reimbursed by the agency. Specifies the agency that has a forfeiture or payment still must file the report.
STATUS:
04/04/2013 From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.
04/04/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.

CA AB 1043
AUTHOR: Chau [D]
TITLE: Drinking Water, Quality, Flood, River Protection
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
DISPOSITION: Pending
LOCATION: Assembly Environmental Safety and Toxic Materials Committee
SUMMARY:
Amends the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006. Eliminates the requirement to develop and adopt regulations and requires a grantee of certain initiative bond act funds to take specific actions to recover the costs of cleanup and to utilize those funds for certain groundwater contamination cleanup projects.
STATUS:
03/07/2013 To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.

CA AB 1060
AUTHOR: Fox [D]
TITLE: Environmental Quality: Filing Fees: Exemptions
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
DISPOSITION: Pending
COMMITTEE: Assembly Natural Resources Committee
HEARING: 04/15/2013 1:30 pm
SUMMARY:
Exempts from the filing fees imposed on projects that are subject to the California Environmental Quality Act, a project being carried out or implemented by a branch of the United States Armed Forces.
STATUS:
03/07/2013 To ASSEMBLY Committee on NATURAL RESOURCES.

CA AB 1078
AUTHOR: Quirk [D]
TITLE: Water: Water Recycling Technology
FISCAL COMMITTEE: no
CA AB 1095

Author: Nestande [R]
Title: Junk Dealers and Recyclers: Nonferrous Materials
 Fiscal Committee: yes
 Urgency Clause: no
 Introduced: 02/22/2013
 Last Amend: 03/14/2013
 Disposition: Pending
 Location: Assembly Business, Professions and Consumer Protection Committee

Summary:
Requires a junk dealer or recycler of nonferrous materials to provide payment for the materials by check only. Provides the procedures for such payment. Provides an exception from the check only requirement for providing proof of ownership and for providing a statement from a contractor if the materials are from a home during construction. Provides a crime for false documentation by a contractor. Requires the dealer or recycler to maintain documentation.

Status:
03/14/2013 To ASSEMBLY Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION.
03/14/2013 From ASSEMBLY Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION with author's amendments.
03/14/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION.

CA AB 1096

Author: Nestande [R]
Title: Specialized License Plates: Salton Sea
 Fiscal Committee: yes
 Urgency Clause: no
 Introduced: 02/22/2013
 Last Amend: 03/14/2013
 Disposition: Pending
 Committee: Assembly Transportation Committee
 Hearing: 04/22/2013 1:30 pm

Summary:
Requires the Department of Motor Vehicles to design and make available for issuance special Salton Sea environmental interest license plates bearing a full-plate graphic design, upon payment of an additional fee by a person applying for the special plate. Creates the Salton Sea Restoration Account in the Specialized License Plate Fund for expenditure to provide efforts to restore the Salton Sea.

Status:
03/14/2013 To ASSEMBLY Committee on TRANSPORTATION.
CA AB 1140

**AUTHOR:** Daly [D]

**TITLE:** Public Works: Prevailing Wages

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/22/2013

**LAST AMEND:** 03/19/2013

**DISPOSITION:** Pending

**COMMITTEE:** Assembly Labor and Employment Committee

**HEARING:** 04/10/2013 1:30 pm

**SUMMARY:** States that if the Director of Industrial Relations determines, within a semiannual period, that there is a change in any prevailing rate of per diem wages in a locality, that determination applies to any public works. Authorizes any contractor, awarding body, or representative affected by a change in rates to file with the director a verified petition to review the determination of that rate. Requires the initiation of an investigation or hearing to make a final determination.

**STATUS:**

03/19/2013 From ASSEMBLY Committee on LABOR AND EMPLOYMENT with author's amendments.

03/19/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on LABOR AND EMPLOYMENT.

CA AB 1149

**AUTHOR:** Campos [D]

**TITLE:** Identity Theft: Local Agencies

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/22/2013

**DISPOSITION:** Pending

**COMMITTEE:** Assembly Local Government Committee

**HEARING:** 04/17/2013 1:30 pm

**SUMMARY:** Relates to disclosure of any breach of an agency security to any resident whose unencrypted personal information was acquired by an unauthorized person. Provides disclosure requirements applying to a breach of computerized data that is owned or licensed by a local agency.

**STATUS:**

03/07/2013 To ASSEMBLY Committees on LOCAL GOVERNMENT and JUDICIARY.

CA AB 1156

**AUTHOR:** Perez V [D]

**TITLE:** Palo Verde Irrigation District Act

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/22/2013

**DISPOSITION:** Pending

**LOCATION:** Assembly Local Government Committee

**SUMMARY:**
Entitles a person, firm, or corporation that owns land, or any interest in land, whose interest is assessed on the preceding equalized assessment roll of the Palo Verde Irrigation District Act to vote at the specified elections. Entitles each property owner to one vote for every $100 of assessed value of land, not including improvements, on the equalized assessment roll.

STATUS:
03/14/2013 To ASSEMBLY Committee on LOCAL GOVERNMENT.

CA AB 1158
AUTHOR: Waldron [R]
TITLE: Vehicles: On-Street Parking for Electric Vehicles
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
DISPOSITION: Pending
COMMITTEE: Assembly Transportation Committee
HEARING: 04/15/2013 1:30 pm
SUMMARY:
Authorizes local authorities to adopt rules and regulations by ordinance or resolution regarding designating and enforcing on-street parking spaces for electric vehicles.

STATUS:
03/07/2013 To ASSEMBLY Committees on TRANSPORTATION and LOCAL GOVERNMENT.

CA AB 1175
AUTHOR: Bocanegra [D]
TITLE: Public Employee Benefits: Postemployment Health
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 03/21/2013
DISPOSITION: Pending
COMMITTEE: Assembly Housing and Community Development Committee
HEARING: 04/17/2013 9:00 am
SUMMARY:
Relates to the Public Employees' Medical and Hospital Care Act and postemployment health care benefits. Provides that if the governing board of the local authority for the former redevelopment agency within the County of Los Angeles acts to dissolve that authority, the governing board shall identify the entity responsible for assuming the enforceable obligation of the authority for the amount necessary to fully compensate for the postretirement health benefit costs of specified personnel.

STATUS:
03/21/2013 To ASSEMBLY Committees on HOUSING AND COMMUNITY DEVELOPMENT and LOCAL GOVERNMENT.
03/21/2013 From ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT with author's amendments.
03/21/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on HOUSING AND COMMUNITY DEVELOPMENT.

CA AB 1190
AUTHOR: Bloom [D]
TITLE: Hazardous Waste: Transportation
FISCAL COMMITTEE: yes
SUMMARY:
Exempts from the hazardous waste manifesting requirements a public utility, local publicly owned utility, or municipal utility district with regard to certain hazardous waste that is collected and transported as specified, subject to notice requirements.

STATUS:
03/07/2013 To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.

CA AB 1200
AUTHOR: Levine [D]
TITLE: Recycled Water: Landscaping
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 04/09/2013
DISPOSITION: Pending
LOCATION: Assembly Water, Parks and Wildlife Committee
SUMMARY: Requires the Department of Water Resources to require 1,000,000 acre-feet of the water used for landscaping each year to be supplied by recycled water by 2020.
STATUS:
04/09/2013 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.
04/09/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.

CA AB 1212
AUTHOR: Levine [D]
TITLE: Public Contracts: Bids: Equal Materials or Service
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
DISPOSITION: Pending
LOCATION: Assembly Accountability and Administrative Review Committee
SUMMARY: Prohibits certain bid specifications from requiring a bidder to provide submission of data substantiating a request for a substitution of an equal item prior to the bid or proposal deadline.
STATUS:
03/07/2013 To ASSEMBLY Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW.

CA AB 1235
AUTHOR: Gordon [D]
TITLE: Financial Management Training
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
Requires that if a local agency provides any type of compensation, salary, or stipend to, or reimburses the expenses of, a member of the legislative body, all local agency officials, except a member whose term of office ends, shall receive training in financial management.

STATUS:
03/11/2013 To ASSEMBLY Committee on LOCAL GOVERNMENT.

CA AB 1248

AUTHOR: Cooley [D]
TITLE: Local Agencies: Internal Control Guidelines
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
DISPOSITION: Pending
COMMITTEE: Assembly Local Government Committee
HEARING: 04/24/2013 1:30 pm

SUMMARY:
Requires the Controller to develop internal control guidelines applicable to a local agency to prevent and detect financial errors and fraud.

STATUS:
03/11/2013 To ASSEMBLY Committee on LOCAL GOVERNMENT.

CA AB 1249

AUTHOR: Salas [D]
TITLE: Public Water Systems
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:
Makes a technical, nonsubstantive change to the requirement that any public water system that may supply water for the project and to request those public water systems shall prepare a specified water supply assessment.

STATUS:
02/22/2013 INTRODUCED.

CA AB 1258

AUTHOR: Skinner [D]
TITLE: Electricity: Hydroelectric Facilities
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 03/13/2013
DISPOSITION: Pending
COMMITTEE: Assembly Utilities and Commerce Committee
HEARING: 04/15/2013 2:00 pm
SUMMARY:
Requires the Public Safety Commission to open a new proceeding or expand the scope of an existing proceeding to determine the potential use of existing hydroelectric facilities and specified pumped storage facilities to provide additional operational flexibility that could facilitate the integration of renewable energy systems into the grid.
CA AB 1259

AUTHOR: Olsen [R]
TITLE: Sacramento-San Joaquin Valley
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 03/21/2013
DISPOSITION: Pending
COMMITTEE: Assembly Water, Parks and Wildlife Committee
HEARING: 04/16/2013 9:00 am
SUMMARY: Relates to the Central Valley Flood Protection Plan. Prohibits a city or county within the Sacramento-San Joaquin Valley from approving specified permits that would result in specified construction located within a flood hazard zone, and is required to deny approval of a tentative map, or a parcel map for which a tentative map was not required, for a subdivision located within the flood hazard zone.

CA AB 1287

AUTHOR: Quirk-Silva [D]
TITLE: Student Financial Aid: Cal Grant Eligibility
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 04/02/2013
DISPOSITION: Pending
COMMITTEE: Assembly Higher Education Committee
HEARING: 04/09/2013 1:30 pm
SUMMARY: Amends the Cal Grant Program that authorizes the renewal of Cal Grant awards by eligible students, who are known as renewing recipients under the program, in accordance with prescribed requirements. Deletes additional requirements prescribed by the program for renewing recipients. Makes various conforming changes.
CA AB 1301

AUTHOR: Bloom [D]
TITLE: Oil and Gas: Hydraulic Fracturing
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 03/21/2013
DISPOSITION: Pending
COMMITTEE: Assembly Natural Resources Committee
HEARING: 04/29/2013 1:30 pm
SUMMARY:
Prohibits hydraulic fracturing in oil and gas operations until the Legislature
enacts subsequent legislation that determines whether and under what
conditions hydraulic fracturing may be conducted while protecting the public
health and safety and the natural resources of the state.
STATUS:
03/21/2013 To ASSEMBLY Committee on NATURAL RESOURCES.
03/21/2013 From ASSEMBLY Committee on NATURAL RESOURCES with
author's amendments.
03/21/2013 In ASSEMBLY. Read second time and amended.
Re-referred to Committee on NATURAL RESOURCES.

