The Water Authority has entered into a partnership with the San Diego Regional Airport to display drought messaging in multiple terminals at no cost.
1. **UNIFIED AGENDA:** This unified agenda provides a brief description of each item to be considered by the Board and its Administrative and Finance, Engineering and Operations, Imported Water, Legislation, Conservation and Outreach, and Water Planning Committees. For convenience, the agenda for each of the Committees and for the formal Board meeting are stated separately; however, all agendas shall be considered as a single agenda and any item listed on the agenda of any Committee may be acted upon by the Board. All items on the agenda of any Committee, including information items, may be deliberated and become subject to action by the Board.

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

3. **MEETING TIMES:** The morning session of Standing Committees will commence at 9:00 a.m. on July 24, 2014 the afternoon session of Standing Committees will commence at 1:00 p.m. Please see the meeting schedule. The full Board may begin as early as 3:00 p.m., or as soon thereafter as the last Committee meeting is completed.

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

5. **CONSENT CALENDAR:** The agenda contains items listed on a consent calendar which is for matters considered routine or otherwise not requiring further deliberation. A committee or the Board will take action as recommended by one motion. There will be no individual discussion on such items prior to the vote unless an item is removed for discussion. If a member of the public
wishes to talk about a consent calendar item, please notify the Chair before the calendar is called. Persons who wish to be heard on an item are encouraged to speak before the assigned committee.

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

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

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

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

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

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

11. **RULES GOVERNING MEETINGS**: The Water Authority’s Administrative Code Chapter 2.00 governs conduct of meetings of the Board and the Committees. The Administrative Code is available on line at [www.sdcwa.org](http://www.sdcwa.org) or at the Water Authority Headquarters.
MEETING SCHEDULE

JULY 24, 2014

MORNING SESSION 9:00 a.m. to 12:00 p.m.
Administrative & Finance Committee Estimated time: 45 minutes
Imported Water Committee Estimated time: 1 hour 10 minutes
Water Planning Committee Estimated time: 55 minutes

LUNCHEON FOR DIRECTORS 12:00 p.m. to 1:00 p.m.

AFTERNOON SESSION 1:00 p.m. to 3:00 p.m.
Engineering & Operations Committee Estimated time: 1 hour
Legislation, Conservation & Outreach Estimated time: 50 minutes

FORMAL BOARD MEETING 3:00 p.m.

* Time estimates are for convenience only and do not constitute part of the schedule. The first morning session will commence at 9:00 a.m., and the following morning sessions may start at any time after 9:00 a.m. The first afternoon session will commence at 1:00 p.m., and the following afternoon sessions may start at any time after 1:00 p.m. The Board meeting will start no earlier than 3:00 p.m., or following the conclusion of the last committee meeting.
ADMINISTRATIVE AND FINANCE COMMITTEE

AGENDA FOR

JULY 24, 2014

Javier Saunders – Chair    Halla Razak
Gary Arant – Vice Chair    Dennis Sanford
Barbara Wight – Vice Chair    Bob Topolovac
Ed Gallo        Mark Watton
Frank Hilliker      Mark Weston
Michael Hogan     Ken Williams
Keith Lewinger     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.
   Staff recommendation: Note and file the monthly Treasurer’s report.
   (Action) Lisa Marie Harris

2. Adopt Resolution setting the time and date for a Public Hearing to consider amendments to the San Diego County Water Authority Local Conflict of Interest Code.
   Staff recommendation: Adopt Resolution No. 2014-___ setting the August regular meeting of the Administrative and Finance Committee as the time and date of a public hearing to consider amendments to the San Diego County Water Authority Local Conflict of Interest Code.
   (Action) Dan Hentschke
3. **Adopt Ordinance to make minor, technical amendments relating to the requirements for imposition of the System Capacity and Water Treatment Capacity Charges.**
   **Staff recommendation:** Adopt Ordinance No. 2014-___ amending and restating the provisions of Ordinance No. 2013-03 relating to the system capacity and water treatment capacity charges. (Action)

4. **Approve Amendment to Agreement for Special Services with Liebert Cassidy Whitmore.**
   **Staff recommendation:** Authorize the General Counsel to execute an amendment to the agreement for special services with Liebert Cassidy Whitmore to increase the contract limit to $220,000. (Action)

II. **ACTION/DISCUSSION**

   **Maureen Stapleton**

III. **INFORMATION**

1. Presentation on the Water Authority Dashboard.
   **Maureen Stapleton**

2. Controller’s report on monthly financial reports.
   **Rod Greek**

3. Board of Director’s second quarter 2014 expenses and attendance.
   **Rod Greek**

4. 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 (Recodified). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.
July 16, 2014  

Attention: Administrative and Finance Committee  

Treasurer’s Report  

Attached for review by the Administrative and Finance Committee and the Board of Directors is the Treasurer’s Report as of June 30, 2014. 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 21, 2013. A brief description of each report follows:  

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

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

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

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

The Water Authority’s portfolio is diversified among investment types, with a current concentration toward short-term maturities. This concentration is the result of cash flow needs, as well as the current historic low interest rate environment. The portfolio is comprised of high quality investments, with 75 percent currently invested in AAA rated or AAA/AA+ split-rated securities. The Water Authority’s overall portfolio yield remained steady at 0.56 percent in June 2014 and continues to exceed the investment benchmark of 0.31 percent in June 2014. Starting in January, the investment benchmark was changed from the rolling average of the One-Year Constant Maturity Treasury to the rolling average of the Two-Year Constant Maturity Treasury, which is more closely aligned with the portfolio’s average maturity. 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.  

Lisa Marie Harris, Director of Finance/Treasurer
PORTFOLIO MASTER SUMMARY
as of June 30, 2014

PORTFOLIO PERCENTAGES

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Permitted By Board Policy</th>
<th>Actual Percentage</th>
<th>Actual Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Agency Investment Fund (LAIF)</td>
<td>$50 Million</td>
<td>11.35%</td>
<td>$45,556,724</td>
</tr>
<tr>
<td>Banker's Acceptances</td>
<td>20%</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Treasury Securities</td>
<td>15% - Minimum</td>
<td>16.28%</td>
<td>65,363,988</td>
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<tr>
<td>Agency Securities</td>
<td>85%</td>
<td>57.83%</td>
<td>232,222,867</td>
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<tr>
<td>Reverse Repurchase Agreements</td>
<td>20%</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Certificates of Deposit (CDARS)</td>
<td>15%</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Negotiable Certificates of Deposit</td>
<td>15%</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>25%</td>
<td>13.67%</td>
<td>54,899,753</td>
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<tr>
<td>Medium Term Notes/Corporates</td>
<td>30%</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>JPA Pools (CAMP)</td>
<td>25%</td>
<td>0.74%</td>
<td>2,989,722</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>15%</td>
<td>0.13%</td>
<td>503,276</td>
</tr>
<tr>
<td></td>
<td></td>
<td>100.00%</td>
<td>$401,536,330</td>
</tr>
<tr>
<td>Accrued Interest (unavailable for investing)</td>
<td></td>
<td></td>
<td>2,082</td>
</tr>
<tr>
<td>Checking/Petty Cash/Available Funds (unavailable for investing)</td>
<td></td>
<td></td>
<td>2,546,652</td>
</tr>
<tr>
<td><strong>Subtotal for Pooled Funds:</strong></td>
<td></td>
<td></td>
<td>$404,085,064</td>
</tr>
</tbody>
</table>

Bond/CP Fund Excluded from Portfolio Percentages:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Actual Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury Securities</td>
<td>14,390,963</td>
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<tr>
<td>Agency Securities</td>
<td></td>
</tr>
<tr>
<td>Certificates of Deposit (CDARS)</td>
<td>-</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>-</td>
</tr>
<tr>
<td>Local Agency Investment Fund (LAIF)</td>
<td>119,345,858</td>
</tr>
<tr>
<td>JPA Pools (CAMP)</td>
<td>3,099,956</td>
</tr>
<tr>
<td>Money Market Funds and Cash</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>$136,836,780</td>
</tr>
<tr>
<td>Accrued Interest (unavailable for investing)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal for Bond/CP Fund (available for CIP expenditures):</strong></td>
<td>$136,836,780</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Actual Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency Securities and Money Market Fund - Series 2004A COPs</td>
<td>4,517,096</td>
</tr>
<tr>
<td>Trinity Plus - Reserve (GIC) - Series 1998A COPs</td>
<td>12,240,775</td>
</tr>
<tr>
<td><strong>Subtotal for Debt Service Reserve Funds (unavailable for CIP expenditures):</strong></td>
<td>$16,757,871</td>
</tr>
</tbody>
</table>

Total Cash and Investments

<table>
<thead>
<tr>
<th></th>
<th>Pool Funds **</th>
<th>Bond/CP Fund</th>
<th>Debt Service Reserve</th>
<th>Total *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Yield to Maturity - 365 Days</td>
<td>0.49%</td>
<td>0.31%</td>
<td>4.11%</td>
<td>0.56%</td>
</tr>
<tr>
<td>Average Term</td>
<td>826</td>
<td>115</td>
<td>149</td>
<td>631</td>
</tr>
<tr>
<td>Average Days to Maturity (730 Days Maximum)</td>
<td>476</td>
<td>6</td>
<td>16</td>
<td>347</td>
</tr>
</tbody>
</table>

* "The weighted average days to maturity of the total portfolio shall not exceed 730 days (two years) to maturity" per SDCWA Investment Policy.
** Pooled Funds include Operating, Pay Go, RSF, Equipment and Stored Water funds.
On June 18th, the FOMC maintained the target for the federal funds rate at a range of 0-25 basis points. The next meeting is July 30th.
### Managed Pool Accounts

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Investment #</th>
<th>Issuer</th>
<th>Average Balance</th>
<th>Purchase Date</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>Stated Rate</th>
<th>S&amp;P YTM</th>
<th>Days to Maturity</th>
<th>Maturity Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH35</td>
<td>73</td>
<td>CAMP - OPERATING/POOLED</td>
<td>2,989,721.77</td>
<td>07/01/2013</td>
<td>2,989,721.77</td>
<td>2,989,721.77</td>
<td>0.060</td>
<td>AAA</td>
<td>0.060</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>CASH45</td>
<td>4004</td>
<td>CAMP - 2010B BONDS-BABS</td>
<td>3,099,956.03</td>
<td>07/01/2013</td>
<td>3,099,956.03</td>
<td>3,099,956.03</td>
<td>0.060</td>
<td>AAA</td>
<td>0.060</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>CASH43</td>
<td>4001</td>
<td>GOLDMAN - 2010B BONDS-BABS</td>
<td>0.00</td>
<td>07/01/2013</td>
<td>0.00</td>
<td>0.00</td>
<td>0.010</td>
<td>AAA</td>
<td>0.010</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>CASH11</td>
<td>0002</td>
<td>GOLDMAN - OPERATING/POOLED</td>
<td>503,276.31</td>
<td>07/01/2013</td>
<td>503,276.31</td>
<td>503,276.31</td>
<td>0.010</td>
<td>AAA</td>
<td>0.010</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>CASH13</td>
<td>72</td>
<td>LAIF - OPERATING</td>
<td>45,556,724.29</td>
<td>07/01/2013</td>
<td>45,556,724.29</td>
<td>45,556,724.29</td>
<td>0.230</td>
<td>AAA</td>
<td>0.230</td>
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<tr>
<td>CASH41</td>
<td>4002</td>
<td>LAIF - 2010B BONDS-BABS</td>
<td>119,345,857.80</td>
<td>07/01/2013</td>
<td>119,345,857.80</td>
<td>119,345,857.80</td>
<td>0.230</td>
<td>AAA</td>
<td>0.230</td>
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<tr>
<td>CASH17</td>
<td>204</td>
<td>TRINITY PLUS - 1998A</td>
<td>12,240,775.00</td>
<td>07/01/2013</td>
<td>12,240,775.00</td>
<td>12,240,775.00</td>
<td>5.550</td>
<td>AAA+</td>
<td>5.550</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>CASH33</td>
<td>208</td>
<td>US BANK MONEY MARKET FUND</td>
<td>58,784.41</td>
<td>07/01/2013</td>
<td>58,784.41</td>
<td>58,784.41</td>
<td>0.001</td>
<td>AAA</td>
<td>0.001</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal and Average:**

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 219,111,801.58 | 183,795,095.61 | 183,795,095.61 | 183,795,095.61 | 0.578 | 1 |
SDCWA - Fiscal Year 2014
Portfolio Management

Page 2

Portfolio Details - Investments
June 30, 2014
CUSIP

Investment #

Issuer

Average
Balance

Purchase
Date

Par Value

Market Value

Book Value

07/25/2012
08/16/2012
09/18/2012
10/17/2012
01/17/2013
02/20/2013
04/23/2013
08/09/2013
08/23/2013
08/23/2013
09/17/2013
12/19/2013
03/29/2011
10/13/2011
10/13/2011
04/26/2012
06/25/2012
06/25/2012
07/12/2012
08/09/2012
08/16/2012
05/15/2013
06/21/2013
07/16/2013
07/23/2013
09/17/2013
11/20/2013
12/19/2013
03/13/2014
03/13/2014
03/20/2014
04/15/2014
04/15/2014
04/15/2014
02/15/2013

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11,000,000.00
6,000,000.00
5,000,000.00
4,000,000.00
6,000,000.00
2,700,000.00
4,000,000.00
3,000,000.00
7,600,000.00
2,080,000.00
3,000,000.00
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3,972,400.00
6,951,700.00
3,105,431.67
4,986,800.00
5,958,600.00
4,416,030.44

5,017,600.00
5,006,610.00
11,671,200.00
5,820,230.00
7,028,221.90
11,041,140.00
6,860,802.00
5,689,550.00
4,468,764.00
5,974,860.00
3,015,009.00
4,448,560.00
3,328,020.00
7,638,912.00
2,075,944.00
3,013,080.00
5,167,000.00
5,312,250.00
10,058,800.00
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10,464,400.00
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4,037,980.00
4,038,960.00
3,486,630.00
3,966,732.00
6,941,340.00
3,117,491.67
4,980,850.00
5,947,182.00
4,458,311.57

242,374,000.00

247,663,970.81

251,072,932.49

Stated
Rate

S&P

YTM Days to
365 Maturity

Maturity
Date

Federal Agency - Coupon
3137EADD8
3137EADD8
3137EAAD1
3137EAAD1
3137EADD8
3137EADD8
3137EAAD1
3137EAAJ8
3137EAAD1
3137EADS5
3137EAAD1
3137EAAD1
3134A4UU6
3134G2UA8
3134G2WG3
3135G0DW0
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3135G0BA0
3135G0DW0
31398A4M1
3135G0DW0
31359MZC0
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31398A4M1
3135G0JA2
3135G0JA2
3135G0JA2
3135G0JA2
3135G0ZB2
3135G0PQ0
3135G0PQ0
3135G0BA0
3135G0ZB2
3135G0PQ0
3135G0BY8

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10122
10123
10124
214

FEDERAL HOME LOAN MORTGAGE COR
FEDERAL HOME LOAN MORTGAGE COR
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FEDERAL NATION MORTAGE ASSOC.
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5.250
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1.125
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0.875
0.875
2.375
0.750
0.875
0.875

AA+
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04/18/2016
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10/14/2016
04/18/2016
04/18/2016
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04/27/2017
04/20/2017
10/26/2017
10/26/2017
04/11/2016
04/20/2017
10/26/2017
08/28/2014

Portfolio CWA2
CC
Run Date: 07/02/2014 - 10:28

Page 11 of 326

PM (PRF_PM2) 7.3.0


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<th>Par Value</th>
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<th>Stated Rate</th>
<th>S&amp;P 365</th>
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<td>Subtotal and Average</td>
<td>65,365,278.73</td>
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### Portfolio Details - Cash

**June 30, 2014**

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<th>Market Value</th>
<th>Book Value</th>
<th>Stated Rate</th>
<th>S&amp;P</th>
<th>YTM</th>
<th>Days to Maturity</th>
</tr>
</thead>
<tbody>
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**Passbook/Checking Accounts**

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<th>Purchase Date</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>Stated Rate</th>
<th>S&amp;P</th>
<th>YTM</th>
<th>Days to Maturity</th>
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<tbody>
<tr>
<td>CASH01</td>
<td>48</td>
<td>PETTY CASH</td>
<td>07/01/2013</td>
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<td>CASH02</td>
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<td>WELLS FARGO - OPERATING/POOLED</td>
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**Average Balance**

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**Total Cash and Investments**

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<td>Stated Rate</td>
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<td>S&amp;P</td>
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<td>YTM</td>
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<td>Days to Maturity</td>
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<td>Month End</td>
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Average: 82, 592,228,749.04, 0.523%, 0.531%, 0.547, 3, 3, 592, 341
July 16, 2014

Attention: Administrative and Finance Committee

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

(Action)

Staff recommendation
Adopt Resolution No. 2014-___ setting the August regular meeting of the Administrative and Finance Committee as the time and date of a public hearing to consider amendments to the San Diego County Water Authority Local Conflict of Interest Code.

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

Fiscal impact
None.

Background
The state Political Reform Act requires each local agency to adopt a local conflict of interest code and to update its code every two years. The Water Authority last updated its Local Conflict of Interest Code in 2012.

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

Prepared by: Frances Thompson, Legal Administrative Assistant
Approved by: Daniel S. Hentschke, General Counsel

Attachment: Resolution No. 2014-__.
 Proposition Conflict of Interest Code Appendix (2014 Redline)
RESOLUTION NO. 2014-___

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

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

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

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

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Administrative and Finance Committee of the Board of Directors of the San Diego County Water Authority will hold a public hearing at 9:00 a.m., or as soon thereafter as the matter may be heard, on Thursday, August 28, 2014, at its offices located at 4677 Overland Avenue, San Diego, California 92123.

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

San Diego, California

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

_______________________________
Doria F. Lore
Clerk of the Board

APPROVED AND ADOPTED, this 24th day of July, 2014.

AYES:

NOES:

ABSTAIN:
ABSENT:

_____________________________
Theodore V. Wornham, Chair

ATTEST:

_____________________________
Michael T. Hogan, Secretary

I, Doria F. Lore, Clerk of the Board of Directors of the San Diego County Water Authority, certify that vote shown above is correct and that this Resolution No. 2014-____ was duly adopted at the meeting of the Board of Directors on the date stated above.

_____________________________
Doria F. Lore
Clerk of the Board
APPENDIX

SAN DIEGO COUNTY WATER AUTHORITY
LOCAL CONFLICT OF INTEREST CODE

List of Designated Positions and Disclosure Requirements
(20142 Update)

SECTION 1: AUTHORITY AND SCOPE

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

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

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

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

SECTION 2: EFFECTIVE DATE

This 20142 update of the Appendix shall be effective the day following its approval by the code reviewing body. The San Diego County Board of Supervisors is designated by statute as the code reviewing body for the San Diego County Water Authority. Following approval by the code reviewing body, this Appendix remains in effect until repealed or superseded.

SECTION 3: LIST OF DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES

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

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

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<th>Disclosure Categories</th>
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</tr>
<tr>
<td>Deputy General Manager</td>
<td>1, 2, 3, 4</td>
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<tr>
<td>Executive Administrative Assistant</td>
<td>8</td>
</tr>
<tr>
<td>Government Relations Manager</td>
<td>5, 6, 7</td>
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<tr>
<td>Management Analyst</td>
<td>5, 6, 7</td>
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<tr>
<th>General Counsel’s Office</th>
<th>Disclosure Categories</th>
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</thead>
<tbody>
<tr>
<td>General Counsel</td>
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<tr>
<td>Assistant General Counsel</td>
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<td>Legal Administrative Assistant</td>
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<table>
<thead>
<tr>
<th>Administrative Services Department</th>
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<tbody>
<tr>
<td>Director of Administrative Services</td>
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<tr>
<td>Administrative Services Manager</td>
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<tr>
<td>Clerk of the Board</td>
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</tr>
<tr>
<td>Data Base Administrator</td>
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<tr>
<td>Deputy Clerk of the Board</td>
<td>7</td>
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<tr>
<td>Facilities Services Technician</td>
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<tr>
<td>Human Resources Analyst</td>
<td>7</td>
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<tr>
<td>Human Resources Assistant</td>
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<tr>
<td>Director of Human Resources Manager</td>
<td>1, 2, 3, 4</td>
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<tr>
<td>Information Systems Manager</td>
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<td>Information Systems Supervisor</td>
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<td>Purchasing Manager</td>
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<td>Purchasing Technician I and II</td>
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<td>Risk Manager</td>
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<td>Safety Officer</td>
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<td>Warehouse Supervisor</td>
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<th>Colorado River Program</th>
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<td>Assistant Water Resource Specialist</td>
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<tr>
<td>Engineer (P.E.)</td>
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<tr>
<td>Senior Engineer</td>
<td>5, 6, 7</td>
</tr>
<tr>
<td>Senior Public Affairs Representative</td>
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</tr>
<tr>
<td>Senior Principal Water Resources Specialist</td>
<td>5, 6, 7</td>
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Engineering Department
Director of Engineering 1, 2, 3, 4
Assistant Management Analyst 5, 7
Cost Estimator 5, 7
Engineer (P.E.) 5, 7
Engineer I 5, 7
Engineer II 5, 7
Engineering Manager 1, 2, 3, 4
Engineering Technician I 5
Engineering Technician II 5
Land Surveyor (P.L.S.) 5, 7
Management Analyst 5, 7
Principal Construction Manager 1, 2, 3, 4
Principal Engineer 1, 2, 3, 4
Right of Way Agent 5, 7
Right of Way Manager 1, 2, 3, 4
Right of Way Supervisor 5, 7
Right of Way Technician I 5, 7
Right of Way Technician II 5, 7
Right of Way Technician III 5, 7
Right of Way Technician IV 5, 7
Senior Construction Manager 5, 7
Senior Engineer 5, 7
Senior Engineering Technician 5, 7
Senior Management Analyst 1, 2, 3, 4
Senior Project Scheduler 5, 7
Senior Right of Way Agent 5, 7
Senior Survey Technician 5, 8
Supervising Administrative Assistant 7
Supervising Engineering Technician 5, 7
Supervising Land Surveyor 5, 7
Supervising Management Analyst 1, 2, 3, 4
Survey Technician 5, 8

Finance Department
Accounting Supervisor 7
Controller 1, 2, 3, 4
Financial Planning Manager 1, 2, 3, 4
Financial Resources Manager 1, 2, 3, 4
Investment Analyst 7
Rate and Budget Analyst 7
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**Human Resources Department**
- **Director of Human Resources**: 1, 2, 3, 4
- **Human Resources Analyst**: 7
- **Human Resources Assistant**: 7
- **Senior Human Resources Analyst**: 7

**MWD Program**
- **MWD Program Director**: 1, 2, 3, 4
- **Assistant Water Resources Specialist**: 8
- **Public Affairs Senior Manager**: 5, 6, 7
- **Senior Water Resources Specialist**: 5, 6, 7, 6, 8

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

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

Consultants

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

(a) Makes a governmental decision whether to:

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

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

Disclosure required:

Disclosure required by consultants shall be determined on a case-by-case basis by the
General Manager, or in the case of legal service contracts, by the General Counsel. The General
Manager, in consultation with the General Counsel, or General Counsel may determine whether a
person is a consultant and what disclosure, if any, is required by the consultant. The determination
shall be in writing and shall include a description of the consultant's duties and, based upon that
description, a statement of the extent of disclosure requirements. The written determination is a
public record and shall be retained for public inspection in the office of the Clerk of the Board. The
written determination may be made as a part of the contract pursuant to which the consultant
provides services to the Authority. Subject to the foregoing, consultants that meet the definition of
paragraph (b), above, generally will disclose financial interests in the same manner as is required
for the designated position the duties of which are performed, in whole or in part, by the consultant.
July 16, 2014

Attention: Administrative and Finance Committee

Adopt Ordinance To Make Minor, Technical Amendments Relating to the Requirements for Imposition of the System Capacity and Water Treatment Capacity Charges. (Action)

Staff recommendation
Adopt Ordinance No. 2014-___ amending and restating the provisions of Ordinance No. 2013-03 relating to the system capacity and water treatment capacity charges.

Alternative
Continue to impose system capacity and water treatment capacity charges under Ordinance No. 2013-03 without amendments.

Fiscal impact
None. The proposed amendments to do not change the amount of the charge, rather, they clarify requirements consistent with existing policy.

Background
The Water Authority is authorized to impose capacity charges pursuant to Section 5.9 of the County Water Authority Act. The Water Authority first imposed a capacity charge in 1990. In June 2013, the Board of Directors considered recommendations for adjustments to the system capacity charge and the water treatment capacity charge contained in the Cost of Service Rate Study Capacity Charge Report dated May 2012 by Carollo Engineers, and adopted Ordinance No. 2013-03. Ordinance No. 2013-03 consolidated, amended, and restated the substantive requirements of Ordinances Nos. 97-1, 99-2, 2000-1, 2000-3, 2001-03, 2002-05, 2005-03, and 2008-01, and also adjusted the amounts of the capacity charges. Capacity charges are collected by the member agencies on behalf of the Water Authority and are paid at the time a new metered connection is established or there is an increase in the capacity of an existing metered connection. New unmetered connections are prohibited.

Discussion
Staff has identified two minor technical amendments to Ordinance No. 2013-03 that would be helpful to clarify application of the capacity charge requirements. The amendments are shown in highlighted text below.

The first amendment clarifies that the capacity charge is owed whenever a new metered connection is established within a member agency and defines what it means to establish a new metered connection. Ordinance No. 2013-03 uses the term “installation of a new meter,” which is defined to include the establishment of a new metered connection and the increase in capacity of an existing metered connection. However, this has resulted in some confusion as to whether
the charge is owed at the time a customer obtains a new meter, or only when it is connected to the system. The intent of the provision was to ensure that the amount of the charge collected is the current amount at or about the time a new service connection is actually made. Staff recommends clarifying the language of Section 1, subdivisions (a), (b), and (c) of the ordinance as follows:

(a) A System Capacity Charge in the amount specified in section 2 is imposed on each person, corporation, partnership, public agency, entity, or other ultimate user of water within the territory of the Water Authority for the installation of a water meter establishment of a new metered connection or the increase in capacity of an existing metered connection, except as provided in subdivision (d).

(b) A Water Treatment Capacity Charge in the amount specified in section 3 is imposed on each person, corporation, partnership, public agency, entity, or other ultimate user of water within the territory of the Water Authority for the installation a water meter establishment of a new metered connection or the increase in capacity of an existing metered connection within a member agency having an existing or planned connection to the Water Authority’s treated water system, except as provided in subdivision (d).

(c) “Installation of a water meter Establishment of a new metered connection” includes the establishment of a new metered connection and the increase in capacity of an existing metered connection any act that results in, or is intended to result in the delivery of water to property through a water meter, including, without limitation receipt of a meter from a member agency or the installation of one or more water meters.

The second proposed amendment is intended to clarify that the exemption from collection of charges for new meters for properties that have a preexisting service connection is not limited to previous “unmetered” service. This amendment simply deletes the word “unmetered” from the provisions of Section 4, subdivision (f) as follows:

(f) No capacity charge will be collected for installation of a new water meter on a previously unmetered service connection for a parcel within the territory of the Water Authority if the member agency determines all of the following to exist: the parcel is receiving water from the member agency through a lawful connection; the new meter will not result in a material change in land use; the new meter will not result in a material increase in water use; and the member agency will not impose for its own account a capacity or connection charge for the new meter.

The amendments are incorporated without highlighting into the proposed Ordinance No. 2014-___ attached to this memorandum.

Prepared by: Daniel S. Hentschke, General Counsel
Approved by: Sandra L. Kerl, Deputy General Manager

Attachment: Ordinance No. 2014-____
ORDINANCE NO. 2014-

AN ORDINANCE OF SAN DIEGO COUNTY WATER AUTHORITY
AMENDING AND RESTATING THE SYSTEM CAPACITY AND
WATER TREATMENT CAPACITY CHARGES IMPOSED BY THE
WATER AUTHORITY PURSUANT TO SECTION 5.9 OF THE
COUNTY WATER AUTHORITY ACT

WHEREAS, pursuant to Section 5.9 of the County Water Authority Act, the San Diego County Water Authority ("Water Authority") may fix and impose Capacity Charges upon the ultimate users of water delivered by the Water Authority to its member agencies and to require its member agencies to collect the charges on behalf of the Water Authority; and

WHEREAS, the Water Authority initially adopted a capacity charge in 1990 and thereafter has continuously imposed a capacity charge through the adoption and amendment of various ordinances; and

WHEREAS, the Water Authority’s capacity charges are nondiscriminatory and imposed in accordance with applicable law as demonstrated by the various studies, reports, budgets, and apportionment methodologies upon which they are and have been based; and

WHEREAS, the Water Authority Board of Directors previously adopted Ordinance No. 2013-03 the operative requirements are amended and restated in this ordinance subject; and

WHEREAS, the amendments made by this ordinance are minor, clarifying, and technical in nature and do not change the amount of charges imposed;

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

Section 1. Capacity charges imposed on ultimate users of water.

(a) A System Capacity Charge in the amount specified in section 2 is imposed on each person, corporation, partnership, public agency, entity, or other ultimate user of water within the territory of the Water Authority for the establishment of a new metered connection or the increase in capacity of an existing metered connection, except as provided in subdivision (d).

(b) A Water Treatment Capacity Charge in the amount specified in section 3 is imposed on each person, corporation, partnership, public agency, entity, or other ultimate user of water within the territory of the Water Authority for the establishment of a new metered connection or the increase in capacity of
an existing metered connection within a member agency having an existing or planned connection to the Water Authority’s treated water system, except as provided in subdivision (d).

(c) “Establishment of a new metered connection” includes any act that results in, or is intended to result in the delivery of water to property through a water meter, including, without limitation receipt of a meter from a member agency or the installation of one or more water meters.

(d) The following are exempt from the capacity charges imposed by this section:

(1) Sub-meters receiving service through a water meter for which a capacity charge is or has been imposed;

(2) Water meters permanently connected to a reclaimed water system and measuring reclaimed water only;

(3) Water meters used to measure water provided solely through a separately metered fire suppression system;

(4) Water meters obtained for temporary service in connection with construction, preliminary land development, landscape installation and interim maintenance in connection with land development or habitat restoration, or similar temporary activities, and the member agency does not impose a capacity or connection charge for the temporary service meter in accordance with its standard practices and procedures;

(5) Reinstallation or unlocking of a water meter for which a capacity charge was previously paid or that was installed before October 1, 1990, where the reinstallation or unlocking is required to restore service following a temporary disconnection or disruption of service;

(6) Replacement of a meter with one of the same or smaller size, provided, however, that no refund or credit for any capacity charge previously paid will be made for the installation of a smaller meter.

Section 2. Amount of System Capacity Charge.

(a) Effective January 1, 2014 amount of the System Capacity Charge will be determined according to the following schedule:

<table>
<thead>
<tr>
<th>Meter size</th>
<th>Factor</th>
<th>Amount of charge ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 inch</td>
<td>1.0</td>
<td>4,681</td>
</tr>
<tr>
<td>1 inch</td>
<td>1.6</td>
<td>7,490</td>
</tr>
<tr>
<td>1.5 inches</td>
<td>3.0</td>
<td>14,043</td>
</tr>
</tbody>
</table>
(b) The Director of Finance may adjust the schedule established by this section as of January 1, 2014, and as of each January 1 thereafter, based on the annual percentage change in the Engineering News-Record Construction Cost Index for Los Angeles, California (ENR-CCI LA) for the calendar year immediately preceding the adjustment.

### Section 3. Amount of Water Treatment Capacity Charge.

(a) Effective January 1, 2014 the amount of the Water Treatment Capacity Charge will be determined according to the following schedule:

<table>
<thead>
<tr>
<th>Meter size</th>
<th>Factor</th>
<th>Amount of charge ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 inch</td>
<td>1.0</td>
<td>119</td>
</tr>
<tr>
<td>1 inch</td>
<td>1.6</td>
<td>190</td>
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<tr>
<td>1.5 inches</td>
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<tr>
<td>2 inches</td>
<td>5.2</td>
<td>619</td>
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<tr>
<td>3 inches</td>
<td>9.6</td>
<td>1,142</td>
</tr>
<tr>
<td>4 inches</td>
<td>16.4</td>
<td>1,952</td>
</tr>
<tr>
<td>6 inches</td>
<td>30.0</td>
<td>3,570</td>
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<tr>
<td>8 inches</td>
<td>52.0</td>
<td>6,188</td>
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<tr>
<td>10 inches</td>
<td>78.0</td>
<td>9,282</td>
</tr>
<tr>
<td>12 inches</td>
<td>132.0</td>
<td>15,708</td>
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</table>

(b) The Director of Finance may adjust the schedule established by this section as of January 1, 2014, and as of each January 1 thereafter, based on the annual percentage change in the Engineering News-Record Construction Cost Index for Los Angeles, California (ENR-CCI LA) for the calendar year immediately preceding the adjustment.

### Section 4. Collection of Charges.

(a) Each Water Authority member agency is required to collect on behalf of the Water Authority the capacity charges imposed by Section 1, in the amounts determined according to Sections 2 and 3, and to pay to Water Authority, at least quarterly, on or before the 30th day of the months of January, April, July, and October of each year, the total amount of the capacity charges collected during the prior three calendar months. At the time of each payment, the member agency must report to the Water Authority the number and size of all meters supplied to water users within the territory of the member agency during the prior three calendar months, including meters for which a capacity charge is imposed and meters exempt from a capacity charge. A member agency is liable to the Water Authority for any underpayment of capacity charges.
Authority for the full amount of any capacity charge for which the member agency provides a water meter to an ultimate user without having collected a required capacity charge.

(b) Water will be provided to an ultimate user of water within the territory of the Water Authority only through a metered connection. A Water Authority member agency shall not provide a water meter to an ultimate user of water within the territory of the Water Authority unless the user has paid the capacity charges imposed by the Water Authority.

(c) The size of the meter necessary or appropriate to serve an ultimate user of water will be determined by the member agency.

(d) When a water meter for a single-family residential property is required to provide standby capacity for a fire sprinkler system, the capacity charge may be determined according to the size of the meter necessary to meet the water use requirements for the property, as determined according to the rules of the member agency providing the meter, without consideration of additional size necessary to provide the standby capacity. Standby capacity for a fire sprinkler system is required when (1) the fire sprinkler system is required by law, including any requirement imposed by statute, ordinance, or as a condition of development, permit, or occupancy, and (2) the fire chief, fire marshal, or building official of the city, county, or special district responsible for fire protection service to the property has provided a written statement verifying the requirement for additional meter size. The determination under this subdivision will be made at the time of installation of the meter, including installation to replace a meter with one of greater size because of the later installation of a fire protection system. This subdivision does not apply to any meters greater than one inch in size.

(e) If a single meter is exchanged for more than one smaller meter to serve property that has been subdivided or otherwise developed, the capacity charges shall be determined based on the difference between the cumulative capacity charges for all the smaller meters according to the schedules set forth in sections 2 and 3 and the capacity charges for the exchanged single meter according to sections 2 and 3, regardless of the capacity charge, if any, in effect when the exchanged meter was first obtained; provided, however, that no credit or refund will be made if the cumulative capacity charges for the small meters is less than the capacity charges for the exchanged meter.

(f) No capacity charge will be collected for installation of a new water meter on a previous service connection for a parcel within the territory of the Water Authority if the member agency determines all of the following to exist: the parcel is receiving water from the member agency through a lawful connection; the new meter will not result in a material change in land use; the new meter will not result in a material increase in water use; and the member agency will not impose for its own account a capacity or connection charge for the new meter.

(g) Any interest earned by a member agency on capacity charges collected and held before payment to the Water Authority pursuant to subdivision (a) may be retained by
the member agency as reimbursement for any costs incurred in collecting and remitting capacity charges for the Water Authority.

(h) In lieu of retaining interest, a member agency may apply for reimbursement of costs it reasonably incurs in collecting the Water Authority’s capacity charges. If a member agency intends to apply for reimbursement, it must remit the interest earned on capacity charges collected and held on behalf of the Water Authority at the time it makes its quarterly payments. The application for reimbursement shall be filed annually on or before September 1. The application may be in the form established by the Finance Director and must itemize the costs incurred and shall include supporting documentation and explanation to reasonably verify the amounts sought. The Finance Director may request supplemental information. After review and approval of the application and any supplemental information, the Finance Director is authorized to reimburse a member agency in the amount of the reasonable costs incurred as determined by the Finance Director.

(i) Any member agency that wholesales or otherwise supplies water obtained from the Water Authority to another public agency, private water company, or mutual water company (each referred to as a “sub-agency”) shall, as a condition of service, require the sub-agency to collect from each ultimate water user within the sub-agency a capacity charge pursuant to this ordinance. The sub-agency, at its option, may remit the charges at least quarterly, on or before the 10th day of the months of January, April, July, and October of each year, or it may remit the charges to its supplying member agency, which shall then remit the charges to the Water Authority as provided in subdivision (a). At the time of each payment to either the Water Authority or the supplying member agency, the sub-agency must report the number and size of all meters supplied to water users within the territory of the member agency during the period for which the payment is made, including meters for which a capacity charge is imposed and meters exempt from a capacity charge. Any interest earned by a sub-agency on capacity charges collected and held before payment to the Water Authority pursuant may be retained by the sub-agency as reimbursement for any costs incurred in collecting and remitting capacity charges for the Water Authority. In lieu of retaining interest, a sub-agency may apply for reimbursement of costs it reasonably incurs in collecting the Water Authority’s capacity charges. If a sub-agency intends to apply for reimbursement, it must remit the interest earned on capacity charges collected and held on behalf of the Water Authority at the time it makes its quarterly payments. The application for reimbursement shall be filed annually on or before September 1. The application may be in the form established by the Finance Director and must itemize the costs incurred and shall include supporting documentation and explanation to reasonably verify the amounts sought. The Finance Director may request supplemental information. After review and approval of the application and any supplemental information, the Finance Director is authorized to reimburse a sub-agency in the amount of the reasonable costs incurred as determined by the Finance Director. If a sub-agency remits capacity charges through its supplying member agency, the sub-agency shall pay any administrative costs imposed by the member agency without reimbursement by the Water Authority. A member agency is liable to the Water Authority for an amount equal to any capacity charges for which its sub-agency fails to collect or pay under this subdivision.
(j) Notwithstanding anything in this section to the contrary, the Water Authority may, pursuant to a written agreement with a member agency or a member agency’s sub-agency, collect capacity charges directly from each ultimate user of water for the installation of a water meter. The written agreement must provide that the member agency or sub-agency will not provide or authorize the installation of a water meter within the territory of the Water Authority until the Water Authority provides written documentation of compliance with the requirements of this ordinance.

Section 5. Application of Government Code Section 54999.3.

The imposition of the Water Authority capacity charges on any school district, county office of education, community college district, the California State University, the University of California, or state agency is subject to the provisions of Government Code section 54999.3. Payment by any of these entities of a Water Authority capacity charge for the installation of a meter shall be deemed to be an agreement with the Water Authority regarding that charge. No water meter will be provided or approved for installation to any of these agencies without an agreement regarding that charge. If any of these entities refuses to pay a Water Authority capacity charge, the Water Authority will enter into negotiations for an agreement regarding the charge.

Section 6. Protests.

Any person, corporation, partnership, public agency, entity, or other ultimate user of water within the territory of the Water Authority may protest the application of this ordinance to the installation of a meter by filing of a written protest with the member agency and the Water Authority Director of Finance before payment of the charge, in which case the member agency will not provide or authorize the installation of a meter, or by payment of the charge and filing a written protest with the member agency and the Water Authority Finance Director not later than 10 days after payment of the charge. The protest will be reviewed by the Finance Director who will provide a written response within twenty days from the date of the protest. If the protestor is not satisfied with the response by the Finance Director, a written appeal to the Water Authority General Manager may be filed within fifteen days of the date of the Finance Director’s response. The appeal shall provide a detailed explanation of the grounds for disagreement with the Finance Director’s response. The General Manager may determine the matter based on the written appeal and the Finance Director’s response. The final determination of the appeal will be provided in writing within thirty days of the date the appeal is filed. If the General Manager fails to provide a written determination within thirty days, the appeal is deemed denied on the grounds stated in the Finance Director’s response.

Section 7. Refunds for Conversion to Reclaimed Water Systems.

If a water user converts a water meter to permanently measure reclaimed water only, the capacity charges previously collected for the meter will be refunded, without interest, upon written request by the water user and written verification by the member agency of
compliance with this subdivision. The request must be filed within 180 days of the connection of the meter to the reclaimed water system.

Section 8. Credit for Annexation Charge Paid

This section applies to property annexed to the territory of the Water Authority after November 17, 2005. Any person, corporation, partnership, public agency, entity, or other ultimate user of water that paid an annexation charge with respect to a parcel, or that is a successor-in-interest to the parcel for which an annexation charge was paid, may apply for a credit toward the System Capacity Charge imposed for that parcel or a subdivided portion of that parcel. The amount of the credit will be determined by the Water Authority before the capacity charge is paid and the meter provided. No credit will be provided for the charge imposed to reimburse the Water Authority for the cost of processing the application for annexation. No refund will be made for any charge previously paid.

Section 9. Use of Funds

All funds received from the System Capacity Charge, and interest attributable to those funds, will be separately accounted and expended only for capital expenses of existing or new Water Authority system facilities as authorized by law. All funds from the Water Treatment Capacity Charge, and interest attributable to those funds, will be separately accounted and expended only for capital expenses of existing or new Water Authority treatment facilities as authorized by law.

Section 10. Indemnification

The Water Authority will defend and indemnify member agencies, and their officers, employees, and agents against and from all claims, expenses, and costs, including costs of defense and reasonable attorneys’ fees, arising from implementation or application of this ordinance, except a claim, expense, or cost caused solely the failure of a member agency, or its officers, employees, and agents to comply with the requirements of this ordinance.

PASSED, APPROVED AND ADOPTED, this 24th day of July, 2014

AYES:

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 Ordinance No. 2014- _____was duly adopted at the meeting of the Board of Directors on the date stated above.

________________________
Doria F. Lore, Clerk of the Board
July 16, 2014

Attention: Administrative and Finance Committee

Approve Amendment to Agreement for Special Services with Liebert Cassidy Whitmore (Action)

Staff recommendation
Authorize the General Counsel to execute an amendment to the agreement for special services with Liebert Cassidy Whitmore to increase the contract limit to $220,000.

Alternatives
Do not authorize the amendment or authorize the amendment for a different amount.

Fiscal impact
Sufficient funds for the recommended contract increase are appropriated and available in the current Administrative Services Department - Human Resources and General Counsel Office budgets.

Background
Liebert Cassidy Whitmore is a leading public sector labor and employment law firm and has provided specialized services to the Water Authority for many years, including representation in labor negotiations and disciplinary arbitrations. The current agreement for special services was executed in 2009 with a contract limit of $50,000. In 2011, the Board approved an increase in the contract limit up to $150,000. There is $16,903.50 remaining before the contract limit is reached.

Discussion
Liebert Cassidy Whitmore provides specialized labor and employment law services to the Water Authority, including representation in labor negotiations and disciplinary arbitrations. Day-to-day legal advice and counsel is provided by the General Counsel. Staff is recommending an increase of $70,000 in the contract limit, to a not-to-exceed amount of $220,000 to cover anticipated needs for specialize services through FY 15, including disciplinary actions and anticipated labor negotiations for new MOUs.

Prepared by: Gretchen Crowson, Human Resources Manager
Approved by: Daniel S. Hentschke, General Counsel
Approved by: Sandra L. Kerl, Deputy General Manager
July 16, 2014

Attention: Administrative and Finance Committee

Final Performance Report on the 2012-2017 Business Plan. (Discussion)

Purpose
The purpose of this memo is to provide final performance information on the 2012-2017 Business Plan goals.

Background
The Business Plan is the tactical plan used by the General Manager to implement the Board’s strategy, direction, and goals. It is a rolling five year plan and includes 21 programs that are categorized into three key focus areas - Water Supplies Portfolio, Water Facilities, and Core Business. The Business Plan is updated every two years to maintain flexibility in the planning process, currency in the goals, and relevancy of the document. The Business Plan also provides a foundation for preparing the Water Authority’s two-year budget, ensuring resources are aligned with the Board’s strategic direction.

Previous Board action: On July 25, 2013, the Board reviewed the progress report on the 2012-2017 Business Plan goals.

Discussion
The 2012-2017 Business Plan contains 160 goals, of which 74 are complete, 60 are on track, and 26 are not on track or have been deleted or delayed due to a decision by the Board.

Examples of goals that have been completed include:

- Complete the San Vicente Dam Raise and Carryover Storage Project.
- Secure $2 million in additional external funding to minimize operational funds needed for current and future water use efficiency programs.
- Obtain favorable ruling on the Quantification Settlement Agreement litigation.
- Obtain favorable ruling on Phase 1 of the Metropolitan Water District litigation.
- Conduct a comprehensive cost of service study.
- Support achievement of long-term regional water use efficiency goals by conducting efficiency-themed education programs that reach 3,000 teachers and 100,000 students in the San Diego region.
- Achieve or exceed small business participation percentage.
- Go live on an upgraded Maximo computerized maintenance management system.
- Use Magnetic Flux Leakage Technology to determine the condition of Pipeline 4 between Twin Oaks Valley Diversion Structure and the Paint Mountain Vent.
• Complete the video surveillance upgrades at the Olivenhain Dam, Twin Oaks Diversion Structure, and Escondido Operations Center.
• Resolve five of the top ten right-of-way encroachments.
• Deploy two new “how-to” water use efficiency resources to promote long-term market transformation.
• Complete a Water Authority Climate Action Plan to guide the implementation of greenhouse gas reduction measures.
• Obtain certification of Program Environmental Impact Report for the 2013 Master Plan Update.
• Conduct facility tours and community forums that educate 1,000 regional stakeholders on regional water issues and/or the importance and benefits of Water Authority infrastructure projects.
• Review and provide comments on the Bay-Delta conveyance project Environmental Impact Report/Environmental Impact Statement.

Examples of goals that are not on track, or deleted or delayed due to a decision by the Water Authority Board, include:
• Obtain programmatic regional wetlands permits for construction and operation activities from the Army Corps and Regional Water Quality Control Board.
• Support preparation of a Water Utility Climate Alliance white paper on the Piloting Utility Modeling Applications for Climate Change.
• Develop a strategy and obtain Regional Water Quality Control Board support to reduce listings of local reservoirs as impaired bodies under Section 303(d) of the Clean Water Act.
• Finalize policy and procedure for acquisition, implementation, and management of grants.
• Go live on asset management web application.
• Execute contracts for member agency purchase of treated water from the Carlsbad Desalination project with the City of Carlsbad and Vallecitos Water District.
• Implement Fiscal Sustainability Workgroup recommendations for the calendar year 2015 rates and charges.


Prepared by: Kelly Rodgers, Principal Engineer
            Kathy Schuler, Operations and Maintenance Manager
            Jeff Stephenson, Principal Water Resources Specialist
Reviewed by: Sandra L. Kerl, Deputy General Manager
Approved by: Maureen A. Stapleton, General Manager

Attachment 1: Final 2012-2017 Business Plan Status Report
**Final 2012 - 2017 Business Plan Status Report**  
Fiscal Years 2013 and 2014 (July 1, 2012 - June 30, 2014)

### Water Supply Portfolio - Bay Delta | Glenn Farrel - Dennis Cushman

<table>
<thead>
<tr>
<th>#</th>
<th>Goal</th>
<th>Target date</th>
<th>Long-term status</th>
<th>Long-term target</th>
<th>Fiscal Year target</th>
<th>Fiscal Year actual</th>
<th>Prior Year actual</th>
<th>Qualifier</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Develop and adopt an updated work plan for 2013/2014.</td>
<td>2014-Jan (rev.)</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td>The Board reaffirmed the Bay-Delta policy principles by adopting them as part of the 2014 Legislative Policy Guidelines in November 2013. Additionally, an ongoing work plan for the internal review and analysis of BDCP alternatives has been, and is currently being, implemented. It is periodically revisited and adjusted to ensure ongoing focus toward completion of the internal evaluation and analysis. This is an ongoing goal, and the target date has been revised merely to reflect the ongoing and continuous nature of efforts to implement and achieve the goal.</td>
</tr>
<tr>
<td>2</td>
<td>Review and provide comments on the Bay-Delta conveyance project Environmental Impact Report/Environmental Impact Statement.</td>
<td>2014-Apr (rev.)</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>25</td>
<td>% complete</td>
<td>A public review draft of the BDCP environmental impact report/environmental impact statement has been released, and public comments are due by April 14, 2014. The target date has been revised due to the significant delays by the state in issuing the environmental documents for the BDCP. The Water Authority submitted written comments on the BDCP EIR/EIS on May 30, 2014.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Advocate for, and obtain an independent technical analysis of proposed key elements of the Bay-Delta solution (including forecasting future urban and agricultural demands and, size and cost of any proposed conveyance facility) to ensure the solution realistically matches statewide need and projects are “right-sized” to match firm commitments to pay for the Bay-Delta solution.</td>
<td>2014-Oct (rev.)</td>
<td>100</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>% complete</td>
<td>The Resources Agency has commissioned a statewide cost-benefit analysis for the BDCP. The Water Authority provided suggested principles in January 2013. It is unclear whether the state will undertake any future independent technical analysis, pending responses to comments it receives on the BDCP EIR/EIS and any need to conduct supplemental analysis. This is an ongoing goal, and the target date has been revised merely to reflect the ongoing and continuous nature of efforts to implement and achieve the goal.</td>
<td></td>
</tr>
</tbody>
</table>

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1. Long term target has been achieved.  
2. Goal is either on track or ahead of schedule to meet current year end target, and to meet long term target by original date.  
3. Goal is not on track to meet current year target or to meet long term target, or goal was not completed by original target date.  
4. Goal is deleted or delayed due to a decision by the Water Authority Board.
<table>
<thead>
<tr>
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<tr>
<td>4</td>
<td>Conduct an independent review of financial analyses of the Bay-Delta preferred conveyance project and project alternatives (e.g., cost-benefit analyses and ability-to-pay analyses produced by water contractors, the State of California, and others) to assess any project's cost benefit to Water Authority ratepayers, as compared to other supply alternatives.</td>
<td>2014-Jul (rev.)</td>
<td>3</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>50</td>
<td>% complete</td>
<td>Water Authority staff is involved in a rigorous, independent, multi-disciplinary review and analysis of four Delta fix options, including the BDCP preferred alternative. This is an ongoing goal, and the target date has been revised merely to reflect the ongoing and continuous nature of efforts to implement and achieve the goal. When cost allocation data is released by BDCP, this review and analysis can be accomplished.</td>
</tr>
<tr>
<td>5</td>
<td>Evaluate Bay-Delta conveyance project alternatives and recommend a position to the Board of Directors on which project alternative, if any, to support, including any conditions precedent that must be satisfied before the Water Authority supports a project.</td>
<td>2014-Jul (rev.)</td>
<td>3</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>50</td>
<td>% complete</td>
<td>Water Authority staff is involved in a rigorous, independent, multi-disciplinary review and analysis of four Delta fix options, including the BDCP preferred alternative. This evaluation and analysis is expected to culminate in recommendations to the Board of Directors for consideration of BDCP policy options and BDCP project components that would best meet the needs of the San Diego region. This is an ongoing goal, and the target date has been revised merely to reflect the ongoing and continuous nature of efforts to implement and achieve the goal. The achievement of this goal continues to be contingent upon cost allocation data and information that has not yet been released. Once cost allocation information has been developed and is available for analysis, a better determination can be made as to how to proceed toward accomplishment of this goal.</td>
</tr>
<tr>
<td>6</td>
<td>Secure the support of the San Diego business community, civic leaders, opinion leaders, and media for the Bay-Delta solution supported by the Water Authority.</td>
<td>2014-Dec</td>
<td>2</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>25</td>
<td>% complete</td>
<td>The Water Authority is engaged in a rigorous, multidisciplinary review and analysis of four Delta fix options. This evaluation and analysis is expected to culminate in recommendations to the Board of Directors for consideration of BDCP policy options and BDCP project components that would best meet the needs of the San Diego region. Staff is exploring every opportunity to continue to inform the region about BDCP issues and interests and to engage regional leaders to ensure broad support for any Bay-Delta solution identified by the Water Authority.</td>
</tr>
<tr>
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<td>Prior Year actual</td>
<td>Qualifier Comments</td>
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<tr>
<td>7</td>
<td>Secure requirement for firm financial commitments – through take-or-pay contracts or legal equivalent – from member agencies or units of the State Water Project and Central Valley Project contractors, to pay the fixed costs of the Bay-Delta conveyance project before bonds are issued and commencement of project construction.</td>
<td>2014-Dec</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>0</td>
<td>0</td>
<td>The Water Authority has actively advocated in Sacramento on this issue and has met with the Resources Agency. In addition, the Water Authority has communicated in writing with Resources Agency officials on multiple occasions to identify firm financial commitments as a significant issue and consideration necessary for any final BDCP solution proposed.</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Support the certification/approval of ecosystem restoration plans that achieve the requirements established under the state Natural Community Conservation Plan and the federal Habitat Conservation Plan, taking into account all factors that have degraded Bay-Delta habitat and wildlife.</td>
<td>2015-Dec</td>
<td>100</td>
<td>0</td>
<td>75</td>
<td>0</td>
<td>0</td>
<td>Ecosystem restoration plans are available within the context of the BDCP public review draft documents, which were released in December 2013. Public comments from the Water Authority were submitted on May 30, 2014.</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Prevent the adoption or imposition of water user fees to fund ecosystem restoration, or any other public purpose or non-water supply improvements, in the Bay-Delta that benefit the public at-large or other users.</td>
<td>2017-Jun</td>
<td>100</td>
<td>0</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>Water Authority staff and directors have actively advocated against water user fees in a variety of forums. The Water Authority continues to communicate, verbally and in writing, regarding the issue of water user fees, with the San Diego legislative delegation and within other important venues.</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Support continued state ownership and control of the State Water Project as a public resource, and oppose the transfer of operations of State Water Project facilities from the California Department of Water Resources to MWD, the State Water Project Contractors, Central Valley project Contractors, the State and Federal Contractors Water Agency, any entity or Joint Powers Authority comprised of MWD or other water project contractors, or any other special interest group.</td>
<td>2017-Jun</td>
<td>100</td>
<td>0</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>Water Authority staff have monitored and actively advocated in Sacramento against a takeover of the State Water Project by MWD or other contractors.</td>
<td></td>
</tr>
</tbody>
</table>
### Water Supply Portfolio - Colorado River Program

**Dan Denham - Maureen Stapleton**

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<tr>
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<tbody>
<tr>
<td>1</td>
<td>Complete final Environmental Impact Report/Environmental Impact Statement for the Imperial Irrigation District/ Water Authority joint petition to the State Water Resources Control Board.</td>
<td>2013-Sep</td>
<td>3</td>
<td>100</td>
<td>100</td>
<td>25</td>
<td>% complete</td>
<td></td>
<td>Public review of the Environmental Impact Report/Environmental Impact Statement has been delayed by IID, the Lead Agency.</td>
</tr>
<tr>
<td>2</td>
<td>Complete study of pipeline alignments for Phase 2 of the Rosarito Beach desalination study.</td>
<td>2013-Sep</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td></td>
<td>Completed study of pipeline alignments for Phase 2 of the Rosarito Beach Desalination.</td>
</tr>
<tr>
<td>3</td>
<td>Transfer 190,000 acre-feet of water as described in the Transfer Agreement Schedule for calendar years 2012 and 2013.</td>
<td>2013-Dec</td>
<td>1</td>
<td>190,000</td>
<td>190,000</td>
<td>190,000</td>
<td>acre-feet</td>
<td></td>
<td>90,000 AF was transferred in calendar year 2012 and 100,000 AF was transferred in calendar year 2013. Also, 16,722 AF of scheduled delivery for calendar year 2011 was actually delivered in early 2012 which is not reflected.</td>
</tr>
<tr>
<td>4</td>
<td>Obtain State Water Resources Control Board's approval of the Imperial Irrigation District/Water Authority joint petition.</td>
<td>2013-Dec</td>
<td>3</td>
<td>100</td>
<td>100</td>
<td>10</td>
<td>% complete</td>
<td></td>
<td>State Board hearing, anticipated in May 2012, was put on hold due to IID's delay in releasing the Environmental Impact Report/Environmental Impact Statement for public review.</td>
</tr>
<tr>
<td>5</td>
<td>Implement environmental mitigation projects for the All-American Canal Lining and Coachella Canal Lining projects on time and under budget.</td>
<td>2014-Dec (rev.) - 2013-Dec</td>
<td>3</td>
<td>100</td>
<td>25</td>
<td>25</td>
<td>% complete</td>
<td></td>
<td>Advertised the construction contract in late 2013. Construction contract was awarded in April 2014. Construction began in May and is anticipated to complete by the end of 2014.</td>
</tr>
<tr>
<td>6</td>
<td>Obtain favorable ruling on the Quantification Settlement Agreement litigation.</td>
<td>2014-Jun</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td></td>
<td>Superior Court's ruling was issued in favor of QSA parties on all counts. Next phase of trial began in Late 2013 with new goals expected for the 2014-2017 Business Plan rewrite.</td>
</tr>
<tr>
<td>7</td>
<td>Administer the QSA Joint Powers Authority budget and fund reasonable environmental mitigation costs to sustain environmental permits.</td>
<td>2017-Jun</td>
<td>2</td>
<td>36,678,983</td>
<td>8,741,448</td>
<td>5,245,201</td>
<td>3,496,247</td>
<td>$ funded</td>
<td>Developed and funded annual budget for implementation of mitigation projects for calendar year 2013. Also, approved 2014 budget.</td>
</tr>
<tr>
<td>8</td>
<td>Enhance ongoing communication with QSA partner agencies to ensure successful QSA projects implementation.</td>
<td>2017-Jun</td>
<td>2</td>
<td>100</td>
<td>40</td>
<td>40</td>
<td>% complete</td>
<td></td>
<td>Conducted several Board to Board meetings with QSA partner agencies.</td>
</tr>
</tbody>
</table>
### Water Supply Portfolio - Colorado River Program | Dan Denham - Maureen Stapleton (continued)

<table>
<thead>
<tr>
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<tr>
<td>9</td>
<td>Administer the Water Authority’s portion of operations, maintenance, and repair costs for the All-American Canal Lining and Coachella Canal Lining projects, and ensure costs are within contractual obligations for the next two fiscal years.</td>
<td>2017-Jun</td>
<td>2</td>
<td>100</td>
<td>40</td>
<td>40</td>
<td>% complete</td>
<td></td>
<td>The 2014 budget was approved for Coachella Canal. Currently revising 2014 budget for All American which will be approved in early 2014.</td>
</tr>
<tr>
<td>10</td>
<td>Advocate for the Water Authority’s interests in development of Colorado River Basin water supply and management strategies, including binational projects.</td>
<td>2017-Jun</td>
<td>2</td>
<td>100</td>
<td>40</td>
<td>40</td>
<td>% complete</td>
<td></td>
<td>Discussions continue. Minute 319 was approved. Working groups are formed for Minute 319 and Basin Study. Participated in several working group meetings for various projects.</td>
</tr>
<tr>
<td>11</td>
<td>Upon termination of the Metropolitan Water District rate litigation, evaluate the option of term extension of the Metropolitan Water District-San Diego County Water Authority Exchange and the Imperial Irrigation District/Water Authority Transfer Agreements for decision by December 2017.</td>
<td>2017-Jun</td>
<td>2</td>
<td>100</td>
<td>40</td>
<td>40</td>
<td>% complete</td>
<td></td>
<td>In April 2014, Water Authority received favorable ruling from trial court on Phase I of the Rate Case. Options will be evaluated following the subsequent phases of the trial and in conjunction with the appeals process.</td>
</tr>
</tbody>
</table>

### Water Supply Portfolio - Integrated Regional Water Management | Mark Stadler - Ken Weinberg

<table>
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<tr>
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<tbody>
<tr>
<td>1</td>
<td>Update the San Diego IRWM Plan in accordance with state requirements.</td>
<td>2013-Sep (rev.)</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>33</td>
<td>% complete</td>
<td>The 2013 San Diego IRWM was approved by the Board in September 2013 and submitted to DWR in October 2013, per state requirements.</td>
</tr>
<tr>
<td>2</td>
<td>Develop and maintain an IRWM governance structure that maintains a diverse, balanced group of stakeholders.</td>
<td>2013-Feb (rev.)</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>% complete</td>
<td>The governance structure was developed and implemented in 2006. In 2012, a stakeholder workgroup considered the structure and reaffirmed it with several minor changes to the membership categories to maintain a diverse, balanced membership. The revised structure went into effect in February 2013.</td>
</tr>
<tr>
<td>3</td>
<td>Select projects for inclusion in the IRWM grant applications that support the program goals of improving supply reliability, protecting water quality, and enhancing natural resources.</td>
<td>2017-Dec</td>
<td>2</td>
<td>100</td>
<td>50</td>
<td>50</td>
<td>0</td>
<td>% complete</td>
<td>Projects were selected for our 2014 Grant Solicitation Implementation grant application in Fiscal Year 2014, 4th Quarter, but the application will not be completed and submitted until July 2014.</td>
</tr>
<tr>
<td>#</td>
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</tr>
<tr>
<td>4</td>
<td>Secure the San Diego IRWM planning region's allocated share of IRWM grant funding from the California Department of Water Resources' Proposition 84 program.</td>
<td>2017-Dec</td>
<td>2</td>
<td>100</td>
<td>30</td>
<td>30</td>
<td>13</td>
<td>% complete</td>
<td>Per the Tri-County Funding Area Coordinating Committee MOU for the San Diego Funding Area, the San Diego planning region will receive approximately $65 million from the IRWM Proposition 84 grant programs. After two implementation grant awards and one planning grant award, the San Diego region has approximately $45.5 million remaining in its Prop 84 account; these funds should be awarded in two more DWR implementation grant programs, which DWR has labeled the 2014 Grant Solicitation and Round 3 programs.</td>
</tr>
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<th>Qualifier</th>
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</tr>
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<tbody>
<tr>
<td>1</td>
<td>Coordinate negotiations for an agreement between the local regulatory agencies and the member agencies regarding oversight of recycled water use sites.</td>
<td>2013-Mar</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td></td>
<td>Agreements between Department of Environment Health and interested member agencies have been executed.</td>
</tr>
<tr>
<td>2</td>
<td>Work with member agencies to develop a strategy to reduce listings of local reservoirs as impaired water bodies under Section 303(d) of the Clean Water Act.</td>
<td>2014-Oct (rev.)</td>
<td>3</td>
<td>100</td>
<td>100</td>
<td>80</td>
<td>% complete</td>
<td></td>
<td>Convened a workgroup of the IRWM Regional Advisory Committee to provide recommendations on collaborative opportunities with the Regional Board. These were included in the Board-adopted IRWM Plan. Convened a workgroup of member agencies and completed a set of strategies to address 303(d) listings. Due to recent Regional Board staffing changes, acceptance of these strategies has been delayed.</td>
</tr>
<tr>
<td>3</td>
<td>Implement and distribute Proposition 84 planning grant funding for agencies utilizing Salinity/Nutrient Management Planning Guidelines to develop salinity/nutrient management plans for area basins.</td>
<td>2014-Jun (rev.)</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td></td>
<td>All agencies awarded Prop 84 grant funding submitted their final Salinity Nutrient Management Plans to the Water Authority for submittal to the State within the required deadline. All of the participating agencies submitted their project invoices for grant reimbursement.</td>
</tr>
<tr>
<td>#</td>
<td>Goal</td>
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<td>Long-term target</td>
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<td>Qualifier Comments</td>
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<tr>
<td>4</td>
<td>Implement and distribute Proposition 50 grant funding to local public agencies through the Recycled Water Retrofit Assistance Program.</td>
<td>2015-Dec (rev.)</td>
<td>3</td>
<td>100</td>
<td>100</td>
<td>60</td>
<td></td>
<td>% complete Due to DWR grant administration requirements (such as labor compliance), a few agencies withdrew their initial sites from grant funding consideration. Other potential retrofit sites have been identified in their place. All other existing agency grant award agreements have been executed.</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Identify and support member agencies’ efforts to secure funding for the development and implementation of local water supply projects through the Integrated Water Resources Management Program and other funding sources.</td>
<td>2017-Jun</td>
<td>2</td>
<td>100</td>
<td>40</td>
<td>40</td>
<td></td>
<td>% complete On behalf of the member agencies, actively supported and endorsed the award of Prop 84 grant funding to the North S.D. County Regional Recycled Water Project Phase II project for $3,452,000; Failsafe Potable Reuse at the Advanced Water Purification Demonstration Facility through the WateReuse Research Foundation which will benefit local member agency potable reuse projects in the amount of $2,113,000; and submittal of the Water Authority's Turf Replacement and Agricultural Irrigation Efficiency Program for $538,000 which will benefit numerous member agency customers.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Participate and provide formal comments on potable reuse regulatory criteria to support member agency projects.</td>
<td>2017-Jun</td>
<td>2</td>
<td>100</td>
<td>30</td>
<td>30</td>
<td></td>
<td>% complete Provided input to the California Department of Public Health on the composition of CDPH's “Advisory Group on Feasibility of Developing Criteria for Direct Potable Reuse.” As a result of these efforts, two member agency representatives, as well as representatives from the San Diego Taxpayers Association and San Diego Regional Chamber of Commerce, are members of the Advisory Group.</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Complete groundwater studies and distribute final funding from the Water Authority's Local Investigation and Studies Assistance grant program.</td>
<td>2013-Aug</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td></td>
<td>% complete The remaining LISA funding was expended and distributed to the participating member agencies. Final studies and deliverables were provided to the Water Authority.</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Support member agencies in achieving an annual distribution and beneficial reuse of approximately 40,000 acre-feet of recycled water by the end of 2017.</td>
<td>2017-Dec</td>
<td>2</td>
<td>40,000</td>
<td>27,000</td>
<td>28,811</td>
<td>24,006</td>
<td>acre-feet Annual recycled water production and use has steadily increased due to retail/wholesale demand and recycled water system expansions.</td>
<td></td>
</tr>
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<tr>
<td>9</td>
<td>Support member agencies in achieving an annual production of 15,520 acre-feet of water supplies from brackish groundwater desalination.</td>
<td>2017-Dec</td>
<td>2</td>
<td>15,520</td>
<td>8,000</td>
<td>7,985</td>
<td>6,278</td>
<td>acre-feet</td>
<td>Several member agencies are pursuing either expanding or initiating new groundwater projects in their service territories. Five member agency Salt Nutrient Management Plans were funded through IRWM Prop 84 funding. Development of these plans will provide the scientific basis for the potential development of brackish groundwater projects.</td>
</tr>
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**Water Supply Portfolio - Metropolitan Water District | Amy Chen - Dennis Cushman**

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<tbody>
<tr>
<td>1</td>
<td>Conduct biennial MWD Delegates planning session to identify water policy strategies and integrate into the MWD Work Plan for 2013/2014.</td>
<td>2014-Apr</td>
<td>2</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>% complete</td>
<td>Proposed strategies and received concurrence by officers and delegates.</td>
</tr>
<tr>
<td>2</td>
<td>Identify, assess, and make recommendations to the Water Authority MWD Delegates on key MWD issues that impact rates and charges, financial contributions, equitable distribution of water supply, supply reliability, and cost efficient opportunities (Integrated Resource Plan, supply programs, annual budget and rates, Long-Range Finance Plan, subsidies programs, etc.).</td>
<td>2014-Jun</td>
<td>2</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>% complete</td>
<td>Wrote position and comment letters to MWD on: Ad Valorem Tax Rate for fiscal year 2014, Biennial Budget for fiscal years 2015 and 2016 and associated rates for calendar years 2015 and 2016, conservation program, rate structure, local resources programs, and draft Official Statements. Assessed MWD’s financial, facility, and supply planning efforts as well as identified potential risks, including use of storage, costs for a Bay-Delta fix, and member agencies roll-off.</td>
</tr>
<tr>
<td>3</td>
<td>Monitor, assess, and make recommendations on key state issues, such as proposed governance changes for the State Water Project operations or resolution of Bay-Delta goals that may impact imported water supplies to the region.</td>
<td>2014-Jun</td>
<td>2</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>% complete</td>
<td>Monitored MWD’s participation in Bay-Delta activities and staff’s reports to the Board. Monitored State water contractors, State Water Project Contractors Authority, State and Federal Contractors Water Agency, and State Water Project contract extension negotiation meetings. Reported back to the Board on issues that affect the Water Authority including State Water Project hydrologic conditions and JPAs’ activities related to the Bay-Delta.</td>
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<tr>
<td>4</td>
<td>Secure Northern and Central California water to ensure adequate supplies during dry years, as needed, and obtain requisite approvals to convey the water.</td>
<td>2014-Jun</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>% complete</td>
<td>Water Authority did not pursue dry-year water transfers for calendar year 2014 because of progress made on local supply investments, MWD is not in allocation, and transfers are not needed. Continued to monitor water supply conditions and prepared to increase effort should 2015 be dry.</td>
</tr>
<tr>
<td>5</td>
<td>Identify and make recommendations to the Water Authority Board of Directors on potential partners for joint groundwater storage opportunities to achieve water reliability and build alliances as appropriate.</td>
<td>2014-Jun</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>% complete</td>
<td></td>
<td>Item not aggressively pursued due to water demand trends, continued implementation of the Water Authority's supply diversification strategy, and progress made on in-region storage facilities. Explored an opportunity to leverage Water Authority's first priority recovery and return capacity in the Antelope Valley Water Bank with Homer, LLC for calendar year 2014; but did not complete transaction due to increase in SWP allocation.</td>
</tr>
<tr>
<td>6</td>
<td>Continue Water Authority Board of Directors' orientation program on MWD issues. As part of the plan, accompany five Directors per year, at the minimum, to MWD Committee and/or Board meetings.</td>
<td>2014-Jun</td>
<td>100</td>
<td>100</td>
<td>60</td>
<td>50</td>
<td>% complete</td>
<td></td>
<td>Completed director instructional plan, will update as needed. Four directors completed orientation during fiscal years 2013 and 2014, short of the targeted 10 due to board members' scheduling conflicts.</td>
</tr>
<tr>
<td>7</td>
<td>Execute and support MWD Delegates on MWD-sponsored field inspection trips of water facilities, including Water Authority facilities, for the purpose of providing civic and opinion leaders firsthand knowledge of imported water operations.</td>
<td>2014-Jun</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>% complete</td>
<td></td>
<td>Supported MWD Delegates in hosting six inspection trips during fiscal year 2014. Combined, the delegates hosted over 140 participants from the San Diego region including elected officials and opinion leaders as well as members from targeted communities, organizations, companies, and local agencies.</td>
</tr>
<tr>
<td>8</td>
<td>Identify, assess, and make recommendations to support the rate litigation team in obtaining a favorable ruling that ensures MWD costs are correctly allocated to proper rate categories and commensurate with benefits received.</td>
<td>2014-Jun</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>% complete</td>
<td></td>
<td>Provided recommendations to the rate litigation team on issues related to or impacted by the rate challenge. Reported to the Imported Water Committee on MWD's biennial budget and rate process, its relationship to the rate challenge, and other related items. In April 2014, received a favorable ruling for Phase 1 of the first two lawsuits and in June 2014, filed a third lawsuit challenging MWD's calendar years 2015 and 2016 rates.</td>
</tr>
</tbody>
</table>
### Water Supply Portfolio - Metropolitan Water District | Amy Chen - Dennis Cushman (continued)

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<tr>
<th>#</th>
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<tbody>
<tr>
<td>9</td>
<td>Identify, assess, and make recommendations to support the rate litigation team to ensure the public and elected officials understand the litigation.</td>
<td>2014-Jun</td>
<td>2</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>% complete Provided support for legislative, organizational, and public briefings on the Water Authority's rate challenge. Received Imported Water Committee and board support on action items related to the rate litigation.</td>
</tr>
</tbody>
</table>

### Water Supply Portfolio - Seawater Desalination | Bob Yamada - Ken Weinberg

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<tr>
<th>#</th>
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<tbody>
<tr>
<td>1</td>
<td>Develop guaranteed maximum/final costs for rehabilitation/relining of Pipeline 3 and for Twin Oaks Valley Water Treatment Plant improvements required to convey desalinated water from the Carlsbad Desalination Project through the Water Authority system.</td>
<td>2012-Nov</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td>Final costs for Pipeline 3 rehabilitation/relining and TOVWTP improvements were approved by the Board in November 2012.</td>
</tr>
<tr>
<td>2</td>
<td>Complete negotiations with Poseidon Resources and release for public review, a Water Purchase Agreement for water produced at the proposed Carlsbad Desalination Project.</td>
<td>2012-Sep</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>75</td>
<td>% complete Negotiations between the Water Authority and Poseidon have been completed and the draft WPA was released for public review on September 27, 2012.</td>
</tr>
<tr>
<td>3</td>
<td>Complete final design-build agreement with Poseidon Resources for the 54-inch conveyance pipeline between the Carlsbad Desalination Project and the connection to the Second Aqueduct.</td>
<td>2012-Nov</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td>Final design-build agreement between the Water Authority and Poseidon was approved by the Water Authority Board in November 2012.</td>
</tr>
<tr>
<td>4</td>
<td>Submit for Board consideration, the Carlsbad Desalination Project Water Purchase Agreement and associated environmental documentation.</td>
<td>2012-Nov</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>0</td>
<td>% complete The Water Purchase Agreement between the Water Authority and Poseidon was approved by the Water Authority Board on November 29, 2012.</td>
</tr>
<tr>
<td>#</td>
<td>Goal</td>
<td>Target date</td>
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<tr>
<td>5</td>
<td>Complete planning of technical/siting/conveyance alignment studies for the Camp Pendleton Desalination Project and integrate results into the analysis of facility alternatives for the Master Plan Update.</td>
<td>2013-Jun (rev.) 2012-Oct</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>75</td>
<td>% complete</td>
<td>The Master Plan Update was approved by the Board in March 2014 and includes a recommendation for an adaptive management approach where future Camp Pendleton desalination project development/planning and implementation decisions will be based, among other factors, on how local projects such as potable reuse and statewide water resource decisions unfold.</td>
</tr>
<tr>
<td>6</td>
<td>Execute contracts for member agency purchase of treated water from the Water Authority - Carlsbad Desalination project with the City of Carlsbad and Vallecitos Water District for 6,000 acre feet per year.</td>
<td>2014-Nov (rev.) 2013-Jul</td>
<td>100</td>
<td>85</td>
<td>60</td>
<td>% complete</td>
<td>Revised date reflects completion of Carlsbad Desalination Project rate allocation discussions.</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Obtain Board direction on entering into a subsequent Memorandum of Understanding with Camp Pendleton on a potential desalination project.</td>
<td>2014-Feb (rev.) 2013-Aug</td>
<td>100</td>
<td>100</td>
<td>90</td>
<td>% complete</td>
<td>Future Camp Pendleton desalination project development/planning and implementation decisions will follow adaptive management approach based on, among other factors, how local projects such as potable reuse and statewide water resource decisions unfold.</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Oversee the completion of the Carlsbad Desalination Plant such that it is certified to begin producing desalinated water.</td>
<td>2015-Nov</td>
<td>100</td>
<td>10</td>
<td>50</td>
<td>% complete</td>
<td>Design and construction proceeding in accordance with WPA. Design is 100% complete and construction is approximately 50% complete.</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Assure compliance with the Water Purchase Agreement for the design, construction, and commissioning of the Carlsbad Desalination Plant.</td>
<td>2016-Jan</td>
<td>100</td>
<td>0</td>
<td>50</td>
<td>% complete</td>
<td>Implementation is adhering to WPA requirements. Design is 100% complete and construction is 50% complete.</td>
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<td>10</td>
<td>Receive periodic updated information on both the Carlsbad Desalination Facility (in accordance with the Carlsbad Desalination Facility Water Purchase Agreement) and the Desalinated Product Water Conveyance Pipeline (in accordance with the Desalination Design-Build Agreement) to assure schedules are satisfied.</td>
<td>2015-Nov</td>
<td>100</td>
<td>10</td>
<td>50</td>
<td>% complete</td>
<td>Current schedule update in-line with WPA performance dates.</td>
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<tr>
<td>11</td>
<td>Complete the commissioning of the entire desalination water system (Carlsbad Desalination Plant, Conveyance Pipeline, Relining of Pipeline 3, Modifications of the Twin Oaks Valley Water Treatment Plant) and go into commercial operations.</td>
<td>2016-Nov (rev.) 2016-early</td>
<td>🟢 100 5%</td>
<td>0 5</td>
<td>% complete</td>
<td>San Marcos Vent Modifications and TOVWTP commissioning are complete. Commissioning for the Desalination Plant, Conveyance Pipeline and the Pipeline 3 Relining are currently in the planning stages and going well.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td><strong>Water Supply Portfolio - Water Resources Planning</strong></td>
<td>Dana Friehauf - Ken Weinberg</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1</td>
<td>Complete an update of the Water Authority’s Model Drought Response Conservation Program Ordinance.</td>
<td>2014-Oct (rev.) 2012-Dec</td>
<td>🟢 100 100 40%</td>
<td>100 0</td>
<td>% complete</td>
<td>An update of the Water Authority’s model ordinance is not required at this time. The Water Authority’s model was used as a template for the Governor’s Office of Planning and Research model ordinance contained in their Local Government Drought Toolkit released on March 7, 2014.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Complete the Annual Water Supply Reports in 2012 and 2013, as required by Water Authority Administrative Code Section 8.00.050 (except during Urban Water Management Plan year).</td>
<td>2013-Dec</td>
<td>🟢 100 100 40%</td>
<td>100 100 40%</td>
<td>% complete</td>
<td>Board approved calendar year 2012 Report in August 2012 and calendar year 2013 Report in July 2013.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Complete the water demand forecast model update, taking into account potential climate change impacts.</td>
<td>2015-Dec</td>
<td>🟢 100 70 30%</td>
<td>50 20 5</td>
<td>% complete</td>
<td>In September 2013, the Board approved a professional services contract with Hazen &amp; Sawyer to update the forecasting models. The delay in meeting the current fiscal year target is due to additional time needed to verify member agency data collected and to standardize SANDAG data for input into the model. Draft sector-level model run results are expected in Fall 2014. The goal remains on-track for completion by the target date.</td>
<td></td>
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<tr>
<td>4</td>
<td>Identify the range of climate change impacts to water supplies as part of long-term water resources planning.</td>
<td>2015-Dec</td>
<td>🟢 100 70 30%</td>
<td>70 50 30</td>
<td>% complete</td>
<td>Water Authority has partnered with Scripps Institution of Oceanography (SIO) to evaluate the climate change impacts to local water supplies. SIO continues to work on developing the downscaling techniques to be applied to the General Circulation Models. The delay in meeting the current fiscal year target is due to SIO refining downscaling approach. It is anticipated that SIO will complete streamflow model runs in 2015.</td>
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<tr>
<td>5</td>
<td>Complete the 2015 Urban Water Management Plan to comply with California Water Code Sections 10610 – 10656.</td>
<td>2015-Dec</td>
<td>2</td>
<td>100</td>
<td>5</td>
<td>5</td>
<td>% complete</td>
<td>Presented draft schedule on preparation of the 2015 UWMP to the member agency managers in October 2013. Continued to track potential legislation that could change 2015 UWMP content. The majority of the work on the 2015 UWMP update will begin in fiscal year 2015.</td>
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<td></td>
<td>Water Supply Portfolio - Water Use Efficiency</td>
<td>Jeff Stephenson - Jason Foster</td>
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<tr>
<td>1</td>
<td>Leverage at least two partnerships with private or nonprofit organizations that generate value-added to regional conservation initiatives and reach 2,500 people.</td>
<td>2013-Jun</td>
<td>1</td>
<td>2,500</td>
<td>2,500</td>
<td>4,105</td>
<td>attendees</td>
<td>Completed goal.</td>
</tr>
<tr>
<td>2</td>
<td>Attract 50,000 visitors to the new WaterSmart website and affiliated program microsites.</td>
<td>2013-Dec</td>
<td>1</td>
<td>50,000</td>
<td>50,000</td>
<td>82,414</td>
<td>visitors</td>
<td>Met goal and exceeded with 82,414 visitors since July 2013. Website and E-Guide launched.</td>
</tr>
<tr>
<td>3</td>
<td>Deploy two new “how-to” resources to promote long-term market transformation.</td>
<td>2014-Jun</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>new resources</td>
<td>Completed goal before target date. Residential water use calculator launched in April 2013. E-Guide to a WaterSmart Lifestyle launched in October 2013.</td>
</tr>
<tr>
<td>4</td>
<td>If the Water Authority’s eligibility is restored, ensure the San Diego region receives Metropolitan Water District conservation incentive program funds in proportion with the region’s estimated financial contributions to those programs.</td>
<td>2014-Jun</td>
<td>3</td>
<td>100</td>
<td>100</td>
<td>0</td>
<td>% of funds received</td>
<td>MWD continues to deny the Water Authority full access to numerous conservation programs.</td>
</tr>
<tr>
<td>5</td>
<td>Expend 95 percent of secured grants portfolio in accordance with the terms of each award.</td>
<td>2014-Dec</td>
<td>2</td>
<td>95</td>
<td>76</td>
<td>45</td>
<td>% expended</td>
<td>All funds expended from USBR grant and 3 Hans Doe grants totaling $139,000. Grant expenditures expected to rise significantly from continued IRWM grant turf replacement rebates and DROP grant expenditures.</td>
</tr>
<tr>
<td>6</td>
<td>Secure $2 million in additional external funding (grants, utility funding, in-kind contributions, etc.) to minimize operational funds needed for current and future water use efficiency programs.</td>
<td>2015-Jun</td>
<td>1</td>
<td>2</td>
<td>1.3</td>
<td>2.1</td>
<td>millions of $</td>
<td>Goal completed, with $2.1 million in grant funding secured to-date. This period received in-kind services from Home Depot and $162,433 in IRWM grant funding.</td>
</tr>
</tbody>
</table>
### Water Supply Portfolio - Water Use Efficiency

<table>
<thead>
<tr>
<th>#</th>
<th>Goal</th>
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<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Maintain overall region’s per capita potable water use at or below 174 gallons per capita per day (GPCPD) by offering regional programs and assistance to member agencies.</td>
<td>2015- Dec</td>
<td>2</td>
<td>174</td>
<td>174</td>
<td>153</td>
<td></td>
<td>GPCPD</td>
<td>GPCPD based on most recent data available (fiscal year 2013). Programs and resources offered include WaterSmart Checkup Program, WaterSmart Landscape Lab, Turf Replacement Program, Agricultural Water Management Program, and Residential Water Use Calculator.</td>
</tr>
</tbody>
</table>

### Water Facilities - Asset Management

<table>
<thead>
<tr>
<th>#</th>
<th>Goal</th>
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<th>Prior Year actual</th>
<th>Qualifier</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Update the repair/replacement schedule for pipelines, equipment, and facilities in support of the fiscal year 2014-2015 budget.</td>
<td>2012- Dec</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td></td>
<td>% complete</td>
<td>Completed.</td>
</tr>
<tr>
<td>2</td>
<td>Use Magnetic Flux Leakage Technology to determine the condition of Pipeline 4 between the Twin Oaks Diversion Structure and the Paint Mountain Vent.</td>
<td>2014- May</td>
<td>1</td>
<td>100</td>
<td>35</td>
<td>100</td>
<td></td>
<td>% complete</td>
<td>Completed.</td>
</tr>
<tr>
<td>3</td>
<td>Use Magnetic Flux Leakage Technology to determine the condition of Pipeline 3 between Metropolitan Water District’s delivery point and the Twin Oaks Diversion Structure.</td>
<td>2015- May</td>
<td>2</td>
<td>100</td>
<td>10</td>
<td>30</td>
<td></td>
<td>% complete</td>
<td>Board approved the contract amendment in May 2014. Pipeline shutdown is scheduled for October through November 2014.</td>
</tr>
<tr>
<td>4</td>
<td>Update the repair/replacement schedule for pipelines, equipment, and facilities in support of the fiscal year 2016-2017 budget.</td>
<td>2015- Jul</td>
<td>2</td>
<td>100</td>
<td>0</td>
<td>35</td>
<td></td>
<td>% complete</td>
<td>The team is currently performing a risk assessment. Based on the risk assessment, the team will develop a prioritized list for repair/replacement projects. We expect Asset Management Committee review of recommendations to occur in August 2014.</td>
</tr>
</tbody>
</table>

### Water Facilities - Capital Improvement Program

<table>
<thead>
<tr>
<th>#</th>
<th>Goal</th>
<th>Target date</th>
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<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Complete the San Vicente Dam Raise and Carryover Storage project on schedule and within budget, and initiate filling of the expanded reservoir to ultimately provide 152,000 acre-feet of emergency and carryover storage.</td>
<td>2014- Jun (rev.)</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>90</td>
<td>% complete</td>
<td>Construction was extended by a year from the original completion date due to the contractor’s delayed completion of the outlet works. Construction is now complete and the new facilities are in process of being turned over to the City.</td>
</tr>
<tr>
<td>#</td>
<td>Goal</td>
<td>Target date</td>
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<td>Qualifier</td>
<td>Comments</td>
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</tr>
<tr>
<td>2</td>
<td>Complete construction of the relining of Pipeline 4 from State Route 52 to Lake Murray project on schedule and within budget, providing 3.6 miles of rehabilitated pre-stressed concrete cylinder pipe.</td>
<td>2013-Jun</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td>All field work was completed in April, six weeks ahead of schedule. Project Notice of Completion was approved at the June 2013 Board meeting.</td>
</tr>
<tr>
<td>3</td>
<td>Complete the San Marcos Vent Desalination Modifications to establish a connection between Pipelines 3 and 4 to ensure water service south of San Marcos Vent during the relining of Pipeline 3 from San Marcos to Twin Oaks.</td>
<td>2014-Jun</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>5</td>
<td>% complete</td>
<td>Design-Build project delivery. All field work is now complete. Project Notice of Completion is scheduled for approval at the June 2014 Board meeting.</td>
</tr>
<tr>
<td>4</td>
<td>Complete the San Vicente Marina Facilities project on schedule and within budget to replace the existing marina facilities removed as part of the San Vicente Dam Raise and Carryover Storage project.</td>
<td>2014-Dec</td>
<td>2</td>
<td>100</td>
<td>65</td>
<td>65</td>
<td>20</td>
<td>% complete</td>
<td>A construction contract was awarded at the October 2013 Board meeting. Construction is underway and Marina portion of contract anticipated for completion by Fall 2014. Final landscaping expected to be complete by Winter 2014/2015.</td>
</tr>
<tr>
<td>5</td>
<td>Complete the relining of Pipeline 3 between San Marcos to Twin Oaks Valley Water Treatment Plant on schedule and within budget such that it is ready to receive desalinated water from the Carlsbad Desalination Plant.</td>
<td>2015-Jun</td>
<td>2</td>
<td>100</td>
<td>55</td>
<td>55</td>
<td>10</td>
<td>% complete</td>
<td>Award of a construction contract was approved at the November 2013 Board meeting. Over 9,000 LF of pipeline liners have been installed.</td>
</tr>
<tr>
<td>6</td>
<td>Oversee the completion of the Desalinated Conveyance Pipeline such that it can be accepted into operations by the Water Authority and receive desalinated water.</td>
<td>2015-Jun</td>
<td>2</td>
<td>100</td>
<td>50</td>
<td>60</td>
<td>15</td>
<td>% complete</td>
<td>Design-Build project by Poseidon Resources. Design of the 10 mile conveyance pipeline is approximately 98% complete and 5.0 miles of pipeline have been installed to date.</td>
</tr>
<tr>
<td>7</td>
<td>Complete the San Vicente Bypass Pipeline project on schedule and within budget to replace the existing bypass pipeline inundated as part of the San Vicente Dam Raise and Carryover Storage project.</td>
<td>2015-Dec</td>
<td>2</td>
<td>100</td>
<td>20</td>
<td>20</td>
<td>10</td>
<td>% complete</td>
<td>Final design is complete. The project is scheduled to advertise for construction bids in Summer 2014 with an award of a construction contract in Fall 2014.</td>
</tr>
<tr>
<td>8</td>
<td>Complete construction of relining portions of Pipeline 3 from Proctor Valley Road to Lower Otay Reservoir on schedule and within budget, providing additional rehabilitation of pre-stressed concrete cylinder pipe to Pipeline 3.</td>
<td>2015-Oct</td>
<td>2</td>
<td>100</td>
<td>90</td>
<td>90</td>
<td>20</td>
<td>% complete</td>
<td>Project was accelerated by one year as a result of the condition assessment. Construction contract awarded to L.H. Woods in August 2013.</td>
</tr>
<tr>
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<td>--------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>9</td>
<td>Complete the Nob Hill Improvements project on schedule and within budget to avoid excessive hydraulic transient pressures within Pipelines 3 and 4 under certain operational flow scenarios involving the Rancho Peñasquitos Pressure Control/ Hydroelectric Facility and San Vicente Pump Station in the Scripps Ranch area.</td>
<td>2017-Jun</td>
<td>2</td>
<td>100</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>% complete</td>
<td>Preliminary design is complete. Final Environmental Impact Report approval at June 2014 Board meeting.</td>
</tr>
<tr>
<td>1</td>
<td>Complete video and communication upgrades to the Escondido Emergency Operations Center.</td>
<td>2013-Feb (rev.)</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td>EOC video and communication upgrades are complete and functioning.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Complete video surveillance installations at Rancho Peñasquitos Hydroelectric Facility, San Vicente Pump Station and Surge, and Lake Hodges Hydroelectric Facility.</td>
<td>2013-Jan (rev.)</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td>Video cameras have been installed at RPHF, SV Pump Station, and Lake Hodges. The software analytics are complete and are functioning properly. These facilities are being monitored in the Control Room.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Update existing Supervisory Control and Data Acquisition system vulnerability assessment using the Department of Homeland Security’s Control System Cyber Security Self-Assessment Tool, comparing results with past SCADA assessments.</td>
<td>2012-Dec</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td>Update has been completed.</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Participate in the Golden Guardian 2013 Catastrophic Earthquake (Bay Area) emergency response exercise.</td>
<td>2013-Jun</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td>An emergency exercise was conducted locally in June 2013.</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Complete video surveillance upgrades at Olivenhain Dam, Twin Oaks Diversion Structure, and Escondido Operations Center.</td>
<td>2014-Feb</td>
<td>1</td>
<td>100</td>
<td>50</td>
<td>100</td>
<td>% complete</td>
<td>Upgrade of video surveillance at Twin Oaks Water Treatment Plant, Olivenhain Pump Station and Olivenhain Dam is complete. Upgrade at Escondido has been deferred.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Participate in/conduct a local interagency emergency preparedness exercise.</td>
<td>2014-Jun</td>
<td>1</td>
<td>100</td>
<td>0</td>
<td>100</td>
<td>% complete</td>
<td>Emergency Exercise with Member Agencies was held on June 3, 2014.</td>
<td></td>
</tr>
</tbody>
</table>
### Water Facilities - Infrastructure Planning & Facilities Optimization