CA AB 1302

AUTHOR: Hagman [R]
TITLE: Sustainable Environmental Protection Act
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 03/21/2013
DISPOSITION: Pending
COMMITTEE: Assembly Natural Resources Committee
HEARING: 04/29/2013 1:30 pm
SUMMARY:
Enacts the Sustainable Environmental Protection Act. Specifies the
environmental review required pursuant to the CEQA for projects related to
specified environmental topic areas. Prohibits certain causes of action. Provides
that the act would only apply if the lead agency or project applicant has agreed
to provide to the public in a readily accessible electronic format an annual
compliance report prepared pursuant to the mitigation monitoring and reporting
program.
STATUS:
03/21/2013 To ASSEMBLY Committee on NATURAL RESOURCES.
03/21/2013 From ASSEMBLY Committee on NATURAL RESOURCES with
author's amendments.
03/21/2013 In ASSEMBLY. Read second time and amended.
Re-referred to Committee on NATURAL RESOURCES.

CA AB 1317

AUTHOR: Frazier [D]
TITLE: State Government Operations
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 02/22/2013
LAST AMEND: 03/21/2013
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY:
Reallocates certain duties of abolished Business, Transportation and Housing Agency to the created Transportation Agency and the abolished Commissioner of Corporations to the Commissioner of Business Oversight.

STATUS:
04/03/2013 From ASSEMBLY Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW: Do pass to Committee on Appropriations. (13-0)

CA AB 1323

AUTHOR: Mitchell [D]
TITLE: Oil and Gas: Hydraulic Fracturing
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 03/21/2013
DISPOSITION: Pending
COMMITTEE: Assembly Natural Resources Committee
HEARING: 04/29/2013 1:30 pm

SUMMARY:
Prohibits hydraulic fracturing until the completion of a report and until a determination is made that hydraulic fracturing can be conducted without a risk to the public health and welfare, environment, or the economy of the state. Provides for an advisory committee.

STATUS:
03/21/2013 To ASSEMBLY Committee on NATURAL RESOURCES.
03/21/2013 From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.
03/21/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.

CA AB 1331

AUTHOR: Hueso [D]
TITLE: Drainage: Coachella Valley County Water District
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 04/01/2013
DISPOSITION: Pending
LOCATION: Assembly Water, Parks and Wildlife Committee
SUMMARY:
Provides for the operations of the Coachella Valley County Water District. Specifies that the district is authorized to raise funds by special assessment pursuant to the Proposition 218 Omnibus Implementation Act, or by adopting prescribed property related fees and charges.

STATUS:
04/01/2013 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.
04/01/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.

CA AB 1336

AUTHOR: Frazier [D]
TITLE: Prevailing Wages: Payroll Records
FISCAL COMMITTEE: yes
**CA AB 1349**

**Author:** Gatto [D]

**Title:** CalConserve Water Use Efficiency Revolving Fund

**Fiscal Committee:** Yes

**URGENCY CLAUSE:** No

**INTRODUCED:** 02/22/2013

**DISPOSITION:** Pending

**COMMITTEE:** Assembly Water, Parks and Wildlife Committee

**HEARING:** 04/16/2013 9:00 am

**SUMMARY:** Establishes the CalConserve Water Use Efficiency Revolving Fund for the purpose of water use efficiency projects. Requires moneys in the fund to be used for purposes that include, but are not limited to, at-or-below market interest rate loans.

**STATUS:**
03/14/2013 To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE. SDCWA Position: Support (3-28-2013)

**NOTES:**

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**CA AB 1365**

**Author:** Perez J [D]

**Title:** State and Local Agency Reports: Submission

**Fiscal Committee:** Yes

**URGENCY CLAUSE:** No

**INTRODUCED:** 02/22/2013

**DISPOSITION:** Pending

**LOCATION:** Assembly Accountability and Administrative Review Committee

**SUMMARY:** Authorizes state and local agencies to file certain reports with the Legislative Counsel electronically.

**STATUS:**
03/14/2013 To ASSEMBLY Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW.

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**CA ACA 8**

**Author:** Blumenfield [D]

**Title:** Local Government Financing: Voter Approval

**Fiscal Committee:** No

**URGENCY CLAUSE:** No
INTRODUCED: 02/13/2013
LAST AMEND: 04/04/2013
DISPOSITION: Pending
LOCATION: Assembly Local Government Committee
SUMMARY: Proposes an amendment to the Constitution to create an additional exception to the 1% limit for an ad valorem tax rate imposed by a city, county, city and county, or special district, to service bonded indebtedness incurred to fund specified public improvements and facilities, or buildings used primarily to provide sheriff, police, or fire protection services, that is approved by 55% of the voters of the city, county, city and county, or special district.

STATUS:
04/04/2013 To ASSEMBLY Committees on LOCAL GOVERNMENT and APPROPRIATIONS.
04/04/2013 From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.
04/04/2013 In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.

CA AJR 4
AUTHOR: Hueso [D]
TITLE: The United States-Mexico Border
INTRODUCED: 01/14/2013
LAST AMEND: 04/01/2013
DISPOSITION: Pending
COMMITTEE: Senate Transportation and Housing Committee
HEARING: 04/09/2013 1:30 pm
SUMMARY: Urges the federal government, including the Department of Homeland Security and the General Services Administration, to fund necessary improvements at the San Ysidro, Calexico, and Otay Mesa Ports of Entry.

STATUS:
04/01/2013 Re-referred to SENATE Committee on TRANSPORTATION AND HOUSING.
04/01/2013 From SENATE Committee on TRANSPORTATION AND HOUSING with author's amendments.
04/01/2013 In SENATE. Read second time and amended. Re-referred to Committee on TRANSPORTATION AND HOUSING.

CA SB 4
AUTHOR: Pavley [D]
TITLE: Oil and Gas: Hydraulic Fracturing
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 12/03/2012
LAST AMEND: 03/11/2013
DISPOSITION: Pending
COMMITTEE: Senate Natural Resources and Water Committee
HEARING: 04/09/2013 9:30 am
SUMMARY: Requires a independent scientific study on hydraulic fracturing treatments to be conducted by the Natural Resources Agency. Requires a well operator to record and include all data on such treatments. Requires the adoption of rules and regulations specific to such treatments. Requires an operator to apply for a permit prior to performing such treatments. Provides permit requirements.
Provides procedures to be accomplished during such treatments. Provides a civil penalty for violations.

**STATUS:**

04/09/2013 From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on ENVIRONMENTAL QUALITY.

04/09/2013 Withdrawn from SENATE Committee on ENVIRONMENTAL QUALITY.

04/09/2013 Re-referred to SENATE Committee on RULES.

**CA SB 7**

**AUTHOR:** Steinberg [D]
**TITLE:** Public Works: Charter Cities
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** no
**INTRODUCED:** 12/03/2012
**LAST AMEND:** 02/19/2013
**DISPOSITION:** Pending
**LOCATION:** Senate Appropriations Committee

Prohibits a charter city from receiving or using state funding or financial assistance for a construction project if the city has a charter provision or ordinance that authorizes a contractor to not comply with prevailing wage provisions on any public works contract. Prohibits state funding assistance for such projects for a specified period. Authorizes such assistance for a city with an ordinance requiring prevailing wages. Provides a minimum contract threshold for such requirement.

**STATUS:**

04/08/2013 In SENATE Committee on APPROPRIATIONS: To Suspense File.

**CA SB 9**

**AUTHOR:** Price [D]
**TITLE:** State Government: Social Innovation Entrepreneurship
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** no
**INTRODUCED:** 12/03/2012
**DISPOSITION:** Pending
**LOCATION:** Senate Governance and Finance Committee

Establishes the Office of Social Innovation and Entrepreneurship Development to establish partnerships with government agencies, private investors, nonprofit organizations, and for-profit service providers to facilitate the use of social impact bonds to address social services needs. Requires the office to develop a plan for promoting such bonds, to develop model provisions for performance-based contract, and report to the Legislature on the use of the bonds.

**STATUS:**

01/10/2013 To SENATE Committees on GOVERNANCE AND FINANCE and GOVERNMENTAL ORGANIZATION.

**CA SB 13**

**AUTHOR:** Beall [D]
**TITLE:** Public Employees' Retirement Benefits
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** yes
INTRODUCED: 12/03/2012
LAST AMEND: 02/06/2013
DISPOSITION: Pending
FILE: 6
LOCATION: Senate Second Reading File
SUMMARY: Corrects an erroneous cross-reference in the Public Employees' Pension Reform Act of 2013 regarding the Judges' Retirement System I and II defined benefit formula adoption. Amends the act regarding employers offering one of more defined benefit formulas to new safety members. Relates to contribution rates for defined pension plans. Repeals provisions regarding disability retirements. Relates to state miscellaneous or industrial members contributions or service credit. Requires related regulations.
STATUS: 04/09/2013 In SENATE. Read second time. To third reading.

CA SB 24

AUTHOR: Walters [R]
TITLE: Public Employees' Retirement: Benefit Plans
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 12/03/2012
DISPOSITION: Pending
LOCATION: Senate Public Employment and Retirement Committee
SUMMARY: Authorizes a local agency public employer or public retirement system that offers a defined benefit pension plan to offer a benefit formula with a lower benefit factor at normal retirement age and that results in a lower normal cost than the benefit formulas that are currently required, for purposes of addressing a fiscal necessity.
STATUS: 01/10/2013 To SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

CA SB 33

AUTHOR: Wolk [D]
TITLE: Infrastructure Financing Districts: Voter Approval
FISCAL COMMITTEE: Infrastructure Financing Districts: Voter Approval yes
URGENCY CLAUSE: no
INTRODUCED: 12/03/2012
LAST AMEND: 03/06/2013
DISPOSITION: Pending
FILE: 2
LOCATION: Senate Second Reading File
SUMMARY: Revises provisions governing infrastructure financing districts. Eliminates the requirement of voter approval for creation of the district and for bond issuance, and authorizes the legislative body to create the district subject to specified procedures. Authorizes the creation of such district subject to specified procedures. Authorizes a district to finance specified actions and project. Prohibits the district from providing financial assistance to a vehicle dealer or big box retailer.
STATUS: 04/09/2013 In SENATE. Read second time. To third reading.
| **CA SB 36** | **AUTHOR:** Rubio [D]  
**TITLE:** Safe, Clean, and Reliable Drinking Water Supply Act  
**FISCAL COMMITTEE:** yes  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 12/04/2012  
**LAST AMEND:** 04/08/2013  
**DISPOSITION:** Pending  
**LOCATION:** Senate Rules Committee  
**SUMMARY:** Declares the intent of the Legislature to amend the Safe, Clean, and Reliable Drinking Water Supply Act of 2012 for the purpose of reducing the amount of the bond.  
**STATUS:** 04/08/2013 From SENATE Committee on RULES with author's amendments.  
04/08/2013 In SENATE. Read second time and amended. Re-referred to Committee on RULES. |
| **CA SB 40** | **AUTHOR:** Pavley [D]  
**TITLE:** Safe, Clean, and Reliable Drinking Water Supply Act  
**FISCAL COMMITTEE:** no  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 12/10/2012  
**LAST AMEND:** 01/17/2013  
**DISPOSITION:** Pending  
**LOCATION:** Senate Natural Resources and Water Committee  
**SUMMARY:** Changes the name of the Safe, Clean, and Reliable Drinking Water Supply Act of 2012 to the Safe, Clean, and Reliable Drinking Water Supply Act of 2014. Declares the intent of the Legislature to amend the act for the purpose of reducing and potentially refocusing the bond.  
**STATUS:** 01/31/2013 Re-referred to SENATE Committees on NATURAL RESOURCES AND WATER and RULES. |
| **CA SB 42** | **AUTHOR:** Wolk [D]  
**TITLE:** Clean, Secure Water Supply and Delta Recovery Act  
**FISCAL COMMITTEE:** yes  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 12/11/2012  
**DISPOSITION:** Pending  
**LOCATION:** Senate Natural Resources and Water Committee  
**SUMMARY:** Enacts the Clean, Secure Water Supply and Delta Recovery Act of 2014. Authorizes the issuance of general obligation bonds for the Sacramento-San Joaquin Delta Recovery.  
**STATUS:** 01/10/2013 To SENATE Committee on NATURAL RESOURCES AND WATER. |
| **CA SB 117** | **AUTHOR:** Rubio [D]  
**TITLE:** Drinking Water: State Water Resources Control Board  
**FISCAL COMMITTEE:** yes |
CA SB 123

Author: Corbett [D]
Title: Environmental and Land-Use Court
Fiscal Committee: yes
URGENCY CLAUSE: no
INTRODUCED: 01/18/2013
LAST AMEND: 04/04/2013
DISPOSITION: Pending
COMMITTEE: Senate Judiciary Committee
HEARING: 04/16/2013 1:30 pm
SUMMARY:
Requires the Judicial Council to direct the creation of an environmental and land-use division within 2 or more Superior courts within each of the appellate districts of the state to process civil proceedings brought pursuant to the California Environmental Quality Act or in specified subject areas, including air quality, biological resources, climate change, hazards and hazardous materials, land use planning, and water quality.
STATUS:
04/04/2013 From SENATE Committee on JUDICIARY with author's amendments.
04/04/2013 In SENATE. Read second time and amended. Re-referred to Committee on JUDICIARY.