<table>
<thead>
<tr>
<th>#</th>
<th>Goal</th>
<th>Target date</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Complete the 2013 Regional Water Facilities Optimization and Master Plan Update.</td>
<td>2014-Mar (rev.)</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>90</td>
<td>% complete</td>
<td></td>
<td>The Master Plan was approved at the March 2014 Board meeting.</td>
</tr>
<tr>
<td>2</td>
<td>Develop a regional storage management plan to guide the operations of the Water Authority's combined 170,000 acre-feet of surface and groundwater carryover/seasonal storage pools.</td>
<td>2014-Jun (rev.)</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>% complete</td>
<td></td>
<td>The approved Master Plan includes recommendations for managing Water Authority-owned seasonal and carryover storage pools to address peak delivery constraints and multi-year dry weather conditions.</td>
</tr>
<tr>
<td>3</td>
<td>Update the prioritization analysis of existing and proposed Capital Improvement Program projects consistent with development of the two-year CIP budget to confirm timely and effective development of future infrastructure and water supply projects.</td>
<td>2015-Jun</td>
<td>100</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>% complete</td>
<td></td>
<td>An updated prioritization of CIP projects will be conducted to support the next two-year CIP budget process.</td>
</tr>
<tr>
<td>4</td>
<td>Complete an update of the Master Plan based on the supply and demand analysis from the 2015 Urban Water Management Plan.</td>
<td>2017-Dec</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>% complete</td>
<td></td>
<td>An update of the Master Plan will be initiated upon completion of the 2015 UWMP.</td>
</tr>
</tbody>
</table>

### Water Facilities - Operation & Maintenance

<table>
<thead>
<tr>
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<th>Qualifier</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Achieve 94 percent uptime in fiscal year 2013 at the Lake Hodges Hydroelectric Facility.</td>
<td>2013-Jun</td>
<td>94</td>
<td>94</td>
<td>76</td>
<td>% uptime</td>
<td></td>
<td></td>
<td>Uptime measured since the commercial operations date of August 27, 2012. Goal not met due to significant downtime associated with warranty repairs. Projected uptime without warranty repairs is 97.6%.</td>
</tr>
<tr>
<td>2</td>
<td>Complete construction of the communication facilities capital improvement project and integrate with existing data communication system.</td>
<td>2015-Dec (rev.)</td>
<td>100</td>
<td>100</td>
<td>90</td>
<td>% complete</td>
<td></td>
<td></td>
<td>Project experienced delays due to permitting issues with local regulatory agencies. Permit issues have been resolved. Project team is performing public outreach activities and evaluating lease agreement at Mt. Woodson.</td>
</tr>
<tr>
<td>3</td>
<td>Achieve 95 percent uptime in fiscal year 2014 at the Lake Hodges Hydroelectric Facility.</td>
<td>2014-Jun</td>
<td>95</td>
<td>95</td>
<td>96.7</td>
<td>76</td>
<td>% uptime</td>
<td></td>
<td>The end of year uptime and revenue for fiscal year 2014 was 96.7% and $2.8M, respectively, both exceeding the annual goal.</td>
</tr>
<tr>
<td>#</td>
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<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>4</td>
<td>Implement blending strategies for movement of Hodges/ Olivenhain water into Pipeline 5, in accordance with California Department of Public Health permit amendment requirements.</td>
<td>2014-Jun</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td>Operations staff monitors water quality daily and operates system in conformance with CDPH permit requirements.</td>
</tr>
<tr>
<td>5</td>
<td>Complete the modifications to the Twin Oaks Valley Water Treatment Plant on schedule and within budget such that it is ready to receive desalinated water from the Carlsbad Desalination Plant.</td>
<td>2014-Jun</td>
<td>2</td>
<td>100</td>
<td>10</td>
<td>100</td>
<td>% complete</td>
<td></td>
<td>Construction is 100% complete and final testing of the chemical dosing will be complete when desalinated water is conveyed to the TOVWTP clearwells.</td>
</tr>
<tr>
<td>6</td>
<td>Resolve five of the top ten right-of-way encroachment cases.</td>
<td>2014-Jun</td>
<td>1</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td># of cases</td>
<td>Three (3) right-of-way cases were completed in FY13. The remaining two (2) cases have been completed with one signed settlement agreement and the other being referred to general counsel to initiate legal proceedings.</td>
</tr>
<tr>
<td>7</td>
<td>Produce hydroelectric energy revenue of $900,000 annually at the Rancho Penasquitos Hydroelectric Plant.</td>
<td>2014-Jun</td>
<td>1</td>
<td>900000</td>
<td>900000</td>
<td>984825</td>
<td>914968</td>
<td>$ of annual revenue</td>
<td>Fiscal year end revenues exceeded goal due to higher than expected aqueduct flows.</td>
</tr>
<tr>
<td>8</td>
<td>Implement cost effective energy saving measures at the Twin Oaks Valley Water Treatment Plant as identified in the energy audit.</td>
<td>2014-Jun</td>
<td>2</td>
<td>100</td>
<td>80</td>
<td>100</td>
<td>% complete</td>
<td></td>
<td>All 10 Energy Conservation Opportunities have been addressed. Two (2) of the ECO evaluations were not implemented because the return on investment was too long. Eight (8) ECOs have been implemented and 2 additional energy saving measures were implemented by CH2M Hill at no cost to the Water Authority.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Core Business - Climate Change Compliance</th>
<th>Larry Purcell - Sandy Kerl</th>
</tr>
</thead>
<tbody>
<tr>
<td>#</td>
<td>Goal</td>
</tr>
<tr>
<td>----</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>Complete a Water Authority Climate Action Plan to guide implementation of greenhouse gas reduction measures.</td>
</tr>
<tr>
<td>#</td>
<td>Goal</td>
</tr>
<tr>
<td>-----</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>2</td>
<td>Identify methods to ensure complete greenhouse gas data capture to comply with monitoring and reporting protocols.</td>
</tr>
<tr>
<td></td>
<td>2013-Jan</td>
</tr>
<tr>
<td>3</td>
<td>Evaluate and recommend changes to design, construction, and operation standard practices to reduce impacts of climate change.</td>
</tr>
<tr>
<td></td>
<td>2013-Dec</td>
</tr>
<tr>
<td>4</td>
<td>Support preparation of a Water Utility Climate Alliance white paper on the Piloting Utility Modeling Applications for Climate Change, which includes assessments of climate models and adaptation strategies.</td>
</tr>
<tr>
<td></td>
<td>2014-June</td>
</tr>
</tbody>
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<tbody>
<tr>
<td>1</td>
<td>Complete Mitigated Negative Declaration for Pipeline 3 Relining Project (Sweetwater to Otay Segment).</td>
<td>2013-May</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td>Completed. MND adopted in March 2013.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2013-Mar</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Obtain Certification of Program Environmental Impact Report for the 2013 Regional Water Facilities Optimization and Master Plan Update and Climate Action Plan.</td>
<td>2014-Feb (rev.)</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td>Completed. FSEIR certified in March 2014.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2013-Mar</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Obtain long-term wetland mitigation banking agreements for the Manchester and Tijuana River Valley mitigation sites.</td>
<td>2014-Jun (rev.)</td>
<td>100</td>
<td>100</td>
<td>30</td>
<td>25</td>
<td>% complete</td>
<td>Manchester plan completion delayed due to other priorities. Tijuana River Valley dropped as possible banking site due to timing constraints. Delay also due to regulatory agency staffing issues, budget cuts, policy indecision and higher priorities.</td>
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<td></td>
<td>2013-Mar</td>
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<tr>
<td>Core Business - Environmental Management</td>
<td>Larry Purcell - Ken Weinberg (continued)</td>
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<td><strong>Prior Year actual</strong></td>
<td><strong>Qualifier</strong></td>
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<tr>
<td>4</td>
<td>Complete funding of endowments for Habitat Management Areas established by the approved Water Authority Natural Community Conservation Plan/Habitat Conservation Plan.</td>
<td>2014-Dec (rev.)</td>
<td>100</td>
<td>80</td>
<td>25</td>
<td>20</td>
<td>% complete</td>
<td>On hold pending completion of scientific research being performed by SDSU. US Fish &amp; Wildlife Service involvement constrained by limited resources and higher priorities.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2013-Dec</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>5</td>
<td>Obtain programmatic regional wetland permits for construction and operation activities from the Army Corps and Regional Water Quality Control Board.</td>
<td>2014-Dec (rev.)</td>
<td>100</td>
<td>100</td>
<td>30</td>
<td>25</td>
<td>% complete</td>
<td>NEPA documents awaiting Corps management review; provisional permit issuance pending. No response from RWQCB to administrative draft CEQA documents. Corps and RWQCB involvement constrained by limited resources and higher priorities.</td>
<td></td>
</tr>
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<td></td>
<td>2013-Dec</td>
<td></td>
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<tr>
<td>6</td>
<td>Complete construction of the Tijuana River Valley wetlands mitigation site.</td>
<td>2015-Dec</td>
<td>100</td>
<td>10</td>
<td>10</td>
<td>% complete</td>
<td>No longer being pursued as wetland banking site. Smaller project to comply with CSP mitigation initiated Dec 2013. Due to habitat restrictions earliest possible construction start date is Oct 2015.</td>
<td></td>
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<td></td>
<td>2015-Mar</td>
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<table>
<thead>
<tr>
<th>Core Business - Financial Planning</th>
<th>David Shank - Lisa Marie Harris</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>#</strong></td>
<td><strong>Goal</strong></td>
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<tr>
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</tr>
<tr>
<td>1</td>
<td>Achieve an annual average interest rate on long-term fixed rate debt that is lower than the adjusted 30-year average Municipal Market Data.</td>
</tr>
<tr>
<td>2</td>
<td>Support the financial analysis of the Carlsbad Desalination Project water purchase agreement and project financing.</td>
</tr>
<tr>
<td>3</td>
<td>Evaluate the Water Authority’s other post-employment benefits obligation and determine a funding strategy.</td>
</tr>
<tr>
<td>#</td>
<td>Goal</td>
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<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>4</td>
<td>Conduct an evaluation of the Water Authority's investment portfolio and identify ways to enhance performance (i.e. investment managers).</td>
</tr>
<tr>
<td>5</td>
<td>Address expiring liquidity facility for the Water Authority's Series 1 and Series 4 Commercial Paper (e.g. renegotiate, replace, etc.).</td>
</tr>
<tr>
<td>6</td>
<td>Complete the Fiscal Sustainability Workgroup review and implement recommendations for calendar year 2015 rates and charges.</td>
</tr>
<tr>
<td>7</td>
<td>Conduct a comprehensive cost of service study and review of the Water Authority's financial policies.</td>
</tr>
<tr>
<td>8</td>
<td>Complete phase II of the cost of service study: Integrate the Carlsbad desalination project costs into the Water Authority's rates and charges and make any rate and charge modifications recommended by the Fiscal Sustainability Workgroup.</td>
</tr>
<tr>
<td>9</td>
<td>Address expiring liquidity facilities for the Water Authority's Series 5 and 6 Commercial Paper (e.g. renegotiate, replace, etc.).</td>
</tr>
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<td>Goal</td>
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</tr>
<tr>
<td>10</td>
<td>Obtain Board approval of the updated Long-Range Financing Plan.</td>
</tr>
<tr>
<td>11</td>
<td>Achieve the Rate Stabilization Fund target fund balance.</td>
</tr>
<tr>
<td>12</td>
<td>Address the maturing Series 2011S-1 subordinate lien water revenue bonds.</td>
</tr>
<tr>
<td>13</td>
<td>Maintain an 80 percent customer satisfaction score on the annual Member Agency Finance Officer Customer Service Survey.</td>
</tr>
<tr>
<td>14</td>
<td>Secure a “one notch” credit rating upgrade by one of the three credit rating agencies.</td>
</tr>
<tr>
<td>15</td>
<td>Achieve and maintain 50 percent of the top 20 municipal bond investors in our investor base.</td>
</tr>
<tr>
<td>16</td>
<td>Achieve 1-½ times investor subscription on negotiated long-term debt issues.</td>
</tr>
<tr>
<td>17</td>
<td>Expand investor base by a minimum of five new investors for each new long-term debt issue.</td>
</tr>
<tr>
<td>18</td>
<td>Issue debt as necessary to fund the Capital Improvement Program.</td>
</tr>
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<td>----</td>
<td>---------------------------------------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>Work for the passage of one or more Water Authority sponsored bill in the 2013 legislative session.</td>
</tr>
<tr>
<td>2</td>
<td>Obtain Board approval for updated Legislative Policy Guidelines for 2013.</td>
</tr>
<tr>
<td>3</td>
<td>Provide speakers to at least 75 percent of the region's local government policy makers to ensure they understand the importance of connecting development with good water policy, support the Water Authority's long-term direction, and endorse water conservation.</td>
</tr>
<tr>
<td>4</td>
<td>Provide at least one briefing for each: San Diego, state, and federal legislators, on the Water Authority Capital Improvement Program projects, its efforts to ensure water supply reliability and deal with drought conditions and regulatory restrictions, and the need to diversify the region's water supply portfolio.</td>
</tr>
<tr>
<td>5</td>
<td>Secure $100 million in water bond funding for the San Vicente Dam Raise project that is made available by the Safe, Clean and Reliable Water Supply Act of 2014 upon its passage by the voters.</td>
</tr>
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</tr>
<tr>
<td>6</td>
<td>Pursue and secure $115 million in state funding, including water bond funding, to support regional and local projects and programs; including water recycling, conservation, and seawater desalination.</td>
</tr>
<tr>
<td>7</td>
<td>Pursue and secure federal Water Resources Development Act authorizations for Water Authority and member agency projects.</td>
</tr>
<tr>
<td>8</td>
<td>Pursue and secure a federal appropriation of $1.5 million for a desalination facility at Camp Pendleton, $5 million per year for member agency recycling projects under Title XVI, and appropriations for other Water Authority projects.</td>
</tr>
<tr>
<td>#</td>
<td>Goal</td>
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<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>Finalize policy and procedure for acquisition, implementation, and management of grants.</td>
</tr>
<tr>
<td>2</td>
<td>Obtain grant funding to support Water Authority mission, and minimize financial impacts to customers.</td>
</tr>
<tr>
<td>3</td>
<td>Administer San Diego Integrated Regional Water Management grants, including the requirements for quarterly project reports and invoices.</td>
</tr>
</tbody>
</table>

**Core Business - Information Technology | Ali Bagherian - Matt Brown**

<table>
<thead>
<tr>
<th>#</th>
<th>Goal</th>
<th>Target date</th>
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<th>Long-term target</th>
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<th>Prior Year actual</th>
<th>Qualifier</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Go live on aqueduct protection program web application.</td>
<td>2012-Aug</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td></td>
<td>% complete</td>
<td>The application is operational and being used by O&amp;M personnel. The application stores, manages, and supports queries and reports of the condition assessment data of over 61,000 pipe segments.</td>
</tr>
<tr>
<td>2</td>
<td>Complete telephone and voicemail system upgrade or replacement.</td>
<td>2012-Oct</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td></td>
<td>% complete</td>
<td>The telephone and voicemail system was successfully upgraded. The warranty on the upgraded system lasts until 2017.</td>
</tr>
<tr>
<td>3</td>
<td>Complete migration of purchasing contract files from paper into digital files in our OnBase electronic document management system.</td>
<td>2013-Feb</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td></td>
<td>% complete</td>
<td>All new contracts are being scanned and entered into our OnBase electronic document management system. All existing active contracts will also be migrated into the OnBase system which provides more efficient tools for entering and searching contract documents.</td>
</tr>
<tr>
<td>4</td>
<td>Implement E-discovery software solution.</td>
<td>2013-Oct</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td></td>
<td>% complete</td>
<td>The software has been implemented. Going forward, this software will be used, as needed, for public records requests, litigation discoveries, and specific document searches.</td>
</tr>
</tbody>
</table>
### Core Business - Information Technology | Ali Bagherian - Matt Brown

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<th>Qualifier</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Go live on asset management web application.</td>
<td>2014-Oct (rev.)</td>
<td>3</td>
<td>50</td>
<td>0</td>
<td>20</td>
<td></td>
<td>% complete</td>
<td>The development of this application (Asset Management of facilities) had been postponed in order to focus on three higher priorities: implementing some programming changes into the Asset Management for pipelines web application which were completed in November 2013, developing the Water Authority dashboard which is scheduled to launch in August 2014, and completing the Maximo upgrade which was completed in April 2014. In May 2014, Operations &amp; Maintenance and Information Technology staff began development on this new application. We are scheduled to launch the application by October 2014.</td>
</tr>
<tr>
<td>6</td>
<td>Go live on an upgraded Maximo computerized maintenance management system.</td>
<td>2014-Jul</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td></td>
<td>% complete</td>
<td>Project was completed in April 2014 ahead of schedule. The Operations and Maintenance department are using the updated software and on a daily basis and have made several efficiency improvements to their work order processing based on the software's new features.</td>
</tr>
</tbody>
</table>

### Core Business - Public Outreach | Denise Vedder - Jason Foster

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<tr>
<th>#</th>
<th>Goal</th>
<th>Target date</th>
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<th>Prior Year actual</th>
<th>Qualifier</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Based on survey results, complete assessment and enhancement of the Water Authority website.</td>
<td>2013-Jul (rev.)</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td></td>
<td>% complete</td>
<td>Website enhancements completed at the end of July; goal completed.</td>
</tr>
<tr>
<td>2</td>
<td>Work with member agencies to develop and execute a communications plan to educate key stakeholders and the general public about the value of water, and enhance understanding of water rates and how they fund investments in current and future water reliability.</td>
<td>2014-Dec (rev.)</td>
<td>4</td>
<td>100</td>
<td>80</td>
<td>60</td>
<td></td>
<td>% complete</td>
<td>Formed Value of Water Task Force with Member Agencies. Executed first phase of campaign in 2013 including template articles/fact sheet, bill stuffer, videos for summer movie advertising campaign, and social media activities. “Value” messages now being incorporated into drought response campaign platform and enhanced civic engagement program approved by Board in May 2014. LCO Committee extended campaign goal to December 2014.</td>
</tr>
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<td>#</td>
<td>Goal</td>
<td>Target date</td>
<td>Long-term status</td>
<td>Long-term target</td>
<td>Fiscal Year target</td>
<td>Fiscal Year actual</td>
<td>Prior Year actual</td>
<td>Qualifier</td>
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</tr>
<tr>
<td>3</td>
<td>Achieve or exceed small business participation percentage, based on total procurement dollars as established by the Board of Directors for two-year budget period.</td>
<td>2013-Jun</td>
<td>1</td>
<td>25</td>
<td>25</td>
<td>32</td>
<td></td>
<td>% participation</td>
<td>Goal completed; the Board has set the new SCOOP goal at 30% for fiscal years 2014-2015.</td>
</tr>
<tr>
<td>4</td>
<td>Increase total audience of electronic and social media communications platforms by 25 percent.</td>
<td>2013-Dec</td>
<td>1</td>
<td>58,619</td>
<td>58,619</td>
<td>72,011</td>
<td></td>
<td># participants</td>
<td>Exceeded goal with 54% increase in total audience with 72,011 users.</td>
</tr>
<tr>
<td>5</td>
<td>Conduct facility tours and community forums that educate 1000 regional stakeholders on regional water issues and/or the importance and benefits of Water Authority infrastructure projects.</td>
<td>2014-Jun</td>
<td>1</td>
<td>1,000</td>
<td>1,000</td>
<td>3,674</td>
<td>stakeholders</td>
<td>Completed goal June 2013. Exceeded target; 2,083 participants in community forums, CIP tours and events, open houses. New total as of June 2014 is 3,674 attendees.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Support achievement of long-term regional water use efficiency goals by conducting efficiency-themed education programs that reach 3,000 teachers and 100,000 students in the San Diego County region.</td>
<td>2014-Jun</td>
<td>1</td>
<td>103,000</td>
<td>103,000</td>
<td>116,750</td>
<td>teachers/students</td>
<td>Goal met and completed: 4,244 teachers; 112,506 students reached.</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Conduct public outreach that achieves or sustains more than 80 percent support for the Water Authority's long-term, overall water supply diversification strategy.</td>
<td>2017-Jun</td>
<td>3</td>
<td>80</td>
<td>80</td>
<td>79</td>
<td>57</td>
<td>% support</td>
<td>The 2012 support level was 57%. The 2014 support level was 79%, a 22% increase. The 79% support level was 1% less than the 80% target.</td>
</tr>
<tr>
<td>8</td>
<td>Support water use efficiency programs and policies with communications and community relations initiatives that help sustain 90 percent or greater public acceptance of water use efficiency as an important civic duty.</td>
<td>2017-Jun</td>
<td>3</td>
<td>90</td>
<td>90</td>
<td>82</td>
<td>95</td>
<td>% public acceptance</td>
<td>The April 2014 poll showed 82% support for water conservation as a civic duty. This is a reduction from 95% public acceptance in 2012.</td>
</tr>
<tr>
<td>9</td>
<td>Plan and execute public outreach strategies, plans, and tactics that sustain a 67 percent or greater awareness among residents that indirect potable reuse is a safe and acceptable part of the region's drinking water supply.</td>
<td>2017-Jun</td>
<td>2</td>
<td>67</td>
<td>67</td>
<td>71</td>
<td></td>
<td>% awareness</td>
<td>Baseline = 2011 poll; Quarterly performance based on July 2012 poll. Next poll date to be determined.</td>
</tr>
<tr>
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<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>Gain agreement to Memorandum of Understanding with bargaining groups</td>
<td>2012-Jul</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>% complete</td>
<td></td>
<td>Board approved three year MOU in July 2012.</td>
</tr>
<tr>
<td>2</td>
<td>Graduate five employees from the Water Authority's Professional</td>
<td>2012-Dec</td>
<td>5</td>
<td>5</td>
<td>7</td>
<td>0</td>
<td>graduates</td>
<td></td>
<td>Seven employees graduated in December 2012 for the Pilot Mentoring Program. Currently the Management Analyst series of the Mentorship Program has six participants.</td>
</tr>
<tr>
<td>3</td>
<td>Complete cross-departmental workforce forecast for fiscal years 2012 and 2013.</td>
<td>2013-Jun</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>% complete</td>
<td></td>
<td>Integrated with budget process.</td>
</tr>
<tr>
<td>4</td>
<td>Complete and adopt an integrated workforce succession plan.</td>
<td>2014-Jun</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>% complete</td>
<td></td>
<td>Initial plan developed and framework for ongoing program identified. Initial assessments completed in November 2013. Individual feedback on assessments is underway. HR is currently developing agency-wide program and training initiatives to strengthen competencies.</td>
</tr>
<tr>
<td>5</td>
<td>Achieve employee turnover less than 6 percent after factoring out retirements, for fiscal years 2012 and 2013.</td>
<td>2013-Dec</td>
<td>6</td>
<td>6</td>
<td>3.2</td>
<td>3</td>
<td>% turnover</td>
<td></td>
<td>Goal has been met for CY 2012, 2013. Turnover for FY 14 is 3.2%</td>
</tr>
<tr>
<td>6</td>
<td>Fill 50 percent of vacancies for positions above the entry level with internal candidates for fiscal years 2012 and 2013.</td>
<td>2013-Dec</td>
<td>50</td>
<td>50</td>
<td>47.8</td>
<td>81</td>
<td>% vacancies</td>
<td></td>
<td>The need for new and very specialized skill sets required external recruiting efforts for high level positions.</td>
</tr>
<tr>
<td>7</td>
<td>Achieve 'acceptable/meets expectations' or above ratings for training and development program delivery.</td>
<td>2013-Dec</td>
<td>3</td>
<td>3</td>
<td>4.5</td>
<td>4.5</td>
<td>ratings</td>
<td></td>
<td>Post-training evaluation ratings exceed expectations.</td>
</tr>
<tr>
<td>8</td>
<td>Achieve 'acceptable/meets expectations' or better ratings from participating agencies and other stakeholders of the San Diego Regional Water/Wastewater Internship Program.</td>
<td>2015-Jun</td>
<td>3</td>
<td>3</td>
<td>4.2</td>
<td>4</td>
<td>ratings</td>
<td></td>
<td>Annual Member Agency evaluation ratings exceed expectations. Currently recruiting candidates for the FY 15 Regional Water/Wastewater Internship Program.</td>
</tr>
<tr>
<td>9</td>
<td>Graduate five employees from The Center for Organization Effectiveness' Academies.</td>
<td>2015-Aug</td>
<td>5</td>
<td>2</td>
<td>5</td>
<td>3</td>
<td>employees</td>
<td></td>
<td>Five employees graduated from the academies this past fiscal year.</td>
</tr>
</tbody>
</table>
July 16, 2014

Attention: Administrative and Finance Committee

Controller’s Report on Monthly Financial Reports (Information)

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

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

The Multi-Year Budget Status Report reflects actual revenues and expenditures, on a budgetary basis, for the eleven-month period of July 1, 2013 through May 31, 2014 (Attachment D). The Multi-Year Budget Status Report compares actual revenues and expenditures to the adopted budget, as amended by the Board. Budgeted amounts for the eleven-month period are presented on a straight-line basis, except for water sales and purchases, which are based on monthly projected volumes in acre-feet. In addition, the period-to-date budgeted amounts are adjusted for periodic items that include property taxes and in-lieu charges, capacity charges, water standby availability charges, stored water purchases, debt service, QSA mitigation, annual insurance premiums, and contribution to the Six Agency Fund.

Net Water Sales Revenue
Net Water Sales Revenue is the Water Authority’s principal source of revenue and is the difference between the sale of water and the cost of that water. Sales include revenues from variable commodity charges for supply, treatment and transportation, as well as from fixed charges for customer service and storage. Cost of water includes payments to water suppliers such as Metropolitan Water District (MWD) and Imperial Irrigation District (IID).

Net Water Sales Revenue for the eleven-month period ended May 31, 2014 was $153.8 million, trending $11.3 million, or 8%, higher than the period-to-date budgeted amount of $142.5 million (Attachment D). Detailed information relating 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 at 423,881 AF for the eleven-month period ended May 31, 2014. The actual water sales volume was 470,939 AF, trending 47,058 AF, or 11%, higher

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1 All information regarding water sales volumes, revenues and costs are based on the adopted fiscal years 2014 and 2015 multi-year budget.
than budgeted (Attachment A). The continuing warm and dry conditions have kept the monthly sales volume above budget since October 2013. As a result, total actual Water Sales revenue for the eleven-month period ended May 31, 2014 was $535.9 million, trending $47.5 million, or 10%, higher than the period-to-date budgeted amount of $488.4 million (Attachment B).

Total Water Purchases and Treatment costs were budgeted at $345.9 million and the actual costs were $382.1 million, trending $36.2 million, or 10% over budget for the eleven-month period ended May 31, 2014. Total Water Purchases and Treatment costs included $51.8 million for the 91,665 AF of water purchased from IID for the eleven-month period ended May 31, 2014, and $74.7 million for MWD’s conveyance charges to transfer 165,225 AF, from July through May, the water purchased from IID and conserved through the Coachella Canal and All-American Canal lining projects. Total Water Purchases and Treatment costs also included approximately $6.5 million incurred in March and April 2014 on 10,900 AF of purchased water to increase the inventory level in the San Vicente reservoir in preparation for the State Route 76 pipeline shut down scheduled for later in calendar year 2014.

In summary, Water Sales volume trended 11% and Water Sales Revenue trended 10% above the period-to-date budget, and Total Water Purchases and Treatment costs trended 10% over the same period-to-date budget. For the eleven-month period ended May 31, 2014, Net Water Sales Revenue trended 8%, or $11.3 million, higher than budgeted.

Revenues and Other Income
As shown in Attachment D, Total Revenues and Other Income were budgeted to be $90.4 million for the eleven-month period ended May 31, 2014. Actual revenues were $83.7 million, trending $6.7 million lower than budgeted. Grant Reimbursements revenue for Integrated Regional Water Management (IRWM) Grants trended $8.8 million below budget from the natural timing lag in reimbursement receipts.

Other actual revenue categories that trended higher than the period-to-date budgeted amounts for the eleven-month period ended May 31, 2014 included Hydroelectric Revenue, Water Standby Availability Charges, and Capacity Charges. Hydroelectric Revenue category was budgeted for the Rancho Penasquitos Pressure Control and Hydroelectric Facility (Rancho Hydro) and the Lake Hodges Pumped Storage Facility (Hodges Hydro). Actual Hydroelectric Revenue was trending higher than the period-to-date budget by $1.8 million. Actual Water Standby Availability Charges and Capacity Charges were trending higher than budgeted by $0.2 million and $0.2 million, respectively, for the eleven-month period ended May 31, 2014.

Actual revenue categories that trended lower than the period-to-date budgeted amounts for the eleven-month period ended May 31, 2014 included Investment Income, Build America Bonds Subsidy, and Contributions in Aid of CIP. Investment Income revenues for the eleven-month period ended May 31, 2014, were trending $1.0 million lower than the period-to-date budget. The variance was attributed to both lower-than-budgeted rates of return and negative market value adjustments on investments. The actual Build America Bonds Subsidy was $9.5 million, trending lower than the period-to-date budget by $0.9 million, the result of reduced semi-annual subsidy payments from the United States Treasury following the Congressionally-mandated sequestration in 2013. Actual
Contributions in Aid of CIP was trending lower than budgeted by $0.1 million for the eleven-month period ended May 31, 2014.

**Expenditures**

As shown in Attachment D, Total Expenditures were budgeted to be $198.4 million for the eleven-month period ended May 31, 2014. Actual expenditures were $176.5 million, trending $21.9 million lower than budgeted. The variance is explained in detail below.

Overall Operating Departments expenditures were trending less than budgeted due to expenditure timing.

Hodges Pumped Storage was budgeted at $2.0 million for fiscal year 2014 for the operation and maintenance of the Lake Hodges Pumped Storage facility for regional power production sales to SDG&E as well as Emergency Storage Project agreement obligations. Hodges Pumped Storage actual expenditures of $1.4 million were trending lower than the period-to-date budgeted amount of $1.9 million for the eleven-month period ended May 31, 2014, the result of expenditure timing. Actual Equipment Replacement expenditures of $1.1 million were trending lower than the $1.6 million budget for the eleven-month period due to the timing of expenditures.

Debt Service expenditures totaled $126.4 million for the eleven-month period ended May 31, 2014, trending $4.3 million lower than budgeted. The variance was primarily attributed to the cash flow savings from the prior year refunding transaction which resulted in lower rates for the commercial paper program than had been previously budgeted for. Total actual Grant Expenditures were $3.9 million for the eleven-month period ended May 31, 2014, trending $9.9 million below the period-to-date budgeted amount. The variance resulted primarily from the lower than projected activity levels and the timing of expenditures in pass-through IRWM grants. Other Expenditures variance of $0.6 million was primarily due to other miscellaneous and conservation reimbursable expenditures.

**CIP Expenditures**

Attachment D shows that CIP Expenditures were budgeted to be $143.2 million for the eleven-month period ended May 31, 2014. Actual expenditures were $84.4 million, trending $58.8 million, or 41%, lower than the period-to-date budgeted amount.

Actual CIP expenditures funded by Pay As You Go Fund and CIP/Bond Construction Funds for the eleven-month period ended May 31, 2014 were $34.0 million and $50.4 million, respectively.

Beyond the historical non-linear spending pattern of the CIP, the Water Authority has experienced variances from the adopted budget due to contracts being awarded for a value less than originally budgeted and a shift in spending beyond the current budgeted period, as communicated to the Board in June. At the June meeting, the Board took several actions as part of the mid-term budget update, including a decrease of $53.9 million to the two-year CIP appropriation. This reduction represents a decrease to the CIP Lifetime Budget of $29.2 million due to project cost savings and the deferral of $24.7 million in projects beyond this budget cycle. The Controller’s Report will reflect these adjustments in the July’s report.
Cash and Investments
As of May 31, 2014 and April 30, 2014, the overall balance in the Water Authority’s cash and investments was $566.9 million and $645.8 million, respectively (Attachment F). Approximately 38% of funds in cash and investments were unrestricted with the remaining 62% of funds restricted for specific purposes. To maximize investment returns, the Water Authority pools the cash of the Pay As You Go Fund with unrestricted funds. As of May 31, 2014, the Rate Stabilization Fund was funded at $64.1 million, approximately 72% of the maximum approved level of $89.5 million.

______________________________
Rod Greek, Controller
**WATER SALES VOLUMES**

**Budget Versus Actual (in Acre-Feet)**

for the 11 Months Ended May 31, 2014

*Budgeted amounts are based on the adopted two year budget.*

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**Fiscal Year 2014 Cumulative Water Sales (AF)**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Budget (a)</em></td>
<td>55,314</td>
<td>110,634</td>
<td>160,795</td>
<td>204,198</td>
<td>238,389</td>
<td>269,960</td>
<td>298,321</td>
<td>322,118</td>
<td>349,402</td>
<td>384,217</td>
<td>423,881</td>
<td>471,509</td>
</tr>
<tr>
<td>Actual</td>
<td>49,314</td>
<td>100,674</td>
<td>158,423</td>
<td>206,522</td>
<td>242,008</td>
<td>273,310</td>
<td>312,000</td>
<td>341,883</td>
<td>373,544</td>
<td>416,766</td>
<td>470,939</td>
<td>-</td>
</tr>
<tr>
<td>AF Difference (b)</td>
<td>(6,000)</td>
<td>(9,960)</td>
<td>(2,372)</td>
<td>2,324</td>
<td>3,619</td>
<td>3,350</td>
<td>13,679</td>
<td>19,765</td>
<td>24,142</td>
<td>32,549</td>
<td>47,058</td>
<td>-</td>
</tr>
<tr>
<td>% Difference (b/a)</td>
<td>-11%</td>
<td>-9%</td>
<td>-1%</td>
<td>1%</td>
<td>2%</td>
<td>1%</td>
<td>5%</td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>11%</td>
<td>-</td>
</tr>
</tbody>
</table>
### Fiscal Year 2014 Cumulative Water Sales (in Millions $)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Budget (a)</em></td>
<td>59.0</td>
<td>118.0</td>
<td>172.3</td>
<td>220.2</td>
<td>259.9</td>
<td>296.6</td>
<td>332.2</td>
<td>363.6</td>
<td>398.8</td>
<td>441.1</td>
<td>488.4</td>
<td>542.8</td>
</tr>
<tr>
<td>Actual</td>
<td>54.7</td>
<td>110.6</td>
<td>171.6</td>
<td>223.3</td>
<td>264.8</td>
<td>302.6</td>
<td>348.9</td>
<td>386.9</td>
<td>425.6</td>
<td>475.6</td>
<td>535.9</td>
<td>-</td>
</tr>
<tr>
<td>Difference (b)</td>
<td>(4.3)</td>
<td>(7.4)</td>
<td>(0.7)</td>
<td>3.1</td>
<td>4.9</td>
<td>6.0</td>
<td>16.7</td>
<td>23.3</td>
<td>26.8</td>
<td>34.5</td>
<td>47.5</td>
<td>-</td>
</tr>
<tr>
<td>Cum. Actual</td>
<td>% Difference (b/a)</td>
<td>-7%</td>
<td>-6%</td>
<td>0%</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
<td>5%</td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>10%</td>
</tr>
</tbody>
</table>

*Budgeted amounts are based on the adopted two year budget.*
Fiscal Year 2014 Cumulative Cost of Water Purchases and Treatment (in Millions $)

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Budget (a)</em></td>
<td>42.8</td>
<td>85.5</td>
<td>124.6</td>
<td>159.0</td>
<td>187.1</td>
<td>212.8</td>
<td>237.4</td>
<td>258.8</td>
<td>283.0</td>
<td>312.6</td>
<td>345.9</td>
<td>384.4</td>
</tr>
<tr>
<td>Actual</td>
<td>34.4</td>
<td>78.9</td>
<td>122.7</td>
<td>159.7</td>
<td>187.5</td>
<td>214.3</td>
<td>247.3</td>
<td>274.0</td>
<td>305.2</td>
<td>338.7</td>
<td>382.1</td>
<td>-</td>
</tr>
<tr>
<td>Difference (b)</td>
<td>(8.4)</td>
<td>(6.6)</td>
<td>(1.9)</td>
<td>0.7</td>
<td>0.4</td>
<td>1.5</td>
<td>9.9</td>
<td>15.2</td>
<td>22.2</td>
<td>26.1</td>
<td>36.2</td>
<td>-</td>
</tr>
<tr>
<td>Cum. Actual</td>
<td>-20%</td>
<td>-8%</td>
<td>-2%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
<td>4%</td>
<td>6%</td>
<td>8%</td>
<td>8%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>% Difference (b/a)</td>
<td>-20%</td>
<td>-8%</td>
<td>-2%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
<td>4%</td>
<td>6%</td>
<td>8%</td>
<td>8%</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

*Budgeted amounts are based on the adopted two year budget.
### Fiscal Year 2014 Budget Status Report
For the 11 Months Ended May 31, 2014

**San Diego County Water Authority**

<table>
<thead>
<tr>
<th>[A]</th>
<th>[B] = [A * 92%]</th>
<th>[C]</th>
<th>Revenues = [B + C]</th>
<th>[D] = [B - C] = [A * 92%]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Water Sales Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Sales</td>
<td>$542,818,282</td>
<td>$488,412,441 (b)</td>
<td>$535,879,754</td>
<td>$47,467,313</td>
</tr>
<tr>
<td>Water Purchases &amp; Treatment</td>
<td>384,364,607</td>
<td>345,915,696 (b)</td>
<td>382,078,385</td>
<td>(36,162,689)</td>
</tr>
<tr>
<td><strong>Total Net Water Sales Revenue</strong></td>
<td>$1,927,182,889</td>
<td>$1,834,328,137</td>
<td>$1,917,958,149</td>
<td>$14,370,090</td>
</tr>
</tbody>
</table>

| **Revenues and Other Income** | | | | |
| Infrastructure Access Charges | 29,206,000 | 26,869,520 | 26,755,721 | (113,799) | 92% |
| Property Taxes and In-Lieu Charges | 11,050,000 (c) | 10,814,399 (m) | 10,754,487 | (59,912) | 97% |
| Investment Income | 5,545,000 (d) | 5,101,400 | 4,111,494 | (989,906) | 74% |
| Hydroelectric Revenue | 1,900,000 (e) | 1,748,000 | 3,525,710 | 1,777,710 | 186% |
| Grant Reimbursements | 14,958,406 | 13,761,734 | 4,968,008 | (8,793,726) | 33% |
| Build America Bonds Subsidy | 11,302,958 | 10,398,734 | 9,479,415 | (919,306) | 84% |
| **Other Income** | - | - | 2,057,476 | (919,306) | 84% |

| Capital Contributions: | | | | |
| Capacity Charges | 14,892,000 (f) | 10,534,602 (m) | 10,739,960 | 205,358 | 72% |
| Water Standby Availability Charges | 11,266,000 (g) | 10,844,686 (m) | 10,173,195 | 671,491 | 98% |
| **Contributions in Aid of Capital Improvement Program (CIP)** | 390,000 (h) | 358,800 | 230,952 | (127,848) | 59% |

| **Total Revenues and Other Income** | 100,510,364 | 90,431,862 | 83,696,418 | (6,735,444) | 83% |

| **Net Water Sales Revenue and Revenues and Other Income, net** | 258,664,039 | 232,928,607 | 237,497,787 | 4,569,180 | 92% |

| **Expenditures** | | | | |
| Stored Water Purchases | 17,790,000 (l) | - (m) | - | - | 0% |
| Debt Service | 139,318,000 (i) | 130,727,760 (m) | 126,388,703 | 4,339,057 | 91% |
| QSA Mitigation | 8,185,000 (j) | 5,245,000 (m) | 5,245,201 | (201) | 64% |
| Hodges Pumped Storage | 2,037,000 | 1,874,040 | 1,408,447 | 465,593 | 69% |
| Equipment Replacement | 1,719,000 | 1,581,480 | 1,130,346 | 451,134 | 66% |
| Grant Expenditures | 14,958,406 | 13,761,734 | 3,877,887 | 9,883,447 | 26% |
| **Other Expenditures** | - | - | - | (579,825) | --- |
| **Operating Departments (see detail below)** | 49,074,434 (k) | 45,200,636 | 37,846,185 | 7,354,451 | 77% |

| **Total Expenditures** | 233,081,840 | 198,390,650 | 176,476,594 | 21,914,056 | 76% |

| **Net Revenues Before CIP** | $25,882,199 | $34,537,957 | $61,021,193 | $26,483,236 | 236% |

| **CIP Expenditures** | $155,697,300 (o) | $143,241,516 | $84,443,792 | $58,797,724 | 54% |

| **CIP Expenditures by Funding Source** | | | | |
| Pay As You Go Fund | $34,027,649 | | | | |
| CIP/Bond Construction Funds | $50,416,143 | | | | |

| **Total CIP Expenditures by Funding Source** | $84,443,792 | | | | |

| **Operating Departments Detail (see Attachment E)** | | | | |
| Administrative Services | $7,101,268 | $6,563,819 (m) | $5,557,356 | $1,006,463 | 78% |
| Colorado River Program | 1,440,018 | 1,326,318 (m) | 906,332 | 419,986 | 63% |
| Engineering | 3,909,268 | 3,596,527 | 2,904,564 | 691,963 | 74% |
| Finance | 2,426,611 | 2,232,482 | 1,943,227 | 289,255 | 80% |
| General Counsel | 8,054,158 (p) | 7,409,825 | 5,860,596 | 1,549,229 | 73% |
| General Manager & Board of Directors | 2,566,314 | 2,361,009 | 2,035,614 | 325,395 | 79% |
| MWD Program | 1,488,092 (p) | 1,350,645 | 1,204,749 | 145,896 | 82% |
| Operations & Maintenance | 14,659,943 | 13,487,148 | 11,921,897 | 1,565,251 | 81% |
| Public Outreach and Conservation | 3,734,374 | 3,435,624 | 2,887,727 (n) | 547,897 | 77% |
| Water Resources | 3,714,390 | 3,417,239 | 2,624,123 | 793,116 | 71% |

| **Total Operating Departments** | $49,074,434 (k) | $45,200,636 | $37,846,185 | $7,354,451 | 77% |
Notes to the Budget Status Report:

a) Period-to-date budgeted amounts are 11/12ths (92%) of fiscal year 2014 adopted 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 $438,701 for fiscal year 2014 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 Rancho Penasquitos Pressure Control and Hydroelectric Facility (Rancho Hydro) and Lake Hodges Pumped Storage Facility (Hodges Hydro). Power generating from both locations are sold to San Diego Gas and Electric.
f) Capacity charges are primarily received in July, October, January and April, after the quarterly period ends, and accrued revenue are recorded for the quarter ending June.
g) Water standby availability charges are primarily received in January and May.
h) Contributions in aid of capital improvement program include planned reimbursements for the Second Aqueduct Pipeline - Caltrans Highway 76 Realignment CIP Project and other miscellaneous projects.
i) Bonds and Certificates of Participation debt service payments due semi-annually on November 1 and May 1. Subordinate Lien Water Revenue Refunding Bonds, Series 2011S-1 debt service payments due semi-annually on 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, and deferred loss on refunding are excluded because they are non-cash transactions.
k) Amounts include capital equipment purchases.
l) Stored water purchases budgeted to purchase 50,000 acre-feet to begin the filling of San Vicente Dam upon significant completion of the Dam Raise project, currently anticipated to occur in June 2014.
m) Period-to-date budgeted amounts adjusted based on items occurring on a periodic basis.
n) Fiscal Year 2014 actual amounts for Public Outreach and Conservation excludes expenses of $71,548 funded by the approved prior year carryover of funds.
o) The Board amended the current Capital Improvement Program two-year appropriation and lifetime budget for the Carlsbad Desalination Project by $124,300 in September 2013 and by $220,000 in April 2014, for a total of $344,300; $29,300 for Fiscal Year 2014 and $315,000 for Fiscal Year 2015.
p) In March 2014, the Board amended the two-year operating department budget by $6,090,000 for services related to rate litigation; $2,453,950 for Fiscal Year 2014 and $3,540,050 for Fiscal Year 2015.
q) In Fiscal Year 2014, the semi-annual subsidy payments from the United States Treasury equal to 35 percent of the interest payable on the Series 2010B Bonds were reduced under Congressionally-mandated sequestration; $813,813 for Fiscal Year 2014.
r) In April 2014, Other Income increased $1 million due to the Lake Hodges Settlement Agreement.
San Diego County Water Authority
Comparison of Amended Budget and Period-to-Date Amended Budget (92% Overall) to Actual Operating Expenditures by Departments
For the 11 Months Ended May 31, 2014

Actual Operating Expenditures to Amended Budget in Percentages (%)

Amended Budget FY 2014 $49.1 Million
Period-To-Date Amended Budget $45.2 Million
Period-to-Date Actual Operating Expenditures $37.8 Million
### San Diego County Water Authority  
**Schedule of Cash and Investments**  
**As of May 31, and April 30, 2014**

<table>
<thead>
<tr>
<th>Fund</th>
<th>May</th>
<th>April</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Fund</td>
<td>$73,822,491</td>
<td>$149,781,582</td>
<td>$68,900,000</td>
</tr>
<tr>
<td>Stored Water Fund</td>
<td>73,482,206</td>
<td>73,482,041</td>
<td></td>
</tr>
<tr>
<td>Equipment Replacement Fund</td>
<td>6,747,082</td>
<td>6,966,893</td>
<td></td>
</tr>
<tr>
<td>Rate Stabilization Fund</td>
<td>64,108,704</td>
<td>64,108,559</td>
<td>58,700,000</td>
</tr>
<tr>
<td><strong>Total Unrestricted Funds</strong></td>
<td><strong>218,160,483</strong></td>
<td><strong>294,339,075</strong></td>
<td><strong>58,700,000</strong></td>
</tr>
<tr>
<td>Pay As You Go Fund</td>
<td>191,917,391</td>
<td>188,767,567</td>
<td></td>
</tr>
<tr>
<td>CIP/Bond Construction Funds</td>
<td>140,138,243</td>
<td>145,958,326</td>
<td></td>
</tr>
<tr>
<td>Debt Service Reserve Funds</td>
<td>16,722,034</td>
<td>16,721,725</td>
<td></td>
</tr>
<tr>
<td><strong>Total Restricted Funds</strong></td>
<td><strong>348,777,668</strong></td>
<td><strong>351,447,618</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Cash and Investments</strong></td>
<td><strong>$566,938,151</strong></td>
<td><strong>$645,786,693</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

1. Total Unrestricted Funds and the Pay As You Go Fund represent the Pooled Funds in the Treasurer’s Report.
2. The Operating Fund target/maximum balance is set to equal 45-days of operating expenditures.
3. In 2006, the Board adopted a policy governing the Rate Stabilization Fund (RSF). The policy created a target and a maximum RSF balance. The target balance is set equal to the negative financial impact of 2.5 years of extremely wet weather and the RSF maximum balance is set equal to the negative financial impact of 3.5 years of extremely wet weather. Wet weather adversely impacts the Water Authority by reducing water sales and net water sales revenue. The balance in this fund represents approximately 109% of the targeted value of $58,700,000 and 72% of the maximum balance of $89,500,000.
4. The Operating Fund decreased in May 2014 due to the $80.2 million debt service payments.
July 16, 2014

Attention: Administrative and Finance Committee

Board of Directors’ Second Quarter 2014 Expenses and Attendance. (Information)

Discussion
The second quarter 2014 expenses report includes payments made during each month of the quarter, but not necessarily for all expenses incurred 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 second quarter 2014 such as: Mark Weston at San Diego Area Wastewater Management District; Tom Wornham and David Barnum at SANDAG; Elsa Saxod and Dennis Sanford at SANDAG Borders Committee and SANDAG Regional Planning Committee; Michael Hogan and Bud Pockington at Colorado River Board; John Linden, Keith Lewinger, and Yen Tu at the Water Conservation Garden JPA; Yen Tu and DeAna Verbeke at the Conservation Action Committee.