CA SB 135

Author: Padilla [D]
Title: Earthquake Early Warning System
Fiscal Committee: yes
URGENCY CLAUSE: no
INTRODUCED: 01/28/2013
LAST AMEND: 04/02/2013
DISPOSITION: Pending
COMMITTEE: Senate Governmental Organization Committee
HEARING: 04/09/2013 9:30 am
SUMMARY:
Requires the Office of Emergency Services to develop a comprehensive statewide earthquake warning system in California.
STATUS:
04/09/2013 From SENATE Committee on GOVERNMENTAL ORGANIZATION: Do pass to Committee on NATURAL RESOURCES AND WATER.
CA SB 167

AUTHOR: Gaines T [R]
TITLE: California Environmental Quality Act
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/04/2013
DISPOSITION: Pending
LOCATION: Senate Rules Committee

SUMMARY: Makes technical, nonsubstantive changes to provisions of the California Environmental Quality Act that requires a lead agency to prepare an environmental impact report on a project that it proposes to carry out that may have a significant effect on the environment.

STATUS: 02/14/2013 To SENATE Committee on RULES.

CA SB 184

AUTHOR: Governance and Finance Cmt
TITLE: Local Government: Omnibus Bill
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/06/2013
LAST AMEND: 04/09/2013
DISPOSITION: Pending
COMMITTEE: Senate Governance and Finance Committee
HEARING: 04/17/2013 9:30 am

SUMMARY: Includes within the definition of family member under the Public Cemetery District Law a person's domestic partner, and defines the term domestic partner. Revises the definition of abuse of office to include bribery of a member of the Legislature in existing law that requires employment contracts between a local agency and an officer or employee to include a provision that would reimburse the agency for that officer's salary if that officer is convicted of an abuse of his or her office or position.

STATUS: 04/09/2013 From SENATE Committee on GOVERNANCE AND FINANCE with author's amendments.
04/09/2013 In SENATE. Read second time and amended. Re-referred to Committee on GOVERNANCE AND FINANCE.

CA SB 217

AUTHOR: Beall [D]
TITLE: Memorandum of Understanding: State Bargaining Unit 9
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 02/11/2013
LAST AMEND: 03/18/2013
DISPOSITION: Pending
LOCATION: Senate Public Employment and Retirement Committee

SUMMARY: Approves provisions of a memorandum of understanding entered into between the state employer and State Bargaining Unit 9, the Professional Engineers in state government, that require the expenditure of funds.

STATUS: 03/21/2013 Re-referred to SENATE Committee on PUBLIC EMPLOYMENT
AND RETIREMENT.

CA SB 338

AUTHOR: Hill [D]
TITLE: Local Agency Meetings: Teleconferencing
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/20/2013
DISPOSITION: Pending
LOCATION: Senate Governance and Finance Committee
SUMMARY: Requires if the legislative body of a local agency elects to use teleconferencing and a teleconference location is located outside the boundaries of the local agency, that the agenda be posted at that location at least 24 hours in advance of the meeting rather than 72 hours.
STATUS: 02/28/2013 To SENATE Committee on GOVERNANCE AND FINANCE.

CA SB 359

AUTHOR: Corbett [D]
TITLE: Environment: CEQA Exemption: Housing Projects
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2013
LAST AMEND: 04/01/2013
DISPOSITION: Pending
LOCATION: Senate Environmental Quality Committee
SUMMARY: Amends provisions of the California Environmental Quality Act which exempt from the Act's requirements residential infill projects meeting specified criteria. Exempts as residential a use consisting of residential units and neighborhood-serving goods, services, or retail uses that do not exceed a specified percent of the total building square footage of the project.
STATUS: 04/03/2013 Re-referred to SENATE Committee on ENVIRONMENTAL QUALITY.

CA SB 387

AUTHOR: Wright [D]
TITLE: Coastal Resources: Once-Through Cooling
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2013
DISPOSITION: Pending
COMMITTEE: Senate Environmental Quality Committee
HEARING: 04/17/2013 9:30 am
SUMMARY: Requires State Water Resources Control Board to authorize the process of once-through cooling on existing powerplant facilities to the extent allowable by federal laws, including any federal regulations adopted by the United States Environmental Protection Agency.
STATUS: 02/28/2013 To SENATE Committee on ENVIRONMENTAL QUALITY.

CA SB 395

AUTHOR: Jackson [D]
TITLE: Hazardous Waste: Wells
FISCAL COMMITTEE: yes  
URGENCY CLAUSE: no  
INTRODUCED: 02/20/2013  
LAST AMEND: 04/04/2013  
DISPOSITION: Pending  
LOCATION: Senate Environmental Quality Committee  
SUMMARY: Amends part of the Hazardous Waste Control Law that prohibits a person from discharging hazardous waste into an injection well unless certain conditions are met and imposes other requirements upon the operator of such well and defines injection for these purposes as excluding wells regulated by the Division of Oil and Gas. Deletes the exclusion of those regulated wells from the definition of injection well. Provides that oilfield wastewater does not include hazardous waste.

STATUS:  
04/04/2013 From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.  
04/04/2013 In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.

CA SB 425  
AUTHOR: DeSaulnier [D]  
TITLE: Public Works: the Public Works Peer Review Act of 2013  
FISCAL COMMITTEE: yes  
URGENCY CLAUSE: no  
INTRODUCED: 02/21/2013  
DISPOSITION: Pending  
COMMITTEE: Senate Governmental Organization Committee  
HEARING: 04/09/2013 9:30 am  
SUMMARY: Requires a state agency or department or a regional agency, principally tasked with administering the planning and development of a public works project to establish a specified peer review group, to provide it with expert advice on the scientific and technical aspects of the project if the public works is a megaproject.

STATUS:  
04/09/2013 From SENATE Committee on GOVERNMENTAL ORGANIZATION: Do pass to Committee on GOVERNANCE AND FINANCE.  
NOTES: SDCWA Position: Watch (3-28-2013)

CA SB 429  
AUTHOR: Hernandez E [D]  
TITLE: San Gabriel Basin Water Quality Authority Act  
FISCAL COMMITTEE: yes  
URGENCY CLAUSE: no  
INTRODUCED: 02/21/2013  
DISPOSITION: Pending  
COMMITTEE: Senate Appropriations Committee  
HEARING: 04/15/2013 11:00 am  
SUMMARY: Relates to repeal of the San Gabriel Basin Water Quality Authority Act. Extends the date of repeal of the Act.

STATUS:  
04/03/2013 From SENATE Committee on ENVIRONMENTAL QUALITY:
<table>
<thead>
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<th>Bill Number</th>
<th>Author</th>
<th>Title</th>
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<td>CA SB 436</td>
<td>Jackson [D]</td>
<td>California Environmental Quality Act: Notice</td>
<td>yes</td>
<td>no</td>
<td>02/21/2013</td>
<td>04/03/2013</td>
<td>Pending</td>
<td>Senate Environmental Quality Committee</td>
<td>Relates to the California Environmental Quality Act. Requires a lead agency to conduct at least one public scoping meeting for the specified projects and to provide notice to the specified entities of at least one public scoping meeting. Revises the meeting notice requirements to requires the notice be given to a list of specified parties including the State Clearinghouse and project applicants.</td>
<td>04/03/2013 From SENATE Committee on ENVIRONMENTAL QUALITY with author’s amendments. 04/03/2013 In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.</td>
</tr>
<tr>
<td>CA SB 474</td>
<td>Nielsen [R]</td>
<td>Appropriation of Water: Sewerage Commission Oroville</td>
<td>yes</td>
<td>no</td>
<td>02/21/2013</td>
<td></td>
<td>Pending</td>
<td>Senate Natural Resources and Water Committee</td>
<td>Authors the Sewerage Commission Oroville to file an application for a permit to appropriate a specified amount of water that is based on the volume of treated wastewater that it discharges into the Feather River. 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 permit, approval, and review requirements and other laws applicable to the appropriation of water.</td>
<td>03/11/2013 To SENATE Committee on NATURAL RESOURCES AND WATER.</td>
</tr>
<tr>
<td>CA SB 481</td>
<td>Huff [R]</td>
<td>California Public Employees Pension Reform Act of 2013</td>
<td>no</td>
<td>no</td>
<td>02/21/2013</td>
<td></td>
<td>Pending</td>
<td>Senate Rules Committee</td>
<td>Makes a nonsubstantive change to the California Public Employees' Pension Reform Act of 2013.</td>
<td></td>
</tr>
</tbody>
</table>
To SENATE Committee on RULES.

CA SB 489

AUTHOR: Fuller [R]
TITLE: Water Corporations: Sewer System Corporations
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
LAST AMEND: 04/02/2013
DISPOSITION: Pending
COMMITTEE: Senate Energy, Utilities and Communications Committee
HEARING: 04/16/2013 9:30 am
SUMMARY: Relates to water corporations and sewer system corporations. Authorizes the Public Utilities Commission to appoint, as an alternative to the appointment of a receiver, another water or sewer system corporation, or other qualified entity, to serve as the interim operator of the corporation providing inadequate service. Requires the commission to issue decisions and orders necessary for the interim entity to abate any danger to the public and to provide adequate service to the customers.
STATUS: 04/02/2013 From SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS with author's amendments.

04/02/2013 In SENATE. Read second time and amended. Re-referred to Committee on ENERGY, UTILITIES AND COMMUNICATIONS.

CA SB 497

AUTHOR: Walters [R]
TITLE: California Global Warming Solutions Act of 2006: Fees
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
DISPOSITION: Pending
LOCATION: Senate Environmental Quality Committee
SUMMARY: Amends the California Global Warming Solutions Act of 2006. Requires the State Air Resources Board to freely allocate greenhouse emissions allowances to the California State University and University of California for purposes of any market-based compliance mechanism adopted by the board.
STATUS: 03/11/2013 To SENATE Committee on ENVIRONMENTAL QUALITY.

CA SB 548

AUTHOR: Roth [D]
TITLE: Public Utilities: Renewables Portfolio Standard
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
DISPOSITION: Pending
LOCATION: Senate Energy, Utilities and Communications Committee
SUMMARY: Provides that for certain publicly owned electric utilities that provide electricity to retail end-use consumers, electricity products from eligible renewable energy resources may be used for compliance with the portfolio content requirements.
STATUS: 02/22/2013
CA SB 553

03/11/2013
To SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.

AUTHOR: Yee [D]
TITLE: Local Government: Assessment: Proposed Election Fees
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
DISPOSITION: Pending
COMMITTEE: Senate Governance and Finance Committee
HEARING: 04/17/2013 9:30 am
SUMMARY:
Requires, if a local government agency opts to submit the proposed fee or charge for approval by a vote of the property owners, that specified procedures be applied, except that ballots shall not be weighted. Requires, if a local government agency opts to submit the proposed fee or charge for approval by the electorate, that the election be conducted by the county elections official or his or her designee.
STATUS: 03/11/2013
To SENATE Committee on GOVERNANCE AND FINANCE.

CA SB 608

03/11/2013
To SENATE Committee on JUDICIARY.

AUTHOR: Wright [D]
TITLE: Adverse Possession: Public Entity Properties
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
DISPOSITION: Pending
LOCATION: Senate Judiciary Committee
SUMMARY:
Provides that a nonpublic entity has no right under the doctrine of adverse possession to possess, occupy, or own public property or claim a public property by adverse possession. Prohibits a public entity from selling real property or conveying a durable interest except by official action.
STATUS: 03/11/2013
To SENATE Committee on JUDICIARY.

CA SB 614

04/08/2013
In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY. (25-12)

AUTHOR: Wolk [D]
TITLE: Irrigation Districts: Directors
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:
Relates to the Irrigation District Law. Eliminates the land ownership requirement pertaining to a director of the board of an irrigation district.
STATUS: 04/08/2013
In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY. (25-12)

CA SB 617

AUTHOR: Evans [D]
TITLE: California Environmental Quality Act
FISCAL COMMITTEE: yes
Amends various provisions of the California Environmental Quality Act. Requires that notices regarding environmental impact reports filed by lead agencies need to be filed with the Office of Planning and Research and the county clerk and posted by that clerk for public review. Provides additional duties regarding notices by the Office and the clerk. Requires a statement in the report regarding the placement of the project near natural hazards or adverse environment conditions. Repeals specified exemptions.

STATUS:
04/01/2013 From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.
04/01/2013 In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.

CA SB 620
AUTHOR: Wright [D]
TITLE: Water Replenishment Districts
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 04/09/2013
DISPOSITION: Pending
COMMITTEE: Senate Governance and Finance Committee
HEARING: 04/17/2013 9:30 am
SUMMARY: Amends the Water Replenishment District Act. Permits a district to establish an annual reserve fund. Requires the board of directors of a water replenishment district to declare whether funds are to be raised to purchase water for replenishment and whether the funds are to be raised either by a water charge, a general assessment, or a replenishment assessment. Provides that a producer is liable to the district for a penalty for unpaid assessment.

STATUS:
04/09/2013 From SENATE Committee on GOVERNANCE AND FINANCE with author's amendments.
04/09/2013 In SENATE. Read second time and amended. Re-referred to Committee on GOVERNANCE AND FINANCE.

CA SB 633
AUTHOR: Pavley [D]
TITLE: CEQA
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 04/02/2013
DISPOSITION: Pending
LOCATION: Senate Environmental Quality Committee
SUMMARY: Amends the California Environmental Quality Act that requires the submission of a subsequent or supplemental environmental impact report when new information which was not known and could not have been known at the time of
the original report was certified as complete, becomes available. Requires the new information that becomes available was not known and could not have been known by the lead agency or any responsible agency at the time the report was certified as complete. Relates to exemptions.

**STATUS:**
04/03/2013 Re-referred to SENATE Committee on ENVIRONMENTAL QUALITY.

### CA SB 636

<table>
<thead>
<tr>
<th><strong>AUTHOR:</strong></th>
<th>Hill [D]</th>
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</thead>
<tbody>
<tr>
<td><strong>TITLE:</strong></td>
<td>Redevelopment Property Tax Trust</td>
</tr>
<tr>
<td><strong>FISCAL COMMITTEE:</strong></td>
<td>yes</td>
</tr>
<tr>
<td><strong>URGENCY CLAUSE:</strong></td>
<td>no</td>
</tr>
<tr>
<td><strong>INTRODUCED:</strong></td>
<td>02/22/2013</td>
</tr>
<tr>
<td><strong>DISPOSITION:</strong></td>
<td>Pending</td>
</tr>
<tr>
<td><strong>COMMITTEE:</strong></td>
<td>Senate Appropriations Committee</td>
</tr>
<tr>
<td><strong>HEARING:</strong></td>
<td>04/15/2013 11:00 am</td>
</tr>
<tr>
<td><strong>SUMMARY:</strong></td>
<td>Modifies the provision of law relating to the allocation of remaining local property tax revenues in the Redevelopment Property Tax Trust Fund by deleting language requiring that the provision be construed in such a manner so as to not increase any allocations of excess, additional, or remaining Educational Revenue Augmentation Fund funds that would otherwise have been allocated to cities, counties, cities and counties, or special districts pursuant to existing law.</td>
</tr>
</tbody>
</table>

**STATUS:**
04/03/2013 From SENATE Committee on GOVERNANCE AND FINANCE: Do pass to Committee on APPROPRIATIONS. (6-0)

### CA SB 658

<table>
<thead>
<tr>
<th><strong>AUTHOR:</strong></th>
<th>Correa [D]</th>
</tr>
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<tbody>
<tr>
<td><strong>TITLE:</strong></td>
<td>Water Quality: Cleanup and Abatement Orders</td>
</tr>
<tr>
<td><strong>FISCAL COMMITTEE:</strong></td>
<td>no</td>
</tr>
<tr>
<td><strong>URGENCY CLAUSE:</strong></td>
<td>no</td>
</tr>
<tr>
<td><strong>INTRODUCED:</strong></td>
<td>02/22/2013</td>
</tr>
<tr>
<td><strong>DISPOSITION:</strong></td>
<td>Pending</td>
</tr>
<tr>
<td><strong>LOCATION:</strong></td>
<td>Senate Rules Committee</td>
</tr>
<tr>
<td><strong>SUMMARY:</strong></td>
<td>Makes technical, nonsubstantive changes to provisions of the Porter-Cologne Water Quality Control Act requiring a person who discharges waste into the water of the state in violation of waste discharge requirements to clean up the waste or to abate the effects of the waste. Provides for the recovery of costs associated with cleanup.</td>
</tr>
</tbody>
</table>

**STATUS:**
03/11/2013 To SENATE Committee on RULES.

### CA SB 674

<table>
<thead>
<tr>
<th><strong>AUTHOR:</strong></th>
<th>Corbett [D]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TITLE:</strong></td>
<td>Energy: Renewable Energy</td>
</tr>
<tr>
<td><strong>FISCAL COMMITTEE:</strong></td>
<td>yes</td>
</tr>
<tr>
<td><strong>URGENCY CLAUSE:</strong></td>
<td>no</td>
</tr>
<tr>
<td><strong>INTRODUCED:</strong></td>
<td>02/22/2013</td>
</tr>
<tr>
<td><strong>DISPOSITION:</strong></td>
<td>Pending</td>
</tr>
<tr>
<td><strong>LOCATION:</strong></td>
<td>Senate Energy, Utilities and Communications Committee</td>
</tr>
<tr>
<td><strong>SUMMARY:</strong></td>
<td>Requires the Public Utilities Commission to adjust the payment rate for</td>
</tr>
</tbody>
</table>
electricity purchased from electrical generation facility projects that integrate energy storage to adequately compensate for the additional value that energy storage system provides.

STATUS:
03/11/2013 To SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.

CA SB 726
AUTHOR: Lara [D]
TITLE: Urban Water Management Planning
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 04/08/2013
DISPOSITION: Pending
LOCATION: Senate Rules Committee
SUMMARY: Makes a technical, nonsubstantive change in findings and declarations of an existing law which declares that certain provisions relating to urban water management planning are intended to provide assistance to water agencies in carrying out their long-term resource planning responsibilities and which makes related legislative findings and declarations.

STATUS:
04/08/2013 From SENATE Committee on RULES with author’s amendments.
04/08/2013 In SENATE. Read second time and amended. Re-referred to Committee on RULES.

CA SB 731
AUTHOR: Steinberg [D]
TITLE: Environment: California Environmental Quality Act
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
DISPOSITION: Pending
LOCATION: Senate Rules Committee
SUMMARY: State the intent of the Legislature to enact legislation revising the California Environmental Quality Act to, among other things, provide greater certainty for smart infill development. States the intent of the Legislature to provide funds annually to the Strategic Growth Council for the purposes of providing planning incentive grants to local and regional agencies to update and implement general plans.

STATUS:
03/11/2013 To SENATE Committee on RULES.

CA SB 735
AUTHOR: Wolk [D]
TITLE: Sacramento-San Joaquin Delta Reform Act
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
DISPOSITION: Pending
LOCATION: Senate Natural Resources and Water Committee
SUMMARY: Amends the Sacramento-San Joaquin Delta Reform Act of 2009 to exclude from
the definition of covered action the approval or implementation of a project as part of a larger conservation plan submitted pursuant to the Federal Endangered Species Act, a natural community conservation plan submitted pursuant to the Natural Community Conservation Planning Act, or certain permits related to the taking, importation, exportation, or sale of endangered species.

STATUS:
03/11/2013 To SENATE Committee on NATURAL RESOURCES AND WATER.

CA SB 739

AUTHOR: Calderon R [D]
TITLE: Environmental Quality
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
DISPOSITION: Pending
LOCATION: Senate Rules Committee
SUMMARY:
Makes a technical, nonsubstantive change to the definition of local agency for the purposes of the California Environmental Quality Act.

STATUS:
03/11/2013 To SENATE Committee on RULES.

CA SB 750

AUTHOR: Wolk [D]
TITLE: Building Standards
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
DISPOSITION: Pending
LOCATION: Senate Judiciary Committee
SUMMARY:
Requires a water purveyor that provides water service to a newly constructed multiunit residential structure or newly constructed mixed-use residential and commercial structure that submits an application for a water connection to require the installation of either a water meter or a submeter to measure water supplied to each individual dwelling unit.

STATUS:
03/11/2013 To SENATE Committee on JUDICIARY.

CA SB 765

AUTHOR: Block [D]
TITLE: Public Employees: Collective Bargaining
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 04/01/2013
DISPOSITION: Pending
LOCATION: Senate Public Employment and Retirement Committee
SUMMARY:
Prohibits a school district that employees any full-time peace officers from preventing those peace officers from joining or participating in employee organizations and negotiating units that are composed of peace officers, supervisory peace officers, or both and which are not subordinate to any other employee organization.
CA SB 772

Author: Emmerson [R]
Title: Drinking Water
Fiscal Committee: yes
Urgency Clause: no
Introduced: 02/22/2013
Disposition: Pending
Committee: Senate Governance and Finance Committee
Hearing: 04/17/2013 9:30 am
Summary: Requires the Department of Health, or a local health agency, annually to provide the address and telephone number for each public water system and state small water system to the Public Utilities Commission and to a local agency formation commission. Relates to requests of information from entities that provide drinking water and the review of retail water suppliers in a county.