The attendance report shows the number of formal and special Board meetings held during the second quarter 2014 and the attendance record of each Board member.

Prepared by: Delecia Odavar, Accounting Assistant
Doria F. Lore, Clerk of the Board

Reviewed by: Rod Greek, Controller

Attachments: Board of Directors’ 2nd Quarter 2014 Expenses
Board of Directors’ 2nd Quarter 2014 Attendance
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**TOTALS:** $57,450.00 $6,709.66 $17,618.55 $81,778.21

This report includes expenses paid directly to, or on behalf of each Director, during the months of April, May, June.
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AUGUST 2014
• 13 MWD Delegates – 11:00 a.m. (MWD tax levy)
• 14 Special meeting of the Engineering and Operations Committee – 1:30 p.m.
  (San Vicente Pumped Storage Study)
• 28 Committees begin at 9:00 a.m.
  Formal Board meeting begins at 3:00 p.m.

SEPTEMBER 2014
•  3 MWD Delegates – 11:00 a.m.
•  8 SCOOP – 9:30 a.m.
• 11 Tentative Special Board meeting – 1:30 p.m.
• 25 Committees begin at 9:00 a.m.
  Formal Board meeting begins at 3:00 p.m.
• 30 Engineering and Operations Tour -
  Information to follow.

OCTOBER 2014
•  8 MWD Delegates – 11:00 a.m.
•  9 Special Board Workshop – 1:30 p.m.
  (2015 Water Supply Planning)
• 23 Committees begin at 9:00 a.m.
  Formal Board meeting begins at 3:00 p.m.
IMPORTED WATER COMMITTEE

AGENDA FOR

JULY 24, 2014

Elsa Saxod – Chair     John Linden
Mark Muir – Vice Chair    Ken Olson
Ken Williams – Vice Chair    Bud Pocklington
Gary Arant       Dave Roberts
Gary Croucher      Fern Steiner
Betty Evans      Ronald Watkins
Michael Hogan     Doug Wilson
Keith Lewinger     Tom Wornham

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

I. CONSENT CALENDAR

II. ACTION/DISCUSSION

1. Metropolitan Water District Issues and Activities update.
   1-A Metropolitan Water District Delegates report. (Information) (supplemental materials)

MWD Delegates

III. INFORMATION

1. Presentation on draft supplemental comment letter on the Bay Delta Conservation Plan Implementing agreement. Larry Purcell
2. Presentation on State Water Project Contract Extension Negotiations. Debbie Espe
3. Metropolitan Water District Program report. Amy Chen
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; CPF-12-512466; and BC547139

V. ADJOURNMENT

Dan Hentschke
Clerk of the Board

NOTE: This meeting is called as an Imported Water Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Recodified). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.
July 16, 2014

Attention: Imported Water Committee

Draft supplemental comment letter on the Bay Delta Conservation Plan Implementing Agreement. (Information)

Purpose
This report presents the supplemental comment letter on the Bay Delta Conservation Plan (BDCP) environmental documents, specifically the Draft Implementing Agreement, which provides further clarity to information contained in the Draft EIR/EIS and BDCP.

Background
The BDCP is a joint Habitat Conservation Plan/Natural Communities Conservation Plan (HCP/NCCP) intended to restore and protect ecosystem health, water supply, and water quality within a stable regulatory framework. The BDCP objective is to obtain long-term state and federal Endangered Species Act (ESA) permits for the operation of the State Water Project (SWP) and Central Valley Project (CVP).

The issuance of ESA permits requires preparation of a joint Environmental Impact Report (EIR)/Environmental Impact Statement (EIS) pursuant to the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA). The draft BDCP EIR/EIS contains an analysis of the potential environmental impacts of approving and implementing the BDCP. The draft EIR/EIS and draft BDCP were released for a 180-day public review period commencing on December 13, 2013 and ending on June 13, 2014. The Water Authority submitted a formal comment letter on May 30, 2014.

Also on May 30, 2014, the BDCP released a draft Implementing Agreement and extended the public review period until July 29, 2014. An Implementing Agreement is typically executed among the ESA permittees and the wildlife agencies, and is intended to describe their respective roles and responsibilities in implementing the BDCP. Of particular interest are obligations related to funding, governance, and regulatory assurances.

Discussion
The Board has received numerous BDCP briefings over the past year. After reviewing the draft Implementing Agreement, and considering prior Board questions and comments, staff has prepared the attached supplemental comment letter, which the General Manager will submit prior to the public review deadline.

Prepared by: Laurence J. Purcell, Water Resources Manager
Reviewed by: Ken Weinberg, Director of Water Resources
Reviewed by: Dennis A. Cushman, Assistant General Manager

Attachment: Supplemental BDCP Comment Letter
San Diego County Water Authority
4677 Overland Avenue • San Diego, California 92123-1233
(858) 522-6600  FAX (858) 522-6568  www.sdcwa.org

July 29, 2104

Mr. Ryan Wulff
National Marine Fisheries Service
650 Capitol Mall, Suite 5-100
Sacramento, California 95814
ATTN: BDCP Comments


Dear Mr. Wulff:

The San Diego County Water Authority (Water Authority) is submitting the following additional comments on the joint Draft Environmental Impact Report (EIR) Draft Environmental Impact Statement (EIS) prepared by the U.S Department of Interior, Bureau of Reclamation (Reclamation), and U.S. Department of Interior, Fish and Wildlife Service; the U.S Department of Commerce, National Oceanographic and Atmospheric Administration, National Marine Fisheries Service; and the California Department of Water Resources (DWR) for the proposed Bay Delta Conservation Plan (BDCP).

While these comments are directed to the Draft Implementing Agreement (IA) dated May 30, 2014, the inter-related nature of the Implementing Agreement, the BDCP and the Draft EIR/EIS make these comments equally applicable to all three documents. Therefore, this letter should be considered a supplement to the previous Water Authority letter dated May 30, 2014.

GENERAL COMMENTS

1. While the extension of the review period to accommodate release of the Draft Implementing Agreement is appropriate and appreciated, the Water Authority believes there is a substantial lack of specificity regarding the financial commitments required to approve the BDCP and issue any necessary incidental take permits. The IA provides no additional clarity on how these legally binding funding commitments are expected to be made and the timeline by which they are expected to be executed. We believe the IA should address whether existing water contracts will contain such language, or will some other type of funding agreement (that includes back-stop and assurances for long-term financial
commitments) be developed and executed by the BDCP participants? The Final IA should specify how firm funding commitments with all participants will be assured.

2. The commitment of individual State Water Project (SWP) or Central Valley Water (CVP) contractors to participate in the BDCP has not been determined, and it is possible that some contractors will decline. The Final IA should specify the criteria to be used by DWR and Reclamation in determining how to coordinate and allocate water between the SWP and CVP, and among the BDCP participants and non-participants.

3. The Draft IA specifically notes that neither the state nor federal government can commit to providing funds in the amounts expected or within the established BDCP implementation schedule. Yet, state and federal funding contributions remain crucial to overall BDCP success. Without such commitments, it remains unclear how the funds required to fully implement the BDCP will be obtained. The Final IA should explain the process that will be followed to make up for any sporadic or prolonged shortfall in BDCP funding by the state or federal governments.

DETAILED COMMENTS

1. Page vi: The Table of Contents lists the exhibits attached to the BDCP Draft IA.

   Comment: None of the listed exhibits were attached to the public review draft. The exhibits form an integral part of the commitments and assurances made by the participants. Please attach the completed exhibits to the Final IA.

2. Page 1, Section 1: Lists the parties to the IA, but does not list the individual State Water Contractor or Central Valley Project contractor agencies that would be signatories.

   Comment: It is not possible to determine BDCP financial impacts or overall viability without the full list of participating agencies. The Final IA and Final BDCP should list the individual contractor agencies that have financially committed to, and their level of financial participation in the BDCP.

3. Page 2, Section 2.1.6: States that “Reclamation is not a permit applicant… under the ESA or NCCPA”.

   Comment: This position is further reinforced by the statement on page 1, section 1 that USBR has “no obligations” established in the IA. It is unclear how an agency can participate in the BDCP, yet not be bound by implementation commitments established in the IA. This would seem to suggest
that USBR can act independent of implementation actions taken by BDCP participants. The Final IA needs additional clarification describing USBR’s commitments to conform to the terms of the BDCP while not being a signatory to the IA.

4. Page 3, Section 2.1.8: States that “…the BDCP…Provides an allocation of responsibility among the Parties for BDCP requirements……”.

Comment: The term “Parties,” especially as it relates to individual SWP or CVP contractors, is not specifically defined. Does it mean the signatories to the IA, or is there some broader list of agencies that will participate in BDCP implementation without signing the IA? This term should be defined in the Final IA, and include the list of agencies that have committed to sign the IA. Additionally, the allocation of responsibility presumably includes funding obligations. To date, no state or federal water contractor has formally committed, in writing, to fund any aspect of the BDCP. As such, the structure of financing the underlying credit for long term debts, and the sources of funds for day-to-day operations are not defined. Without such legally binding commitments, it is unclear how the BDCP can be approved and long-term endangered species act permits can be issued.

5. Page 3, Section 2.1.10: States that “DWR and the participating SWP/CVP Contractors have submitted the BDCP….”.

Comment: This indicates that individual SWP/CVP contractors have executed and submitted the appropriate permit applications to the federal and state wildlife agencies on behalf of their respective agencies. If so, the individual SWP/CVP agencies that are requesting HCP/NCCP permits should be listed in the Final IA.

6. Page 5, Section 3.1: Describes the membership and roles of the Adaptive Management Team (AMT), including voting members.

Comment: It is unclear exactly what the AMT will “vote” on or if the “vote” is expected to be binding on the IA signatories. Implementation of the BDCP is the sole responsibility of those entities receiving incidental take authorizations through the ESA and NCCPA permit process (i.e., the expanded Authorized Entity Group). It is one thing to have the AMT vote to submit a proposed management change to the Authorized Entity Group (the permittees) for consideration. It is quite another if the AMT can unilaterally impose management changes without the consent of the permit holders. The Final IA and Final BDCP should clarify that the AMT acts strictly in an advisory capacity to the permit holders.
7. Page 7, Section 3.18: States that: “Coordinated Operation Agreement means the agreement... for the coordinated operation of the Central Valley Project and the State Water Project dated November 24, 1986.”

Comment: Given that both the SWP and CVP operations will be modified under the BDCP, the Final IA should describe how operations under the BDCP will be coordinated between the two projects and how the Coordinated Operation Agreement will be modified as a result.

8. Page 9, Section 3.46: States that “Permittees means DWR and SWP/CVP Contractors”.

Comment: Since the permit applications have been submitted to the wildlife agencies (see Section 2.1.10 above), the individual contractor agencies that have requested incidental take authorization should be listed in the Final IA.

9. Page 10, Section 3.55: States that “Supporting entity...performs task at the request of the Program Manager...”.

Comment: Since a supporting entity will not be a BDCP permit holder, implementation of BDCP actions will need to be authorized by a permit holder. Yet, the Program Manager is not a signatory to the IA and is not a permit holder. The Final IA will need to explain how the non-permitted Program Manager can authorize permit coverage for another non-permitted entity.

10. Page 10, Section 3.56: States that ‘SWP/CVP Contractors means the individual water agencies that hold water delivery contracts... and that have executed this Agreement.”

Comment: The definition of “SWP/CVP Contractors” also includes joint exercise of power agencies that execute the IA. However, it is unclear how a joint exercise of power agency can be granted a permit unless it has also submitted a permit application and committed to fund, on behalf of all its member agencies, BDCP implementation. In this case, the member agencies of the joint exercise of powers agency will need to have developed and executed a legally binding cost-sharing agreement to ensure adequate funding as required by the ESA and NCCPA permit processes. The Final IA should clarify if any joint exercise of power agency has formally committed to fund and participate in BDCP implementation and include a copy of the actual funding agreement.

11. Page 15, Section 7.1: States that “… Authorized Entities will fulfill all of their respective obligations...”

“• Participating in the Authorized Entity Group....”
Comment: As noted in our May 30 comment letter, because permit holders are funding BDCP implementation and are responsible for ultimate success, the Authorized Entity Group should consist of all permit holders, not just the limited subset currently defined in the Draft BDCP and Draft IA. The Final BDCP and Final IA should be revised to state that the AEG includes all individual permit holders.

“• Conferring with the… Permit Oversight Group… and obtaining approval …where required.”

Comment: As noted in our May 30 comment letter, the POG should not have any unilateral BDCP implementation decision authority. Implementation is rightfully the sole obligation of the BDCP permit holders. The POG role is limited to ensuring compliance with the BDCP and permits, and providing implementation advice to the Authorized Entity Group. The Final IA and Final BDCP should be revised to reflect this more appropriate compliance oversight role for the POG.

12. Page 17, Section 8.1.1: States that “... take authorizations will cover the Permittees, including all of their respective officers, directors, employees, agents, subsidiaries, member agencies, contractors, and the Supporting Entities …who engage in any Covered Activity. All contracts… will require compliance with the Permits… ”.

Comment: While this addresses Permit compliance for contractual relationships, it is silent on other relationships. For example, what sort of written documentation, if any, is required for an agent, subsidiary, member agency, or Supporting Entity to claim permit coverage? The Final IA should clarify that to obtain take authorization coverage through an existing permit holder, an entity must have a legally binding agreement stating that the entity is acting directly for, and on behalf of the permittee.

13. Page 18, Section 8.2: States that “An Other Authorized Entity will receive take authorization... after executing a Certificate of Inclusion that meets minimum requirements... set forth in Exhibit C... to ensure compliance with... Plan and Permits.”

Comment: Exhibit C was not attached to the Draft IA, so it is not possible to comment on the specifics contained in the “Certificate of Inclusion” or its applicability to covered activities contemplated by non-SWP/CVP contractors. In particular, it is not clear if the Certificate of Inclusion is the only mechanism available to non-SWP/CVP contractors to allow the use of SWP or CVP facilities for water transfers. The Final IA needs to address the process for non-
SWP/CVP contractors to implement water transfers; specifically from willing sellers north of the Delta to willing buyers south of the Delta.

14. Page 20, Section 8.9: The third paragraph duplicates text in the first two paragraphs.

Comment: The Final IA should be revised to delete redundant text.

15. Page 21, Section 9.1: States that “Covered Activities and Associated Federal Actions encompass all actions that are proposed for coverage under Take Authorizations to be issued by the Fish and Wildlife agencies on the basis of the BDCP.”

Comment: It is unclear, since USBR is not a signatory to the IA, how a federal agency can, or even needs to obtain state take authorizations under the NCCPA. It is typical for federal agencies to obtain take coverage for their actions through a federal ESA Section 7 process; for the BDCP, this has been described as the Integrated Biological Opinion. The BDCP permits to be issued pursuant to the IA will provide take authorizations to non-federal agencies pursuant to ESA Section 10 and NCCPA Section 2835. The Final IA should explain how the USBR will obtain state and federal ESA coverage through issuance of the BDCP permits when that agency is not signatory to the IA.

16. Page 22, Section 9.5: States that “… If CDFW determines…”

Comment: The entire section should be revised to replace all occurrences of “CDFW” with “the fish and wildlife agencies”, and the remaining text modified accordingly. The current text is specific to the CDFW process, with no mention of a parallel process for the federal wildlife agencies. This text change is suggested to make it clear that both the state and federal wildlife agencies are included in the conference process. Alternately, a new IA section that mimics this wording, but focuses specifically on the federal agencies (USFWS and NMFS) should be added.

17. Page 25, Section 10.2.1.1: States that “… the applicants propose a project with operational and flow criteria intended to achieve the biological goals and objectives…”. It further states that “It is expected that the USFWS, CDFW, and NMFS will issue Permits for… the high outflow scenario…”.

Comment: While the range of outflow criteria proposed by the BDCP are intended to achieve the biological goals and objectives for the smelt, there is no certainty that those goals will be achieved, even with the proposed “decision tree” process. Page 23, Section 10.1 states that “failure to achieve biological goals and/or objectives shall not be a basis for a determination … of non-
compliance with the Plan or for the suspension or revocation of Permits….”. The Final IA should specifically state that the high spring and fall outflow scenarios as described in the BDCP are the maximum and will not be increased even if biological goals and objectives are not met.

18. Page 26, Section 10.2.1.2 (3): States that “Completion and peer review….will be administered by the Implementation Office under the direction of the Adaptive Management Team.”

**Comment:** The Implementation Office is the focal point for BDCP implementation. All implementation decisions need to be distributed from this single office. None of the support groups, whether it be the Permit Oversight Group or Adaptive Management Team, can have independent decision making authority for implementation or the BDCP is no longer that same one submitted by the permit applicants. For this reason, the following text should be revised as shown:

“This step will be administered by the Implementation Office in coordination with under the direction of the Adaptive Management Team”.

19. Page 26, Section 10.2.1.2(4): States that “… the Implementation Office will provide the report… to the Authorized Entity Group and the Permit Oversight Group for decision pursuant to…).

**Comment:** Once Permits are issued, the Permit holders are legally responsible for BDCP implementation. Consequently, this group retains sole decision making authority for all aspects of implementation. The POG should have no independent decision making authority when it comes to BDCP implementation. The role of the permitting agencies is to ensure compliance with the terms of the BDCP and Permits, and to provide advice and guidance to the Permit holders on implementation issues. The decision making role of the POG is a repeating theme throughout the Draft IA and Draft BDCP. The Final IA and Final BDCP should be changed to reflect a more limited Permit oversight and compliance role for the POG.

20. Page 26, Section 10.2.1.4: States that “The outflow criteria applicable to CM1 may be within the range of outflow criteria analyzed in the decision tree…”.

**Comment:** The BDCP was developed by the Permit applicants with a very specific range of proposed outflow criteria. No outflow should exceed the maximum contemplated in the BDCP. For this reason, the following text should be revised as shown:
21. Page 26, Section 10.2.1.5: States that “…changes to the outflow requirements of CM1 associated with these other fish species…”

Comment: This provision infers that the maximum outflows contemplated in the BDCP can be increased beyond those in the “decision tree” to encompass other fish species. As already noted in Section 10.1, “failure to achieve biological goals and/or objectives shall not be a basis for a determination … of non-compliance with the Plan or for the suspension or revocation of Permits…” It is important that the outflows not exceed the amounts proposed in the BDCP, even if all biological goals are not achieved. The Final IA and Final BDCP should state that alternate management methods will need to be considered if flows beyond those in the BDCP are suggested.

22. Page 27, Section 10.2.2.1: States that “The primary BDCP agencies (CDFW, USFWS, NMFS, DWR, and Reclamation will collaborate in making real time operational adjustments.”

Comment: This approach excludes the permit holders from any decision making regarding implementation of this aspect of the BDCP. If Permit holders are excluded, then additional language needs to be added to the Final BDCP and Final IA that relieves the Permit holders of responsibility for any adverse effects on BDCP implementation that result from decisions in which they have been excluded from making.

23. Page 27, Section 10.2.2.2.1: States that “The RTO Team will also include one representative of the SWP contractors and one representative of the CVP contractors, who will serve as non-voting members.”

Comment: This organizational structure precludes the SWP and CVP contractors from meaningful involvement in deciding how the BDCP will be implemented. Yet, Permit holders are solely responsible for BDCP implementation success. As noted above, if Permit holders are excluded from the decision making process, then additional language needs to be added to the Final BDCP and Final IA that relieves the Permit holders of any responsibility for any adverse effects on BDCP implementation that result from decisions in which they have been excluded from making.

24. Page 27, Section 10.2.2.2.2: Describes the functions of the RTO Team.

Comment: The RTO Team was not fully described in the Draft BDCP (as noted in the preamble to Section 3.4.1.4.5). Consequently, the applicability of state
and federal open meeting laws that pertain to this Team have not been described. The Final BDCP should describe this Team in greater detail and reflect that it is bound by the same open meeting laws as all other groups that are assisting in BDCP implementation. It should also clarify how the 1986 Coordinated Operation Agreement will be modified as a result of RTO decisions.

25. Page 28, Section 10.2.2.2.3: States that “The RTO Team shall operate by consensus…”.

Comment: This is in conflict with Section 10.2.2.2.1 which lists SWP and CVP contractors as non-voting members. It is not clear if SWP/CVP contractor representatives on the RTO Team will be part of the consensus process or not. The Final IA needs to be revised to reflect that SWP and CVP contractors that are part of the RTO Team have the same roles and rights as other team members. It should also describe the process to follow if consensus could not be reached by the RTO members.

26. Page 29, Section 10.3.2.1: States that “The Adaptive Management Team….shall have authority to make decisions…”.

Comment: As noted repeatedly, the Permit holders (represented by an expanded Authorized Entity Group that includes all permit holders), are solely and legally responsible for the successful implementation of the BDCP and compliance with issued permits. Having the Adaptive Management Team function autonomously from the entities legally responsible for BDCP implementation is inappropriate and could undermine overall program success. The Adaptive Management Team should only provide implementation recommendations to the Authorized Entity Group (i.e. permit holders) for decision, and should not be authorized to make any decisions unilaterally. The Final BDCP and Final IA should be revised to reflect this supporting role.

27. Page 30, Section 10.3.2.3: States that “On a periodic basis, the Adaptive Management Team shall open its meetings to the Public.”

Comment: To maximize transparency and provide the greatest public involvement, all meetings of the Adaptive Management Team should be open to the public and follow all state and federal open meeting laws. The Final IA should be revised to reflect that all meetings will be open to the public.

28. Page 32, Section 10.3.5.1.1: States that “…decisions of the Adaptive Management Team shall not be subject to review and consideration of the Authorized Entity Group and Permit Oversight Group…”.
Comment: See above comment 26. All decisions that can affect BDCP implementation must to be made by those entities legally responsible for BDCP implementation and compliance with permits. No other group should be making unilateral decisions that affect the BDCP or the permits. Every group or team formed to assist in BDCP implementation, whether the Permit Oversight Group, Adaptive Management Team, RTO Team or any other body, are all supporting the permit holders in implementing the BDCP. The Final BDCP and Final IA should be revised to reflect that all BDCP implementation and permit compliance decisions must be made by the permit holders.

29. Page 33, Section 10.3.5.1.1: States that “. if the Authorized Entity Group and the Permit Oversight Group are unable to reach agreement, the Permit Oversight Group will decide the matter.”

Comment: See above comments 26 and 28. The Permit Oversight Group should only be responsible for ensuring compliance with the permits. If the Authorized Entity Group (permit holders) takes an action that the permit issuing agencies believe violates permit terms and conditions, the IA contains specific permit suspension and revocation procedures to force compliance. Only the permit holders can, and should, make decisions regarding BDCP implementation; they are the ones legally and financially responsible. The Final BDCP and Final IA should be revised throughout to note this more limited role for the Permit Oversight Group.

30. Page 36, Section 10.3.5.1.1: States that “In the event that the Authorized Entity Group and the Permit Oversight Group are unable to reach agreement….the appropriate Fish and Wildlife Agency official with authority over the matter…shall decide…”.

Comment: See above comment 26, 28, and 29 above. The Draft BDCP and Draft IA contain multiple and repeated references to groups, teams or individuals other that the permit holders being authorized to make decision that affect BDCP implementation. This approach is entirely inappropriate. The BDCP is a voluntary plan prepared and submitted by the permit applicants. Therefore, the only entities responsible for funding and implementing the BDCP are the permit holders. If another entity/agency demands decision authority, then that entity or agency must be willing to accept responsibility for the outcome of those decisions. However, by doing so, the permit holders will be relieved of any responsibility for future consequences of those decisions. The Final BDCP and Final IA should be revised to remove all references to decisions made by any entity other than the permit holders. If not, additional text needs to be added to the Final BDCP and Final IA that relieves the Permit holders of responsibility for any adverse effects on BDCP implementation that result from decisions not made by them.
31. Page 37, Section 10.3.7.3.2: States that “… the Supplemental Adaptive Management Fund may be used at any time, provided the following actions have occurred or determinations have been made….”.

Comment: The text then goes on to list six bulleted items necessary to trigger use of the supplemental fund. However, it is unclear if all six of the bullets have to be satisfied to access funds, or just one. Recommend changing the text as shown below:

“… may be used at any time, provided one or more of the following actions…..”

32. Page 39, Section 10.4.2: States that “The Adaptive Management Team, shall have primary responsibility….”.

Comment: To reinforce that all entities working on BDCP implementation recognize the overall responsibility of the permit holders, the text change shown below is recommended:

“Under the direction of the Authorized Entity Group, the Adaptive Management Team shall have primary…”

33. Page 39, Section 10.4.3: States that “In the event the Authorized Entity Group and the Permit Oversight Group are unable to reach agreement,… the Permit Oversight Group will determine whether the proposed plan… will be adopted.”

Comment: See above comments 11, 19, 29, and 30. It is inappropriate for any entity other than the permit holders to make decisions regarding BDCP implementation.

34. Page 40, Section 11.1: States that “The Implementation Office will ensure that the Conservation Measures are implemented substantially in accordance with the Implementation Schedule, Exhibit D.”

Comment: None of the exhibits referenced, including Exhibit D, were included in the Draft IA. All exhibits should be included in the Final IA.

35. Page 40, Section 11.1.1: States that “If Conservation Measures are implemented in accordance with the Implementation Schedule…, Rough Proportionality will be considered by CDFW to be maintained…”.

Comment: Rough proportionality is only discussed in the context of CDFW NCCPA permits. The Final IA should also indicate if the USFWS and NMFS
will also follow this Rough Proportionality standard in evaluating BDCP implementation under their ESA Section 10 permits. Further, it is unclear if Rough Proportionality can be maintained if federal or state funding commitments are not met. The Final IA should include text that suspends the Rough Proportionality requirement if state or federal funding obligations are not met.

36. Page 42, Section 11.4.1: States that “The Fish and Wildlife Agency(ies)…. shall respond to the Implementation Office within sixty (60) days.”

Comment: To minimize potential implementation delays, text should be revised as shown below:

“The Fish and Wildlife Agency(ies)… shall respond to the Implementation Office within sixty (60) days or such revision shall be deemed approved.”

37. Page 45, Section 13.0: States that “… the State and federal governments have committed to provide additional funding to implement the Plan.”

Comment: It is unclear how the state or federal governments can legally commit to fund their portions of the BDCP in advance of actions by the Legislature or Congress to appropriate and allocate funds. Without such legally binding commitments, it is unclear how the BDCP can be approved and long-term endangered species act permits can be issued. The Final BDCP and Final IA should cite provisions in the NCCPA and ESA regulations that allow Permits to be issued in the absence of assured funding.

38. Page 46, Section 13.1.2: States in a note to reviewer that “… while the United States has been engaged in development of this draft Agreement, there is no federal position… regarding potential funding obligations... The Parties anticipate reaching agreement on a federal and state cost share.”

Comment: This sentence conflicts with the statement on page 45 where the state and federal governments have definitively committed to provide additional funds for the BDCP. The cost share eventually agreed to by the state and federal governments should be included in the Final IA, as well as a description of how long-term state and federal funding will legally be assured. Without such assurances, we are unsure how the BDCP can be approved and long-term endangered species act permits can be issued. The Final BDCP and Final IA should cite provisions in the NCCPA and ESA regulations that allow Permits to be issued when funding is uncertain.
39. Page 48, Section 14.0: States that “The State and federal agencies may use a variety of tools at their disposal… to ensure the needs of species affected by unforeseen events are adequately addressed.”

*Comment:* To provide assurances to the Authorized Entity Group that no additional funds or resources will be required, the Final IA should include text that protects the Authorized Entity Group (permittees) from being subject to new or revised regulations or fees, the intent of which is to obtain the funding or resources necessary to address unforeseen events.

40. Page 53, Section 15.1: States that “The implementation of the BDCP will generally be effectuated through an Implementation Office, which will be… governed by the Authorized Entities through the “Authorized Entity Group”.

*Comment:* Consistent with our prior comment letter, we strongly believe that all permit holders must be included in the Authorized Entity Group; a small subset cannot truly represent the interests of all permit holders or provide for the broadest public interest.

41. Page 53, Section 15.1: States that “Through the Permit Oversight Group, the Fish and Wildlife Agencies will be involved in certain specified implementation decisions…”

*Comment:* It is important that the POG and Fish and Wildlife Agencies provide input into relevant decisions, but they should not be making the actual decision. All decisions related to BDCP implementation are the purview of the permit holders. Once the permits are issued, the POG and wildlife agencies role is to ensure that the permit terms are met. The Final BDCP and Final IA should be clear that neither the POG or Fish and Wildlife Agencies make decisions related to BDCP implementation.

42. Page 55, Section 15.2.1: States that “The Implementation Office shall not administer the Adaptive Management and Monitoring Program.”

*Comment:* While it is appropriate to have the Adaptive Management Team administer the monitoring program, the Implementation Office should provide overall direction to the Adaptive Management Team. The Adaptive Management and Monitoring Program is a key component of BDCP implementation. Having an entity other than the Implementation Office, which is charged with BDCP implementation, direct this work is inappropriate and counterproductive to BDCP success. The Final BDCP and Final IA should be revised to reflect that the Implementation Office will provide overall direction in the administration of the Adaptive Management and Monitoring Program.
43. Page 58, Section 15.2.4.4: States that “The Implementation Office shall be responsible for… implementation of Conservation Measures… and will not require the approval... of the Authorized Entities, the Fish and Wildlife Agencies, or the Adaptive Management Group.”

Comment: The Implementation Office should not act unilaterally. The permit holders (i.e., Authorized Entities) are responsible for all aspects of BDCP implementation, including all the Conservation Measures. Consequently, no actions should be undertaken by the Implementation Office or any other group without the approval or concurrence of the Authorized Entities (permit holders). This presumably can be accomplished through approval of the annual work plan. The Final BDCP and Final IA should be revised to reflect Authorized Entities approval is required for any implementation action.

44. Page 60, Section 15.3.3: States that “The Authorized Entity Group will meet….at a minimum on a quarterly basis. …On a periodic basis, the Authorized Entity Group will hold meetings that are open to the public.”

Comment: All, not just some, meetings of the Authorized Entity Group should be open to the public and comply with state and federal open meeting laws. The Final IA and Final BDCP should be revised to state that all meetings of the AEG will be open to the public and comply with open meeting laws.

45. Page 60, Section 15.4.1: States that “… the Fish and Wildlife Agencies will retain responsibility for monitoring compliance with the BDCP, approving certain actions, and enforcing the terms and conditions of their respective regulatory authorizations.”

Comment: Having the Fish and Wildlife Agencies responsible for monitoring BDCP compliance, and the terms and conditions of the permits is entirely appropriate once permits are issued. However, having them make unilateral decisions on BDCP implementation actions is not appropriate. As noted previously, once permits are issued, the sole responsibility for BDCP implementation belongs to the permit holders. Consequently, the permit holders should be making all decisions that affect BDCP implementation. If the Fish and Wildlife Agencies (issuers of the permits) disapprove of action taken by the permit holders, there are permit suspension and revocation procedures in the IA to ensure permits are not violated. The Final BDCP and Final IA should be revised to remove any reference to the Fish and Wildlife Agencies “approving certain actions”.

46. Page 61, Section 15.4.1: States that “The Permit Oversight Group will have the following roles…”
• Participate in decision-making regarding real-time operations….”.

Comment: It is appropriate for the Permit Oversight Group to provide guidance to the permit holders in the decision making process, but that involvement should strictly be advisory. The permit holders are ultimately responsible for all aspects of BDCP implementation. No other group should be making unilateral decisions regarding BDCP implementation. The Final BDCP and Final IA should be revised to make it clear that the permit holders make all decisions, with other groups providing guidance and advice.

47. Page 66, Section 15.8.1: States that “With respect to implementation matters for which the Authorized Entity Group and Permit Oversight Group have joint-decision making authority…”

Comment: There should be no joint-decision making authority when it comes to BDCP implementation. Once the permits are issued, the permit holders have sole and complete responsibility to meet the terms and condition of the permits. There are no further decisions for the Permit Oversight Group to make once the permits are issued. The POG’s role is to ensure compliance with terms of the permits. There is already a procedure in the IA for the Fish and Wildlife Agencies to follow if the permit holders are not in compliance with the permits. The Final BDCP and Final IA should be revised to note that the POG provides guidance and advice to ensure compliance with the permits.

48. Page 66, Section 15.8.2: States that “If… the matter remains unresolved, the entity with decision-making authority… will make the final decision.”

Comment: The only entity with decision making authority should be the Authorized Entity Group (i.e., permit holders). There should be no need for a review process to challenge a decision by the permit holders. The Permit Oversight Group can certainly provide advice and guidance to the permit holders, but the ultimate decision belongs to those who have been issued permits and are responsible for BDCP compliance. The Final BDCP and Final IA should be revised to delete any reference to any BDCP implementation decisions being made by the Permit Oversight Group. As a result, there is no need for Section 15.8 and it should be deleted.

49. Page 72, Section 17.2.2: States that “… the Permit Oversight Group… will provide written concurrence…that the draft plan… makes adequate provisions for… joint decision of the Authorized Entity Group and the Permit Oversight Group or decisions of an agency with authority over the matter.”

Comment: As has been stated repeatedly throughout these comments, the only entity authorized to make BDCP implementation decisions should be the permit
holders. They are the ones ultimately responsible for BDCP implementation and permit compliance. The Final BDCP and Final IA should be revised to state conclusively that the permit holders are the final decision making authority for all BDCP implementation actions.

50. Page 72, Section 17.2.3: States that “…implementation of the applicable joint decisions of the Authorized entity Group and the Permit Oversight Group or decisions of an agency with authority over the matter.”

Comment: See above comment 47 and 49. The only entity authorized to make BDCP implementation decisions should be the permit holders. They are the ones ultimately responsible for BDCP implementation and permit compliance. The Final BDCP and Final IA should be revised to state conclusively that the permit holders are the final decision making authority for all BDCP implementation actions.

51. Page 79, Section 21.4: States that “In the event of withdrawal by DWR, the Permits will be terminated.”

Comment: This proposal is unwarranted. It is unclear why withdrawal by DWR would trigger termination of all other permits. The DWR is only one of many permit holders; each has legal responsibility for BDCP implementation. Terminating all permits without cause may be in direct conflict with provisions of the “Permit Revocation Rule” and “assurances” authorized under ESA Section 10 and NCCPA permits. The withdrawal of DWR should be handled no differently than the withdrawal of any other permit holder. The Final IA should be revised to allow all other permits to remain in force even if DWR withdraws.

52. Page 79, Section 21.4.1: States that “As a condition of withdrawal, the withdrawing Party(ies) shall remain obligated to ensure implementation of… Conservation Measures required under this Agreement, the BDCP and the Permits…”

Comment: It is appropriate for withdrawing parties to remain obligated for impacts of take caused by their actions prior to withdrawal. However, if DWR withdraws, and all permits are terminated as currently proposed in Section 21.4, then DWR should bear the sole burden of, and responsibility for all obligations of the permit holders that did not request to withdraw and had permits unilaterally terminated. The Final IA should be revised to reflect this additional obligation of DWR should it choose to withdraw without the concurrence of the other permit holders.
53. Page 80, Section 22.0: States that “… none of the parties will be liable in damages to any other Party or to any other person or entity for any breach of this Agreement…”

Comment: If there is no penalty for non-compliance, why would a participant place a priority on performing? If Parties fulfilling their obligations are hindered, or incur greater costs than if the other party had performed as expected, damages should be recoverable from the non-performing Parties. The Final IA should be revised to allow for damages claims against non-performing parties.

54. Page 80, Section 22: States that “The Authorized Entities use their best efforts to remedy their inability to; and”

Comment: This sentence is incomplete. Text should be revised as shown below:

“The Authorized Entities use their best efforts to remedy their inability to perform; and”

55. Page 86, Section 23.2.1: States that “The Fish and Wildlife Agencies… may submit comments on the proposed minor modification…. The Authorized Entities must agree to any proposed minor modification.”

Comment: This paragraph can be interpreted several ways. To make it clear that the Authorized Entities have approval authority for minor modifications, the text should be changed as follows:

“The Authorized Entities must agree to any proposed minor modification before it is incorporated into the Plan.”

56. Page 87, Section 23.3: States that “Formal amendments include, but are not limited to… • Changes to Biological Goals.”

Comment: Requiring a formal amendment for changes to biological goals directly conflicts with the conservation strategy (page 24, Section 10.1.2), which specifically allows biological goals to be modified through the adaptive management process. This is a significantly streamlined process when compared to the formal amendment process. In keeping with the relatively informal adaptive management process, the Final IA should move “Changes to Biological Goals” from the Formal Amendment process to the Minor Modification process.
57. Page 91, Section 24.15: States that “Nothing in this Agreement is intended or shall be construed to require the … expenditure of funds by the United States….Nothing in this Agreement will be construed by the Parties to require… expenditure of any money from the Treasury of the State of California…”

Comment: This section allows the State and Federal governments to avoid funding commitments if monies are not appropriated by their respective authorizing bodies. To make it clear that permits will not be revoked or suspended by the lack of state or federal funds, the Final IA should add language as follows:

“Failure of the federal or state to provide funds as required to implement the BDCP will not be justification to initiate permit suspension or revocation.”

The Water Authority appreciates the opportunity to review and provide comments on the Draft Implementing Agreement. As noted above and in a prior comment letter, the intention of our comments is to obtain additional information and clarification in the Final environmental documents to determine if the Proposed Action as described in the Draft BDCP and Implementing Agreement, and analyzed in the Draft EIR/EIS, is a cost-effective, long-term solution to Delta water supply and ecosystem conflicts.

Please retain the Water Authority on your mailing list to receive future notifications or documents regarding this project. If you have questions or wish to discuss any of the above concerns in greater detail, please contact Larry Purcell, Water Resources Manager at (858) 522-6752, or by email at lpurcell@sdcwa.org.

Sincerely,

Maureen A. Stapleton
General Manager
July 16, 2014

Attention: Imported Water Committee

State Water Project Contract Extension Negotiations (Information).

Purpose
This report summarizes the agreed upon principles between the Department of Water Resources and the State Water Project contractors as they relate to extending the long-term water supply contracts and remaining issues.

Background
The California State Water Project (SWP)\(^1\) consists of reservoirs, aqueducts, power plants, and pumping plants owned and operated by the California Department of Water Resources (DWR). The SWP’s primary purpose is to store water and distribute it to 29 urban and agricultural water contractors, which in turn supply water to about two-thirds of California’s population. The water supply related costs of the SWP are paid for by the SWP contractors (Contractors) via take-or-pay water supply contracts signed in the 1960s and that terminate, generally, in 2035. The water supply costs represent more than 90 percent of the annual costs for operation and maintenance (O&M) of SWP facilities.\(^2\) About 78 percent of the capital costs of the SWP were financed by DWR using general obligation bonds and revenue bonds.\(^3\) The Contractors pay all the operating costs for the project, including debt service for the project bonds, through a combination of water revenues and ad valorem taxes authorized by the Burns-Porter Act. DWR is not issuing any debts beyond the current contract expiration date in 2035.