CA SB 783

Author: De Leon [D]
Title: Clean Water, Urban Parks, and Environmental Health Act
Fiscal Committee: no
Urgency Clause: no
Introduced: 02/22/2013
Disposition: Pending
Location: Senate Rules Committee
Summary: Declares the intent of the Legislature to enact legislation that would improve the economy, the natural environment, and increase and improve access opportunities to physical fitness, by enacting the California Clean Water, Safe Urban Parks, and Environmental Health Investment Act of 2014.

CA SB 787

Author: Berryhill T [R]
Title: Environmental Quality: Sustainable Protection
Fiscal Committee: yes
Urgency Clause: no
Introduced: 02/22/2013
Disposition: Pending
Committee: Senate Environmental Quality Committee
Hearing: 04/17/2013 9:30 am
Summary: Enacts the Sustainable Environmental Protection Act. Specifies the environmental review required pursuant for projects related to specified environmental topical areas. Prohibits certain causes of action. Provides that the Act only applies if a lead agency or project applicant has agreed to provide to the public an annual compliance report.
Enacts the Green Infrastructure Bank Act. Establishes the Green Infrastructure Bank. Provides for certain loans to a subdivision or local government. Amends an existing law which authorizes the allocation of moneys appropriated from Greenhouse Gas Reduction Fund for the purpose of reducing greenhouse gas emissions through investments in programs implemented by local and regional agencies and collaboratives and by nonprofit organizations.

STATUS:
03/11/2013 To SENATE Committees on GOVERNANCE AND FINANCE and RULES.

Makes a technical, nonsubstantive change in provisions requiring the Public Utilities Commission to implement programs to provide rate relief for low-income ratepayers of a water corporation and to provide appropriate incentives and capabilities to achieve water conservation goals.

STATUS:
03/11/2013 To SENATE Committee on RULES.

Authorizes a public agency to accept a corporate check, cashier's check, money order, or other draft methods for payment of designated obligations and to impose a charge for any type of returned check or other authorized payment method that is not honored. Requires a private property owner to notify the county assessor if certain events occur. Relates to the assessment of contiguous properties in multiple tax districts. Adds information regarding assessments to tax bills or attached statements.

STATUS:
04/03/2013 To SENATE Committee on GOVERNANCE AND FINANCE.

CA SCA 4

AUTHOR: Liu [D]
TITLE: Local Government Transportation Project: Voter Approval
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 12/03/2012
LAST AMEND: 03/19/2013
DISPOSITION: Pending
COMMITTEE: Senate Governance and Finance Committee
HEARING: 05/08/2013 9:30 am
SUMMARY:
Proposes an amendment to the Constitution to provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for local transportation projects and requires the approval of a related proposition. Prohibits the local government from expending any revenues derived from a special transportation tax approved by the voters at any time prior to the completion of a identified capital project funded by specified revenues.
STATUS:
03/19/2013 From SENATE Committee on GOVERNANCE AND FINANCE with author’s amendments.
03/19/2013 In SENATE. Read second time and amended. Re-referred to Committee on GOVERNANCE AND FINANCE.

CA SCA 11

AUTHOR: Hancock [D]
TITLE: Local Government: Special Taxes: Voter Approval
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 01/25/2013
DISPOSITION: Pending
COMMITTEE: Senate Governance and Finance Committee
HEARING: 05/08/2013 9:30 am
SUMMARY:
Makes conforming and technical, nonsubstantive changes to provisions relative to special taxation. Proposes an amendment to the Constitution to condition the imposition, extension, or increase of a special tax by a local government upon the approval of 55% of the voters voting on the proposition.
STATUS:
02/07/2013 To SENATE Committees on GOVERNANCE AND FINANCE and ELECTIONS AND CONSTITUTIONAL AMENDMENTS.
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.

April 25, 2013
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 meeting of the Water Planning Committee on March 14, 2013 and the Formal Board of Directors’ meeting of March 28, 2013.

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 Presentation of Science Fair award winners. 3:15 p.m. time certain.
   7-B Retirement of Director. Adopt Resolution 2013-__ honoring Dennis Lamb upon his retirement from the Board of Directors.

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

   8-B Report by Committee Chairs
   Administrative and Finance Committee Director Saunders
   Engineering and Operations Committee Director Brady
   Imported Water Committee Director Saxod
   Water Planning Committee Director Douglas
   Legislation, Conservation and Outreach Committee Director Topolovac
9. CONSENT CALENDAR

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

9- 2. Selection of firms to renew the Water Authority’s pre-qualified underwriting pool, the selection of a new liquidity facility to support the commercial paper program and the addition of a dealer to commercial paper program dealers. Approve the recommended underwriter pool. Approve the selection of J.P. Morgan as the liquidity provider to replace Barclays Capital. Approve the addition of Morgan Stanley as a dealer for commercial paper program. Adopt Resolution 2013-____ authorizing the issuance and sale of short-term revenue certificates and authorizing and approving certain actions in connection therewith.

Accept Shimmick/Obayashi Joint Venture Change Orders 38 through 40 for an increase of $101,046; and authorize the General Manager to reduce the contract value by $2,294,828 to reconcile final unit price quantities for roller compacted concrete and increase marina quarry unit price quantities, decreasing the authorized contract amount from $141,116,106.70 to $138,922,324.70.

9- 4. Adopt priorities for the renegotiation of a water bond. 
Adopt priorities for the renegotiation of a water bond.

9- 5. Adopt positions on various state bills.
1. Adopt a position of Oppose Unless Amended on AB 380 (Dickinson)
2. Adopt a position of Oppose on AB 543 (Campos)
3. Adopt a position of Oppose on AB 823 (Eggman)
4. Adopt a position of Oppose on AB 953 (Ammiano)
5. Adopt a position of Oppose Unless Amended on SB 436 (Jackson)
6. Adopt a position of Oppose on SB 617 (Evans)

10. ACTION / DISCUSSION
11. **CLOSED SESSION(S)**

11-A **CLOSED SESSIONS:**
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Name of Case: QSA Judicial Council Coordination Proceeding No. 4353

Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1)
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-
(Permit 7643, Application 7482)

11-B **CLOSED SESSION:**
Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1)
SDCWA v Metropolitan Water District of Southern California;
Case Nos. CPF-10-510830 and CPF-12-512466

11-C **CLOSED SESSION:**
Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1) -
SDCWA v City of Los Angeles Department of Water and Power;
Case No. BS136663

11-D **CLOSED SESSION:**
Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1) -
SDCWA v Eastern Municipal Water District;
Riverside Superior Court Case No. RIC1300887

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 – Chair Wornham
   SANDAG Subcommittee: Borders/Regional Planning Committee –
   Director Douglas
13-D AB 1234 Compliance Reports – Directors
14. OTHER COMMUNICATIONS

15. ADJOURNMENT

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.

Doria F. Lore
Clerk of the Board
CALL TO ORDER/ROLL CALL

Chair Douglas called the Special Water Planning Committee Meeting to order at 1:32 p.m. Committee members present were Chair Douglas, Directors Brady, Kern, Linden, Miller, Murtland, Sanford and Saxod. Also present were Directors Arant, Dailey, Hilliker, Lewinger, Muir, Pocklington, Topolovac, Tu, Watkins, Wight, Williams, Wilson and Wornham. At that time, there was a quorum of the Board.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Water Resources Weinberg and Principal Water Resources Specialists Chamberlain and Friehauf.

PUBLIC COMMENT

Chair Douglas advised the meeting would be entirely devoted to the Regional Water Facilities Optimization and Master Plan.

I. CONSENT CALENDAR
There were no Consent Calendar items.

II. ACTION/DISCUSSION

1. Workshop on development of a draft Regional Water Facilities Optimization and Master Plan.

Mr. Weinberg advised the purpose of the workshop would be to present information on the development of the Master Plan, to provide answers to supply reliability questions posed at prior meetings, and to answer questions and receive input of the Committee and Board members present. Mr. Weinberg provided a summary of highlights of the prior meetings held on this topic. Ms. Friehauf presented detailed information on the Urban Water Management Plan and its function as the Water Authority’s foundational document for supply planning and preparing the Master Plan update.

Staff responded to questions posed by Directors Wight, Tu, Lewinger, Arant and again Wight, who expanded on Director Lewinger’s request for staff to post all Master Plan presentations in a central location by subject on the Water Authority’s website. Staff responded to additional questions posed by Directors Wilson, Topolovac, and Williams, who requested staff
in future Master Plan presentations present scenario information classified as risks and opportunities.

Mr. Chamberlain presented information on the Water Authority’s physical water supply system, hydrogeologic opportunities for energy management, and environmental compliance to be addressed within the Master Plan.

Staff responded to emergency capacity, planning and reliability questions posed by Director Madaffer with a commitment to bring additional storage operation information to future Master Plan meetings. Staff responded to questions raised by Directors Arant and Wight, who requested that staff provide advance information to Directors on including the Twin Oaks Valley Water Treatment Plant expansion in the forthcoming Capital Improvements Plan Budget and information on what sort of return on investment the Water Authority has realized on the Water Authority’s solar energy project.

Mr. Weinberg commented that staff would also prepare a Programmatic Environmental Impact Report (PEIR) as part of the Master Plan to look at the regional impacts of the Master Plan and for use with future projects. The formal CEQA (California Environmental Quality Act) process would begin with the release of a Notice of Preparation and a 30-day public review period, public scoping document and related public meeting. Mr. Weinberg closed with a general schedule of remaining tasks and meetings.

III. INFORMATION
There were no Information items.

IV. ADJOURNMENT
Chair Douglas thanked staff for the information presented and Committee and Board members for their questions. With no further business, Chair Douglas adjourned the meeting at 3:18 p.m.

Farrah Douglas, Chair
MINUTES OF THE FORMAL BOARD OF DIRECTORS’ MEETING
MARCH 28, 2013

LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE
CALL TO ORDER/ROLL CALL
Chair Topolovac called the Legislation, Conservation and Outreach Committee to order at 9:02 a.m. Committee members present were Chair Topolovac, Vice Chair Madaffer, and Directors Barnum, Dailey, Douglas, Evans, Hilliker, Kern, Muir, Saxod, Verbeke and Wight. Committee members absent were Vice Chair Croucher, and Directors Morrison and Mudd. Other Board members present were Directors Arant, Hogan, Lewinger, Linden, Miller, Murtland, Sanford, Simpson, Watkins, Watton, Weston, Williams, 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 were General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Public Outreach and Conservation Foster, SCOOP Manager Yanushka, and Management Analyst Schnell.

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 Topolovac stated the final LCO Committee Goals were in the board packet for adoption. He reported that an updated web page on the Regional Facilities Master Plan had been created that included links to all previous Board presentations relating to the plan.

He announced the selection of Principal Water Resources Specialist Stephenson to serve on a new statewide Independent Technical Panel. The panel, being convened by the Department of Water Resources (DWR) as a requirement of AB 1420, was charged with making recommendations to DWR and the Legislature on new demand management measures, technologies, and approaches to water use efficiency.

Chair Topolovac spoke about the Water Authority’s “Love Your Water” Smartphone photo contest. The contest was designed to help people realize how they value water by submitting photos about water from their Smartphone’s for posting on the Water Authority’s Facebook page. The winners were selected and had been notified.

He reminded the Board of the upcoming May 2, 2013 special meeting of the Legislation, Conservation and Outreach Committee at the Water Conservation Garden.
DIRECTORS’ COMMENTS
There were no comments by Directors.

I. CONSENT CALENDAR
There were no items on the Consent Calendar.

II. ACTION/DISCUSSION

1. Legislation Conservation and Outreach Committee Goals for calendar years 2013 and 2014.
Legislation, Conservation and Outreach Committee Chair and Vice Chairs’ recommendation:
Adopt the Legislation Conservation and Outreach Committee Goals for calendar years 2013 and 2014.

Chair Topolovac spoke regarding the 2013 and 2014 committee goals. Director Muir moved, Director Barnum seconded, to adopt the Chair and Vice Chairs’ recommendation and the motion passed unanimously to adopt the Legislation Conservation and Outreach Committee Goals for calendar years 2013 and 2014.

2. Legislative Issues.
2-A Report by Carpi and Clay.

Mr. Clay reported on legislative issues, and stated the policy committee hearings would be starting soon. He stated the budget subcommittee process had started, and the first senate hearing on funding for the Salton Sea had taken place. He reported that Assembly member Hueso was sworn in as Senator, and that his bills would continue to move forward in the Assembly. He spoke regarding AB 613 on recycled water, stating that he was expecting to have a hearing at the end of the month. He also touched on the water bond and stated he thought the bond would be downsized. Mr. Clay also highlighted AB 52, which relates to Native American sacred sites.

Mr. Carpi reported on issues in Congress, including the recent adoption of an appropriations bill which funds the federal government through the balance of 2013. He stated that both the House and Senate had passed their budget resolutions. He reported that Bay-Delta conservation plan documents received little reaction from Congress. He announced that DWR and Bureau of Reclamation had made changes to the federal water allocations from the Central Valley Project and they would be reduced from what was expected. He reported the Senate Environment and Public Works Committee, chaired by Senator Boxer, passed the Water Resources Development Act of 2013, which authorized projects for the Army Corps of Engineers.

2-B Adopt positions on various state bills:
Staff recommendation:
1. Adopt a position of Support on AB 762 (Patterson)
2. Adopt a position of Support on AB 763 (Buchanan)
3. Adopt a position of Support on AB 1258 (Skinner)
4. Adopt a position of Support, if amended on SB 425 (DeSaulnier)
5. Adopt a position of Support on AB 1349 (Gatto)
6. Adopt a position of Support on AB 803 (Hueso)
7. Adopt a position of Support on AB 115 (Perea)
8. Adopt a position of Oppose Unless Amended on AB 145 (Perea)

Management Analyst Schnell presented on the various state bills.

Director Madaffer made the following modified motion, seconded by Director Hilliker:

Adopt positions on various state bills:
1. Adopt a position of Support on AB 762 (Patterson)
2. Adopt a position of Support on AB 763 (Buchanan)
3. Adopt a position of Support on AB 1258 (Skinner)
4. Adopt a position of Support on SB 425 (DeSaulnier)
5. Adopt a position of Support on AB 1349 (Gatto)
6. Adopt a position of Support on AB 803 (Hueso)
7. Adopt a position of Support on AB 115 (Perea)
8. Adopt a position of Oppose Unless Amended on AB 145 (Perea)

The motion carried. Directors Barnum and Dailey voted no.

III. INFORMATION
1. Small Contractor Outreach and Opportunities Program Quarterly report.

This item was continued to the April 25, 2013 board meeting.

The committee received and filed the following items:
2. Quarterly report on Public Outreach and Conservation activities.

IV. ADJOURNMENT
There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Topolovac adjourned the meeting at 10:03 a.m.

IMPORTED WATER COMMITTEE
CALL TO ORDER / ROLL CALL
Chair Saxod called the Imported Water Committee meeting to order at 10:12 a.m. Committee members present were Vice Chairs Muir and Williams, and Directors Croucher, Evans, Hogan, Lewinger, Linden, Pocklington, Steiner, Watkins, Wilson, and Wornham. Director Arant and Price were absent. Also present were Directors Barnum, Brady, Dailey, Hilliker, Kern, Madafffer, Miller, Mudd, Murtland, Sanford, Saunders, Simpson, Topolovac, Tu, Verbeke, Watton, and Weston. 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, Director of MWD Program Chen, Colorado River Program Director Razak, 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’S REPORT
Chair Saxod thanked Director Lamb for his service on the committee and welcomed new Vice Chair Muir.

She announced that Department of Water Resources had reduced the 2013 State Water Project (SWP) allocation from 40 percent to 35 percent and that final SWP allocation would be set later this spring. She stated that California Natural Resources Agency planned on releasing the Bay Delta Conservation Plan’s preliminary draft chapters over the following weeks.

Chair Saxod reported that she, along with Board Chair Wornham, met with Imperial Irrigation District (IID) Board President Matt Dessert and IID Director Steve Benson. She requested Chair Wornham provide an update on the meeting. Chair Wornham reported that they discussed recent developments at IID, including the QSA, IID’s legal representations, and IID’s water management. After the meeting they received a tour of the All-American Canal, and examples of solar development in the Imperial Valley.

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

II. ACTION/DISCUSSION
1. Presentations on Bay Delta Alternatives by:
   - Department of Water Resources – Paul Helliker, Deputy Director
   - Natural Resources Defense Council – Barry Nelson, Senior Policy Analyst
   - California Farm Water Coalition – Mike Wade, Executive Director
   - Alameda County Water District – Walt Wadlow, General Manager

Mr. Cushman provided an overview presentation on the Bay Delta and introduced the guest speakers. Each representative from the above agencies made presentations. Following the presentations, Directors asked questions and made comments.
The Committee went to lunch recess at 12:43 p.m.

The Committee resumed at 1:24 p.m.

The agenda was taken out of order and Mr. Hentschke took the Committee into closed session at 1:24 p.m.

IV. CLOSED SESSION

1. CLOSED SESSION:
   Conference with Legal Counsel – Existing Litigation
   Government Code §54956.9(d) (1)
   SDCWA v Metropolitan Water District of Southern California;
   Case Nos. CPF-10-510830 and CPF-12-512466

   Mr. Hentschke brought the Committee out of Closed Session at 2:06 p.m. and reported that by unanimous vote the Committee made a recommendation to the board to authorize General Counsel to amend the service agreement for e-discovery services with Teris from a not-to-exceed amount of $50,000 to a not-to-exceed amount of $150,000. He stated that this item would be on the consent calendar for the formal board meeting.

2. Imported Water Committee Goals for calendar years 2013 and 2014. Adopt the Imported Water Committee Chair and Vice Chairs’ recommendation: Adopt the Imported Water Committee Goals for calendar years 2013 and 2014.

   Director Wilson made a motion and Director Lewinger seconded the motion. The motion passed unanimously to approve the Imported Water Committee goals.

   3-A Metropolitan Water District Delegates report.

   The delegates reported on the discussions and actions taken at the recent MWD board meetings.

4. Colorado River Program.
   4-A Colorado River Board representative’s report.

   Director Hogan reported on discussions at the March 2013 Colorado River Board meeting.

III. INFORMATION

   The following information item was noted and filed:

   2. Metropolitan Water District Program report.
V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair Saxod adjourned the meeting at 2:26 p.m.

ENGINEERING AND OPERATIONS COMMITTEE
CALL TO ORDER / ROLL CALL

Vice Chair Pocklington called the Engineering and Operations Committee meeting to order at 2:27 p.m. Committee members present were Vice Chair Pocklington, Directors Barnum, Morrison, Mudd, Simpson, Tu, Verbeke, Watkins and Wornham. Committee members absent were Chair Brady, Vice Chair Miller, and Directors Bailey, Murtland, and Price. Also present were Directors Douglas, Hilliker, Hogan, Kern, Lewinger, Linden, Madaffer, Muir, Sanford, Topolovac, Watton, Weston, Wight, Williams, and Wilson. 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, Director of Engineering Rose, Director of Operations and Maintenance Eaton, Deputy General Counsel Gallien, Engineering Manager Reed, and Sr. Engineer Henry.

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

Vice Chair Pocklington announced a special Engineering and Operations Committee meeting was scheduled for Thursday April 11, 2013 at 1:30 pm. Staff would present background information on the Lake Hodges and San Vicente pipeline projects, followed by closed session litigation updates for both projects.

Vice Chair Pocklington gave a brief summary of the Colorado River Tour.

DIRECTORS’ COMMENTS

There were no Directors’ comments.

I. CONSENT CALENDAR

1. Professional services contract with Northwest Hydraulic Consultants Inc. for hydraulic transient analysis support as-needed services.

   Staff recommendation: Authorize the General Manager to award a professional services contract in the amount of $500,000 to Northwest Hydraulic Consultants Inc. for hydraulic transient analysis support as-needed services for a period of five years.
Director Barnum moved, Director Mudd seconded, and the motion to approve the staff recommendation passed unanimously.

II. ACTION/DISCUSSION
1. Engineering and Operations Committee Goals for calendar years 2013 and 2014.
   Staff recommendation: Adopt the Engineering and Operations Committee Goals for calendar years 2013 and 2014.

   Director Mudd moved, Director Simpson seconded, and the motion to approve the staff recommendation passed unanimously.

III. INFORMATION
1. Presentation on the Carlsbad Desalination Project.
   Deputy General Manager Belock gave a brief summary of the Carlsbad Desalination Project. The Water Authority, Poseidon, and Kiewit-Shea Desalination (KSD), were working closely with the city of Carlsbad, city of Vista, and city of San Marcos. Construction had begun on the eastern end of the conveyance pipeline, and staff was working closely with residents. On Friday March 29, 2013 a media briefing would take place with Water Authority and Poseidon staff.
   Anthony DeFrenza, KSD Engineering Manager, gave a presentation demonstrating the working model that the design team uses to design the desalination plant. Mr. DeFrenza reviewed the treatment process the seawater would go through once it entered the desalination plant.

2. San Vicente Dam Raise project update.

   Item number two was continued to the April 25, 2013 meeting.

IV. CLOSED SESSION
There were no closed session items on the agenda.

V. ADJOURNMENT
There being no further business to come before the Engineering and Operations Committee, Vice Chair Pocklington adjourned the meeting at 2:38 p.m.

WATER PLANNING COMMITTEE
CALL TO ORDER/ROLL CALL
Chair Douglas called the Water Planning Committee Meeting to order at 2:42 p.m. Committee members present were Chair Douglas, Vice Chairs Tu and Watton, and Directors Kern, Linden, Madaffer, Murtland, Sanford, Saunders, Simpson, Steiner and Weston. Also present were Directors Dailey, Evans, Hilliker, Hogan, Horn, Lewinger, Morrison, Mudd, Muir, Pocklington, Saxod, Topolovac, Verbeke, Watkins, Williams 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, Water Resources Director Weinberg, Water Resources Manager Purcell and Senior Water Resources Specialist Tegio.

PUBLIC COMMENT
There were no public comments.

DIRECTORS’ COMMENTS
There were no comments made by Directors.

CHAIR’S REPORT
Chair Douglas thanked Committee and Board members for attending the March 14, 2013 Water Planning Committee workshop on the Regional Facilities Optimization and Master Plan update. Chair Douglas announced there would be a public scoping on Monday, April 29, 2013 with the schedule beginning at 6:00 p.m. for the purpose of receiving public comments on what issues should be considered in preparing the Master Plan environmental document. Chair Douglas welcomed Director Tu as the new Vice Chair for the Committee and thanked Director Kern for attending the Committee pre-meeting with staff and Committee officers on March 25, 2013.