The Contractors have uniform contracts for supply of water from the SWP and each have a contract right to annual allocations of available water, known as Table A allocation, as defined in their contracts. However, because the SWP was not completed as originally envisioned, deliveries are usually less than the established maximum Table A amount. Metropolitan Water District (MWD) is the largest SWP contractor, holding a water supply contract of 1.91 million acre-feet annually, which is about 46 percent of the SWP’s total 4.172 million acre-feet maximum of Table A.

About 80 percent of MWD’s revenues are variable and are based on volumetric water sales. Currently, MWD’s SWP water supply contract represents about one-third of its annual expenses. As the Bay Delta Conservation Plan (BDCP) is being advanced, its financing costs are assumed to be added to the overall SWP bill, MWD’s SWP water supply costs could easily exceed one-third of its annual budget. As one of the largest MWD member agencies, the Water Authority has a vital

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1 The State Water Project is the name commonly used to refer to the State Water Resources Development System (Water Code Section 12931).
2 The remaining costs are funded by the federal government for joint operation of San Luis facilities and state general funds for recreation and fish and wildlife enhancement. Contractors also repay, with interest, the SWP capital expenditures.
3 Other funding sources include: oil revenues, legislative appropriation for recreation, federal flood control payments, and Contractors advances.
interest in understanding how MWD’s SWP supply contract will be amended beyond the current
2035 termination date, both in terms of water supply assessment compliance under Senate Bill (SB)
610 and SB 221, and how BDCP costs will be allocated.

Discussion
In April 2013, DWR announced negotiations with the Contractors to extend the contracts would
begin. As the termination date of Contractors’ long-term water supply agreement draws closer,
DWR and Contractors were concerned with the inability to issue debt with terms 30 years or longer,
thus, driving costs up. The water assessment required under SB 610 and SB 221 also motivates
many of the Contractors to push for the contract extension now to ensure their ability to meet
compliance.

Pursuant to a settlement agreement of the Monterey Agreement, DWR and the Contractors
agreed to hold the negotiation process “for certain project-wide amendments to the Water Supply
Contracts” in public. As such, DWR announced that the contract negotiations are to be held in a
transparent and open manner, offering the public an “opportunity to observe and provide oral and
written comments.” As laid out by DWR, the contract extension process will be done in the
following sequential steps:

1. DWR and Contractors to negotiate an “Agreement in Principle” (AIP); although non-
   binding; will define the project for California Environmental Quality Act (CEQA) analysis
   and be the basis of the amendments to the water supply contracts;
2. DWR to prepare environmental documents for public review and comment, in accordance
   with CEQA;
3. DWR and Contractors’ attorneys to draft contract amendments in accordance with AIP and
   environmental documents for the governing board of each Contractor to approve; and
4. Conduct a Legislative review.

In May 2013, DWR and the Contractors initiated discussions identifying respective objectives for
the negotiations. DWR’s objectives were to:

1. Ensure DWR can finance SWP expenditures beyond 2035;
2. Maintain an appropriate level of reserves and funds to meet SWP purposes; and
3. Simplify the SWP billing process.

The Contractors’ initial objectives were to:

1. Continue to receive a long-term water supply from the SWP as provided under Article 4 of
   the Water Supply Contract, beyond 2035;
2. Ensure that DWR can finance SWP expenditures beyond 2035, no later than December 31,
   2014; and

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4 Article 4 of the Water Supply contract provides an “option for continued service” by providing notice to DWR six-
months prior to a contract’s expiration.
3. Ensure that DWR can extend cost recovery of SWP expenditures as defined in the Water Supply Contracts beyond 2035, no later than December 31, 2014.

Also presented at the May Negotiation meeting, a fourth objective was introduced by County of Butte (Butte) and Plumas County Flood Control and Water Conservation District (Plumas) related to the BDCP and Delta Habitat Conservation and Conveyance Program (DHCCP). Butte and Plumas sought to include in the amended contracts’ language that would limit Contractor’s obligations to fund the BDCP and DHCCP projects “only to those Contractors that agree to participate in those projects.” (See Attachment 1 for Butte and Plumas’ Revised BDCP Objective.) Consequently, the Contractors objectives were folded into DWR’s, and Butte and Plumas’ recommendation was added as a fourth objective.

On June 18, 2014, DWR and the Contractors concluded the AIP. (See Attachment 2 for the AIP.) The AIP is intended to be the foundation for the amended water supply contracts. However, this AIP does not include any principles that address Objective 4 related to allowing Contractors the ability to opt-out of financial responsibilities for the BDCP and DHCCP costs. With DWR and the Contractors seeking to move forward with the contract extension process, but unable to resolve issues surrounding how to address Contractors’ ability to opt-out of BDCP and DHCCP obligations, Objective 4 will now be addressed in a separate negotiation and environmental process with a separate contract amendment. A letter to Plumas from DWR Deputy Director Carl Torgerson stated that the second negotiation process will focus on an amendment for “purposes of determining funding of the BDCP and Conservation Measure 1.” (See Attachment 3 for DWR’s letter).

Because approval of the proposed AIP and the anticipated amended contract would give DWR the ability to issue long term debt and finance capital projects, it is unclear whether funding for the BDCP may occur even without Objective 4 being resolved. As a result of the delayed discussions, Plumas stated that it would not sign the AIP in its present form. (See Attachment 4 for Plumas’ position letter). Torgerson commented at one of the negotiation meetings that all 29 contractors are not required to sign the AIP package because it is not a “binding document.”

**Concurrence Reached in the Agreement in Principle by Objectives**

**Objective 1: Term of Contract.**

All SWP contracts will now have a uniform termination date of December 31, 2085; or extension of the majority of contracts by 50 years. With the extended term – and no change to the water supply provisions of the contract -- Contractors can continue to rely on the SWP to meet their SB 610 and SB 221 compliance, and DWR may continue to secure bonds with a 30-year or longer term. The result of the contract extension also impacts financing of future facilities, such as the BDCP. Although the BDCP is not a focal point of the negotiations, it is an important driver. The contract

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5 Conservation Measure 1: Water Facilities and Operations of the BDCP proposes the construction of new water facilities in the North Delta, and is intended to meet, or contribute to a variety of biological goals and objectives that are expressed mostly at the ecosystem scale and are related to flow.

6 DWR has the authority to issue debt for purposes of constructing facilities needed to support the Water Supply Contract under the provisions of Section 12938 of the Water Code and Contractors are obligated to pay under Article 33 of the Contract.
extension is needed to move forward with long-term financing of capital projects such as replacement and refurbishment of existing facilities, and possibly the BDCP.

**Objective 2: Maintain an appropriate level of reserves and funds**

As part of Objective 2, DWR sought to:
- Increase reserves to better meet challenges posed by the SWP operations; and
- Provide the flexibility to recover O&M costs.

In parallel, the Contractors sought to:
- Increase ability to influence financial decisions by providing a channel to make recommendations to the Director of DWR concerning SWP financial policies; and
- Create an account to provide transparency in funding SWP programs.

The AIP addresses Objective 2 in the following manner:

**SWRDS Finance Committee.** A State Water Resources Development System (SWRDS) Finance Committee will be established to enhance the fiscal policies and administrative measures for the financial management of the SWRDS. This new committee will afford Contractors active participation in DWR’s financing and expenditures decisions. Currently, the Contractors’ financing role is passive: DWR makes the financing decisions and Contractors pay the bills. The 10-member committee will be comprised of 5 DWR representatives and 5 Contractor representatives for the expressed purpose of making recommendations to the Director of DWR on financial policies related to the SWP. (See Attachment 5 for SWRDS Finance Committee Draft Final Charter.) One representative from each class of Contractors (there are five classes in total based on geography) will hold a seat on the committee; MWD being the only member of Class 3 will automatically secure a permanent seat on the committee. Per the proposed charter, the SWRDS Finance Committee meetings are closed to the public and will be open only to designated members, the committee alternates, and select subject matter experts or Contractor or DWR staff by invitation of the Committee’s Chair or Vice Chair.

**Increase of Reserves.** DWR and the Contractors agreed to increase the existing cap for operating reserves from $30 million (equivalent to about two weeks of operating expenditures) to $150 million (equivalent of 90 days of operating expenditures). Every five years, a committee will evaluate and make recommendations to the Director of DWR regarding adjustments to this cap.

**Creation of Account to Capture and Track Repayment of State Loans.** An account will be created to pay for non-chargeable expenditures where there are no funds or revenue sources available to pay for such costs. The account will be named the SWRDS Support Account. Its primary purpose is to provide transparency by capturing Contractors repayments, including interest, of State loans that were used to fund SWP facilities. Currently, DWR use these funds for SWP activities, including recreation, flood control, water supply, or fish and wildlife enhancement. By creating a formal account, DWR will be required to report how the revenues are used and if they are reinvested in the SWP or used for other purposes. It thus allows the Contractors to better track the use of revenues to assess whether funds are being reinvested in the SWP or spent for other purposes. The DWR
Director will have the discretion to transfer funds from the SWRDS Reinvestment Account\(^7\) and the existing General Operating Account\(^8\) as additional funding sources for the reinvestment account.

Cost Recovery. Currently, DWR has the ability to recover costs from the “appropriate customers and users” of SWP facilities. With the amended contract, DWR will be required to obtain the SWRDS Finance Committee’s concurrence, if it proposes to not charge any Contractor the full amount DWR is entitled to recover, such as when a Contractor seeks to opt-out of a cost obligation.

Objective 3: Revised Billing Procedure. Currently, DWR often has cash-flow challenges because it is contractually required to recover facilities’ costs over a period of time that does not match with the repayment of debt for these facilities. Under the new amendments, a simpler billing approach will be implemented. All costs incurred as of the implementation date\(^9\) will be recovered under the previous contract terms; costs incurred after the implementation date will be paid through a typical revenue requirement approach. This approach will match Contractors’ annual bills with the projected debt service and O&M costs.

The AIP and, ultimately, the contract amendments give DWR more flexibility by increasing its operating reserve, creating a formal account to capture repayment of State loans and grants, and a contract extension allowing the use of conventional bond financing. The Contractors will benefit by being able to meet water supply assessment compliance afforded under the long-term SWP contract, the longer bond financing terms, and increased input on DWR financial policy decisions. The amendments would also include creation of a new SWRDS Chief Financial Manager position by DWR with authority over SWRDS financial matters, along with language prohibiting DWR from including recreation and fish and wildlife enhancement costs in the Contractor’s bills, among other things.

Next Steps
Now that the terms of the AIP have been finalized, DWR asked the Contractors to sign the AIP by September 1, 2014.\(^10\) During the negotiations forum, MWD indicated its General Manager will sign the AIP package.\(^11\) Following Contractors’ concurrence by signing the AIP, DWR will follow the CEQA process by using the AIP to prepare draft environmental documents for public comment with plans to release the final environmental documents in Fall 2015. Following the certification of the environmental documents, DWR and the Contractors’ attorneys will draft amendments to the water supply contracts, which will require approval from the governing boards of each Contractor. It is anticipated that the contract amendments will be available for Contractors’ governing boards’

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\(^7\) Created to provide a post-2035 SWRDS revenue stream by investing funds in chargeable SWP facilities and programs.
\(^8\) Existing account used for cash flow deficiencies resulting from chargeable water supply purposes and/or during a SWP emergency.
\(^9\) January 1 of the first calendar year starting six months after the contract extension takes effect, but not earlier than January 1, 2017.
\(^10\) DWR made the request by stating that the Contractors “may express concurrence” by signing the AIP.
\(^11\) Tentative Agreement in Principle was presented as an information item to the MWD board in April 2014. At that time, staff indicated future reports will be presented as DWR process moves forward and a board action on contract amendments expected in around late-2015. Approval of final AIP was not listed as a future board action.
approval in 2016, by which time MWD approval will be sought. It is unclear whether execution by DWR requires further Legislative authorization.

Staff will continue to monitor the Contractors’ actions as they relate to water supply and financial impacts to the Water Authority and report back to this committee.

Prepared by: Debbie Discar-Espe, Senior Water Resources Specialist
Reviewed by: Amy Chen, Director of MWD Program

Attachment 1: County of Butte and Plumas County Flood Control and Water Conservation District Revised BDCP Objective, dated July 9, 2013
Attachment 2: Agreement in Principle Concerning Extension of the SWP Water Supply Contracts, dated June 18, 2014
Attachment 3: DWR letter to Plumas, dated April 2, 2014
Attachment 4: Plumas County Flood Control and Conservation District Letter, dated May 8, 2014
Attachment 5: Draft Final Charter to Establish and Implement a State Water Resources Development System Finance Committee, dated May 6, 2014
July 9, 2013

Revised BDCP Objective

Original Objective

Butte/Plumas Objective (4/29/13): To ensure that contractors shall have the option and right to opt out of the cost and burdens and benefits of the Bay Delta Conservation Plan and any implementing and related projects.

Revised Objective

Objective 4: BDCP and DHCCP Participation
The Department and some State Water Project contractors are directly participating in the development of the Bay Delta Conservation Plan (BDCP) and the associated Delta Habitat Conservation and Conveyance Program (DHCCP). The details of the financing and repayment, specifically how the Department will charge each SWP contractor for future costs for implementation of the BDCP and DHCCP, has not been determined. Each contractor’s participation in the implementation and financing of the BDCP and DHCCP should be voluntary. The Agreement in Principle and subsequent contract amendments should limit each contractor’s obligation to fund any implementing and related BDCP and DHCCP projects to only to those contractors that agree to participate in those projects. Butte and Plumas shall not be responsible for any costs incurred by the Department for the BDCP and DHCCP unless each of them agrees to pay for such costs in the Agreement in Principle and subsequent contract amendments to the Statement of Charges.
DATE: June 18, 2014  
SUBJECT: Agreement in Principle Concerning Extension of the State Water Project\textsuperscript{1} Water Supply Contracts

This document contains a statement of principles that could provide the foundation for an agreement between each State Water Project Contractor\textsuperscript{2} (Contractor) and the Department of Water Resources (DWR or Department) that will extend and otherwise amend the Water Supply Contract between such Contractor and DWR.

Outline of Agreement in Principle

I. Objective 1 Term of Contract
II. Objective 2A Reserves
III. Objective 2B Accounts (SRA, SSA, FCA)
IV. Objective 2C Flow of Funds
V. Objective 2D Financial Management
VI. Objective 2E Supplemental Billing
VII. Objective 2F Cost Recovery
VIII. Objective 2G SWRDS Reporting Principles
IX. Objective 2H 51(e) Revenue Reporting Requirements
X. Objective 3A Simplification of Billing
XI. Objective 3B Replacement Accounting System
XII. Objective 3C Article 1(hh)
XIII. Objective 3D Billing Authorization
XIV. Objective 4 BDCP and DHCCP Participation
XV. Provision 1 Other Contract Provisions
XVI. Provision 2 Environmental Review Process
XVII. Provision 3 Authorized Representative Signatures

\textsuperscript{1} The State Water Project is the name commonly used to refer to the State Water Resources Development System (Water Code Section 12931)

\textsuperscript{2} The State Water Project Contractors includes Alameda County Flood Control and Water Conservation District (Zone 7), Alameda County Water District, Antelope Valley-East Kern Water Agency, Casita Lake Water Agency, City of Yuba City, Coachella Valley Water District, County of Butte, County of Kings, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Dudley Ridge Water District, Empire West Side Irrigation District, Kern County Water Agency, Littlerock Creek Irrigation District, The Metropolitan Water District of Southern California, Mojave Water Agency, Napa County Flood Control and Water Conservation District, Oak Flat Water District, Palmdale Water District, Plumas County Flood Control and Water Conservation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, San Luis Obispo County Flood Control and Water Conservation District, Santa Barbara County Flood Control and Water Conservation District, Santa Clara Valley Water District, Solano County Water Agency, Tulare Lake Basin Water Storage District, and Ventura County Flood Control District.
STATEMENT OF PRINCIPLES

I. OBJECTIVE 1: TERM OF CONTRACT

A. Water Supply Contract Term Extension

1. Extend term of the SWP water supply contracts to December 31, 2085.

II. OBJECTIVE 2A: RESERVES

A. General Operating Account (GOA)

1. Uses of GOA - Cash flow deficiencies resulting from chargeable water supply purposes and/or during a SWRDS emergency for any SWRDS purpose.

2. SWRDS Emergency - An immediate, urgent, critical, unexpected, or impending situation that, in the judgment of the Director, Department of Water Resources (Director), may cause or pose a risk of causing injury, loss of life, damage to the property, impairment of the financial condition, and/or interference with the normal activities of the State Water Resources Development System which requires immediate attention and remedial action.

3. Initial Cap - Increase the authorized General Operating Account (GOA) initial cap to $150 million in Article 51(a)(3).

4. Cap Adjustment Determination - Every five years subsequent to the year of the initial cap increase, there shall be a business case analysis on the GOA authorized cap including an evaluation of the cap and business risks associated with SWRDS cash flow provided to the SWRDS Finance Committee for recommendation to the Director regarding a GOA cap adjustment. If there is a decrease in the cap (but the cap shall not be lower than $150 million), the excess funds would be transferred to the SWRDS Reinvestment Account (SRA).

5. Cap Adjustment Funding Source (Pre-2035) - Shall be the Director’s discretion to use 51(e) revenues, investment earnings retained in the GOA, and transfers of funds from the SRA and SWRDS Support Account (SSA).

6. Cap Adjustment Funding Source (Post-2035) - Shall be the Director’s discretion to use the investment earnings retained in GOA and the funds within the SRA and SSA.

7. Rate of Funding for Cap - Limitation on the amount ($2 million per year) and timing of additional contributions to the GOA contained in Article 51(e)(3)(v) will be deleted. DWR will be able to use any amount of available 51(e) revenues to increase funds in the GOA up to the authorized maximum GOA funding level and such funding shall be subordinate to the annual rate management reductions to the Contractors.

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3 The definition and calculation of 51(e) revenues will be included in the contract amendment language.
8. **GOA Replenishment** - Replenishment of the use of GOA funds will come from charges to the Contractors to the extent the expended funds were spent on chargeable water supply purposes and from the SSA or other available revenues for costs not chargeable to the Contractors.

9. **GOA Reporting** - DWR will prepare monthly reports on the balance and use of the GOA for the Director, which will be provided to the SWRDS Finance Committee. The SWRDS Finance Committee will periodically review reporting frequency and make recommendations to the Director regarding reporting frequency.

10. **GOA Investment Earnings** - shall be used as follows:

   a) Funding GOA to authorized GOA funding level;

   b) Transferred, at the discretion of the Director, to the SSA and/or to the SRA.

III. **OBJECTIVE 2B: ACCOUNTS (SRA, SSA, FCA)**

   **A. SWRDS Reinvestment Account (SRA)**

   1. **Effective Date of SRA** - The SRA shall be established and take effect upon the effective date of the contract extension amendment.

   2. **SRA Uses** - The primary purpose is to provide a post-2035 SWRDS revenue stream by investing SRA funds in chargeable SWRDS facilities and programs.

   3. **Funding Source** - At the discretion of the Director, available Article 51(e)(1)(ii) revenues collected by the State pre-2035. The Director also has discretion to transfer funds from the SSA or the GOA.

   4. **Cap on SRA** - There will be no Cap or Cap Adjustments to the SRA.

   5. **SRA Investments** - At the discretion of the Director, authorized SRA investments shall be as follows:

      a) Investment in SWRDS capital facilities, recovered at the prevailing municipal bond market rates corresponding to the SWRDS bond rating at the time of financing, in maturity ranges that may extend 10 to 50 years, provided that if the capital asset being financed has a useful life of less than 10 years, the investment may be recovered over a comparable period of less than 10 years;

      b) Bridge financing of capital costs in lieu of the SWRDS commercial paper program; and
c) Allowable investments for SWRDS that generate a monetary return on investment.

6. **Use of SRA Funds** - At the discretion of the Director, the SRA funds, including but not limited to investment earnings, shall be used to:
   
a) Provide a source of replenishment funds to the SSA;
   
b) Provide a source of funds to be held in the SRA for investment purposes; and
   
c) Provide a funding source for funding level adjustments to the GOA.

7. **SRA Review** - The SWRDS Finance Committee is to be consulted about the investments and activities to be funded from the SRA.

8. **SRA Reporting** - DWR will prepare regular reports on the SRA for the Director, which reports will be provided to the SWRDS Finance Committee.

**B. SWRDS Support Account (SSA)**

1. **Effective Date of SSA** - The SSA shall be established and take effect upon the effective date of the contract extension amendment.

2. **SSA Uses** - The purpose of the SSA shall be to provide a source of funds to pay for non-chargeable expenditures where there are no funds or revenue sources available to pay for such costs. If reimbursement or a source of revenue is received after the expenditure is incurred this revenue shall be deposited in the SSA.

3. **SSA Review** - The SWRDS Finance Committee shall be consulted about the projects and activities to be funded from the SSA.

4. **SSA Reporting** - DWR will prepare regular reports on the SSA for the Director, which will be provided to the SWRDS Finance Committee.

5. **Initial Cap** - There would be no cap on the SSA.

6. **Funding Source for Initial Funding** - 51(e) revenues and/or the remaining balance of the State Water Facilities Capital Account (FCA) once the FCA is closed.

7. **SSA Replenishment** - Shall be accomplished through 1) reimbursements received for expenditures made from the SSA; 2) at the discretion of the Director, transfers from the SRA and/or from the GOA's available investment earnings, 3) deposits, in the discretion of the Director, from other available revenues, and 4) interest and other investment income retained in the SSA. DWR will not charge the Contractors to replenish the SSA for costs not chargeable to the Contractors under the Water Supply Contracts.
8. **SSA Interest Earnings** – At the Director’s discretion, retained in the SSA to reduce the annual SRA replenishment requirement.

C. **State Water Facilities Capital Account (FCA)**

1. The State Water Facilities Capital Account (FCA) pursuant to Article 51(c)(2)(v) shall be reviewed by the SWRDS Finance Committee after five years from the date of the contract amendment to recommend to the Director whether or not it should be closed and the balance of the account transferred to the SSA.

IV. **OBJECTIVE 2C: FLOW OF FUNDS**

A. **Maintain the Monterey Amendment Article 51 Flow of Funds with the following edits/additions:**

1. Increase Annual Rate Reductions to $48 million. The Annual Rate Reductions shall no longer apply after December 31, 2035 and the applicable provisions in Article 51 shall be deleted as of that date.

2. After the $48 million in annual rate reductions, the Director shall have the discretion to allocate and transfer up to 80% of available 51(e) revenues, as determined on a projected basis, and up to 100% on an actual basis into one or more of the following accounts:
   
   a) General Operating Account (GOA)
   
   b) SWRDS Support Account (SSA)
   
   c) SWRDS Reinvestment Account (SRA)

   After funds are deposited into a, b, and c above, any remaining available 51(e) revenues will remain in the Systems Revenue Account and will be tracked separately in DWR’s Enterprise Resource Planning (ERP) system. The Director will have full discretion over the use of these funds. DWR will prepare financial reports annually with supporting documentation of the determination and provide these reports to the Finance Committee.

3. Contractors shall agree to forego additional rate management reductions including additional rate management reductions to make up for deficiencies in past projected rate management reductions or to provide any additional rate management reductions above $48 million annually pursuant to Article 51(e)(3). Effective with the contract amendment, Article 51(e)(3) shall be deleted.

4. The contract amendment shall specify those provisions in Article 51 that shall remain in effect after December 31, 2035 (such as the General Operating Account provision as it may be amended) and those provisions that will no longer apply after December 31, 2035 and shall be deleted as of that date.
5. Contractors shall agree to waive and release issues related to DWR’s recent adjustment of the Contractors’ responsibility for facilities south of Dos Amigos.

V. OBJECTIVE 2D: FINANCIAL MANAGEMENT

A. State Water Resources Development System Finance Committee

1. Immediately, the Department of Water Resources shall establish a joint Department of Water Resources and Contractor finance committee (Committee).

2. The membership of the Committee shall include both representatives from the Department of Water Resources and representatives from the Contractors.

3. The primary purpose of the Committee shall be to make recommendations to the Director of the Department of Water Resources concerning the financial policies of the State Water Resources Development System.

4. The Department of Water Resources and the Contractors shall describe the scope of the committee in a charter mutually agreeable to the Department of Water Resources and the Contractors.

VI. OBJECTIVE 2E: SUPPLEMENTAL BILLING

A. Supplemental Billing

1. The supplemental billing provisions authorized under Article 51(c)(4) shall remain in effect through December 31, 2035, unless the Director determines in his or her discretion to eliminate the use of supplemental billing prior to that date or upon Director’s acceptance of a recommendation from the SWRDS Finance Committee. In full consultation with the SWRDS Finance Committee, DWR will review the System cash balances when the System’s forecasted 120 days cash balance becomes critical. The Committee will make a recommendation for action to the Director. The supplemental billing provision may only be used when available System cash balances are projected to be less than an amount equal to 90 days operating expenditures\(^4\). The term “available System cash balances” shall mean the funds in the following California Water Resources Development Bond Fund accounts: System Revenue Account (to the extent the funds in the System Revenue Account are not projected to be needed for payment of Burns-Porter General Obligation Bond debt service for the next two years), GOA, SRA and SSA (to the extent the funds in the SSA are not projected to be needed for non-chargeable expenditures for the next two years).

\(^4\) A description of “operating expenditures” will be included in the contract amendment language.
VII. OBJECTIVE 2F: COST RECOVERY

A. Cost Recovery

1. In general, DWR should seek reimbursement for all SWRDS costs from the appropriate customers and users of SWRDS facilities, including the State. With respect to those SWRDS costs that are reimbursable by the Contractors, DWR should allocate financial responsibility for such costs in a manner that is both lawful and equitable, and which endeavors to recover such costs from the appropriate Contractors. If the Department proposes to not charge any Contractor the full amount that the Department is entitled to charge the Contractor under the contract, DWR shall bring a written proposal to the Finance Committee for purposes of developing a recommendation to the Director regarding the proposal. DWR shall submit such proposal in writing to the Finance Committee 90 days in advance of the Director issuing any decision and within such 90 day period the Finance Committee shall provide the Director with a recommendation regarding such proposal. Such proposals will comply with the structure set out in II.D.2 of the SWRDS Finance Committee Charter.

VIII. OBJECTIVE 2G: SWRDS REPORTING PRINCIPLES [EXHIBIT TO THE CONTRACT]

A. During the term of the water supply contracts, it is likely that financial reports and financial management reports will change in scope, nature, and frequency. Regardless of the exact reports used, such reports shall follow the below principles and guidelines to the extent applicable.

1. **Principle 1:** Financial reporting will be generated from the general ledger or data warehouse of the financial information system (system of record), such as SAP.
   - The financial system of record is the authoritative source for financial reporting data values in a system. To ensure data integrity, there must be one, and only one, system of record for financial reporting values.

2. **Principle 2:** Financial reporting is not limited to annual financial statements but will be developed for regular reporting periods.

3. **Principle 3:** Financial management reporting generated from other financial systems, such as Utility Cost Accounting Billing System (UCABS), will identify and analyze significant variances from prior years or budgets.

4. **Principle 4:** Financial reporting and financial management reporting will identify unusual items and exceptions, and these items will be documented, reviewed, and resolved by management.
5. **Principle 5**: DWR will use standardized System-wide business rules and utilize a centralized financial system, such as SAP, UCABS, or other system, to provide controls/validations to ensure data integrity and reliable reporting.

6. **Principle 6**: DWR will use standardized data integrity rules in the development and publication of reports, including but not limited to the following:

   (1) Data integrity refers to the accuracy and consistency of data stored in a database, data warehouse, data mart or other construct.

   (2) Data integrity processes verify that data has remained unaltered in transit from creation to reception or remains unaltered in transit from one system to the next.

      a. Data used outside of the Enterprise Resource Planning (ERP) systems to meet the reporting needs of Program will undergo any number of operations in support of decision-making, such as capture, storage, retrieval, update and transfer. It is important to have confidence that during these operations, the data will be kept free from corruption, modification and remain unaltered.

   (3) Data with “integrity” has a complete or whole structure. Data values are standardized according to a data model and/or data type. All characteristics of the data must be correct – including business rules, relations, dates, definitions and lineage – for data to be complete.

   (4) Data integrity is imposed within an ERP database when it is created and is authenticated through the ongoing use of error checking and validation routines.

   (5) Data integrity state or condition is to be measured by the validity and reliability of the data values.

   (6) Data integrity service and security maintains information exactly as it was input, and is auditable to affirm its reliability.

The SWRDS Finance Committee is charged with providing financial policy recommendations to the Director, and the Director has final discretion on whether or not to accept the recommendations. While the SWRDS Finance Committee is not charged with reviewing the content of financial reports, timely and accurate financial reporting and financial management reporting provides technical committees access to useful information that can be used to formulate proposals on financial policy matters that may be brought to the SWRDS Finance Committee.

**IX. OBJECTIVE 2H: 51(e) REVENUE REPORTING REQUIREMENTS**

**A. 51(e) Revenue Report**

1. Create and distribute the Annual Rate Reduction Determination Report. In addition, display the distribution of Gross Annual Revenues before Recreation, Fish and Wildlife
Expenditures, Facilities Capital Account and Rate Management Credits and Net Annual Revenues after Rate Management Credits to the accounts listed in item 2 below.

2. Create and distribute quarterly an Activity Report by fund-account for all uses, including but not limited to the following accounts:
   a) General Operating Account (GOA)
   b) SWRDS Support Account (SSA)
   c) SWRDS Reinvestment Account (SRA)
   d) Systems Revenue Account, 51(e) Sub-Account
   e) Davis-Dolwig Fund
   f) Facilities Capital Account
   g) Suspended Costs

3. The Activity Report shall display the annual and accumulated 51(e) revenue and expenditure activity, including the beginning balance, the annual activity and the ending balance for the year.

4. Reporting data shall be auditable which includes an audit trail from the costing ledgers to the general ledger or the Bulletin 132 estimates to the Activity Report.

5. Report should have sufficient detail to provide comprehensive accounting of annual 51(e) revenues and the uses of annual 51(e) revenues to enable the SWRDS Finance Committee to assess the utilization of these revenues.

X. OBJECTIVE 3A: SIMPLIFICATION OF BILLING

A. Implement the Freeze-Go Billing Methodology

1. The freeze-go date shall be January 1 of the first calendar year starting six (6) months after the contract extension takes effect, but not earlier than January 1, 2017, provided that if the Department determines it to be necessary, the Department may rely on estimates and later true-up for billing and reporting purposes in the initial implementation years after the freeze go date.

2. Methodology will recover all costs incurred on and after the freeze-go date, by converting and authorizing repayment on a Pay-As-You-Go methodology.

3. Amend the definition of the Project Repayment Period to apply only to those costs incurred prior to the freeze-go date.

4. The term of the Project Repayment Period, January 1, 1961 through December 31, 2035, will remain the same.

5. The Water Systems Revenue Bond Surcharge will apply only to those costs incurred prior to the freeze-go date and will terminate at the completion of the Project Repayment Period.
6. Amend the definition of the Project Interest Rate to apply only to those costs incurred prior to the freeze-go date. No interest rate, including the Project Interest Rate, shall be applied to the over/under charges for costs incurred after the freeze-go date. The Project Interest Rate will remain 4.610%.

7. In identifying “costs incurred” for purposes of determining whether the cost is incurred before the freeze-go date or on or after the freeze-go date, the following shall apply:
   
a) Variable costs shall be deemed to occur when the goods or service is provided, regardless of when the expenditure for such goods or service is recorded in the financial information system;
   
b) Capital and minimum costs shall be deemed to occur when the expenditure for the goods or service is recorded in the financial information system, regardless of the date the goods or service is provided.

B. Defining the Pay-As-You-Go Repayment of Costs Incurred On and After the Freeze-Go Date

1. The annual cost recovery within a bill year for estimated annual operation, maintenance, power, and replacement costs for project conservation facilities.

2. The annual recovery of actual debt service, including repayment of the SRA, created by SWRDS financing activities, within a bill year for financed capital transportation and conservation facilities.

3. A capital asset which has a short useful life and/or will not have a substantial cost, may be charged to the Contractors in the year the cost is incurred. The SWRDS Finance Committee may review and make recommendations to the Director regarding the policy of charging the costs of such assets.

C. Defining the Pay-As-You-Go Repayment of Actual Debt Service from SWRDS Financing Capital Costs On and After the Freeze-Go Date

1. Authorize DWR to finance 100% of all capital costs.

2. Authorize DWR to use various methods of financing including Water System Revenue Bonds and SRA, with each method providing an annual repayment schedule which includes a principal and interest (debt service) component over the life of the financing.

3. Authorize DWR to bill an amount that is equal to the accumulated annual debt service payments due per the debt service schedules for SRA investments or matching dollar for dollar the SWRDS annual debt service payments including the bond cover requirements, providing 100% capital cost recovery at the financed interest rate over the term of the financing while meeting the additional bond debt cover requirements.
XI. OBJECTIVE 3B: REPLACEMENT ACCOUNTING SYSTEM (RAS)

A. Elimination of the Replacement Accounting System (RAS)

1. Eliminate the Replacement Accounting System (RAS) for Transportation and Conservation Facilities with the intent to have replacement costs treated as a minimum or capital cost.

2. The unencumbered cash balance of the RAS funds are to be returned to the SWP Contractors using the RAS allocation methodology.

XII. OBJECTIVE 3C: ARTICLE 1 (hh)

A. Expanding Water System Facilities Authorized to be Financed by Water System Revenue Bonds Under Article 1(hh)

1. Eliminate the January 1, 1987 date for existing facilities within Article 1(hh)(8); provision to now read as follows, “Finance all repairs, additions, and betterments to conservation or transportation facilities and to all other facilities described in this sub-article (hh) except for item (5) the land acquisition prior to December 31, 1995 for the Kern Fan Element of the Kern Water Bank.”

2. Add provision to expand Article 1(hh) to include “Finance all other capital projects (i.e. projects and programs for which revenue bonds can be sold) mutually agreed upon in writing by DWR and 80% of the affected Contractors, provided that the approving Contractors' Table A amounts exceed 80% of the Table A amounts representing all affected Contractors”. "Affected Contractors" means those Contractors which would be obligated to pay a share of the debt service for such project.

XIII. OBJECTIVE 3D: BILLING AUTHORIZATION

A. Billing Authorization

The Department, in fixing and establishing prices, rates, and charges for water and power, shall include as a reimbursable cost of any state water project an amount sufficient to repay all costs incurred by the department, directly or by contract with other agencies, for the preservation of fish and wildlife and determined to be allocable to the costs of the project works constructed for the development of that water and power, or either. Costs incurred for the enhancement of fish and wildlife or for the development of public recreation shall not be included in the prices, rates, and charges for water and power, and shall be nonreimbursable costs.

Such recreational purposes include, but are not limited to, those recreational pursuits generally associated with the out-of-doors, such as camping, picnicking, fishing, hunting, water contact sports, boating, and sightseeing, and the associated facilities of campgrounds, picnic areas,
water and sanitary facilities, parking areas, viewpoints, boat launching ramps, and any others necessary to make project land and water areas available for use by the public.

In administering this Contract “development of public recreation” shall include recreation capital and operation and maintenance.

XIV. OBJECTIVE 4: BDCP AND DHCCP PARTICIPATION

This Objective will not be part of the SWP contract amendment based on this AIP. Instead, Contractor participation in the BDCP and DHCCP will be addressed through a separate public negotiation and environmental review process to develop appropriate SWP water supply contract amendments. DWR has begun the administrative process that will be used to facilitate the public negotiations of such amendments. The first public negotiation session is scheduled for December 2014.

XV. PROVISION 1 – OTHER CONTRACT PROVISIONS

Except as amended, all provisions of the Water Supply Contract shall be and remain in full force and effect.

XVI. PROVISION 2 – ENVIRONMENTAL REVIEW PROCESS

DWR and the Contractors agree that this AIP is intended to be used during the environmental review process for the California Environmental Quality Act (CEQA), to define the proposed project description for the purposes of CEQA, and to permit the next steps of the water supply contract extension process, including scoping and the preparation of the EIR.

The AIP principles are not final contract language and do not represent a contractual commitment by either DWR or the Contractors to approve any proposed project, to sign contract amendments, or to extend the contract. By concurring with the AIP, DWR and the Contractors express their intent to move forward with the CEQA process with DWR as lead agency and the Contractors as responsible agencies, and ultimately develop a proposed project consisting of contractual amendments consistent with the AIP principles and prepare the EIR for consideration by DWR and the Contractors.

At the end of the CEQA process and in compliance with CEQA, DWR and the Contractors will each individually evaluate the EIR and contract amendments, exercise their independent judgment, and determine whether or not to certify the EIR, approve the proposed project and sign the contract amendments or to approve an alternative project. Consequently, even though DWR and the Contractors have agreed to the AIP for the purposes described in the preceding paragraphs, DWR and each Contractor retain their full discretion under CEQA to consider and adopt mitigation measures and alternatives, including the alternative of not going forward with the proposed project.
XVII. PROVISION 3 – AUTHORIZED REPRESENTATIVE SIGNATURES

DWR and each Contractor may express concurrence with this AIP by having their authorized representatives sign below. DWR and each Contractor will use their best efforts to make a decision whether to sign the AIP by September 1, 2014. The AIP may be signed in counterparts.

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By: ........................................
Name: ........................................
Title: ........................................
Date: ........................................

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

By: ........................................
Name: ........................................
Title: ........................................
Date: ........................................

ALAMEDA COUNTY WATER DISTRICT

By: ........................................
Name: ........................................
Title: ........................................
Date: ........................................

ANTELOPE VALLEY – EASTERN KERN WATER AGENCY

By: ........................................
Name: ........................................
Title: ........................................
Date: ........................................

CASTAIC LAKE WATER AGENCY

By: ........................................
Name: ........................................
Title: ........................................
Date: ........................................
CITY OF YUBA CITY

By: 
Name: 
Title: 
Date: 

COACHELLA VALLEY WATER DISTRICT

By: 
Name: 
Title: 
Date: 

COUNTY OF BUTTE

By: 
Name: 
Title: 
Date: 

COUNTY OF KINGS

By: 
Name: 
Title: 
Date: 

CRESTLINE LAKE ARROWHEAD WATER AGENCY

By: 
Name: 
Title: 
Date: 

DESERT WATER AGENCY

By: 
Name: 
Title: 
Date:
DUDLEY RIDGE WATER DISTRICT

By: ________________________________
Name: ________________________________
Title: ________________________________
Date: ________________________________

EMPIRE WESTSIDE IRRIGATION DISTRICT

By: ________________________________
Name: ________________________________
Title: ________________________________
Date: ________________________________

KERN COUNTY WATER AGENCY

By: ________________________________
Name: ________________________________
Title: ________________________________
Date: ________________________________

LITTLEROCK CREEK IRRIGATION DISTRICT

By: ________________________________
Name: ________________________________
Title: ________________________________
Date: ________________________________

MOJAVE WATER AGENCY

By: ________________________________
Name: ________________________________
Title: ________________________________
Date: ________________________________

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

By: ________________________________
Name: ________________________________
Title: ________________________________
Date: ________________________________
NAPA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By: ________________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

OAK FLAT WATER DISTRICT

By: ________________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

PALMDALE WATER DISTRICT

By: ________________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

PLUMAS COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By: ________________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: ________________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

By: ________________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________
SAN GORGONIO PASS WATER AGENCY

By:  
Name:  
Title:  
Date:  

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By:  
Name:  
Title:  
Date:  

SANTA BARBARA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By:  
Name:  
Title:  
Date:  

SANTA CLARA VALLEY WATER DISTRICT

By:  
Name:  
Title:  
Date:  

SOLANO COUNTY WATER AGENCY

By:  
Name:  
Title:  
Date:  

TULARE LAKE BASIN WATER STORAGE DISTRICT

By:  
Name:  
Title:  
Date:  

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April 2, 2014

Mr. Robert A. Perreault, Jr.
Plumas County Lead Negotiator
Contract Extension Project
1834 East Main Street
Quincy, California 95971-9795

Dear Mr. Perreault:

This is in response to your letter of February 21, 2014, regarding the State Water Project Contract Extension Objective 4 to establish voluntary participation in the implementation and financing of Bay Delta Conservation Plan (BDCP) and BDCP Conservation Measure 1 (CM1). We understand your position and desire to have the contract extension Agreement in Principle and subsequent contract amendments limit each contractor's obligation to fund any implementing and related CM1 projects to only those Public Water Agencies that agree to participate and fully fund those projects.

The Department of Water Resources (DWR) is committed to considering this objective and believes it's in the best interest of all State Water Project Contractors to move forward with Objectives 1 through 3 in the current contract extension efforts in order to facilitate the continued effective financing of the State Water Resources Development System. Objective 4 will be addressed in a separate negotiation process in the near future to develop an amendment for the SWP water supply contracts for purposes of determining funding of the BDCP and CM1. The projected implementation schedule for these negotiations is as follows:

[Diagram with time lines and key dates]

- March - April: BDCP Contract Amendment Program (Develop Program Charter)
- May - November: Prepare Outreach (Communications Plan)
- December: Commence Public Negotiations
- April - September: Develop Organization (Working Group, Lead Negotiators, Facilitator, EIR Consultant)
- August - November: Prepare for Negotiations
Mr. Robert A. Perreault, Jr.
April 2, 2014
Page 2

Again, DWR fully recognizes that it is your priority to have Objective 4 vetted in a public contract negotiation process, and we are committed to incorporating this as the first objective in the BDCP and CM1 public negotiations. We look forward to your continued participation in the current and upcoming negotiations.

Sincerely,

[Signature]

Carl A. Torgersen
Deputy Director

cc: Mr. Paul Gosselin, Director
Butte County Water and Resource Conservation
308 Nelson Avenue
Oroville, California 95965-3398

Mr. David Okita, General Manager
Solano County Water Agency
810 Vaca Valley Parkway, Suite 203
Vacaville, California 95688-8834
May 8, 2014

Carl Torgersen, Deputy Director, State Water Project and
Lead DWR Negotiator for the Contract Extension Project
Department of Water Resources
PO Box 942836
Sacramento, CA 94236

Subject: Objective 4 – Contract Extension Project – State Water Project

Dear Mr. Torgersen:

This letter responds to your letter, same subject, of April 2, 2014.

It is also noted that the AIP and Legal Review Teams have apparently completed their work in the preparation of the Final Draft Agreement in Principle (AIP), dated 5/6/2014.

The AIP drafting team has essentially reinforced the segregation of Objective 4 from the process that is the subject of the AIP by stating that the “Objective [4] will not be a part of the SWP contract amendment based on this AIP.” As previously stated, Plumas County officials oppose the segregation of Objective 4 from the process embodied in the AIP now being drafted.

Furthermore, as stated at Public Negotiation Meeting No. 22, Plumas County would not object to the current drafting of the AIP drafting if DWR quickly selected a new facilitator, thus enabling the vetting of Objective 4 before the environmental review process is completed.

The implementation schedule set forth in your April 2nd letter is excessively drawn out. It is capable of being accomplished in a more expedited fashion. This is demonstrated by the fact that the process for Objectives 1 – 3 proceeded much more quickly than the time ranges that are projected for Objective 4. To date, DWR has not even demonstrated a good faith effort toward initiating the proposed additional process. With regard to Objective 4, the North of Delta aspect certainly does not require the length of time indicated in the proposed timeline.

The time consuming process set forth in your April 2nd letter likely thwarts the ability of any State Water Contractor that has desired, since April 2013, to have Objective 4 considered and vetted and included in the environmental review process that is about to commence. This is most troubling, since every previous attempt to discuss options to address Objective 4 during the negotiation process were dismissed.
Plumas County officials re-assert that the de facto deletion of Objective 4 at this time requires discussion and action at a new Public Negotiation Meeting.

Plumas County officials note that Butte County officials have also made assertive statements that oppose the present course of action. Unfortunately, DWR and the AIP drafting team leave Plumas County no alternative other than refusal to sign the AIP document in its present form.