I. CONSENT CALENDAR
There were no items for the Consent Calendar.

II. ACTION/DISCUSSION
1. Water Planning Committee Goals for calendar years 2013 and 2014.
   Water Planning Committee Chair and Vice Chairs’ recommendation: Adopt the Water Planning Committee Goals for calendar year 2013 and 2014.
   Director Tu moved, Director Weston seconded, and the motion passed unanimously to approve the recommendation of the Committee Chair and Vice Chairs.

2. Resolution for the Final Mitigated Negative Declaration for the Pipeline 3 Relining Project – Sweetwater to Lower Otay Reservoir; adopting a Mitigation Monitoring and Reporting Program; approving the project; and authorizing Filing of a Notice of Determination.
   Staff recommendation:
   It is recommended the Board adopt Resolution No. 2013-____ that:
   a) Finds that the project will not have a significant effect on the environment
   b) Adopts the Final Mitigated Negative Declaration
   c) Adopts the Mitigation Monitoring and Reporting Program
   d) Approves the Project
   e) Authorizes filing a Notice of Determination
   Director Steiner moved, Director Tu seconded, and the motion passed unanimously to approve the staff recommendation.
The following item was continued to the Water Planning Committee meeting scheduled for April 25, 2013:

   3-A. Report on the evaluation of a proposed Colorado River Conveyance Facility to deliver the full allotment of conserved water from the IID transfer and canal lining agreements.

III. INFORMATION
The following reports were received and filed:
1. Water supply and demand conditions.

IV. CLOSED SESSION
There were no Closed Session items.

V. ADJOURNMENT
Chair Douglas adjourned the meeting at 2:45p.m.

ADMINISTRATIVE AND FINANCE COMMITTEE
CALL TO ORDER / ROLL CALL
Chair Saunders called the Administrative and Finance Committee meeting to order at 2:50 p.m. Committee members present were Vice Chair Wight*, and Directors Dailey, Hilliker, Hogan, Lewinger, Sanford*, Topolovac, Watton, Weston, Williams, and Wilson. Committee members absent were Vice Chair Arant and Director Bailey. Also present were Directors Barnum, Douglas, Evans, Horn, Kern, Linden, Madaffer, Mudd, Murtland, Saxod, Simpson, Steiner, Tu, Verbeke, Watkins 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, Director of Administrative Services Young, Director of Water Resources Weinberg, Financial Planning Manager Shank and Financial Resources Manager Celaya. Also present were Robert Grantham and Pierce Rossum with Carollo Engineers, Inc.

ADDITIONS TO AGENDA
There were no additions to the agenda.

PUBLIC COMMENT
There were no public speakers.

CHAIR’S REPORT
There was no Chair’s Report.
DIRECTORS’ COMMENTS
There were no Director’s comments.

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

2. Adopt an ordinance making clean-up amendments to the Administrative Code.
   Staff recommendation: Adopt Ordinance No. 2013-__ an ordinance of the board of directors of the San Diego County Water Authority to make clean-up amendments to chapters 1.08, 2.16, 7.00, and 9.04 of the Administrative Code.

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

II. ACTION/DISCUSSION
1. Administrative and Finance Committee Goals for calendar years 2013 and 2014.
   Administrative and Finance Committee Chair and Vice Chairs’ recommendation: Adopt the Administrative and Finance Committee Goals for calendar years 2013 and 2014.

   Director Weston moved, Director Sanford seconded and the motion to adopt the Administrative and Finance Committee goals passed unanimously.

2. Presentation on Cost of Service Study Phase I – Calendar Year 2014 rates and charges methodology and initial calculation of current capacity charges (Treatment and System).

   Ms. Kerl stated the presentation would provide information on Fiscal Year 2014 Cost of Service rates and capacity charges. She gave a brief overview of what was covered at the previous Board meeting and then introduced Robert Grantham from Carollo Engineers to explain Phase I of the Cost of Service Study in more detail.

   Mr. Grantham reviewed the methodology used for analyzing the 2014 rates and charges in the Cost of Service Study Phase I, the completed draft analysis of the capacity charges and draft recommended charges, including how the capacity charges were calculated. He reviewed the next steps, key dates and schedule, and then turned to the Board for questions.

   The Board had several questions, comments and recommendations.

*Vice Chair Wight arrived at 3:15.
III. INFORMATION
1. Controller’s Report
2. Board Calendar

IV. CLOSED SESSION

Chair Saunders requested Mr. Hentschke take the committee into closed session at 3:18 p.m.

Mr. Hentschke brought the Committee out of closed session at 4:00 p.m., and announced the Committee had given direction to the general manager, which would be implemented in the future.

V. ADJOURNMENT
There being no further business to come before the Administrative and Finance Committee, Chair Saunders adjourned the meeting at 4:00 p.m.

FORMAL BOARD OF DIRECTORS’ MEETING OF MARCH 28, 2013
1. CALL TO ORDER Chair Wornham called the Formal Board of Directors’ meeting to order at 4:05 p.m.

2. SALUTE TO THE FLAG Representative Roberts led the salute to the flag.

3. ROLL CALL, DETERMINATION OF QUORUM Secretary Hogan called the roll. Directors present were Barnum, Dailey, Douglas, Evans, Hilliker, Hogan, Kern, Lewinger, Linden, Madaffer, Morrison, Mudd, Muir, Murtland, Pocklington, Sanford, Saunders, Saxod, Simpson, Topolovac, Tu, Verbeke, Watkins, Watton, Weston, Wight, Williams, Wilson, Wornham, and Representative Roberts. Directors absent were Arant, Bailey, Brady, Croucher, Miller, Price, and Steiner.

3-A Report on proxies received. There were no proxies.

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

5. APPROVAL OF MINUTES Director Muir moved, Director Saxod seconded, and the motion carried at 83.63% of the vote to approve the minutes of the Formal Board of Directors’ meeting of February 28, 2013. Director Evans 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 **Retirement of Director.** Adopt Resolution 2013-09 honoring Brian Boyle upon his retirement from the Board of Directors.

7-B **Appointment of Director.** Jerry Kern representing the city of Oceanside. Term expires July 15, 2016.

7-C **Recognition of Al Garza, Systems Maintenance Supervisor, Employee of the 2nd Quarter.**

Director Topolovac moved, Director Hilliker seconded, and the motion carried at 86.17% of the vote to adopt Resolution No. 2013-09 honoring Brian Boyle upon his retirement from the Board of Directors.

Chair Wornham announced the appointment of Director Kern and welcomed him to the Board.

Chair Wornham and General Manager Stapleton recognized Al Garza as the employee of the 2nd quarter.

8. **REPORTS BY CHAIRS**

8-A **Chairs report: Chair Wornham.**

Chair Wornham announced that he would be attending a media day in San Marcos relating to the Carlsbad Desalination Project. The purpose of the event was to familiarize media with the conveyance pipeline, projected to begin in San Marcos in early April, 2103.

He reminded the Board of the upcoming Board Retreat being held on Friday, April 19, 2013 at the Scripps Miramar Ranch Library. He announced the Board would receive an agenda from the Clerk of the Board, including directions to the Library.

He announced the Carlsbad Desalination Project was awarded “Project Finance Magazine’s North American Water Deal of the Year 2012” on March 7, 2013 at an awards dinner in New York City. He added the award recognized innovation, deal repeatability, best practice, problem solving, risk mitigation, value of money and speed of delivery in the financing of infrastructure projects.

He reported that himself and Director Saxod had met with IID Board President Matt Dessert, and newly elected IID board official Steve Benson, to exchange information and perspectives on current issues. He announced the meeting was one of several arranged between SDCWA board representatives and IID board members.
Chair Wornham referred to the “Carpe Diem West Report” and announced the Water Authority and its member agencies were lauded for water supply diversification efforts. The report highlighted the Water Authority’s decades-long effort to diversify water supplies and reduce reliance on imported water. In particular, the report cited the region’s improved water efficiency, agreements to conserve and transfer water from Imperial County, and the decision to invest in supplies from the Carlsbad Desalination plant as examples of successful and economically smart decisions. He stated a hardcopy of the report had been provided to the Board for review.

He announced the upcoming retirement of Director Price and shared a farewell message from him in regards to his time on the Board and his gratitude to the Directors he served with.

8-B Report by Committee Chairs.
Legislation, Conservation and Outreach Committee. Director Topolovac reviewed the meeting and the action taken.
Imported Water Committee. Director Saxod reviewed the meeting and the action taken.
Engineering and Operations Committee. Director Pocklington reviewed the meeting and the action taken.
Water Planning Committee. Director Douglas reviewed the meeting and the action taken.
Administrative and Finance Committee. Director Saunders reviewed the meeting and the action taken.

9. CONSENT CALENDAR
Director Pocklington moved, Director Hogan seconded, and the motion carried at 86.17% of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.

9- 1. Legislation Conservation and Outreach Committee Goals for calendar years 2013 and 2014.
The Board adopted the Legislation Conservation and Outreach Committee Goals for calendar years 2013 and 2014.

9- 2. The Board Adopted positions on various state bills:
1. Adopted a position of Support on AB 762 (Patterson)
2. Adopted a position of Support on AB 763 (Buchanan)
3. Adopted a position of Watch on AB 1258 (Skinner)
4. Adopted a position of Watch on SB 425 (DeSaulnier)
5. Adopted a position of Support on AB 1349 (Gatto)
6. Adopted a position of Support on AB 803 (Hueso)
7. Adopted a position of Support on AB 115 (Perea)
8. Adopted a position of Oppose Unless Amended on AB 145 (Perea)
The Board adopted the Imported Water Committee Goals for calendar years 2013 and 2014.

9- 4. Professional services contract with Northwest Hydraulic Consultants Inc. for hydraulic transient analysis support as-needed services.
The Board authorized the General Manager to award a professional services contract in the amount of $500,000 to Northwest Hydraulic Consultants Inc. for hydraulic transient analysis support as-needed services for a period of five years.

9- 5. Engineering and Operations Committee Goals for calendar years 2013 and 2014.
The Board adopted the Engineering and Operations Committee Goals for calendar years 2013 and 2014.

The Board adopted the Water Planning Committee Goals for calendar years 2013 and 2014.

9- 7. Resolution for the Final Mitigated Negative Declaration for the Pipeline 3 Relining Project – Sweetwater to Lower Otay Reservoir; adopting a Mitigation Monitoring and Reporting Program; approving the project; and authorizing Filing of a Notice of Determination.
The Board adopted Resolution No. 2013-08 that:
a) Finds that the project will not have a significant effect on the environment.
b) Adopts the Final Mitigated Negative Declaration.
c) Adopts the Mitigation Monitoring and Reporting Program.
d) Approves the Project.
e) Authorizes filing a Notice of Determination.

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

The Board adopted Ordinance No. 2013-01 an Ordinance of the Board of Directors of the San Diego County Water Authority to make clean-up amendments to chapters 1.08, 2.16, 7.00, and 9.04 of the Administrative Code.

9-10. Administrative and Finance Committee Goals for calendar years 2013 and 2014.
The Board adopted the Administrative and Finance Committee Goals for calendar years 2013 and 2014.

9-11. CLOSED SESSION:
The Board authorized the General Counsel to amend the service agreement for e-discovery services with Teris from a not-to-exceed amount of $50,000 to a not-to-exceed amount of $150,000.
10. **ACTION/DISCUSSION**  
There were no Action/Discussion items.