Sincerely,

[Signature]

Robert A. Perreault, Jr.
Plumas County Lead Negotiator.
Contract Extension Project

cc: David B. Okita, State Water Contractors, Inc.
Paul Gosselin, Butte County
DRAFT FINAL CHARTER AGREEMENT BETWEEN
THE DEPARTMENT OF WATER RESOURCES
AND
STATE WATER PROJECT CONTRACTORS

TO ESTABLISH AND IMPLEMENT
A STATE WATER RESOURCES DEVELOPMENT SYSTEM FINANCE COMMITTEE

THIS CHARTER AGREEMENT to establish and implement a State Water Resources Development System Finance Committee ("Agreement") is made between the State of California, acting by and through its Department of Water Resources ("DWR"), and those public agencies whose representatives' signatures appear below ("Contractors"), herein referred to collectively as "Parties."

RECITALS

1. WHEREAS, DWR is responsible for constructing, operating and maintaining the State Water Resources Development System ("SWRDS");

2. WHEREAS, Contractors have long-term contracts ("Contracts") with DWR to receive water from SWRDS, which Contracts are similar in all material respects; and

3. WHEREAS, pursuant to such Contracts, Contractors are obligated to reimburse DWR for water supply-related SWRDS costs; and

4. WHEREAS, DWR and Contractors have agreed to extend such Contracts and to amend certain other terms relating primarily to SWRDS financial matters ("Contract Amendments"); and

5. WHEREAS, DWR and Contractors understand and agree that it is in their mutual interests to continue to maintain the financial integrity of SWRDS;

6. WHEREAS, DWR has agreed in the Contract Amendment to establish the SWRDS Finance Committee to discuss and make recommendations concerning the financial policies of SWRDS.

7. WHEREAS, this Agreement is intended to provide a framework for such cooperative efforts and the development of financial policy recommendations, and entering into this Agreement is part of the consideration for entering into the Contract Amendments.
AGREEMENT

NOW THEREFORE, DWR and Contractors agree as follows:

I. EFFECTIVE DATE AND TERM

This Agreement shall be binding on DWR and those Contractors whose representatives’ signatures appear below; provided, however, that the Agreement shall only take effect and be binding as to an individual Contractor upon that Contractor’s contract amendment taking effect. The Agreement shall remain in effect as long as the contract amendment remains in effect, unless terminated earlier by mutual consent of all the Parties. The Agreement may be amended by the mutual consent of all the Parties.

II. SWRDS FINANCE COMMITTEE

A. Establishment

1. A State Water Resources Development System (“SWRDS”) Finance Committee is hereby established by and among DWR and Contractors.

B. General Scope and Intent

1. As set forth more fully below, the SWRDS Finance Committee is intended to promote coordination, communication and cooperation among DWR and Contractors regarding SWRDS financial policies, work plans and reports. More specifically, the SWRDS Finance Committee is expected to provide formal guidance recommendations necessary to effectively coordinate and execute comprehensive financial management of SWRDS.

2. The SWRDS Finance Committee is not intended or expected to address specific SWRDS budget line items, individual project budgets or individual transactions, but rather shall address those financial matters that are broad in scope and applicability.

C. Composition, Selection and Terms

1. The SWRDS Finance Committee shall be composed of and governed by representatives from both DWR and Contractors.

2. Members:
   a) DWR shall select five (5) representatives to serve as its official members of the SWRDS Finance Committee (“DWR Members”). DWR also shall select five (5) representatives to serve as alternates (“DWR Alternates”) in the event one or more of the DWR Members is absent or otherwise unable to participate on the Committee.
   b) Each Contractor may designate one representative (“Contractor Representative”) to attend Finance Committee meetings to represent the Contractor. Contractors shall select five Contractor Representatives to serve as their official members of the SWRDS Finance Committee (“Contractor Members”). The five Contractor Members shall come from each of the following Classes of Contractors:
      - Class 1 – Plumas County Flood Control and Water Conservation District, County of Butte County, City of Yuba City, Solano County Water Agency, Napa County Flood Control and Water Conservation District, Alameda County Flood Control and
Water Conservation District, Zone 7, Alameda County Water District and Santa Clara Valley Water District

- **Class 2** – Tulare Lake Basin Water Storage District, County of Kings, Dudley Ridge Water District, Empire West Side Irrigation District, Oak Flat Water District, Kern County Water Agency

- **Class 3** – Metropolitan Water District of Southern California

- **Class 4** – Santa Barbara County Flood Control and Water Conservation District (Central Coast Water Authority), San Luis Obispo County Flood Control and Water Conservation District, Castaic Lake Water Agency, Ventura County Watershed Protection District (Casitas Municipal Water District)


Each Class also shall select a representative from their Class to serve as an alternate ("Contractor Alternate") in the event their Contractor Member is absent or otherwise unable to participate on the Committee.

Each Class shall determine its own method of selecting their Contractor Member and Contractor Alternate.

c) Members and Alternates shall be appointed to serve one-year terms commencing on January 1 of each year. Members and Alternates may serve multiple terms, but shall be appointed or re-appointed each year as appropriate.

d) By December 15 of each year, DWR and Contractors shall exchange lists of the Members and Alternates that have been selected to serve on the SWRDS Finance Committee for the following year. Such lists shall include the name, title and contact information for each Member and Alternate on the list.

3. **Chair and Vice-Chair:**

   a) The SWRDS Finance Committee shall have a Chair and Vice-Chair, who shall be appointed to serve one-year terms in January of each year.

   b) A DWR representative shall serve as the Chair and shall be selected by and from the DWR Members appointed to serve on the Committee for that year.

   c) A Contractor representative shall serve as the Vice-Chair and shall be selected by and from the Contractor Members who have been appointed to serve on the Committee for that year.

D. **Meetings and Agendas**

1. The SWRDS Finance Committee shall meet as frequently as is necessary to carry out its responsibilities, but no less than two times annually, at such times and locations as
determined by the Committee Chair and Vice-Chair. The Chair and Vice-Chair each shall have the authority to call a meeting and shall do so upon their own motion or upon the request of any Member of the Committee. Each Member shall endeavor to attend all scheduled meetings or ensure that an Alternate attends in his/her absence.

2. Prior to each meeting of the SWRDS Finance Committee, the Chair or Vice-Chair shall prepare a written agenda. Proposed agenda items shall be submitted in writing to the Chair or Vice Chair prior to the meeting for consideration. Each proposed agenda item shall follow a standard format (SWRDS Finance Committee Proposal Template) that includes the following sections:

   a) A description of the issue or matter to be considered by the Committee, including, if applicable, attempts that have been made to resolve disputes.
   
   b) A justification of why the issue or matter is within the Committee’s scope and purpose.
   
   c) A discussion of at least two alternative solutions intended to resolve the issue or matter under consideration and the consequences of inaction.
   
   d) The preferred alternative or recommendation.
   
   e) The name and contact information for the sponsor(s) of the issue.

If a proposed agenda item is deemed to be consistent with the intent of this Agreement by either the Chair or the Vice-Chair, then it shall be placed on the agenda.

3. In addition to the ten (10) designated Members, the meetings of the SWRDS Finance Committee shall be open to all designated Contractor Representatives and DWR alternates. Other subject matter experts, contractor staff, and/or DWR staff may be invited by the Chair or Vice Chair, as needed, to provide relevant and material input pertaining to individual issues brought to the Committee. All designated representatives can participate in discussions based on procedures and rules in Section G below.

E. Quorum

1. A quorum of the SWRDS Finance Committee shall consist of six (6) Members. In the absence of a quorum, the Committee may receive information, but shall not take any actions, make any recommendations, or engage in any other business or activities.

F. Minutes

The Chair or Vice Chair shall be responsible for the keeping of minutes of each SWRDS Finance Committee meeting. Copies of the minutes shall be provided to the Committee Members within two weeks after a meeting.

G. Procedures and Rules

The SWRDS Finance Committee may adopt such procedures and rules as it determines are necessary or convenient to govern the conduct of the Committee or to assist the Committee in carrying out its responsibilities. Procedures and Rules will be established as mutually agreed upon by members of the Committee.
H. Technical or Ad Hoc Committees

The SWRDS Finance Committee may establish such technical, ad hoc or other sub-committees as it determines are necessary or convenient to assist the Committee in carrying out its responsibilities.

I. Recommendations to the DWR Director

1. After discussion of a given issue or matter, the Committee will designate a Member or Members to prepare a written recommendation for the Director. All Members who concur will sign the recommendation indicating concurrence.

2. If there are competing recommendations for a given issue or matter, multiple written recommendations may be prepared for the Director’s consideration. Members will sign the appropriate recommendation indicating their support.

3. Within thirty (30) business days after receipt of a recommendation or recommendations, the Director will issue a decision of acceptance or rejection, and if the Director does not accept the recommendation, an explanation for his/her decision. Such decision or explanation will be provided by the Director in writing or orally at a regularly scheduled SWRDS Finance Committee meeting. If the Director needs additional information and time, the Finance Committee will be notified.

III. DESIGNATION OF SWRDS CHIEF FINANCIAL MANAGER

A. Consistent with state personnel rules and regulations, DWR shall create and fill a new position to be known as the SWRDS Chief Financial Manager (“CFM”).

B. The CFM shall serve as the single point of authority over all SWRDS financial matters. The CFM shall have the responsibility and authority throughout DWR to oversee and implement, in a timely manner, all SWRDS financial policies and shall report directly to the DWR Director or the Deputy Director in charge of the SWP.

C. Working with the SWRDS Finance Committee, the CFM shall develop and enhance those financial policies, work plans and administrative measures necessary or appropriate to provide comprehensive and cost effective financial management of SWRDS.

D. The SWRDS Finance Committee and CFM shall coordinate and cooperate with each other at all times in carrying out their respective responsibilities.

E. Until DWR creates and fills the new CFM position, it shall designate the SWP Deputy Director who shall serve in the same capacity as described above.

IV. CONSIDERATION OF SWRDS FINANCIAL POLICIES MATTERS

A. The SWRDS Financial Committee shall serve as a forum for discussions regarding financial policy matters applicable to the construction, operation and maintenance of SWRDS facilities and as a channel for making recommendations to the DWR Director concerning such matters.

B. In general, the types of financial policy matters that should be brought to the SWRDS Finance Committee for consideration are ones that are broad in nature and that cannot be resolved
more effectively in another forum such as an existing Contractor committee. Characteristics of SWRDS financial policy matters that would properly be brought to the SWRDS Finance Committee include those that:

1. affect a group of Contractors, rather than individual contractors;
2. potentially apply to multiple projects, rather than individual projects; and
3. involve potentially large transactions or a large number of transactions.

In weighing these factors, an important consideration shall be whether the SWRDS financial policy matter at issue would potentially merit ultimate resolution by the DWR Director.

C. Contractors understand and acknowledge that although the SWRDS Finance Committee is charged with providing financial policy recommendations to the DWR Director, the DWR Director shall retain final discretion on whether or not to accept such recommendations.

V. DEVELOPMENT AND APPROVAL OF SWRDS FINANCIAL ENHANCEMENT WORK PLANS

A. The SWRDS Finance Committee shall guide the development of the SWRDS financial enhancement work plans ("SWRDS Work Plans") in cooperation and coordination with the CFM.

B. The SWRDS Finance Committee shall review and approve all SWRDS Work Plans prior to implementation.

C. The SWRDS Finance Committee also shall provide input and recommendations to the DWR Director regarding implementation of such work plans.

D. Once a work plan is approved, the SWRDS CFM, or the SWP Deputy Director if the CFM is not yet appointed, shall be responsible for ensuring the SWRDS Work Plans are implemented in a timely manner.

VI. SWRDS REPORTING PRINCIPLES

A. The SWRDS Finance Committee is charged with providing financial policy recommendations to the DWR Director, and the DWR Director has final discretion on whether or not to accept the recommendations. While the SWRDS Finance Committee is not charged with reviewing the content of financial reports, timely and accurate financial reporting and financial management reporting provides technical committees access to useful information that can be used to formulate proposals on financial policy matters that may be brought to the SWRDS Finance Committee.

B. Regardless of the exact nature, scope and frequency, such reports shall follow the principles set forth in Section Exhibit XX (See Offer Section VIII. Objective 2G: SWRDS Reporting Requirements Principles) of the Contract, as applicable.
VII. ENFORCEMENT

Equitable Relief Only

This Agreement and any of its terms and provisions may be enforced through an action seeking specific performance or equitable relief only. No Party shall be liable for damages for any breach of this Agreement or its terms and provisions.

VIII. GENERAL PROVISIONS

A. Authority

Each Party represents and warrants that: (1) the Party has the authority to enter into this Agreement; (2) the individual signing on behalf of the Party has been duly authorized to execute this Agreement by that Party; and (3) upon execution by such individual, that Party shall be bound by the terms and provisions of this Agreement without any further act, approval or authorization of such Party or its governing body or management.

B. Successors and Assigns

Any agency, which as a successor or assignee, becomes a party to a Contract with DWR shall be entitled to become a party to this Agreement. Any party to this Agreement which ceases to be a party to a Contract with DWR shall cease to be a party to this Agreement.

C. Third-Party Beneficiaries

This Agreement is intended to apply solely to its signatories and their successors and approved assigns. This Agreement does not confer any rights or interests on any other private or public persons or entities (“non-Parties”). This Agreement shall not be construed as permitting any non-Party to maintain a suit at law or in equity to enforce the terms of this Agreement or to assert any other claims based on that non-Party’s alleged status as a third-party beneficiary.

D. No Waiver

A waiver of any term or provision of this Agreement by any Party shall not constitute or be construed as a waiver of any other term or provision of this Agreement by that Party. No waiver of a term or provision of this Agreement shall be binding unless and until executed in writing by the Party providing the waiver.

E. Joint Drafting; Voluntary Execution

This Agreement was drafted jointly by all Parties. Each Party represents and warrants that: (1) it has read and understands the meaning and effect of all terms and provisions of this Agreement; (2) that prior to execution of this Agreement, it had the opportunity to consult with legal counsel regarding the meaning and effect of this Agreement and its terms and provisions; and (3) it is voluntarily entering into this Agreement.

F. Section Titles

The section titles in this Agreement are for convenience of reference and organization only and shall not be used to modify, explain or interpret any terms or provisions of this Agreement.
G. **Counterparts**

This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which shall constitute one and the same agreement; provided, however, that each signing Party shall have received a copy of the signature page(s) signed by every other Party.

H. **Governing Law**

This Agreement shall be construed in accordance with the laws of State of California.

I. **Amendment**

This Agreement may not be amended except through the express written consent of all Parties.
July 16, 2014

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 related agencies and organizations.

Discussion
Metropolitan Water District (MWD). This report provides a summary of key actions at the July 7 and 8 meetings of the MWD Board of Directors. A companion report, included in the board supplemental materials – the MWD Delegates Report – provides in-depth information on discussions that occurred at the MWD board and committee meetings as well as the Water Authority delegates’ positions. The next committee and board meetings will take place August 18 and 19.

Water Awareness and Conservation Regional Communications and Outreach Campaign. The Communications and Legislation committee received a report on MWD’s regional communications and outreach campaign for water awareness and conservation. In March the MWD Board authorized a three-year contract, not to exceed $5.5 million annually, with Fraser Communications to design and carry-out a campaign aimed at encouraging water use efficiency. As a result of nine focus group findings, MWD and Fraser designed a campaign intended to convey the importance of being water conscious to maintain the “California lifestyle.” This multi-media campaign utilizes radio advertisements and TV commercials to promote MWD’s overall campaign theme – “Be California Friendly.” MWD’s theme is supported with a drought message or tagline – “don’t waste another minute, wasting water.”

Purchase Order Expiration.
In October 2012, the MWD Board approved extending its purchase orders by two years (from 10 to 12 years) with those member agencies that had them. At the time, MWD staff reported that the extension would allow more time for “rate refinement” discussions, which staff indicated would resume in 2013. To date, no rate refinement discussions have occurred. Purchase orders define member agencies’ Tier 1 limits and water purchase order commitments. Member agencies are able to cancel their purchase order commitments by paying a $5,000 administrative fee, which marginalizes the value of purchase order “commitments” to MWD. The Water Authority does not have an executed amended purchase order with MWD. The Water Authority’s 2014 MWD purchases are on track to be within its underlying Tier 1 limit of 393,542 acre-feet.

At MWD’s July 2014 Finance and Insurance Committee meeting, staff presented an option to extend the purchase orders with current holders for another two years to December 31, 2016. Board action to authorize purchase order extension is planned in October.
Small Business Outreach Program.
During the Organization, Personnel and Technology Committee, it was reported that MWD increased its Business Outreach Program small business participation goal from 18 percent to 25 percent. In July 2001, the MWD Board approved its Business Outreach Policy and Program but had not yet updated its goal for small business outreach. Small business participation has averaged 31 percent, with these businesses receiving $1.2 billion since July 2001. Although not an action, the Committee, and subsequently, the MWD Board amended the Business Outreach Policy and Program to include the 25 percent small business participation goal.

The MWD Committees and Board also:
- Adopted a resolution approving the Greater Los Angeles County 2014 Integrated Regional Water Management Plan;
- Received a presentation from Tanya Trujillo, Executive Director of the Colorado River Board of California;
- Approved MWD’s Salary Schedule pursuant to CalPERS regulations;
- Received a cost comparison of CalPERS medical insurance;
- Heard a report on the Implementation of the Lower Colorado River MSCP Program;
- Expressed support for SB 1121 (De Leon, D-Los Angeles) – California Climate Technology and Infrastructure Financing Act;
- Heard a report on MWD’s financial highlights, in which staff reported that MWD’s revenues continue to exceed budget by approximately $252 million, combined with the under-expenditures, staff said the reserves exceeding maximum continue to be within the previously forecasted range of about $350 million;
- Received a report on the California Air Resources Board’s AB 32 Scoping Plan;
- Heard a closed session 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, and San Diego County Water Authority v. Metropolitan Water District of Southern California, Los Angeles County Superior Court Case No. BC 547139;
- Heard a closed session report on State Water Contractors, et al. v. Delta Stewardship Council, Sacramento County Superior Court Case No. 34-2013-80001530, now coordinated with six other actions in the Delta Stewardship Council Cases, Judicial Coordinated Proceeding No. 4758;
- Heard a closed session report on Friant Water Authority, et al. v. United States Dept. of Interior, et al., USCD Case No. 1:14-CV000765-LJO-BAM; and
- Heard a closed session 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.

MWD Member Agencies.
*Municipal Water District of Orange County (MWDOC).* During MWDOC’s July 2 Workshop Meeting with its MWD delegates, Deputy General Manager of External Affairs Dee Zinke provided an update on MWD’s drought outreach campaign. She reported on MWD’s findings from its public focus group sessions and on MWD’s drought message campaign as described above. Also at the Workshop, a discussion ensued over MWD’s lack of participation in desalination. MWDOC Director Osborne requested the MWDOC MWD delegates advocate that MWD consider taking a more active role in desalination.
West Basin Municipal Water District (WBMWD). At WBMWD’s July 2 meeting of the District’s Representatives to MWD, Imported Water Supply Manager Jack Safely provided an update on the State Water Contract extension negotiations. A more detailed report may be found in a separate memo titled, “State Water Project Contract Extension Negotiations,” in this month’s Board packet.

State Water Contractors (SWC)
Department of Water Resources (DWR) staff reported on State Water Project (SWP) facility conditions as of June 19, 2014. Staff said that Jones/Clifton Court export level was low due to a scheduled pumping plant outage at Jones for maintenance in the month of June. The combined export was 750 cubic feet per second (cfs). The Net Delta outflow is about 5,000 cfs. DWR adjusted outflows to mitigate higher salinity in the Delta, which was degrading environmental, and water export, conditions. DWR is making these releases at Oroville to forestall other water quality actions that involve physical barriers. Shasta is scheduled to increase its releases to 11,000 cfs (from the current 8,700 cfs) to help with salinity control. DWR staff reported that even with the current salinity challenges, it does not foresee using barriers in 2014.

SWC staff provided an update on the 2014 Dry Year Transfer Program (DYTP), which was intended to help mitigate water shortages. Participants, including MWD, paid an initial option payment of $5 per acre-foot to be applied to administrative costs. Staff said that in 2013, the participating buyers’ total request for DYTP water in 2014 was 277,745 acre-feet. The total DYTP water acquired for 2014 is 112,108 acre-feet, or about 40 percent of requested amount. Of the amount acquired, the delivery of 14,400 acre-feet is uncertain due to indeterminate seller supply availability, unknown capability to move water across delta, and unknown carriage losses impacting unit costs. Staff reported that Kern acquired the majority of the DYTP water (92,885 acre-feet). The price of the water was about $500 per acre-foot. SWC receiving DYTP water includes: County of Kings, Dudley Ridge, Kern, Napa, and Oak Flat. MWD withdrew its request for 100,000 acre-feet and received a refund, less the administrative costs. (At an MWD Bay Delta Subcommittee meeting, MWD reported withdrawing from the program due to the high price for the water and the limited supply). SWC staff said that there were no challenges on the environmental documents related to the DYTP. However, offering a DYTP in 2015 may be difficult due to: 1) lack of new supplies; 2) increased competition for Feather River water supplies by Central Valley Project Contractors; 3) the number of commodity spot bidding markets are increasing; and 4) some SWC are relying on supplies from the DYTP more for year-in and year-out purposes, which may cause the program to lose its “emergency status.” These barriers, among other challenges, could impact the available supplies and price per acre-foot of those supplies in 2015.

For other actions, see the Attachment. The next SWC meeting is scheduled to convene on July 17, 2014.

Prepared by: Liz Mendelson, Assistant Water Resources Specialist
Reviewed by: Amy Chen, Director of MWD Program
Attachment: SWC Board Actions, June 19, 2014
STATE WATER CONTRACTORS
BOARD OF DIRECTORS
BOARD ACTIONS
JUNE 19, 2014

The following actions were taken at the State Water Contractors (SWC) Board of Directors June 19, 2014 meeting upon motions duly made, seconded and unanimously passed.

1. Approved the Consent Calendar, including Draft Annual Membership Meeting Minutes, the Draft May 15, 2014 Board Meeting Minutes and the Draft May 29, 2014 Board Meeting Minutes, the April 30, 2014 Financial Report, and April 2014 Consultant Reports.

2. Authorized the SWC General Manager to contract with The Essex Partnership for consulting services to provide continuing technical facilitation for the Collaborative Adaptive Management Team. The cost for this work will be shared 50%-50% with San Luis&Delta-Mendota Water Authority for total cost of up to $49,500 ($24,750 SWC Share).


4. Authorized the SWC General Manager to enter into or amend the consulting contracts for the SWC Energy Fund totaling $297,000.

5. Authorized the SWC General Manager to enter into or amend the consulting contracts for the SWC Dues fund totaling $745,000.

6. Authorized the SWC General Manager to enter into or amend the consulting contracts for the SWC Bay-Delta fund totaling $1,640,000.

7. Authorized the SWC General Manager to contract with Elaine Archibald for assistance in monitoring ongoing water quality permitting activities. The costs for this work will be shared 50%-50% with San Luis & Delta-Mendota Water Authority (SLDMWA) for total cost of up to $15,000 ($7,500 SWC Share).

8. Authorized expenditures of up to $11,000 for the purchase and installation of new computers and software upgrades for the State Water Contractors office.

9. Authorized the General Manager to send a letter to DWR supporting the proposed combination of balanced and unbalanced exchanges between the San Bernardino Valley Municipal Water District, Mojave Water Agency, Castaic Lake Water Agency, Palmdale Water District, and Central Coast Water Authority as proposed by those agencies in their June 2014 proposal.
10. Authorized the SWC General Manager to contract with Tetra Tech for analysis of trends in Sacramento-San Joaquin Delta outflow. The cost for this work will be shared 50%-50% with SLDMWA for total cost of up to $100,000 ($50,000 SWC Share). Approval for this contract is contingent on SLDMWA commitment to provide their share of funding.

Other Actions:

1. The Personnel Committee reported that its recommendation for SWC staff salary increases was accepted. The Personnel Committee’s recommendation was for a 1.4% cost of living increase (based on March to March indices), increasing the monthly medical allowance by $100 per month, and conducting a compensation and benefits survey prior to December 2014 for consideration in future benefits reviews.

2. The Board appointed Steve Arakawa, Curtis Creel and Joan Maher to coordinate with DWR in informal discussions to develop processes and plan for upcoming contract amendment negotiations on DHCCP Cost Allocation and Water Management Activities.
July 16, 2014

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; CPF-12-512466; and BC547139

Purpose
This memorandum is to recommend a closed session, pursuant to Government Code §54956.9(d)(1) to discuss the above-referenced matters at the July 24, 2014, 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

JULY 24, 2014

Yen Tu - Chair
John Linden – Vice Chair
Mark Watton – Vice Chair
Brian Brady
Jerry Kern
Jim Madaffer
Marty Miller
Jim Murtland
Dennis Sanford
Javier Saunders
John Simpson
Fern Steiner
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. Notify the Water Authority member agencies of a Regional Drought Response Level 2, Drought Alert condition, and declare Stage 2 of the San Diego County Water Authority’s Water Shortage and Drought Response Plan.
   Staff recommendation:
   1. Approve notification to the Water Authority member agencies of a Regional Drought Response Level 2, Drought Alert condition, which under the Model Drought Ordinance includes mandatory water use restrictions;
   2. Declare Stage 2 of the San Diego County Water Authority’s Water Shortage and Drought Response Plan; and
   3. Do not pursue dry-year supplies at this time due to severe statewide drought conditions and limited water transfer opportunities.
   (Action)
III. INFORMATION


IV. CLOSED SESSION

V. ADJOURNMENT

Doria F. Lore
Clerk of the Board

NOTE: This meeting is called as a Water Planning Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Revised). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.
July 16, 2014

Attention: Water Planning Committee

Notify the Water Authority member agencies of a Regional Drought Response Level 2, Drought Alert condition, and declare Stage 2 of the San Diego County Water Authority’s Water Shortage and Drought Response Plan. (Action)

Staff recommendation
1. Approve notification to the Water Authority member agencies of a Regional Drought Response Level 2, Drought Alert condition, which under the Model Drought Ordinance includes mandatory water use restrictions;
2. Declare Stage 2 of the San Diego County Water Authority’s Water Shortage and Drought Response Plan; and
3. Do not pursue dry-year supplies at this time due to severe statewide drought conditions and limited water transfer opportunities.

Alternative
None.

Fiscal Impact
There is no fiscal impact to the Water Authority associated with the staff recommendation.

Background
California is currently in the third year of a significant state-wide drought resulting in severe impacts to California’s water supplies and its ability to meet all of the water demands in the state. Due to the critically dry conditions and resulting low storage levels, the Department of Water Resources (DWR) has taken the unprecedented action of allocating only five percent of the State Water Contractors delivery requests in 2014. According to the State Water Resources Control Board (SWRCB), more than 400,000 acres of farmland are expected to be fallowed this year, thousands of people may be out of work, communities risk running out of drinking water, and fish and wildlife will suffer. Some severely affected communities have implemented water rationing, limiting water use in some cases to only 50 gallons per person per day and banning all outdoor watering.

Because of the severe drought conditions, the governor declared a state of emergency in January 2014 and called for increased voluntary conservation statewide. In response to the governor’s call for increased voluntary conservation and to preserve supplies in storage should 2015 be dry, the Water Authority Board of Directors on February 13, 2014 declared implementation of Stage 1, Voluntary Supply Management, of the Water Authority’s Water Shortage and Drought Response Plan (WSDRP). The Board also approved notification to the member agencies of a Regional Drought Response Level 1, Drought Watch condition. The voluntary level was the appropriate first step and was consistent with the Governor’s call and the San Diego region’s water supply situation. Due to reduced water use over the last few years and the substantial regional and local reliability investments made in local supplies, long-term Colorado River
transfers and storage in Southern California, the region was able to enter the current drought period at a voluntary level.

Since the February 2014 Board action on drought response, conditions have further deteriorated and drought actions by the state have been heightened. In May 2014, Metropolitan Water District (MWD) staff reported to their Board that they plan to take approximately 1.1 million acre-feet out of storage in 2014 to meet demands, or close to 50 percent of available storage reserves. In addition, Metropolitan also reported that reduced storage levels and critically dry conditions next year could result in the need to allocate supplies to its member agencies in 2015. MWD has formed a member agency workgroup to review its Water Supply Allocation Plan (WSAP), develop any recommended revisions for the MWD Board consideration and prepare for 2015, if allocations are necessary.

Locally, the San Diego region has had extremely hot and dry conditions over the past six months. The January through May period was the warmest on record at Lindbergh Field, with average temperatures being exceeded in each month. The average daily maximum temperature was an extraordinary seven degrees above normal in May 2014. Due to the combination of dry conditions and extreme temperatures, regional water use – both agricultural and Municipal and Industrial – increased by approximately 10 percent over the first 5 months of 2014 when compared to the same wetter and cooler months in 2013. Typically, dry, above-normal conditions are expected to result in an approximate nine percent increase in water use on an annual basis over an average weather year. June average daily maximum temperature cooled slightly, but was still 1.7 degrees above normal. Water use this June was similar to June 2013 levels, which had an average daily maximum temperature below normal. The National Weather Service temperature outlook for the July through September period remains at above average. It should be noted that longer-term trends show regional water use has declined, having dropped over 20 percent since 2007.

With little snowpack accumulation on April 25, 2014, the governor issued another executive order to further strengthen the state’s ability to effectively manage water and protect wildlife habitat in drought conditions. He called on all Californians to redouble their conservation efforts. The executive order contained a number of directives for state agencies. One of the directives required the SWRCB to conduct a statewide survey of urban agencies on their actions to reduce water usage and the effectiveness of those efforts. Results from the survey were discussed at a June 17, 2014 SWRCB meeting and, based on responses received at that time, there has been an estimated five percent decrease in water production. The reduction figure was updated at the July 15, 2014 SWRCB meeting, based on new and more accurate data, to a one percent increase in water production.

The April 25, 2014 executive order also directed the SWRCB to adopt and implement emergency regulations pursuant to Water Code Section 1058.5, as it deems necessary to prevent “the waste and unreasonable use of water.” On July 15, 2014, the SWRCB adopted an emergency regulation for statewide urban water conservation. The emergency regulation is directed at reducing outdoor urban water use to promote conservation. The regulation targets
individual water uses by identifying practices that every Californian should abstain from during this drought emergency, as well as actions local water agencies should take to reduce water demand in their service areas. As stated by the SWRCB, the regulation is an immediate action needed to effectively increase water conservation statewide to help preserve the state’s supplies throughout a continuing drought that could last through 2015 or beyond. SWRCB materials containing specific information on the final emergency regulation will be distributed at the Board meeting.

The emergency regulation consists of two main sections: 1) water waste prohibitions applicable to all Californians, which, if violated, could result in a $500 fine; and 2) requires water suppliers to activate their drought response plans at a level that includes mandatory outdoor water use restrictions. The water waste prohibitions and mandatory water supplier actions being ordered by the SWRCB are encompassed in the Water Authority’s Model Drought Ordinance adopted by the member agencies. By enacting a Level 2 Drought Alert, member agencies would comply with the emergency regulation. Failure of water suppliers to comply with the emergency regulation can result in fines of up to $10,000 per day.

**Discussion**

Since earlier this year, staff has been reporting to the Water Planning Committee on the trend in overall water use in the region as well as the challenge of reducing demand when weather conditions continue to be abnormally hot and dry. As noted previously, above-normal temperatures and dry conditions are expected to result in higher demands for water, especially as we enter the peak summer irrigation period. The hot weather combined with the substantial hardening of water demand, resulting from the successful efforts of residents and businesses in San Diego County to use less water indoors and outdoors, has made achieving additional savings on a voluntary basis more difficult.

As we look towards potential water supply conditions in 2015, we see a downscaling of expectations of precipitation in the Sierra watersheds from current El Niño conditions by the National Oceanic and Atmospheric Administration (NOAA), Scripps Institute and other weather forecasters. The uncertainty of next year’s weather, Metropolitan’s estimate of withdrawing nearly 50 percent of its storage reserves this year, and the lack of demand reduction being seen these first six months of 2014 require a greater focus on preparing for the implications of a potential fourth consecutive dry year in 2015. These are the factors on a statewide basis behind the SWRCB actions, and Water Authority staff believes similar action by San Diego county water agencies to protect storage reserves and prepare for 2015 is fully warranted. For those reasons, Water Authority staff is recommending the Board take the next step in managing the current drought conditions and notify its member agencies of a Level 2, Drought Alert, and move to Stage 2 in its WSDRP.

In the emergency regulation, the SWRCB recognized that local water agencies with Water Shortage Contingency Plans adopted under their Urban Water Management Plans are in the best position to manage drought response. The emergency regulation affects member agencies as it specifically requires them to move to the mandatory level of their Shortage Contingency Plans,
which for the San Diego region is a Level 2 Drought Alert of the Model Ordinance, described in greater detail below. As a wholesale agency, the Water Authority has a limited role in implementing the mandatory water conservation measures due to the inability to enforce restrictions at the customer level. In addition, with the member agencies already reporting water production data, the Water Authority providing regional water use data would result in double counting, because the state will compile all the production data to determine the statewide conservation efforts. For these reasons, the emergency regulation adopted by the SWRCB on July 15, 2014 does not apply to wholesale water agencies. As the regional wholesale agency, the Water Authority still maintains a very important role in coordinating drought response actions within the San Diego region.

After approval of the regulation on July 15, 2014, they were submitted to the Office of Administrative Law. Once approved by the OAL, the regulation would go into effect on or about August 1.

**Staff Recommended Drought Response Actions**

The staff recommendations are based on three primary findings: 1) preserve water supplies in storage to minimize cutbacks should drought conditions continue through 2015 or beyond; 2) continued extreme drought conditions in the San Diego region will have a major influence on water use; and 3) assist member agencies in compliance with SWRCB emergency regulation.

**Notify Member Agencies of a Drought Response Level 2, Drought Alert**

In March 2008, the Board approved a Model Drought Response Conservation Program Ordinance (Model Ordinance) for use by member agencies in updating their existing ordinances. The intent of the Model Ordinance was to coordinate member agency drought response on a regional level. The Model Ordinance contains four distinct drought response levels that include water-use restrictions for each level. The severity of restrictions progressively increase with each level as the water supply situation worsens, and actions that cause economic harm are deferred to the later response levels. Table 1 contains information on the levels contained in the model ordinance.

<table>
<thead>
<tr>
<th>Levels</th>
<th>Use Restrictions</th>
<th>Trigger</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Drought Watch</td>
<td>Voluntary</td>
<td>Applies when there is a probability of shortage and increased demand reductions are required in order to ensure sufficient supplies will be available.</td>
</tr>
<tr>
<td>2: Drought Alert</td>
<td>Mandatory (up to 20% cutback)</td>
<td>Applies when there are supply shortages and increased demand reductions are required in order to ensure sufficient supplies will be available.</td>
</tr>
<tr>
<td>3: Drought Critical</td>
<td>Mandatory (up to 30% cutback)</td>
<td></td>
</tr>
<tr>
<td>4: Drought Emergency</td>
<td>Mandatory (up to 40% cutback)</td>
<td></td>
</tr>
</tbody>
</table>

All the member agencies updated their ordinances based on the Water Authority’s model, with some modifications that primarily pertain to the water waste prohibitions. Based on supply conditions and other drought actions, the Water Authority will identify the applicable level and
provide notification to the member agencies. It is the responsibility of the member agency to declare the existence of a specific drought response level and take corresponding actions. Some of the agencies’ ordinances are linked to the Model Ordinance and require the Water Authority’s notification before moving to the corresponding level.

Based on the SWRCB emergency regulations and the need for increased demand reductions in order to ensure sufficient supplies will be available if 2015 is dry, staff is recommending declaration of a Level 2 mandatory condition. Moving to Level 2 will make mandatory those restrictions at Level 1, plus add additional restrictions. Table 2, provides a summary of the key measures included in the Model Ordinance.

<table>
<thead>
<tr>
<th>Level</th>
<th>Key Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Drought Watch</td>
<td>Water waste prohibitions, for example:</td>
</tr>
<tr>
<td></td>
<td>Eliminating inefficient landscape watering (no runoff)</td>
</tr>
<tr>
<td></td>
<td>Stop washing down paved surfaces</td>
</tr>
<tr>
<td></td>
<td>Wash vehicles using hand-held hose with shut-off nozzle</td>
</tr>
<tr>
<td></td>
<td>Use re-circulated water to operate ornamental fountains</td>
</tr>
<tr>
<td>2: Drought Alert</td>
<td>Level 1 restrictions apply</td>
</tr>
<tr>
<td></td>
<td>Assigned watering days (3 days – summer and 1 day- winter)</td>
</tr>
<tr>
<td></td>
<td>Limit watering time (10 min/station)</td>
</tr>
<tr>
<td>3: Drought Critical</td>
<td>Level 1,2 restrictions apply</td>
</tr>
<tr>
<td></td>
<td>Assigned watering days (2 days – summer and 1 day- winter)</td>
</tr>
<tr>
<td></td>
<td>Restriction on issuance of meters</td>
</tr>
<tr>
<td>4: Drought Emergency</td>
<td>Level 1,2,3 restrictions apply</td>
</tr>
<tr>
<td></td>
<td>Prohibit landscape irrigation (with some exceptions)</td>
</tr>
</tbody>
</table>

Those member agencies that have structured their ordinance based on the Model Ordinance and trigger Level 2, should be in compliance with the emergency regulations section regarding implementation of mandatory conservation measures. Level 1 contains the water waste prohibitions contained in the first section of the regulations. By implementing Level 2, the agencies will be implementing their water shortage contingency plans to a mandatory level.

Declare implementation of Stage 2, Supply Enhancement, of the Water Authority’s Water Shortage and Drought Response Plan

In May 2006, the Water Authority Board of Directors adopted a Water Shortage and Drought Response Plan (WSDRP) as a prudent planning measure in the event that the region is faced with potential supply shortages. The WSDRP provides guidance to the Board on possible regional actions that can be taken to minimize or avoid the impacts due to shortages. The plan takes an orderly, progressive approach to try to lessen economic hardship for residents and businesses in San Diego County. The three regional stages of the WSDRP and potential conditions that could trigger a certain stage are shown in Table 3.
Table 3: Water Authority WSDRP Regional Stages and Potential Triggers

<table>
<thead>
<tr>
<th>Stage</th>
<th>Potential Trigger</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 1: Voluntary Supply Management</td>
<td>MWD has been experiencing shortages in its imported water supply and is withdrawing water from storage due to drought conditions to meet demands</td>
</tr>
<tr>
<td>Stage 2: Supply Enhancement</td>
<td>Entered into a prolonged drought with a high likelihood of cutbacks or actual cutbacks from MWD and securing supplemental supplies can minimize the impact</td>
</tr>
<tr>
<td>Stage 3: Mandatory Cutbacks</td>
<td>MWD is allocating supplies to its member agencies and implementation of the Water Authority’s allocation methodology is required</td>
</tr>
</tbody>
</table>

Due to the high likelihood of MWD allocating supplies in 2015, should conditions continue to be dry in 2015, staff is recommending declaration of Stage 2 of the WSDRP. Even though Stage 2 signals a need to consider securing dry-year supplies, such as spot transfers, staff is recommending the Water Authority not pursue acquiring dry-year supplies at this time. This recommendation is based on the limited opportunities and high costs due to the scarcity of water supplies in California.

Consistent with the WSDRP, staff is closely monitoring supply and demand conditions along with the actions of state agencies and MWD. Staff will report to the Board should conditions change and further drought response actions are warranted. In the fall, staff also plans to provide the Board supply outlook scenarios for the San Diego region that assume MWD will allocate supplies to its member agencies in 2015. The scenarios will take into account any modifications made to the MWD WSAP through the current member agency review process.

Prepared by: Dana L. Friehauf, Acting Water Resources Manager
Prepared and Reviewed by: Ken Weinberg, Director of Water Resources
Approved by: Maureen A Stapleton, General Manager
July 16, 2014

Attention: Water Planning Committee

Water Resources Report

Purpose
This report includes the following exhibits for June 2014:

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

<table>
<thead>
<tr>
<th>Station</th>
<th>June 2014</th>
<th></th>
<th>2013-2014 WATER YEAR (October 2013 through September 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Normal</td>
<td>Actual</td>
</tr>
<tr>
<td>Lindbergh Field (N.O.A.A.)</td>
<td>0.00</td>
<td>0.07</td>
<td>5.01</td>
</tr>
<tr>
<td>Lake Cuyamaca (Helix W.D.)</td>
<td>0.00</td>
<td>0.20</td>
<td>15.81</td>
</tr>
<tr>
<td>Lake Henshaw (Vista I.D.)</td>
<td>0.00</td>
<td>0.14</td>
<td>11.60</td>
</tr>
</tbody>
</table>

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

#### Water Deliveries to Member Agencies (acre-feet)

**JUNE 2014**

<table>
<thead>
<tr>
<th>AGENCY</th>
<th>2014</th>
<th>2013</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad M.W.D.</td>
<td>1,838.0</td>
<td>1,845.5</td>
<td>17,801.0</td>
<td>17,248.0</td>
</tr>
<tr>
<td>Del Mar, City of</td>
<td>96.2</td>
<td>149.2</td>
<td>1,084.9</td>
<td>1,147.0</td>
</tr>
<tr>
<td>Escondido, City of</td>
<td>2,236.2</td>
<td>1,931.5</td>
<td>23,462.7</td>
<td>22,656.1</td>
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<tr>
<td>Fallbrook P.U.D.</td>
<td>1,204.0</td>
<td>1,250.1</td>
<td>13,311.2</td>
<td>12,453.9</td>
</tr>
<tr>
<td>Helix W.D.</td>
<td>3,330.1</td>
<td>3,429.4</td>
<td>34,337.7</td>
<td>28,767.9</td>
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<tr>
<td>Lakeside W.D.</td>
<td>370.4</td>
<td>391.4</td>
<td>3,765.9</td>
<td>3,664.5</td>
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<tr>
<td>National City, City of</td>
<td>243.7</td>
<td>-</td>
<td>2,733.2</td>
<td>603.4</td>
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<tr>
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<td>2,612.1</td>
<td>2,722.4</td>
<td>24,762.9</td>
<td>24,140.6</td>
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<tr>
<td>Olivenhain M.W.D.</td>
<td>2,368.2</td>
<td>2,278.3</td>
<td>22,088.2</td>
<td>20,886.7</td>
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<tr>
<td>Otay W.D.</td>
<td>3,269.4</td>
<td>3,220.0</td>
<td>33,409.2</td>
<td>31,883.6</td>
</tr>
<tr>
<td>Padre Dam M.W.D.</td>
<td>1,198.1</td>
<td>1,168.8</td>
<td>12,033.9</td>
<td>11,842.1</td>
</tr>
<tr>
<td>Pendleton Military Reservation</td>
<td>5.8</td>
<td>4.3</td>
<td>49.2</td>
<td>45.1</td>
</tr>
<tr>
<td>Poway, City of</td>
<td>1,350.3</td>
<td>1,156.0</td>
<td>13,199.2</td>
<td>12,080.7</td>
</tr>
<tr>
<td>Rainbow M.W.D.</td>
<td>2,286.4</td>
<td>2,218.1</td>
<td>23,216.7</td>
<td>22,103.8</td>
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<td>Ramona M.W.D.</td>
<td>784.3</td>
<td>743.6</td>
<td>7,022.5</td>
<td>6,957.0</td>
</tr>
<tr>
<td>Rincon Del Diablo M.W.D.</td>
<td>687.1</td>
<td>706.4</td>
<td>7,026.3</td>
<td>6,781.2</td>
</tr>
<tr>
<td>San Diego, City of</td>
<td>23,279.7</td>
<td>17,270.9</td>
<td>211,071.3</td>
<td>187,079.0</td>
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<tr>
<td>San Dieguito W.D.</td>
<td>712.8</td>
<td>620.2</td>
<td>5,597.9</td>
<td>2,394.8</td>
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<tr>
<td>Santa Fe I.D.</td>
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<td>1,283.5</td>
<td>10,819.6</td>
<td>5,969.3</td>
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<td>South Bay I.D.</td>
<td>1,315.8</td>
<td>0.1</td>
<td>10,017.8</td>
<td>2,024.3</td>
</tr>
<tr>
<td>Vallecitos W.D.</td>
<td>1,767.1</td>
<td>1,781.2</td>
<td>17,900.0</td>
<td>17,432.2</td>
</tr>
<tr>
<td>Valley Center M.W.D.</td>
<td>2,980.5</td>
<td>3,170.2</td>
<td>29,606.6</td>
<td>29,235.8</td>
</tr>
<tr>
<td>Vista I.D.</td>
<td>1,755.6</td>
<td>1,347.9</td>
<td>18,439.5</td>
<td>17,397.9</td>
</tr>
<tr>
<td>Yuima M.W.D.</td>
<td>544.9</td>
<td>366.9</td>
<td>4,534.2</td>
<td>2,200.0</td>
</tr>
</tbody>
</table>

Deliveries To SDCWA Agencies  | 57,579.7 | 49,055.9 | 547,291.6| 486,994.9|
Less: Deliveries to SDCWA Storage  | 6,006.0  | 357.0    | 24,839.0 | 4,981.8  |
**TOTAL MEMBER AGENCY DELIVERIES** | 51,573.7 | 48,698.9 | 522,452.6| 482,013.1|
Deliveries to South Coast Water District | 16.9    | 40.9     | 207.5    | 494.1    |
Deliveries From SDCWA Storage    | -        | 460.3    | 5,101.9  | 11,212.2 |

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1. June 2014 storage account deliveries totaled 5,921 AF, 73 AF and 12 AF to San Vicente (SR-76), Lower Otay, and Sweetwater Reservoirs, respectively.