11. **CLOSED SESSION(S)**

11-A **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-B **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 CPF-12-512466

11-C **CLOSED SESSION:**  
Conference with Legal Counsel - Existing Litigation  
Government Code §54956.9(a) -  
SDCWA v City of Los Angeles Department of Water and Power;  
Case No. BS136663

11-D **CLOSED SESSION:**  
Conference with Legal Counsel - Existing Litigation  
Government Code §54956.9(a) -  
SDCWA v Eastern Municipal Water District;  
Riverside Superior Court Case No. RIC1300887

11-E **CLOSED SESSION:**  
Conference with Labor Negotiator, Government Code §54957.6  
Agency Designated Representatives: Frank Belock, Susan Leone  
Unrepresented Employees: Executive and Senior Manager Group

Mr. Hentschke announced there was no need for a Closed Session.

12. **ACTION FOLLOWING CLOSED SESSION** – None.
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 Barnum reviewed the SANDAG meeting of March 8, 2013. Chair Wornham reviewed the meeting of February 22, 2013.
13-D AB 1234 COMPLIANCE REPORTS – No reports were given.

14. **OTHER COMMUNICATIONS** - There were no other communications.

15. **ADJOURNMENT**
There being no further business to come before the Board, Chair Wornham adjourned the meeting at 4:20 p.m.

__________________________________  ______________________________
Thomas V. Wornham, Chair    Michael T. Hogan, Secretary

_______________________________
Doria F. Lore, Clerk of the Board
RESOLUTION NO. 2013-_____  

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
SAN DIEGO COUNTY WATER AUTHORITY  
HONORING DENNIS LAMB  
UPON HIS RETIREMENT FROM THE BOARD OF DIRECTORS

WHEREAS, Dennis Lamb served as a member of the Board of Directors of the San Diego County Water Authority, representing Vallecitos Water District, from January 12, 2012 to his retirement on March 28, 2013; and

WHEREAS, he served as Vice Chair on the Imported Water Committee, and as a member on the Engineering and Operations Committee, Legislation Conservation and Outreach Committee, and Water Planning Committee; and

WHEREAS, he served as a Representative at the San Diego Area Wastewater Management District; 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 Dennis Lamb for his dedicated service to the San Diego region.

PASSED, APPROVED, and ADOPTED this 25th day of April, 2013.

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. 2013- _____ was duly adopted at the meeting of the Board of Directors on the date stated above.

Doria F. Lore
Clerk of the Board
DATE: April 17, 2013

TO: Board of Directors

FROM: Daniel S. Hentschke, General Counsel

RE: Credentials of Betty Evans
    Vallecitos Water District

Transmitted herewith is a copy of Resolution No. 1417 submitted by the Vallecitos Water District appointing Betty Evans to the Water Authority’s Board of Directors. Her term will expire on March 13, 2016.

The credentials furnished are sufficient for the qualifications of Ms. Evans as a member of the Water Authority Board.

[Signature]
Daniel S. Hentschke
General Counsel

dfl
Attachment
CERTIFIED COPY
Resolution No. 1417

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
DESIGNATING THE DISTRICT REPRESENTATIVE, BETTY EVANS,
AS A MEMBER OF THE BOARD OF DIRECTORS
OF THE SAN DIEGO COUNTY WATER AUTHORITY

STATE OF CALIFORNIA  
County of San Diego

I, DENNIS O. LAMB, Secretary of the Vallecitos Water District, hereby certify that the 
foregoing is a full, true, and correct copy of Resolution No. 1417 adopted by the Board 
of Directors at a Regular Meeting on the 20TH day of March, 2013, and that the same 
has not been amended.

Dennis O. Lamb, Secretary
Board of Directors
Vallecitos Water District

DATED: March 21, 2013
RESOLUTION NO. 1417

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT DESIGNATING THE DISTRICT REPRESENTATIVE, BETTY EVANS, AS A MEMBER OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY

WHEREAS, Vallecitos Water District is a member of the San Diego County Water Authority and entitled to one representative to serve as a member of the Board of Directors of the San Diego County Water Authority; and

WHEREAS, the Board of Directors adopted Resolution No. 1386 on December 7, 2011, appointing Dennis O. Lamb as the District’s representative on the Board of Directors of the San Diego County Water Authority; and

WHEREAS, the term of office of Dennis O. Lamb as representative of the Vallecitos Water District on the Board of Directors of the San Diego County Water Authority expires on March 13, 2016;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Vallecitos Water District hereby appoints Betty Evans as a member of the Board of Directors of the San Diego County Water Authority as a representative of this District for the remainder of the term ending March 13, 2016.

BE IT FURTHER RESOLVED, that the Secretary is hereby authorized and directed to provide a certified copy of this resolution to the San Diego County Water Authority at 4677 Overland Avenue, San Diego, CA 92123.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on the 20th day of March, 2013, by the following roll call vote:

AYES: EVANS, MARTIN, HERNANDEZ
NOES: FERGUSON, POLTL
ABSTAIN: 
ABSENT: 

James Hernandez, President
Board of Directors
Vallecitos Water District

ATTEST:
Dennis O. Lamb, Secretary
Board of Directors
Vallecitos Water District
April 17, 2013

Attention: Board of Directors

General Counsel’s Report – March/April 2013

Purpose
This report discusses certain legal matters receiving attention during the months of March/April 2013.

Significant Developments in Pending Litigation
MWD Rate Cases:
Judge Karnow continues to stick to his announced preference that (1) the parties complete discovery by June or July 2013 and try the case in November 2013; and (2) he would like to resolve both the 2011-12 and 2013-14 cases together.

On March 27, 2013, the Court held a hearing on MWD's demurrer and motion to strike, which asked for a ruling that Proposition 26 does not apply to the 2010 lawsuit challenging MWD's 2011-12 rates. On March 29, 2013, Judge Karnow entered an order granting MWD’s motion on relatively narrow grounds. Judge Karnow ruled that, because MWD’s 2011-12 rates were adopted in April 2010, Proposition 26 was not passed until November 2010, and Proposition 26 was not intended to be retroactive, the proposition could not apply to the 2011-12 rates. Judge Karnow acknowledged that, regardless of whether Proposition 26 is in the 2010 case, the standard for evaluating MWD’s 2011-12 rates will be effectively the same and will depend on whether those rates are reasonably related to the costs MWD incurs in providing its services. Judge Karnow also acknowledged that Proposition 26 still applies to the 2012 lawsuit challenging MWD’s 2013-14 rates.

Since the demurrer hearing, we have been litigating discovery issues with MWD. We propounded interrogatories and request for admission on MWD, seeking information about the relationship (if any) of MWD’s rates to its costs. After MWD refused to serve responses, we moved to compel, and the hearing on that motion is set for April 23, 2013, along with a further case management conference. In opposing our motion, MWD admitted that it does not make any effort retroactively to reconcile its revenues with its rates, and suggested that it has no information lining up its individual estimated or actual rate revenue with the costs of the services associated with each rate. MWD also denied having any cost-of-service limitation on its rate-setting powers, asserting that the only limitation on those powers is the MWD Act, which requires only uniform rates that recover revenue for MWD. MWD also moved to compel on its own discovery requests to us, which mostly seek documents beyond the scope of the case, such as documents related to SDCWA’s own rates or SDCWA’s QSA relationship with IID. The hearing on MWD’s motion to compel is set for May 10, 2013.

We are also continuing to monitor the compliance of the various Member Agencies, Malcolm Pirnie, and Cordoba with their discovery obligations and may need to file additional motions to compel against those parties. In particular, we expect we will file a motion to compel against
Malcolm Pirnie in the next week or two, seeking production of documents that Malcolm Pirnie is wrongly withholding as privileged.

Finally, MWD submitted its proposed administrative record for the 2013-14 case on March 19, 2013. We are reviewing that record and considering what additional material we will need to put before the Court in that case.

QSA Litigation:
On April 9, Judge Connelly denied IID’s motion to withdraw the supplemental brief it had filed on March 5. Judge Connelly noted that the supplemental briefing was narrowly focused to address the question whether the QSA JPA executed on October 10, 2003 differed materially from the draft reviewed by the IID board on October 2, 2003. IID had sought to withdraw the brief because it had changed lawyers and because the policy position of the IID’s current board toward the QSA is different than the position of the board at the time the QSA was approved. Judge Connelly noted that issue addressed in the supplemental brief does not implicate any policy positions or views of the current IID board that may diverge from those of the board at the time IID approved the QSA. While these views may be relevant in the context of settlement discussions, which the court has been careful to keep separate from the trial, they are not relevant to the decision the court is required to make regarding the validity of the QSA. The Judge reiterated that his decision must be based solely on the administrative record and the issues properly raised in the validation proceedings. Earlier, on April 5, Cuatro del Mar withdrew its motion for the court to reconsider its denial of the request for a stay of the proceedings. In consequence, the Court’s prior order submitting the case for decision stands and a decision is expected on or before June 3. On April 11, Judge Connelly issued an order essentially sustaining objections of the Water Authority, Coachella, and the State to IID’s report regarding the status of settlement negotiations. Judge Connelly admonished IID for disregarding his instruction not to disclose the substantive content of the negotiations. He explained that his instruction is intended to keep the process and substance of the settlement negotiations separate from the briefings and administrative record on which the court must base its decision if the negotiations do not result in a global settlement agreement. Judge Connelly’s order strikes the inappropriate sections of IID's status report and directs IID to comply with his orders in the next two status reports. To date, IID has not engaged in settlement discussions with the Water Authority and we have received no official communications regarding settlement other than the status report.

Special Counsel Expenditures
Funds approved for payments to special counsel during March-April 2013 from the General Counsel’s Operating Budget totaled $141,383.45 for work related to the Metropolitan rate dispute, enforcement of requests for public records, QSA matters, bond counsel services and employee benefit matters. In addition, $19,640.41 was approved for payment from Water Resources Operating Budget for work related to desalination. CIP expenditures during March-April 2013 were $171,146.95 for work related to the Olivenhain Lake Hodges Pump Storage Project and SDG&E.

Prepared by: Daniel S. Hentschke

Attachment: Special Counsel Expenditure Report
<table>
<thead>
<tr>
<th>Special Counsel</th>
<th>Project</th>
<th>Total $ Expended FYs 10 &amp; 11 (Fees &amp; Costs)</th>
<th>OP Budget Invoices Approved for Payment this Period</th>
<th>CIP Budget Invoices Approved for Payment this Period</th>
<th>Total $ Expended FYs 12 &amp; 13 (Fees &amp; Costs)</th>
<th>Budget Allocation FYs 12 &amp; 13 for Legal Services $4,700,000.00 ($) (3.5 mil in additional funds was authorized in Nov. 2012)</th>
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* Concluded matters or assignments.

1 Not included in totals, these legal expenses related to QSA are coming out of Colorado River Program budget, not GC budget
2 Not included in totals, legal expenses related to proposed desalination project are coming out of Water Resources budget, not GC budget
3 Not included in totals, legal expenses related to personnel issues/labor negotiations 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>
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<th>Total $ Expended FYs 12 &amp; 13 (Fees &amp; Costs)</th>
<th>Budget Remaining in FYs 12 &amp; 13</th>
<th>(of the original $4.7 million)</th>
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* Concluded matters or assignments.

1 Not included in totals, legal expenses related to bond counsel services (desal) are coming out of the Finance budget, not GC budget
2 Not included in totals, legal expenses related to copyright matter are coming out of Conservation budget, not GC budget
3 Not included in totals, legal expenses related to personnel issue are coming out of Human Resources budget, not GC budget

Board of Directors
General Counsel's Report - March-April 2013
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