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### MONTHLY WATER RESOURCES REPORT

**Estimated Water Use by Member Agency**

**(acre-feet)**

#### JUNE 2014

| AGENCY                               | Imported Source | | | | Local Sources | | | | Reclaimed Water | | June Totals |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Carlsbad M.W.D.                      | 1,750.4         | 1,728.5         | -                 | -                | -                | -                | -                | -                | 569.9           | 462.4           | 2,320.3         | 2,190.9         |
| Del Mar, City of                     | 96.2            | 149.2           | -                 | -                | -                | -                | -                | -                | 18.1            | 13.7            | 114.3           | 162.9           |
| Escondido, City of                   | 2,159.9         | 1,871.8         | 204.0             | 733.5            | -                | -                | 87.1             | 81.5             | 2,451.0         | 2,686.8         |
| Fallbrook P.U.D.                     | 1,228.3         | 1,296.3         | -                 | -                | 10.6             | 10.7             | 85.0             | 78.6             | 1,323.9         | 1,385.6         |
| Helix W.D.                           | 3,274.5         | 3,311.7         | 1.3               | -                | 12.9             | 9.8              | -                | -                | 3,288.7         | 3,321.5         |
| Lakeside W.D.                        | 370.4           | 391.4           | -                 | 49.6             | 58.6             | -                | -                | -                | 420.0           | 450.0           |
| National City, City of 2             | 238.8           | -               | -                 | 330.2            | 204.9            | 239.5            | -                | -                | 443.7           | 569.7           |
| Oceanside, City of 2                 | 2,612.1         | 2,722.4         | -                 | -                | 347.2            | 169.5            | 15.2             | 17.9             | 2,974.5         | 2,909.8         |
| Olivenhain M.W.D.                    | 2,368.8         | 2,273.8         | -                 | -                | -                | -                | 348.4            | 339.0            | 2,717.2         | 2,617.3         |
| Otay W.D.                            | 3,269.4         | 3,220.0         | -                 | -                | -                | -                | 527.3            | 583.4            | 3,796.7         | 3,803.4         |
| Padre Dam M.W.D.                     | 1,198.5         | 1,182.6         | -                 | -                | -                | -                | 106.8            | 120.7            | 1,305.3         | 1,303.3         |
| Pendleton M.C.B. 3                   | 22.7            | 45.2            | -                 | 780.0            | 781.0            | -                | 140.0            | 139.0            | 942.7           | 965.2           |
| Poway, City of 4                     | 1,353.8         | 1,379.6         | -                 | -                | -                | -                | 105.0            | 103.5            | 1,458.8         | 1,483.1         |
| Rainbow M.W.D.                       | 2,386.4         | 2,360.1         | -                 | -                | -                | -                | -                | -                | 2,386.4         | 2,360.1         |
| Ramona M.W.D.                        | 628.3           | 644.1           | -                 | -                | -                | -                | 92.0             | 104.5            | 720.3           | 748.6           |
| Rincon Del Diablo M.W.D.             | 687.1           | 706.4           | -                 | -                | -                | -                | 179.3            | 288.4            | 866.4           | 994.8           |
| San Diego, City of                   | 17,320.3        | 16,758.3        | 2,068.9           | 2,235.9          | 48.6             | 50.2             | 750.0            | 754.8            | 20,187.8        | 19,799.2        |
| San Dieguito W.D.                    | 712.6           | 620.2           | -                 | -                | -                | -                | 86.0             | 90.9             | 798.8           | 711.1           |
| Santa Fe I.D.                        | 1,352.3         | 1,287.8         | -                 | -                | -                | -                | 71.7             | 67.7             | 1,424.0         | 1,355.5         |
| South Bay I.D. 2                     | 1,289.0         | -               | -                 | 1,302.1          | 179.9            | 182.6            | -                | -                | 1,468.9         | 1,484.7         |
| Vallecitos W.D.                      | 1,753.8         | 1,745.1         | -                 | -                | -                | -                | -                | -                | 1,753.8         | 1,745.1         |
| Valley Center M.W.D.                 | 2,980.5         | 3,170.2         | -                 | -                | -                | -                | 34.4             | 33.7             | 3,014.9         | 3,203.9         |
| Vista I.D.                           | 1,755.6         | 1,347.9         | 225.9             | 623.8            | -                | -                | -                | -                | 1,981.5         | 1,971.7         |
| Yuima M.W.D.                         | 544.9           | 366.9           | -                 | -                | 45.3             | 95.5             | -                | -                | 590.2           | 462.4           |
| **TOTAL USE**                        | 51,354.8        | 48,584.0        | 2,500.1           | 5,225.5          | 1,679.0          | 1,597.4          | 3,216.2          | 3,279.7          | 58,750.1        | 58,686.6        |
| **PERCENT CHANGE**                   | 6%              | -52%            | 5%                | -2%              | 0%               | 0%               | 0%               | 0%               | 0%              | 0%              |

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

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### JUNE 2014

#### Reservoir Storage

<table>
<thead>
<tr>
<th>Member Agency</th>
<th>Reservoir</th>
<th>Capacity JUNE 2014</th>
<th>% of Capacity JUNE 2014</th>
<th>Capacity JUNE 2013</th>
<th>% of Capacity JUNE 2013</th>
<th>Change During Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad M.W.D.</td>
<td>Maerkle</td>
<td>600</td>
<td>180</td>
<td>30%</td>
<td>294</td>
<td>49%</td>
</tr>
<tr>
<td>Escondido, City of</td>
<td>1</td>
<td>Dixon</td>
<td>2,606</td>
<td>2,440</td>
<td>94%</td>
<td>2,372</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Wohlford</td>
<td>6,506</td>
<td>1,922</td>
<td>30%</td>
<td>2,042</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>9,112</td>
<td>4,362</td>
<td>48%</td>
<td>4,414</td>
<td>48%</td>
</tr>
<tr>
<td>Fallbrook P.U.D.</td>
<td>Red Mountain</td>
<td>1,335</td>
<td>430</td>
<td>32%</td>
<td>360</td>
<td>27%</td>
</tr>
<tr>
<td>Helix W.D.</td>
<td>3</td>
<td>Guaymasca</td>
<td>8,195</td>
<td>551</td>
<td>7%</td>
<td>747</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>Jennings</td>
<td>9,790</td>
<td>8,690</td>
<td>89%</td>
<td>9,081</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>17,985</td>
<td>9,241</td>
<td>48%</td>
<td>9,828</td>
<td>55%</td>
</tr>
<tr>
<td>Poway, City of</td>
<td>5</td>
<td>Poway</td>
<td>3,330</td>
<td>3,132</td>
<td>94%</td>
<td>2,717</td>
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<tr>
<td>Rainbow M.W.D.</td>
<td>Beck</td>
<td>625</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>Morro Hill</td>
<td>465</td>
<td>164</td>
<td>35%</td>
<td>68</td>
<td>15%</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>1,090</td>
<td>164</td>
<td>15%</td>
<td>68</td>
<td>6%</td>
</tr>
<tr>
<td>Ramona M.W.D.</td>
<td>Ramona</td>
<td>12,000</td>
<td>2,648</td>
<td>22%</td>
<td>2,681</td>
<td>22%</td>
</tr>
<tr>
<td>San Diego, City of</td>
<td>2</td>
<td>Barrett</td>
<td>34,806</td>
<td>7,493</td>
<td>22%</td>
<td>16,385</td>
</tr>
<tr>
<td></td>
<td>El Capitan</td>
<td>112,807</td>
<td>34,357</td>
<td>30%</td>
<td>60,083</td>
<td>53%</td>
</tr>
<tr>
<td></td>
<td>Hodges</td>
<td>30,251</td>
<td>2,640</td>
<td>9%</td>
<td>5,778</td>
<td>19%</td>
</tr>
<tr>
<td></td>
<td>Lower Otay</td>
<td>49,849</td>
<td>30,238</td>
<td>61%</td>
<td>35,058</td>
<td>70%</td>
</tr>
<tr>
<td></td>
<td>Miramar</td>
<td>6,682</td>
<td>5,577</td>
<td>83%</td>
<td>5,302</td>
<td>79%</td>
</tr>
<tr>
<td></td>
<td>Morena</td>
<td>50,694</td>
<td>1,857</td>
<td>4%</td>
<td>7,641</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>Murray</td>
<td>4,684</td>
<td>4,106</td>
<td>88%</td>
<td>4,137</td>
<td>88%</td>
</tr>
<tr>
<td></td>
<td>San Vicente</td>
<td>89,312</td>
<td>48,341</td>
<td>54%</td>
<td>35,919</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>Sutherland</td>
<td>29,508</td>
<td>2,837</td>
<td>10%</td>
<td>3,268</td>
<td>11%</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>408,593</td>
<td>137,445</td>
<td>34%</td>
<td>173,572</td>
<td>42%</td>
</tr>
<tr>
<td>San Dieguito WD/Santa Fe ID</td>
<td>San Dieguito</td>
<td>883</td>
<td>492</td>
<td>56%</td>
<td>719</td>
<td>81%</td>
</tr>
<tr>
<td>Sweetwater Authority</td>
<td>Loveland</td>
<td>25,400</td>
<td>8,224</td>
<td>32%</td>
<td>8,956</td>
<td>35%</td>
</tr>
<tr>
<td></td>
<td>Sweetwater</td>
<td>28,079</td>
<td>3,784</td>
<td>13%</td>
<td>8,061</td>
<td>29%</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>53,479</td>
<td>12,008</td>
<td>22%</td>
<td>17,017</td>
<td>32%</td>
</tr>
<tr>
<td>Valley Center M.W.D.</td>
<td>Turner</td>
<td>1,612</td>
<td>1,275</td>
<td>79%</td>
<td>1,433</td>
<td>89%</td>
</tr>
<tr>
<td>Vista I.D.</td>
<td>3</td>
<td>Henshaw</td>
<td>51,774</td>
<td>4,676</td>
<td>9%</td>
<td>5,366</td>
</tr>
</tbody>
</table>

#### MEMBER AGENCY TOTAL WATER IN STORAGE

<table>
<thead>
<tr>
<th>Reservoir</th>
<th>Capacity JUNE 2014</th>
<th>% of Total</th>
<th>Capacity JUNE 2013</th>
<th>% of Total</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Capitan</td>
<td>0</td>
<td>-</td>
<td>4,452</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Hodges</td>
<td>8,522</td>
<td>5,666</td>
<td>(648)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Olivenhain</td>
<td>24,789</td>
<td>18,413</td>
<td>195</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower Otay</td>
<td>65</td>
<td>436</td>
<td>62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Vicente</td>
<td>23,125</td>
<td>1,885</td>
<td>5,569</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweetwater</td>
<td>13</td>
<td>0</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>49,746</td>
<td>30,852</td>
<td>5,190</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### TOTAL WATER IN STORAGE

<table>
<thead>
<tr>
<th></th>
<th>Capacity JUNE 2014</th>
<th>% of Total</th>
<th>Capacity JUNE 2013</th>
<th>% of Total</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>561,793</td>
<td>176,053</td>
<td>31%</td>
<td>218,468</td>
<td>39%</td>
<td>(4,800)</td>
</tr>
</tbody>
</table>

#### OTHER AGENCIES

<table>
<thead>
<tr>
<th>Agency</th>
<th>Capacity JUNE 2014</th>
<th>% of Total</th>
<th>Capacity JUNE 2013</th>
<th>% of Total</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan Water District</td>
<td>44,264</td>
<td>38,706</td>
<td>87%</td>
<td>37,519</td>
<td>85%</td>
</tr>
<tr>
<td>Diamond Valley</td>
<td>800,000</td>
<td>506,947</td>
<td>63%</td>
<td>688,168</td>
<td>82%</td>
</tr>
<tr>
<td>State Water Project</td>
<td>3,537,600</td>
<td>1,511,388</td>
<td>43%</td>
<td>2,557,762</td>
<td>72%</td>
</tr>
<tr>
<td>Subtotal</td>
<td>4,381,864</td>
<td>2,057,041</td>
<td>47%</td>
<td>3,253,449</td>
<td>74%</td>
</tr>
</tbody>
</table>

---

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

City of San Diego and the Water Authority completed a paper transfer for February. Final monthly figures available at end of March. The Water Authority exchanged 1,304 AF in El Capitan and San Vicente accounts, in exchange for a like amount of water in Lake Hodges.
### Monthly Water Resources Report

**Tier 1 Estimated Deliveries to Member Agencies**

(Figures in acre-feet)

**Calendar Year 2014 Through June**

<table>
<thead>
<tr>
<th>Member Agency</th>
<th>CY2014 Tier 1 Threshold ¹</th>
<th>CYTD Firm Deliveries</th>
<th>% of Tier 1 Threshold (Pre-QSA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad M.W.D.</td>
<td>12,376.0</td>
<td>8,596.9</td>
<td>69.5%</td>
</tr>
<tr>
<td>Del Mar, City of</td>
<td>935.0</td>
<td>488.6</td>
<td>52.3%</td>
</tr>
<tr>
<td>Escondido, City of</td>
<td>17,859.0</td>
<td>11,690.2</td>
<td>65.5%</td>
</tr>
<tr>
<td>Fallbrook P.U.D.</td>
<td>10,325.0</td>
<td>6,459.5</td>
<td>62.6%</td>
</tr>
<tr>
<td>Helix W.D.</td>
<td>25,519.0</td>
<td>16,160.1</td>
<td>63.3%</td>
</tr>
<tr>
<td>Lakeside M.W.D.</td>
<td>3,168.0</td>
<td>1,819.0</td>
<td>57.4%</td>
</tr>
<tr>
<td>Oceanside, City of</td>
<td>19,383.0</td>
<td>12,176.1</td>
<td>62.8%</td>
</tr>
<tr>
<td>Otay W.D.</td>
<td>21,390.0</td>
<td>15,921.3</td>
<td>74.4%</td>
</tr>
<tr>
<td>Padre Dam M.W.D.</td>
<td>9,939.0</td>
<td>5,657.7</td>
<td>56.9%</td>
</tr>
<tr>
<td>Pendleton M.C.B./South Coast W.D.</td>
<td>758.0</td>
<td>107.2</td>
<td>14.1%</td>
</tr>
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<td>Poway, City of</td>
<td>9,348.0</td>
<td>6,016.1</td>
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<tr>
<td>Rainbow M.W.D.</td>
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<td>11,099.1</td>
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<tr>
<td>Ramona M.W.D.</td>
<td>8,052.0</td>
<td>3,390.6</td>
<td>42.1%</td>
</tr>
<tr>
<td>Rincon Del Diablo M.W.D.</td>
<td>5,482.0</td>
<td>3,255.7</td>
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<tr>
<td>San Diego, City of</td>
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</tr>
<tr>
<td>San Dieguito W.D.</td>
<td>3,116.0</td>
<td>2,675.4</td>
<td>85.9%</td>
</tr>
<tr>
<td>Santa Fe I.D.</td>
<td>5,226.0</td>
<td>5,209.3</td>
<td>99.7%</td>
</tr>
<tr>
<td>Sweetwater Authority</td>
<td>9,650.0</td>
<td>7,867.6</td>
<td>81.5%</td>
</tr>
<tr>
<td>Valleymont W.D.</td>
<td>10,557.0</td>
<td>8,463.3</td>
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<td>Valley Center M.W.D.</td>
<td>29,774.0</td>
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<td>Vista I.D.</td>
<td>11,876.0</td>
<td>9,194.4</td>
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<tr>
<td>Yuima M.W.D.</td>
<td>2,165.0</td>
<td>2,067.8</td>
<td>95.5%</td>
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</table>

**MEMBER AGENCY TOTALS**

393,542.0 249,283.6 63.3%

Less: ESP deliveries calendar year to date ²
Less: QSA deliveries calendar year to date ³
Deliveries to CWA storage year to date ³
Deliveries from CWA storage year to date ⁴

Estimated Tier 1 deliveries calendar year to date ⁵
Invoiced Tier 1 deliveries calendar year to date ⁶

1 Tier 1 threshold is 60% of a member agency's historic maximum year firm demand.
2 Emergency Storage Program (ESP) deliveries under Metropolitan's program designated by city of San Diego.
3 Includes forced deliveries and deliveries made through temporary carryover storage agreements and to Olivenhain Reservoir.
4 Includes sales from Water Authority storage accounts.
5 "Estimate" based on member agency deliveries, net of QSA deliveries and storage puts/takes. "Invoice" is as reported on Metropolitan's invoice.

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MONTHLY WATER RESOURCES REPORT  
Summary of Water Authority Member Agency Operations  
JUNE 2014

Member Agency Deliveries (AF)

<table>
<thead>
<tr>
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<th>June 2014</th>
<th>June 2013</th>
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<tbody>
<tr>
<td>Import</td>
<td>51,574</td>
<td>48,699</td>
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<tr>
<td>Previous 12 Months</td>
<td>522,453</td>
<td>482,013</td>
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Member Agency Water Use

<table>
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<th>June 2014</th>
<th>Previous 12 Months</th>
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<tr>
<td>Imported</td>
<td>89%</td>
<td>85%</td>
</tr>
<tr>
<td>Surface</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Well &amp; Brackish Recovery</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Recycled</td>
<td>5%</td>
<td>7%</td>
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Member Agency Storage (AF)

<table>
<thead>
<tr>
<th></th>
<th>June 2014</th>
<th>June 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td>176,053</td>
<td>218,468</td>
</tr>
<tr>
<td>Surface</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Well &amp; Brackish Recovery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recycled</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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ENGINEERING AND OPERATIONS COMMITTEE

AGENDA FOR

JULY 24, 2014

Brian Brady – Chair     Ken Olson
Marty Miller – Vice Chair    Halla Razak
Bud Pocklington – Vice Chair    Dave Roberts
David Barnum     John Simpson
Ron Morrison     Yen Tu
Vincent Mudd     DeAna Verbeke
Jim Murtland     Ronald Watkins
Tom Wornham


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: Announcement of 2014 Engineering and Operations Tour. 4-A Directors’ comments.

I. CLOSED SESSION

1. CLOSED SESSION: Security of Water Authority Services or Facilities Consultation with: Board Security Taskforce, Director of Operations and Maintenance, Director of Administrative Services Government Code §54957(a)

II. CONSENT CALENDAR

III. ACTION/DISCUSSION

1. Carlsbad Desalination Project. Frank Belock
1-A Presentation – Carlsbad Desalination Project update.
2. **Contracts for the Pipelines 3, 4, and 5 Relining at the San Luis Rey River project.**

   **Staff recommendation:**
   
   A. Authorize the General Manager to award a construction contract to L.H. Woods & Sons, Inc. in the amount of $9,750,000 for the Pipelines 3, 4, and 5 Relining at the San Luis Rey River project.

   B. Authorize the General Manager to award a professional services contract to Pure Technologies US, Inc., for a total not-to-exceed amount of $385,100 to perform Acoustic Fiber Optic modifications for the Pipelines 4 and 5 Relining at the San Luis Rey River project.  (Action)

   **Mike Conner/ Nathan Faber**

IV. **INFORMATION**

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.
July 16, 2014

Attention: Engineering and Operations Committee

CLOSED SESSION:
Security of Water Authority Services and Facilities
Consultation with: Board Security Taskforce, Director of Operations and Maintenance,
Director of Administrative Services
Government Code §54957(a)

Purpose
This memorandum is to recommend a closed session, pursuant to Government Code §54957 to
discuss the above-referenced matter at the July 24, 2014, meeting.

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

Prepared by: Daniel S. Hentschke, General Counsel
July 16, 2014

Attention: Engineering and Operations Committee

Contracts for the Pipelines 3, 4, and 5 Relining at the San Luis Rey River project. (Action)

Staff recommendation
A. Authorize the General Manager to award a construction contract to L.H. Woods & Sons, Inc. in the amount of $9,750,000 for the Pipelines 3, 4, and 5 Relining at the San Luis Rey River project.
B. Authorize the General Manager to award a professional services contract to Pure Technologies US, Inc., for a total not-to-exceed amount of $385,100 to perform Acoustic Fiber Optic modifications for the Pipelines 4, and 5 Relining at the San Luis Rey River project.

Alternative
Do not award the contracts and direct staff to reject all bids for the relining project and solicit new proposals for the acoustic fiber optic modifications. This will result in a delay of approximately one year and impact the construction activities for the Caltrans State Route 76 project, causing the Water Authority to be in breach of the negotiated agreement with Caltrans.

Fiscal Impact
Funds in the amount of $10,135,100 to support these recommendations are available in the approved project budget and in the Fiscal Years 2014 and 2015 Capital Improvement Program appropriation. The rate category for this project is transportation.

Background
Caltrans is widening and realigning State Route 76 between South Mission Road and Interstate 15. The new alignment will cross the Water Authority’s Second Aqueduct in the San Luis Rey River Valley and include the construction of a bridge spanning Pipelines 3, 4, and 5. When completed, the new bridge will provide approximately eight feet of vertical clearance between the bottom of the bridge and the ground level. Consequently, the new bridge crossing will restrict the Water Authority’s ability to maintain and repair its pipelines in the future. Therefore, Caltrans, SANDAG, and Water Authority staff negotiated an agreement to reline portions of Pipelines 3, 4, and 5 to mitigate the impacts from the new bridge crossing. As part of that agreement, Caltrans will reimburse the Water Authority 50 percent of the costs necessary to reline Pipelines 3, 4, and 5 beneath the State Route 76 bridge, up to $6,100,000.

Pipeline 4 in the San Luis Rey area was already scheduled to be rehabilitated in fiscal year 2017 as part of the overall Relining and Pipe Replacement Program. To increase economies of scale and efficiencies in reducing the frequency and number of shutdowns to the aqueduct system, staff decided to add this section of the Pipeline 4 relining to this project. The Water Authority
will fund this portion of the project along with its proportional share related to the State Route 76 work via the Asset Management Program.

The Water Authority uses an Acoustic Fiber Optic system in Pipelines 4 and 5 at the San Luis Rey River, which monitors pipe condition in near real-time. The system is also used to help calculate the rate of decay of the pipe and determine the remaining service life. During the relining of Pipelines 4 and 5, approximately 12,000 feet of the Acoustic Fiber Optic system will be removed during the work and re-installed after the project is complete.

**Discussion**

A Notice Inviting Bids was advertised on May 21, 2014, and a pre-bid meeting and site visit were conducted on May 28, 2014. On June 18, 2014, the Water Authority received two bids in the amounts of $9,750,000 and $11,675,000. A bid summary is attached. The construction cost estimate ranged from $8,000,000 to $10,000,000.

L.H. Woods & Sons, Inc. submitted the low bid of $9,750,000. The disparity between the bids for this project is likely attributable to L.H. Woods & Sons’ experience on recent Water Authority projects and its efficiency with the liner installation process. Construction activities are expected to begin in September 2014 with completion in May 2015 to align with Caltrans’ construction schedule.

SCOOP staff has verified L.H. Woods & Sons, Inc.’s good faith efforts to conduct outreach to qualified small businesses. The small business participation on this project is 48 percent. There is no minority- or women-owned business participation. This information is provided for statistical purposes.

If the relining project is awarded, the Acoustic Fiber Optic system modifications will be required. Use of the competitive bid process is deemed not practical or in the best interest of the Water Authority for these services. The Acoustic Fiber Optic system currently in use is proprietary and was originally installed by Pure Technologies US, Inc. and, because of the steep slopes in the area, the Acoustic Fiber Optic system removal, re-installation, and re-commissioning requires specialized equipment, skills, and safety support. Pure Technologies US, Inc. is the only Acoustic Fiber Optic system contractor able to provide these services.

Prepared by: Mike Conner, Senior Engineer  
Nathan Faber, O&M Manager  
Reviewed by: William J. Rose, Director of Engineering  
Gary Eaton, Director of Operations and Maintenance  
Approved by: Frank Belock Jr., Deputy General Manager  

Attachments:  
Bid Summary  
Figure 1 – Vicinity Map  
Figure 2 – Location Map
# RESULTS OF BID OPENING

**PIPES 3, 4 & 5 RELINING AT THE SAN LUIS REY RIVER**

**SPECIFICATION 624**

Bid Opening Date: JUNE 18, 2014  
Time: 2:00 P.M.  
Place: San Diego County Water Authority  
4677 Overland Avenue, San Diego, CA 92123

<table>
<thead>
<tr>
<th>NO.</th>
<th>GENERAL CONTRACTOR</th>
<th>TOTAL BID PRICE</th>
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<tbody>
<tr>
<td></td>
<td>COST ESTIMATE</td>
<td>$8,000,000 to $10,000,000</td>
</tr>
<tr>
<td>1.</td>
<td>L.H. Woods &amp; Sons, Inc.</td>
<td>$9,750,000</td>
</tr>
<tr>
<td>2.</td>
<td>Spiniello Companies</td>
<td>$11,675,000</td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td></td>
<td></td>
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<td>7.</td>
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<td>8.</td>
<td></td>
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<tr>
<td>9.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td></td>
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</tr>
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</table>


PIPELINES 3, 4, & 5 RELINING AT THE SAN LUIS REY RIVER R0161-R0304

PROJECT:
PIPEDINES 3, 4, & 5 RELINING AT THE SAN LUIS REY RIVER R0161-R0304

FIGURE 1
APPROXIMATE LOCATION OF NEW HIGHWAY 76 BRIDGE

BEGIN P4 RELINE
BEGIN P5 RELINE
END P5 RELINE
WATER AUTHORITY ROW 150 FEET
P4 ACCESS PORTAL #4
END P4 RELINE

BEGIN P3 RELINE
P3 ACCESS PORTAL #1
P4 ACCESS PORTAL #2
P5 ACCESS PORTAL #3
END P3 RELINE

PIPELINE 3
PIPELINE 4
PIPELINE 5

LEGEND
Right of Way Easement
Water Authority Pipeline
Pipeline 3 Relining
Pipeline 4 Relining
Pipeline 5 Relining

PROJECT:
PIPELINES 3, 4, & 5 RELINING AT THE SAN LUIS REY RIVER R0161-R0304
FIGURE 2
LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE

AGENDA FOR

JULY 24, 2014

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

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. Adopt positions on various state bills.
   Staff recommendation: Adopt a position of Support on SB1121. (De León) (Action)

II. ACTION/DISCUSSION

1. Legislative Issues.
   1-A Washington report by Ken Carpi. (supplemental materials)
III. INFORMATION

1. Presentation on Drought response communications and outreach update. Jason Foster
2. Status report on Legislation and Legislative positions. Alexi Schnell

IV. ADJOURNMENT

Doria F. Lore
Clerk of the Board

NOTE: This meeting is called as an Legislation, Conservation, and Outreach Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Recodified). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.
July 16, 2014

Attention: Legislation, Conservation and Outreach Committee

Adopt positions on various state bills. (Action)

Staff recommendation
1. Adopt a position of Support on SB 1121 (De Leon)

Alternatives
1. Do not adopt the recommended position.
2. Modify the position.

Fiscal Impact
There is no direct fiscal impact associated with the consideration of adopting policy positions on legislation.

SB 1121 (De Leon) – California Climate Technology and Infrastructure Financing Act
Existing law establishes the California Alternative Energy and Advanced Transportation Financing Authority (Authority), and authorizes the Authority to provide financial assistance to projects related to the utilization of alternative energy sources or advanced transportation technologies.

SB 1121, as amended on July 1, 2014, would enact the California Climate Technology and Infrastructure Financing Act, and would require the Authority to develop a program to provide financial assistance to eligible greenhouse gas emissions reduction projects. Under SB 1121, eligible greenhouse gas emissions reduction projects would include, among other projects, those relating to water capture, conveyance, distribution, use, reuse, and recycling, and wastewater collection, treatment, and disposal. While there is no specifically identified amount of funding available to implement the provisions of SB 1121 at this time, the measure would provide that funding sources would include both of the following:

- Monies transferred by the Legislature from the Greenhouse Gas Reduction Fund (“cap-and-trade” funds)

- Other moneys, including revenues from bonds and other securities, fees collected pursuant to the provisions of the measure, and gifts and grants

The California Global Warming Solutions Act of 2006 requires the reduction of statewide greenhouse gas (GHG) emissions to 1990 levels by 2020. To comply with the Act, cleaner, lower-carbon, less expensive, and more reliable energy technologies must be developed and deployed. However, the lack of available financing options for consumers and businesses and the perceived expense and risk of current financial transactions to investors have been identified as barriers to the development and widespread use of these technologies.
SB 1121 would establish a funding program that could better optimize the limited public dollars generated through the state’s “cap and trade” program to attract more private investment in low carbon projects. The measure outlines a series of project categories that would be eligible for financial assistance, including:

- Energy efficiency
- Clean energy infrastructure
- Innovation energy technology
- Renewable energy
- System efficiency
- Clean agriculture
- Low-carbon transportation
- Demand response
- Land-based greenhouse gas sequestration

In defining the types of eligible projects for the categories identified above, SB 1121 would provide that the following types of projects are eligible for financial assistance within the “energy efficiency” category:

- Water capture, conveyance, distribution, use, reuse, and recycling
- Wastewater collection, treatment, and disposal

In addition to water-related projects that could be eligible for financial assistance under SB 1121, the measure also provides broad eligibility for a wide range of renewable energy projects, including projects related to generation of hydropower, solar power, wind power, biogas cogeneration, and geothermal power.

The measure would impose specific limitations on the ability of a project to be eligible for financial assistance, by requiring that the GHG emissions reduction project must demonstrate all of the following:

- Reduction in net emissions of GHG
- Partnership with a private financial institution or lender
- Ability for the project to meet applicable permitting requirements
- Ability to create jobs in the state
- Technological viability
- Ability to, over time, pay back the financial assistance provided
- The existence of a financing gap that is a barrier to project implementation or market growth

While there are some clear limitations to the access of this potential financial assistance, this funding mechanism could be used by the Water Authority or its member agencies on future projects. Through the implementation of this financial assistance program, the Water Authority and its member agencies may be able to obtain loans or other financial support for GHG emissions reduction projects at lower interest rates, thus decreasing the costs for ratepayers.
The Water Authority’s legislative policy guidelines state that the Water Authority shall support legislation that:

- Provides funding or other incentives for conservation, peak management programs, water recycling, potable reuse, groundwater recovery and recharge, surface water development and management projects, including reservoir management, source water protection and watershed planning studies and facilities that sustain long-term reliable water resources.

- Provides funding for water infrastructure development, infrastructure security, and infrastructure rehabilitation and replacement projects that benefit San Diego County.

- Provides the Water Authority and its member agencies with additional forms of cost-effective financing for public facilities, including the federal Water Infrastructure Finance and Innovation Act (WIFIA).

- Provides funding, including state and federal grants, for in-line hydro-electric, solar, wind, biogas cogeneration, and off-stream pumped storage facilities as a means of reducing greenhouse gas emissions.


Prepared by: Glenn A. Farrel, Government Relations Manager
Approved by: Dennis A. Cushman, Assistant General Manager
July 16, 2014

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

**Drought Response Communications and Outreach Update (Information)**

**Purpose**
This report provides an update on drought management communications and outreach activities to promote increased voluntary conservation as part of the Water Authority’s Water Shortage and Drought Response Plan.

**Background**
On February 13, 2014, the Water Authority Board authorized entering into the Voluntary Supply Management stage of its Water Shortage and Drought Response Plan, which calls for increased voluntary water conservation. The Board also approved notifying the Water Authority’s 24 member agencies that the region is at a Level 1 Drought Watch condition of the region’s Model Drought Response Ordinance. The Water Authority Board’s actions aim to help preserve stored water reserves in Southern California, should the dry period extend into 2015.

The Water Authority’s Water Shortage and Drought Response Plan includes the implementation of a communications strategy to help achieve increased water conservation by the public, and enhance public understanding of how ratepayers’ investments in projects and commitment to water conservation has reduced the region’s vulnerability to drought shortage conditions.

**Discussion**
From mid-June through mid-July, staff continued the summer phase of the regional “When in Drought” communications campaign through media relations, development of communication tools for member agencies, advertising, community partnerships, outreach at community events, and other activities.

Staff issued two news releases related to drought response and water conservation – “Free Summer Classes Offered for Yard Makeovers” and “Popular WaterSmart Plant Checklist Updated.” Staff also pitched and promoted interview opportunities related to drought-response topics and secured a 20-minute interview on KPBS Radio’s “Midday Edition” program to discuss the WaterSmart Landscape Makeover Series program, a full-page feature on turf replacement that appeared on the front of the U-T San Diego’s Home + Garden section, a morning of live remote reports by KUSI-TV, and multiple TV, print media and social media mentions of the Water Authority’s sponsorship of drought-tolerant plant centerpieces for the San Diego County Taxpayers Association’s annual Golden Watchdog awards dinner. In addition, staff responded to a variety of requests from media outlets throughout the month, including several requests for data about regional water use trends in the past year. The Water Authority also coordinated with member agencies on several outreach campaign issues, including potential modifications in messaging, at the monthly Joint Public Information Council meeting in early July.
Staff also developed a one-page guide to all member agency conservation program web pages at the request of the city of Oceanside.

The Water Authority also is supporting the When in Drought campaign with advertising through the summer months. Ads placed via Google Adwords and social media platforms, along with TV ads on KGTV Channel 10 and TV Azteca, began running in late June and are scheduled to appear through the beginning of September. In addition, staff negotiated for a drought campaign message in a regional craft brewing directory published by The San Diego Brewers Guild. The guild is producing 70,000 of these directories, which will be distributed at airports, hotels, restaurants, breweries and other locations throughout the region beginning in July. The Water Authority is using state drought response grant funds to support much of the campaign, and staff is coordinating advertising efforts with other water agencies conducting outreach this summer to leverage resources and minimize duplication of efforts.

Staff also continues to participate in events in the community to raise awareness of drought conditions and conservation programs. Since mid-June, these activities included staffing booths or providing water supply and conservation materials for the Woodcrest Hills Homeowners Association, San Ysidro Independence Day Festival, and Fiesta del Sol San Diego. Staff also continued to do outreach at the San Diego County Fair, which ran through July 6.

Speaker’s bureau presentations related to drought and water use efficiency were made to the following groups: San Diego Rose Society, Community Housing Association, H.G. Fenton Company, SDG&E 5th Annual Statewide Energy Efficiency Forum, the Maritime Alliance, and MiraCosta College’s LIFE program.

To help communicate drought awareness and response to community association managers, staff is working with the Department of Water Resources and other partners to present drought and conservation program information at two seminars in Balboa Park on July 17 and 18. Staff also is coordinating with the California Landscape Contractors Association on presenting drought response strategies and water conservation programs at a CLCA workshop designed for community managers on July 31.

Community partnerships are also helping to spread awareness of the need for increased voluntary conservation while leveraging Water Authority resources. On July 10, San Diego State University began running calls for conservation as part of the message rotation on its digital sign adjacent to Interstate 8. In addition, the Water Authority received approval from Westfield North County to place free water conservation campaign messages on its new digital sign off of Interstate 15 near Escondido. The first messages could run on that sign by late July. In addition, in late June the Mission Publishing Group¹ agreed to run free campaign ads in several of its community newspapers starting in July. The first ads are scheduled to appear in the Seaside Courier and the Mission Valley News on July 16.

¹ At the time Mission Publishing Group was owned by Director Jim Madaffer.
Staff created new website pop-up announcements and posters to promote summer water conservation. Staff also made regular updates to the When in Drought campaign portal on the Water Authority’s main website, updated conservation news and events to www.WaterSmartSD.org (the Water Authority’s regional conservation website), and provided water supply updates and information on conservation programs in its Watersource e-newsletter.

In addition, since mid-June staff made more than 65 Twitter posts to spread awareness of drought conditions, promote conservation programs and call attention to water supply reliability efforts. Members of the public tweeted and re-tweeted more than 110 messages related to drought management actions, water conservation-related events and promotions, and other topics related to conservation or drought. These messages came from civic organizations, public officials, media outlets, and individuals. Staff also posted nearly 50 drought and conservation-related messages to Facebook.

The Water Authority’s drought web portal landing page, www.whenindrought.org, received more than 11,600 page views between the site’s launch on April 29 and June 30. In addition, during June WaterSmartSD.org had more than 4,200 visitors, and the Water Authority’s turf replacement rebate program microsite had more than 4,700 visitors. In June the program received a record 68 turf replacement applications, and turf rebate applications increased 71 percent in the first six months of 2014 compared to the same period a year ago.

Staff will continue to provide updates to the Board on the implementation and execution of drought management communications activities.

Prepared by: Jason Foster, Director, Public Outreach and Conservation
Reviewed by: Dennis A. Cushman, Assistant General Manager
July 16, 2014

Attention: Legislation Conservation and Outreach Committee

Status Report on Legislation and Legislative Positions. (Information)

Background
Water Authority staff is currently reviewing 226 bills in the Legislature for potential impact on the organization and its member agencies. Three bills in Congress are being monitored. Some of these bills are placeholder bills that do not propose substantive changes in the law, but which may be amended to propose such changes.

The Water Authority’s staff and legislative advocates review each bill in the context of the adopted 2014 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 July 8, 2014, the Board is sponsoring two bills in the Legislature, AB 1874 (Gonzalez) and AB 2067 (Weber). The Board has taken a position of Support on 19 bills, is seeking amendments on seven of those bills, and has taken a position of Support if amended on 10 bills, a position of Oppose on five bills, and a position of Oppose unless amended on 12 bills. Three bills on which the Water Authority took a position of Oppose unless amended, have been amended to subject matter no longer relevant to the Water Authority. SB 322 (Hueso), sponsored by the Water Authority in the first year of the 2013/14 legislative session was signed into law by the Governor in 2013.

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 2014 Legislative Policy Guidelines. Attached is a matrix outlining current positions on legislation of interest to the Water Authority as of July 8, 2014. 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 July 8, 2014
2. List of legislation under review by Water Authority staff as of July 8, 2014
# San Diego County Water Authority

**Summary of Current Positions on 2013-2014 Legislation as of July 8, 2014**

<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 37</td>
<td>Perea</td>
<td><strong>Integrated Regional Water Management Plans: Funding: Disadvantaged Communities</strong>&lt;br&gt;&lt;br&gt;<strong>Status:</strong>&lt;br&gt;Bill was amended (8/12/2013) to subject matter no longer relevant to the Water Authority.</td>
<td>Oppose, unless amended (25-Jul-13)</td>
</tr>
<tr>
<td>AB 71</td>
<td>V. Manuel Pérez</td>
<td><strong>Salton Sea Restoration</strong>&lt;br&gt;AB 71 would establish a governance process to guide activities related to restoration of the Salton Sea, and is intended to increase local participation in the development of a restoration program. The bill would require the Natural Resources Agency to be the lead agency for Salton Sea restoration efforts, but in consultation and coordination with the Salton Sea Authority, a local Joint Powers Authority. This would ensure that local stakeholders are included in restoration decision making. In addition, the bill calls for the formation of a technical advisory group to assist the Resources Agency by managing feasibility and financial planning studies.&lt;br&gt;&lt;br&gt;<strong>Status:</strong>&lt;br&gt;Chapter 402, Statutes of 2013</td>
<td>Support (23-May-13)</td>
</tr>
<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;Chapter 630, Statutes of 2013</td>
<td>Support (28-Mar-13)</td>
</tr>
<tr>
<td>Bill Number</td>
<td>Author</td>
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<td>SDCWA Position (Date of Board Action)</td>
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<tr>
<td>AB 145</td>
<td>Perea</td>
<td><strong>State Water Resources Control Board: Drinking Water</strong></td>
<td>Oppose, unless amended</td>
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<tr>
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<td>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. 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. <strong>Status:</strong> Senate Appropriations Committee</td>
<td>(28-Mar-13)</td>
</tr>
<tr>
<td>AB 147</td>
<td>V. Manuel Pérez</td>
<td><strong>Environment: Salton Sea: Dust Mitigation</strong></td>
<td>Oppose, unless amended</td>
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<tr>
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<td>AB 147 would establish a Dust Mitigation Project Account within the Salton Sea Restoration Fund. The California Air Resources Board (CARB) would be required to evaluate and determine if the air quality planning completed by the Quantification Settlement Agreement Joint Powers Authority (QSA-JPA) is sufficient to mitigate the air quality impacts of the QSA. Associated costs would likely be either reimbursed or paid out of the Salton Sea Restoration Fund, potentially diverting funding that is designated for the State's Salton Sea Species Conservation Habitat Program. Amendments sought by the Water Authority would amend the bill to address protection of the Salton Sea Restoration Fund, and to include stronger language to protect QSA Joint Powers Authority mitigation funds that have already been designated for important projects. <strong>Status:</strong> Senate Committee on Rules</td>
<td>(23-May-13)</td>
</tr>
</tbody>
</table>
### Summary of Current Positions on 2013-2014 Legislation as of July 8, 2014

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</thead>
<tbody>
<tr>
<td><strong>AB 380</strong></td>
<td>Dickinson</td>
<td><strong>Environmental Quality: Notice Requirements</strong></td>
<td>Oppose, unless amended (25-Apr-13)</td>
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<td><strong>Status:</strong></td>
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<td>Bill was amended (5-6-14) to subject matter no longer relevant to the Water Authority.</td>
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<tr>
<td><strong>AB 407</strong></td>
<td>V.M. Perez</td>
<td><strong>Renewable Energy Resources: Salton Sea</strong></td>
<td>Support (24-Apr-14)</td>
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<tr>
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<td>Existing law requires the California Energy Commission to adopt, and update every two years,</td>
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<td>an integrated energy policy report that includes an overview of major energy trends and issues</td>
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<td>facing the state, an assessment and forecast of system reliability, and the need for resource</td>
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<td>additions, efficiency, and conservation. In addition, the California Renewables Portfolio</td>
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<td>Standard Program requires retail sellers of electricity and local publicly owned electric</td>
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<td>utilities to purchase renewable energy resources sufficient to ensure that the procurement</td>
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<td>of electricity products from eligible renewable energy resources achieves 25 percent of</td>
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<td>retail sales by December 31, 2016 and 33 percent of retail sales by December 31, 2020.</td>
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<td>AB 407, as amended 2-20-14, would require the California Energy Commission, in consultation</td>
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<td>with the PUC and the Independent System Operator, to convene a stakeholders group to</td>
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<td>identify impediments and recommended steps that should be taken to properly maintain,</td>
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<td>develop, integrate, and transmit electricity generated by eligible renewable energy</td>
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<td>resources located in and around the Salton Sea Known Geothermal Resource Area and the</td>
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<td>Geysers Geothermal Field, and to include its evaluations and recommendations in the next</td>
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<td>integrated energy policy report or update. AB 407 would advance the discussion regarding</td>
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<td>expanded geothermal energy production at the Salton Sea in a meaningful manner that would</td>
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<td>also include an examination of how renewable energy production and Salton Sea restoration</td>
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<td>could be linked and coordinated.</td>
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<td><strong>Status:</strong></td>
<td>Senate Committee on Energy, Utilities</td>
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<td>and Communications</td>
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<tr>
<td>Bill Number</td>
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</table>
| 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.)  
**Status:**  
Senate Appropriations Committee | Oppose (25-Apr-13) |
| 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:**  
Died (31-Jan-14) | Support (28-Mar-13) |
### San Diego County Water Authority

**Summary of Current Positions on 2013-2014 Legislation as of July 8, 2014**

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</tr>
</thead>
<tbody>
<tr>
<td>AB 763</td>
<td>Buchanan</td>
<td><strong>Aquatic Invasive Plants: Control and Eradication</strong>&lt;br&gt;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.&lt;br&gt;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.&lt;br&gt;Status: Chapter 330, Statutes of 2013</td>
<td>Support (28-Mar-13)</td>
</tr>
<tr>
<td>AB 769</td>
<td>Skinner</td>
<td><strong>Sales and Use Taxes: Exemption: Efficient Clothes Washers</strong>&lt;br&gt;AB 769, as amended on May 14, 2014, would exempt from the state sales and use taxes, the first $750 of sales price from the sale of a qualified efficient clothes washer purchased for installation and use in this state. AB 769 would specify that the exemption from sales and use taxes only applies to the state’s portion, and would not apply to local sales and use taxes. Additionally, AB 769 would provide that the exemption only lasts from July 1, 2014 to July 1, 2015, unless the Governor terminates the drought State of Emergency called on January 17, 2014, in which case the exemption would be terminated 60 days from the date the Governor cancels the State of Emergency. The tax benefits proposed by AB 769 are intended to provide an incentive to spur taxpayer choices to purchase a clothes washer that reduces water consumption during a drought.&lt;br&gt;Status: Senate Committee on Governance &amp; Finance</td>
<td>Support (26-Jun-14)</td>
</tr>
</tbody>
</table>
# San Diego County Water Authority
## Summary of Current Positions on 2013-2014 Legislation as of July 8, 2014

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<tr>
<td>AB 803</td>
<td>Gomez</td>
<td>Recycled Water</td>
<td>Support (28-Mar-13)</td>
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<tr>
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<td>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 proposed legislative solutions to address: 1. Alignment of Health and Safety Code and Water Code requirements for reporting spills 2. Point of Compliance for 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. <strong>Status:</strong> Chapter 635, Statutes of 2013</td>
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</tr>
<tr>
<td>AB 823</td>
<td>Eggman</td>
<td>Environment: California Farmland Protection Act</td>
<td>Oppose (25-Apr-13)</td>
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<td>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. <strong>Status:</strong> Died (31-Jan-14)</td>
<td></td>
</tr>
<tr>
<td>AB 953</td>
<td>Ammiano</td>
<td>California Environmental Quality Act</td>
<td>Oppose (25-Apr-13)</td>
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<tr>
<td></td>
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<td>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. <strong>Status:</strong> Died in Assembly Inactive File (03-Feb-14)</td>
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<tr>
<td>Bill Number</td>
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| AB 1096     | Nestande (co-authored by V. Manuel Pérez) | **Vehicles: Specialized License Plates: Salton Sea**  
AB 1096 would authorize the Department of Fish and Wildlife to apply to the Department of Motor Vehicles to sponsor a specialized license plate commemorating the Salton Sea. Funds generated through the sale of the plates would be placed into a Salton Sea restoration account to fund restoration projects.

**Status:**  
Senate Appropriations Committee | Support  
(23-May-13) |
| AB 1249     | Salas | **Integrated Regional Water Management Plans: Nitrate Contamination**  
Under existing law, the Integrated Regional Water Management Planning Act of 2002, regional water management groups are authorized to prepare and adopt an integrated regional water management plan (IRWMP). An IRWMP is a plan for coordinating the activities of public agencies and non-profit organizations to support water supply reliability, water quality improvements, and natural resource protection in a defined region. AB 1249, as amended on January 6, 2014, would require IRWMPs to include consideration of the impacts of drinking water contaminated by nitrates. The measure would require an IRWMP to include an explanation of how the plan addresses nitrate contamination, or an explanation of why the plan does not address nitrate contamination, if an area within the boundaries of the plan has been identified as a nitrate high-risk area by the State Water Resources Control Board. Additionally, AB 1249 would require DWR to establish a preference for projects that implement IRWMPs that address nitrate impacts in areas identified as nitrate high-risk areas.

While the intended objective of AB 1249 is to address nitrate pollution in groundwater, a water quality problem that can pose serious health risks, doing so by prioritizing IRWM projects by a selected criterion goes against the foundational construct of the IRWM Program. It is not consistent with the concept and theory behind integrated regional cooperative efforts like the IRWM Program to elevate one issue above others in terms of priority. The Regional Management Group, as a collaborative entity, should establish the regional funding priorities on its own accord. AB 1249 would impose new burdens for Regional Management Groups in preparing already complex and cumbersome IRWMPs, contracts, and contract amendments.

**Status:**  
Senate Appropriations Committee | Oppose  
(27-Feb-14) |
San Diego County Water Authority  
**Summary of Current Positions on 2013-2014 Legislation**  
as of July 8, 2014

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</table>
| AB 1258     | Skinner| **Electricity: Hydroelectric Facilities**  
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.  
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. 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.  
**Status:**  
Died (31-Jan-14) |
| AB 1331     | Rendon | **Clean and Safe Drinking Water Act of 2014**  
One of eleven water bond measures currently under consideration in the Legislature, AB 1331 would enact the Clean and Safe Drinking Water Act of 2014 and, if approved by the voters at the November 4, 2014 general election, would authorize the issuance of $8 billion in general obligation bonds to finance a variety of water projects.  
AB 1331 would not provide an equitable share of funding for San Diego County based on the region's taxpayers' proportional contribution to repayment of the water bond.  
**Status:**  
Senate Committee on Rules | Oppose, unless amended (27-Feb-14) |
## San Diego County Water Authority
### Summary of Current Positions on 2013-2014 Legislation
#### as of July 8, 2014

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</table>
| AB 1349     | Gatto  | **CalConserve Water Use Efficiency**  
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 us, 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.  
**Status:**  
Died (31-Jan-14) | Support (28-Mar-13) |
| AB 1434     | Yamada | **Low-Income Water Rate Assistance Program**  
AB 1434, as amended on April 24, 2014, would require the DCSD, no later than January 1, 2016, in collaboration with the State Board of Equalization and relevant stakeholders, to develop a plan for the funding and implementation of a Low-Income Water Rate Assistance Program. AB 1434 would require the DCSD, no later than January 1, 2017, provided a funding source has been identified and moneys have been appropriated, to establish the program to require water service providers to provide water bill discounts and subsidies to eligible low-income residential water ratepayers who enroll in the program. AB 1434 would also require the DCSD to report to the Legislature by January 1, 2016 regarding its findings concerning the feasibility and desired structure of the program to be implemented, including any recommendations for additional legislative action that may need to be taken. While the PUC does not have jurisdiction over the Water Authority or its member agencies, AB 1434 would have broad application to public water agencies by defining “water service providers” as “a water corporation, public utility district, or other entity that provides water service to residential water customers in the state.”  
AB 1434 should be amended to specify a source of funds – other than water user fee, charge, or surcharge revenue – to establish and finance the Low-Income Water Rate Assistance Program established by the measure.  
**Status:**  
Senate Appropriations Committee | Oppose, unless amended (22-May-14) |
### AB 1445

**Bill Title:** California Water Infrastructure Act of 2014

One of eleven water bond measures currently under consideration in the Legislature, AB 1445 would enact the California Water Infrastructure Act of 2014 and, if approved by the voters at the November 4, 2014 general election, would authorize the issuance of $5.8 billion in general obligation bonds to finance the public benefits associated with water storage projects.

AB 1445 would not provide an equitable share of funding for San Diego County based on the region’s taxpayers’ proportional contribution to repayment of the water bond.

**Status:**
Assembly Committee on Water, Parks and Wildlife

**SDCWA Position:** Oppose, unless amended

(27-Feb-14)

### AB 1636

**Bill Title:** Water Conservation

AB 1636, as amended on March 28, 2014, would prohibit a common interest development association from imposing a fine or assessment on separate interest owners for yard maintenance issues related to under-watered plants and lawns during any period for which the Governor has declared a state of emergency due to drought.

Additionally, AB 1636 would prohibit a city or county from imposing a fine or assessment on separate interest owners for yard maintenance issues related to under-watered plants and lawns during any period for which the Governor has declared a state of emergency due to drought, and would provide that a requirement imposed by a governmental entity to limit, restrict, or conserve water during a drought emergency does not constitute a diminution of rent or value of a premise or property.

AB 1636 would take an important step of providing a “time-out” on the enforcement of governing documents by homeowners’ associations and codes and ordinances by cities and counties for under-watered plants and lawns during an official declaration of state of emergency due to drought. Voluntary and mandatory rationing programs across the state would benefit from the protections that residents would be afforded under AB 1636 in attempting to comply with rationing requests and mandates with respect to outdoor irrigation.

**Status:**
Assembly Committee on Local Government

**SDCWA Position:** Support and seek amendments

(24-Apr-14)
## San Diego County Water Authority
### Summary of Current Positions on 2013-2014 Legislation
as of July 8, 2014

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<tbody>
<tr>
<td>AB 1705</td>
<td>Williams</td>
<td><strong>Public Contracts: Payment</strong></td>
<td>Oppose, unless amended (22-May-14)</td>
</tr>
</tbody>
</table>

Existing law authorizes retention proceeds in a public contracting context to exceed 5 percent only in instances where the governing body of the public entity or the designated official of the public entity has approved a finding prior to the bid that the project is “substantially complex” and requires a higher retention. In addition, under existing law, if the public entity makes the finding that a project is “substantially complex” and requires retention in excess of 5 percent, the public entity must include that finding and the actual retention amount in the bid documents. AB 1705, as amended on March 28, 2014, would define projects that are not “substantially complex,” thus limiting the application of the exception to utilize higher retention, and would require that the bid documents include details explaining the basis for the finding that a project is “substantially complex,” in addition to the actual retention amount.

Withholding a percentage of a contract proceeds – “retention” – allows a public agency to maintain a degree of control over a project to ensure that the contractor performs the work well, on time, and on budget. AB 1705 would provide that projects are not “substantially complex” if they are either of the following:
- Regularly, customarily, or routinely performed by the agency or by licensed contractors; or
- Maintenance projects.

As a result of this language in AB 1705, those types of projects would be limited to the 5 percent retention maximum, and could not fit within the “substantially complex” exclusion, thus allowing for a higher retention in the contract.

AB 1705 should be amended to provide that a project may be “substantially complex” unless it is solely limited to regular or routine maintenance or an existing public works repair not requiring replacement or reconstruction.

**Status:**
Senate third reading
### San Diego County Water Authority

**Summary of Current Positions on 2013-2014 Legislation as of July 8, 2014**

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<th>Bill Number</th>
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<th>Bill Title, Summary &amp; Status</th>
<th>SDCWA Position (Date of Board Action)</th>
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</thead>
<tbody>
<tr>
<td>AB 1731</td>
<td>Perea</td>
<td><strong>Integrated Regional Water Management Plans: Funding: Disadvantaged Communities</strong></td>
<td>Oppose, unless amended (27-Mar-14)</td>
</tr>
</tbody>
</table>

Under existing law, the Integrated Regional Water Management Planning Act of 2002, regional water management groups are authorized to prepare and adopt an integrated regional water management plan (IRWMP). AB 1731 would require in each IRWM region that not less than 10 percent of any funding for IRWM planning purposes be used to facilitate and support the participation of disadvantaged communities in integrated regional water management planning and for projects that address critical water supply or water quality needs for disadvantaged communities. While the intended objective of AB 1731 to direct a specified level of funding to projects that address the needs of disadvantaged communities within a region may appear laudable, the one-size-fits-all approach in AB 1731 raises several concerns that diminish the measure’s effectiveness and ability to achieve its objective.

**Suggested amendments include:**
- Clarify that the 10 percent funding allocation to meet the drinking water quality needs of disadvantaged communities is not on a region-by-region basis, but rather a specific dedication from the total funding in an IRWM grant program to projects that help meet a critical water supply or quality need of a disadvantaged community or facilitates disadvantaged community involvement in an IRWM Program.
- Clarify that the 10 percent funding allocation would be limited to only total IRWM funding provided by a state agency, and would not apply to “any” funding that a regional water management group may pursue to finance local and regional projects.

**Status:**
- Senate Committee on Natural Resources and Water

| AB 1874     | Gonzalez | **Integrated Regional Water Management Plans: Funding**                                      | Sponsor (21-Nov-13)                   |

Administration of the Integrated Regional Water Management Program has created challenges for implementation of Integrated Regional Water Management Plans (IRWMPs) at the regional level that threaten the success of regional programs and continued participation of all interested stakeholders, including smaller non-governmental organizations and watershed groups.

AB 1874 will streamline the state's administration of the IRWM Program to address the issues and challenges faced at the regional and funding area level. The bill will assure the continuation of the state's role in establishing and implementing state policies related to IRWM planning, including reviewing proposed IRWMPs, but would delegate increased responsibility for administering project contracts, including processing invoices and reimbursements, to Regional Water Management Groups (RWMGs).

**Status:**
- Assembly Appropriations Committee
<table>
<thead>
<tr>
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<th>SDCWA Position (Date of Board Action)</th>
</tr>
</thead>
</table>
| AB 1891     | Donnelly | **Sales and Use Taxes: Exemption: Water Desalination: Equipment**  
AB 1891, as amended on March 20, 2014, would, until January 1, 2025, exempt from the sales and use tax laws the gross receipts from the sale in the state of, and the storage, use, or other consumption in the state of, any equipment purchased to be primarily used for water desalination. In November 2012, the Water Authority approved a 30-year Water Purchase Agreement with Poseidon Resources for the purchase of up to 56,000 acre-feet of desalinated seawater per year from the Carlsbad Desalination Plant. Poseidon Resources is a private, investor-owned company that develops water and wastewater infrastructure. It will own and operate the desalination plant in Carlsbad. The Water Authority will purchase water from the plant at a pre-defined price. When the facility begins producing water, this new supply and its cost will be melded with other water supplies – and associated costs – the Water Authority purchases for its 24 member agencies. The Water Purchase Agreement between Poseidon Resources and the Water Authority includes a provision for adjustment of water price based on any changes in tax law that would provide relief to Poseidon. If Poseidon Resources and its contractors were to benefit from the sales and use tax exemption for desalination equipment provided for in AB 1891, the Water Authority could in turn also benefit from potentially reduced water purchase costs.  
**Status:**  
Assembly Committee on Revenue and Taxation | Support and seek amendments (24-Apr-14) |
| AB 1983     | Gray | **Water Meters: Multiunit Structures**  
Under existing law, every water purveyor is required, as a condition of new water service, to install a water meter to measure water service. Existing law also requires urban water suppliers to charge water users based on the actual volume of deliveries, as measured by those water meters. AB 1983 would require a water purveyor that provides water service to a newly constructed multiunit residential structure that submits an application for a water connection after January 1, 2015, to require the installation of a water meter or submeter, to measure water supplied to each individual dwelling unit. AB 1983 would prohibit a landlord from charging tenants separately for water service in a property, unless submeters have been installed and the landlord has executed a rental agreement with the tenant, disclosing that the tenant will be billed for water separately from the rent and that the tenant will also be billed for a portion of any recurring fixed charge billed to the property by the water purveyor. AB 1983 would also provide that its provisions would not affect any local ordinances with stricter provisions if that ordinance was adopted prior to January 1, 2014. There would be a greater tendency toward conservation of the resource because of the direct pricing motivation that doesn’t necessarily exist today when there is only a single water meter serving a multifamily residential dwelling or when water costs are simply allocated and billed based on the square footage of the apartment residence or on the number of occupants. The submeter would provide a direct pricing signal to the | Support, if amended (24-Apr-14) |
<table>
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<th>SDCWA Position (Date of Board Action)</th>
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<tr>
<td>AB 1983 (cont.)</td>
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<td>consumer, and would allow that consumer to take action to conserve water and, in turn, lower their individual residence water bill.</td>
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<td>Even though AB 1983 would move submetering requirements in a very positive direction to improve water use efficiency, there are two issues within AB 1983 that still require further attention and warrant pursuit of amendments to address:  • The City of San Diego has been successfully implementing its own submetering ordinance since 2010 that is as comprehensive, if not more comprehensive, than the requirements proposed in AB 1983. Amendments should be proposed that would “grandfather” the City’s submetering ordinance and not impose additional or different obligations upon the City. While there is existing “grandfathering” language included in AB 1983, the preferred – and more comprehensive – compromise language that satisfied those seeking a “grandfather” provision, appears in the text of SB 750 and should also be amended into AB 1983.  • The California Business Industry Association (CBIA) has raised concerns that the measure may inadvertantly allow water purveyors to “double-charge” a customer for connection charges or capacity fees when a customer is submetered. The following proposed compromise amendment language appears to appropriately address the potential “double-charging” issue adequately: &quot;A water purveyor shall not impose an additional capacity line or connection fee or charge for a submeter that is installed by the building owner, or his or her agent.&quot;</td>
<td>Support, if amended (27-Feb-14)</td>
</tr>
<tr>
<td>AB 2043</td>
<td>Bigelow</td>
<td>Safe, Clean, and Reliable Drinking Water Supply Act of 2014</td>
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<td>One of eleven water bond measures currently under consideration in the Legislature. AB 2043 would enact the Safe, Clean, and Reliable Drinking Water Supply Act of 2014 and, if approved by the voters at the November 4, 2014 general election, would authorize the issuance of $7.935 billion in general obligation bonds to finance a variety of water projects. AB 2043 would provide an equitable share of directly allocated funding for San Diego County based on the region’s taxpayers’ proportional contribution to repayment of the water bond.</td>
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<td><strong>Status:</strong> Assembly Appropriations Committee</td>
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</table>
**San Diego County Water Authority**  
**Summary of Current Positions on 2013-2014 Legislation**  
**as of July 8, 2014**

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| AB 2067     | Weber  | **Urban Water Management Plans**  
  The Urban Water Management Planning Act requires all water suppliers who serve more than 3,000 customers or supply more than 3,000 acre-feet of municipal water annually to adopt an Urban Water Management Plan (UWMP) every five years. UWMPs are intended to ensure that local water suppliers are planning and implementing both water supply and demand management measures to improve water supply reliability and to better prepare for drought conditions. AB 2067 will simplify and make less prescriptive the demand management measure reporting requirements in UWMPs. Additionally, the objective of AB 2067 is also to update and streamline the demand management measure reporting requirements contained in the UWMP Act to reflect the legislative, management, and technological changes that have occurred in recent years. | Sponsor (21-Nov-13) |
| AB 2100     | Campos | **Common Interest Developments: Local Governments: Yard Maintenance: Fines: Drought**  
  Existing law sets forth the duties and responsibilities of a homeowners’ association, and provides that the association is responsible for maintaining, repairing, and replacing the common area, and the owner of each separate interest is responsible for maintaining that separate interest and any exclusive use common area appurtenant to the separate interest. Also under existing law, an association may impose a fine or assessment upon a separate interest owner for failure to maintain his or her property in accordance with the association rules for that common interest development. AB 2100 would prohibit a common interest development association from imposing a fine or assessment on separate interest owners for yard maintenance issues related to under-watered plants and lawns during any period for which the Governor has declared a state of emergency due to drought. Additionally, AB 2100 would prohibit a city or county from imposing a fine or assessment on separate interest owners for yard maintenance issues related to under-watered plants and lawns during any period for which the Governor has declared a state of emergency due to drought. Voluntary and mandatory rationing programs across the state would benefit from the protections that residents would be afforded under AB 2100 in attempting to comply with rationing requests and mandates with respect to outdoor irrigation.  
  AB 2100 should be amended to clarify what will happen when the drought has concluded, including provisions relating to the length of time residents would have to correct drought-related yard maintenance issues after the drought state of emergency is over, prior to the reinstitution of fine and penalty programs. | Support and seek amendments (27-Feb-14) |
### San Diego County Water Authority
**Summary of Current Positions on 2013-2014 Legislation as of July 8, 2014**

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<tr>
<td><strong>AB 2104</strong></td>
<td>Gonzalez</td>
<td><strong>Common Interest Developments: Water-Efficiency Landscapes</strong>&lt;br&gt;Existing law, the Davis-Stirling Common Interest Development Act, sets forth the duties and responsibilities of a homeowners’ association, and provides that the association is responsible for maintaining, repairing, and replacing the common area, and the owner of each separate interest is responsible for maintaining that separate interest and any exclusive use common area appurtenant to the separate interest. Existing law also provides that a provision of any of the common interest development governing documents, including bylaws and operating rules, that govern the operation of a common interest development, is void and unenforceable if it prohibits – or includes conditions that have the effect of prohibiting – the use of low water-using plants as a group, or if it has the effect of prohibiting or restricting compliance with a local water-efficient landscape ordinance or water conservation measure.&lt;br&gt;AB 2104 would provide that governing documents include architectural or landscaping guidelines or policies and decisions by the board of directors applicable to a specific homeowner, and would apply these provisions to a prohibition on the replacement of existing turf with low water-using plants.&lt;br&gt;AB 2104 would take an important step by eliminating loopholes that would continue to have the effect of restricting common interest development residents from replacing existing turf with low water-using plants. Voluntary and mandatory rationing programs across the state would benefit from the provisions of AB 2104 that would help to improve opportunities for broader efficiency in outdoor irrigation.&lt;br&gt;<strong>Status:</strong> Senate third reading</td>
<td>Support (27-Feb-14)</td>
</tr>
<tr>
<td><strong>AB 2282</strong></td>
<td>Gatto</td>
<td><strong>Building Standards: Recycled Water Infrastructure</strong>&lt;br&gt;AB 2282, as amended on March 24, 2014, would require the Department of Housing and Community Development (HCD) and the BSC to complete three tasks:&lt;br&gt;• Conduct recycled water research&lt;br&gt;• Develop mandatory building standards for the installation of recycled water infrastructure for single-family and multifamily residential buildings for adoption during BSC’s code update after 2017&lt;br&gt;• Limit the mandate to install recycled water piping to only those areas within a local jurisdiction that have feasible and cost-efficient access to a water recycling facility or that have been identified by the local jurisdictions residing within a planned service area for the provision of recycled water for which a specific implementation timeline has been identified.</td>
<td>Support, if amended (24-Apr-14)</td>
</tr>
<tr>
<td>Bill Number</td>
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| AB 2282 (cont.) |        | AB 2282 would facilitate the future use of recycled water by conducting research to assist in the development of new mandatory building standards for indoor and outdoor recycled water use in residential, commercial, and public buildings for consideration by the BSC. Local jurisdictions should retain the final discretion to determine feasibility and cost-efficiency based upon local conditions and needs. Retention of coordination of recycled water availability at the local level would help to improve implementation of AB 2282. AB 2282 should be amended to ensure that:  
• Mandatory standards should only apply to new structures and are not intended to require retrofit of existing facilities  
• Expertise of the WateReuse Research Foundation, AWWA, and other appropriate research organizations are consulted on research activities  
• Local jurisdictions – coordination between the local building authority and the recycled water purveyor – have the final discretion to determine feasibility and cost-efficiency based upon local conditions and needs  
**Status:** Senate Appropriations Committee                                                                 | Support and seek amendments (24-Apr-14) |
| AB 2417 | Nazarian | **California Environmental Quality Act: Exemption: Recycled Water Pipelines**  
AB 2417, as amended on March 28, 2014, would exempt from CEQA a project for the construction and installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline – not exceeding 8 miles in length – for the distribution of recycled water within a public street, highway, or right-of-way. Recycled water pipelines are already subjected to strict state health guidelines. Since water agencies would be required to follow the guidelines set forth in AB 2417, meet all state and local permit requirements, and meet state regulations for the proper installation of recycled water pipelines, the lengthy CEQA process becomes an unnecessary delay. However, the measure contains language that could be construed as imposing requirements on the use of public streets by the Water Authority and its member agencies that are not consistent with current statutory authority. Water Authority staff believes that the author’s intention is not to impose additional requirements, but merely to have agencies demonstrate that work will be done in accordance with existing laws and requirements, such as protection of the public through traffic control and street resurfacing. AB 2417 should be amended to ensure that the measure does not impose additional requirements, but merely provides that agencies demonstrate that work will be done in accordance with existing laws and requirements, such as protection of the public through traffic control and street resurfacing  
**Status:** Senate Committee on Environmental Quality                                                                                                                                                                                                                                                                                                                                 |
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<tbody>
<tr>
<td>AB 2434</td>
<td>Gomez</td>
<td><strong>Income Taxes: Exclusion</strong>&lt;br&gt;The Personal Income Tax Law provides an exclusion from gross income for any amount received as a rebate from a local water agency or supplier for the purchase of a water conservation water closet, energy efficient clothes washers, and plumbing devices. The Corporation Tax Law provides exclusion from gross income for any rebate, voucher, or other financial incentive issued by the California Energy Commission, the Public Utility Commission, or a local publicly owned electric utility for any expense incurred by a taxpayer for the purchase or installation of a thermal system, solar system, wind energy device that produces electricity, or a fuel cell generating system.&lt;br&gt;AB 2434 would amend both of these laws, and would provide an exclusion from gross income any amount received as a rebate, voucher, or other financial incentive issued by a local water or energy agency or supplier for expenses incurred to participate in a water or energy conservation program. AB 2434 would help to broaden the range of water efficiency or energy incentives that would be excluded from gross income, and would remove tax liabilities that could dilute the efficacy of these programs.</td>
<td>Support (24-Apr-14)</td>
</tr>
<tr>
<td>AB 2554</td>
<td>Rendon</td>
<td><strong>Clean, Safe, and Reliable Drinking Water Act of 2014</strong>&lt;br&gt;One of eleven water bond measures currently under consideration in the Legislature, AB 2554 would enact the Clean, Safe, and Reliable Drinking Water Act of 2014 and, if approved by the voters at the November 4, 2014 general election, would authorize the issuance of $8.5 billion in general obligation bonds to finance a variety of water projects.&lt;br&gt;AB 2554 would provide an equitable share of funding for San Diego County based on the region’s taxpayers’ proportional contribution to repayment of the water bond.</td>
<td>Support, if amended (24-Apr-14)</td>
</tr>
</tbody>
</table>
AB 2636
Gatto

**CalConserve Water Use Efficiency Revolving Fund**

Existing law requires the achievement of a 20 percent reduction in urban per capita water use in California by December 31, 2020, and requires each urban retail water supplier to comply with that target. Existing law also requires agricultural water suppliers to implement efficient water management practices, including water measurement.

AB 2636 would establish the CalConserve Water Use Efficiency Revolving Fund administered by the Department of Water Resources (DWR) and would continuously appropriate moneys in the fund to DWR for the purpose of water use efficiency projects. AB 2636 would require moneys in the fund to be used for purposes that include at-or-below market interest rate loans, and would permit DWR to enter into agreements with local government or investor-owned utilities that provide water or recycled water service to provide loans. AB 2636 is co-sponsored by the Metropolitan Water District of Southern California and the California Municipal Utilities Association. AB 2636 reflects a concept that was initially introduced and advanced by Assemblymember Gatto in AB 2011 during the 2012 legislative session, and again as AB 1349 during the 2013 legislative session. Both of those previous efforts failed passage in the Legislature. AB 2636 would take a measured approach to establishing a revolving loan fund for water use efficiency, and would provide that the following purposes would be eligible for loan funding:

- Reducing urban per capita water use
- Improving agricultural water use efficiency
- Increasing the use of recycled water
- Reducing greenhouse gas emissions through water efficiency improvements

AB 2636 should be amended to provide a source of funding to capitalize the revolving loan fund. There are limited sources of funding to implement AB 2636, so it is unclear whether opportunities would be pursued in the context of water bond legislation. The staff will closely monitor to ensure that no statewide water user fee, charge, or tax is contemplated to finance the program.

**Status:**
Senate Appropriations Committee
## Bill Number, Author, Title, Summary & Status

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<tr>
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</tr>
</thead>
</table>
| AB 2686     | Perea  | **Clean, Safe, and Reliable Water Supply Act of 2014**  
One of eleven water bond measures currently under consideration in the Legislature. AB 2686 would enact the Clean, Safe, and Reliable Drinking Water Supply Act of 2014 and, if approved by the voters at the November 4, 2014 general election, would authorize the issuance of $9.25 billion in general obligation bonds to finance a variety of water projects.  
AB 2686 would provide an equitable share of directly allocated funding for San Diego County based on the region’s taxpayers’ proportional contribution to repayment of the water bond.  
**Status:**  
Assembly Appropriations Committee | Support, if amended  
(27-Feb-14) |
| SB 322      | Hueso  | **Water Recycling**  
SB 322 would require the Department of Public Health, in consultation with the State Water Resources Control Board, to investigate the feasibility of developing uniform water recycling criteria for potable reuse and provide a final report on that investigation to the Legislature by December 31, 2016.  
**Status:**  
Chapter 637, Statutes of 2013 | Sponsor  
(29-Nov-12)  
(modified 28-Feb-13) |
## San Diego County Water Authority
### Summary of Current Positions on 2013-2014 Legislation
#### as of July 8, 2014

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</thead>
<tbody>
<tr>
<td>SB 425</td>
<td>DeSaulnier</td>
<td>Public Works Peer Review Act of 2013</td>
<td>Watch (28-Mar-13)</td>
</tr>
</tbody>
</table>

SB 425, when introduced, and when the Water Authority Board elected to watch this legislation, would have required any public works project valued at greater than $1 billion to establish a peer review group (PRG) responsible for reviewing: 1) project demand studies; 2) design and engineering models and estimates; and 3) construction, testing and inspection practices. The bill in its original form would have prohibited a PRG taking action until a charter was created and agreed upon by the project agency and the relevant legislative body, which could have lead to possible project delays.

As amended May 7, 2013, SB 425 would allow, rather than require, a public agency to establish a specified peer review group and would require the administering agency, if a PRG is established, to draft a charter, published on the agency's Internet Web site, related to the duties of the PRG.

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:**
Chapter 252, Statutes of 2013

| SB 436      | Jackson | Environmental Quality: Public Notice | Oppose, unless amended (25-Apr-13) |

**Status:**
Bill was amended (9/6/2013) to subject matter no longer relevant to the Water Authority.
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>SB 617</td>
<td>Evans</td>
<td>Environmental Quality: Public Notice</td>
<td>Oppose (25-Apr-13)</td>
</tr>
</tbody>
</table>

Existing law defines “environment” and “significant effect on the environment” for the purpose of factual analysis. SB 617 would revise the definitions of “environment” and “significant effect on the environment” and require the lead agency to include in the Environmental Impact Report (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. In addition, SB 617 includes noticing provisions similar to those in both AB 380 (Dickinson) and SB 436 (Jackson), discussed above. The bill would authorize the Office of Planning and Research (OPR) to charge a $10 administrative fee per notice filed.

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. In addition, 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.

**Status:**
Died in Senate (06-Feb-14)

| SB 750      | Wolk   | Building Standards | Support, if amended (27-Jun-13) |

SB 750, as amended on May 24, 2013, would require 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 after January 1, 2014, to require the installation of a water meter or submeter, to measure water supplied to each individual dwelling unit. SB 750 would also require the owner of the structure to ensure that a water submeter installed for measurement purposes complies with the laws and regulations governing installation, approval of meter type, maintenance, reading, billing, and testing of submeters. In addition, SB 750 would prohibit a landlord from charging tenants separately for water service in a property, unless submeters have been installed and the landlord has executed a rental agreement with the tenant, disclosing that the tenant will be billed for water separately from the rent and that the tenant will also be billed for a portion of any recurring fixed charge billed to the property by the water purveyor. SB 750 would authorize landlords to charge tenants a monthly administrative fee for the actual costs of reading the submeters and providing billing services up to a maximum of $4.00 per submetered tenant per month. Finally, SB 750 would exempt several types of structures from the requirements of the bill, including: low income housing,
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</thead>
<tbody>
<tr>
<td>SB 750</td>
<td></td>
<td>student dormitories, long-term healthcare facilities, time-share properties, residential care facilities, and structures greater than four stories in height where the plumbing configuration renders the installation of submeters infeasible. The Water Authority has long been a statewide leader in improving water use efficiency. SB 750 would make important advancements in this area by taking a significant step toward providing direct pricing signals to water consumers, including those residing within multifamily residential dwellings. However, there are two areas that require attention. Amendments sought by the Water Authority include:  • Amend SB 750 to “grandfather” the City of San Diego’s submetering ordinance and not impose any additional or different obligations upon the City beyond those embodied in the existing ordinance.  • Amend SB 750 to alleviate concerns over the potential for inadvertent “double-charging” by a water purveyor of connection fees and capacity charges upon a submetered customer. <strong>Status:</strong> Assembly Committee on Water, Parks and Wildlife</td>
<td>Oppose, unless amended (27-Feb-14)</td>
</tr>
</tbody>
</table>
| SB 848      | Wolk   | **Safe Drinking Water, Water Quality, and Water Supply Act of 2014**  
One of eleven water bond measures currently under consideration in the Legislature, SB 848 would enact the Safe Drinking Water, Water Quality, and Water Supply Act of 2014 and, if approved by the voters at the November 4, 2014 general election, would authorize the issuance of $6.825 billion in general obligation bonds to finance a variety of water projects.  
SB 848 would not provide an equitable share of funding for San Diego County based on the region’s taxpayers’ proportional contribution to repayment of the water bond. **Status:** Senate second reading |
### San Diego County Water Authority

**Summary of Current Positions on 2013-2014 Legislation as of July 8, 2014**

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<tbody>
<tr>
<td><strong>SB 927</strong></td>
<td>Cannella</td>
<td>Safe, Clean, and Reliable Drinking Water Supply Act of 2014</td>
<td>Support, if amended (27-Feb-14)</td>
</tr>
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</table>

SB 927 would enact the Safe, Clean, and Reliable Drinking Water Supply Act of 2014 and, if approved by the voters at the November 4, 2014 general election, would authorize the issuance of $9.217 billion in general obligation bonds to finance a variety of water projects. SB 927 would represent an amendment of the existing November 2014 water bond, rather than a complete replacement of that bond measure with a new approach. SB 927 largely retains the same structure as the 2009 water bond, and the changes to the November 2014 water bond appear to narrowly focus on eliminating earmarked funding allocations.

SB 927 would appear to provide an equitable share of funding for San Diego County based on the region’s taxpayers’ proportional contribution to repayment of the water bond.

**Status:**
Senate Committee on Natural Resources and Water

| **SB 992**  | Nielsen | Maintenance of Exclusive Areas: Fines | Support and seek amendments (27-Feb-14) |

Existing law, the Davis-Stirling Common Interest Development Act, sets forth the duties and responsibilities of a homeowners’ association, and provides that the association is responsible for maintaining, repairing, and replacing the common area, and the owner of each separate interest is responsible for maintaining that separate interest and any exclusive use common area appurtenant to the separate interest. Also under existing law, an association may impose a fine or assessment upon a separate interest owner for failure to maintain his or her property in accordance with the association rules for that common interest development. SB 992 would prohibit a common interest development association from imposing a fine or assessment on separate interest owners for yard maintenance issues related to under-watered plants and lawns during any period for which the Governor has declared a state of emergency due to drought. SB 992 would take an important step of providing a “time-out” on the enforcement of governing documents by homeowners’ associations and codes and ordinances by cities and counties for under-watered plants and lawns during an official declaration of state of emergency due to drought. Voluntary and mandatory rationing programs across the state would benefit from the protections that residents would be afforded under SB 992.

SB 992 should be amended to clarify what will happen when the drought has concluded, including providing for the length of time residents would have to correct drought-related yard maintenance issues after the drought state of emergency is over, prior to the reinstatement of fine and penalty programs.

**Status:**
Assembly third reading
### San Diego County Water Authority

**Summary of Current Positions on 2013-2014 Legislation as of July 8, 2014**

<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Author</th>
<th>Bill Title, Summary &amp; Status</th>
<th>SDCWA Position (Date of Board Action)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SB 1049</td>
<td>Pavley</td>
<td><strong>Integrated Regional Water Management Plans</strong>&lt;br&gt;Existing law authorizes a regional water management group to prepare an integrated regional water management (IRWM) plan for the implementation or operation of projects or programs relating to water supply, water quality, and related matters. SB 1049 would specifically include projects or programs that reduce energy used to acquire, transport, treat, or distribute water, as a regional project or program, thus making those projects eligible to be funded through IRWM funding opportunities. In addition, SB 1049 would require a regional water management group to include all water suppliers that are within the watershed area, the area over a groundwater basin or subbasin, or the area within a county’s boundaries. While existing law already authorizes a regional water management group to include more than three local agencies, there has been concern expressed within some regions of the state that the regional water management group will not allow new members to join, even if they qualify for membership and indicate a willingness to co-pay for the operations of the regional water management group. Rather than impose a “one size fits all” approach by mandating the structure of each regional water management group, SB 1049 should be amended to provide greater discretion to each IRWM region for determining the composition of their regional water management group and the structure of their organization. SB 1049 should be amended to provide that:&lt;br&gt;- Any water supplier within the boundaries of a regional water management group shall be eligible to become a member of the regional water management group if it commits to co-pay a proportionate share of the funding provided by regional water management group members for the operations of the region’s IRWM program.&lt;br&gt;- A regional water management group shall, to the extent feasible, form a public advisory committee that enables local agencies and non-profit organizations within the region water management group’s boundaries to review and make recommendations about the regional water management group’s planning and grant funding activities. &lt;br&gt;<strong>Status:</strong> Senate Appropriations Committee</td>
<td>Support, if amended (27-Feb-14)</td>
</tr>
<tr>
<td>Bill Number</td>
<td>Author</td>
<td>Bill Title, Summary &amp; Status</td>
<td>SDCWA Position (Date of Board Action)</td>
</tr>
<tr>
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</tr>
</tbody>
</table>
| SB 1139     | Hueso  | **California Renewables Portfolio Standard Program**  
Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations, while local publicly owned electric utilities are under the direction of their governing boards. The existing California Renewables Portfolio Standard Program requires a retail seller of electricity and local publicly owned electric utilities to purchase minimum quantities of electricity products from eligible renewable energy resources. SB 1139, as amended on April 21, 2014, would require, by December 24, 2024, each retail seller of electricity and each local publicly owned electric utility to procure a proportionate share of a statewide total of 500 megawatts of electricity generated by baseload geothermal powerplants – 250 MW by 2019 and an additional 250 MW by 2024, divided proportionately between retail sellers and publicly owned electric utilities serving more than 75,000 customers. SB 1139 would also provide that the electricity procured by retail sellers and local publicly owned electric utilities from baseload geothermal powerplants does not count towards meeting their obligations under the California Renewables Portfolio Standard Program to purchase minimum quantities of electricity products from eligible renewable energy resources. SB 1139 would advance opportunities for implementation of the Salton Sea Restoration & Renewable Energy Initiative, launched by the Imperial Irrigation District in partnership with Imperial County. One concern regarding SB 1139 is the lack of eligibility for geothermal power to count towards achieving obligations under the California Renewables Portfolio Standard Program. With the Water Authority’s examination of opportunities to advance a significant pumped hydropower storage project at San Vicente Reservoir, this could create disincentives for advancing feasible renewable energy projects. SB 1139 should be amended to ensure that geothermal power counts toward achievement of the California Renewables Portfolio Standard. | Support, if amended (22-May-14) |
| SB 1144     | Galgiani | **Common Interest Developments: Local Governments: Yard Maintenance Fines: Drought**  
Existing law sets forth the duties and responsibilities of a homeowners’ association, and provides that the association is responsible for maintaining, repairing, and replacing the common area, and the owner of each separate interest is responsible for maintaining that separate interest and any exclusive use common area appurtenant to the separate interest. Also under existing law, an association may impose a fine or assessment upon a separate interest owner for failure to maintain his or her property in accordance with the association rules for that common interest development. | Support and seek amendments (27-Feb-14) |
<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Author</th>
<th>Bill Title, Summary &amp; Status</th>
<th>SDCWA Position (Date of Board Action)</th>
</tr>
</thead>
</table>
| SB 1144    | Hueso   | SB 1144 would prohibit a common interest development association from imposing a fine or assessment on separate interest owners for yard maintenance issues related to under-watered plants and lawns during any period for which the Governor has declared a state of emergency due to drought. Additionally, SB 1144 would prohibit a city or county from imposing a fine or assessment on separate interest owners for yard maintenance issues related to under-watered plants and lawns during any period for which the Governor has declared a state of emergency due to drought. SB 1144 would take an important step of providing a “time-out” on the enforcement of governing documents by homeowners’ associations and codes and ordinances by cities and counties for under-watered plants and lawns during an official declaration of state of emergency due to drought. Voluntary and mandatory rationing programs across the state would benefit from the protections that residents would be afforded under SB 1144 in attempting to comply with rationing requests and mandates with respect to outdoor irrigation. SB 1144 should be amended to clarify what will happen when the drought has concluded, including provisions relating to the length of time residents would have to correct drought-related yard maintenance issues after the drought state of emergency is over, prior to the reinstitution of fine and penalty programs.  
Status: Senate Committee on Transportation and Housing | Support, if amended (24-Apr-14) |
| SB 1250    | Hueso   | **Safe, Clean, and Reliable Drinking Water Supply Act of 2014**  
One of eleven water bond measures currently under consideration in the Legislature, SB 1250, as proposed to be amended, would enact the Safe, Clean, and Reliable Drinking Water Supply Act of 2014 and, if approved by the voters at the November 4, 2014 general election, would authorize the issuance of $9.45 billion in general obligation bonds to finance a variety of water projects.  
SB 1250 would not provide an equitable share of funding for San Diego County based on the region’s taxpayers’ proportional contribution to repayment of the water bond, although it is important to note that the funding allocations embodied in Chapter 9 have not yet been fully developed in the measure.  
**Status:** Senate Committee on Natural Resources and Water |
### San Diego County Water Authority

**Summary of Current Positions on 2013-2014 Legislation**

as of July 8, 2014

<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Author</th>
<th>Bill Title, Summary &amp; Status</th>
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</tr>
</thead>
<tbody>
<tr>
<td>SB 1370</td>
<td>Galgiani</td>
<td><strong>Reliable Water Supply Bond Act of 2014</strong>&lt;br&gt;One of eleven water bond measures currently under consideration in the Legislature. SB 1370 would enact the Reliable Water Supply Act of 2014 and, if approved by the voters at the November 4, 2014 general election, would authorize the issuance of $5.1 billion in general obligation bonds to finance surface water storage projects.&lt;br&gt;AB 1445 would not provide an equitable share of funding for San Diego County based on the region’s taxpayers’ proportional contribution to repayment of the water bond.</td>
<td>Oppose unless amended (27-Feb-14)</td>
</tr>
<tr>
<td>SB 1420</td>
<td>Wolk</td>
<td><strong>Water Management: Urban Water Management Plans</strong>&lt;br&gt;Existing law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan. Existing law also requires an urban water management plan to quantify past and current water use and projected water use, identifying the uses among water use sectors, including commercial, agricultural, and industrial. Existing law also requires an urban water supplier to submit copies of its plan and copies of amendments or changes to the plan to certain entities, including the Department of Water Resources (DWR).&lt;br&gt;SB 1420 would require an urban water management plan to quantify and report on distribution system water loss. Additionally, SB 1420 would authorize (and make voluntary in urban water management plans) water use projections to display and account for the water savings estimated to result from adopted codes, standards, ordinances, and transportation and land use plans. SB 1420 would also require the plan, or amendments to the plan, to be submitted electronically to DWR and include any standardized forms, tables, or displays specified by DWR.&lt;br&gt;AB 1420 (Laird), which was enacted into law in 2007, required the Department of Water Resources (DWR), in consultation with the California Urban Water Conservation Council (CUWCC) to convene an independent technical panel (ITP) to provide information and recommendations to DWR and the Legislature on new water demand management measures, technologies, and approaches to improve water use efficiency in California. The ITP made available a public draft report in December 2013, and is scheduled to make a final report and recommendations to the Legislature in Spring 2014.&lt;br&gt;The ITP public draft report issued in December 2013 included five specific consensus recommendations. The organizations involved in developing the consensus recommendations included the following:</td>
<td>Support (27-Mar-14)</td>
</tr>
</tbody>
</table>
San Diego County Water Authority
Summary of Current Positions on 2013-2014 Legislation
as of July 8, 2014

<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Author</th>
<th>Bill Title, Summary &amp; Status</th>
<th>SDCWA Position (Date of Board Action)</th>
</tr>
</thead>
</table>
| SB 1420     |        | • San Diego County Water Authority  
• Los Angeles Department of Water and Power  
• Gardenworks, Inc.  
• UC Davis, California Center for Urban Horticulture  
• City of Sacramento  
• Maddaus Water Management  
• Natural Resources Defense Council | Assembly Appropriations Committee |
<table>
<thead>
<tr>
<th>Legislation Under Review by the Water Authority as of July 8, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CA AB 1</strong></td>
</tr>
<tr>
<td>AUTHOR: Alejo [D]</td>
</tr>
<tr>
<td>TITLE: Water Quality: Integrated Plan: Salinas Valley</td>
</tr>
<tr>
<td>FISCAL COMMITTEE: yes</td>
</tr>
<tr>
<td>URGENCY CLAUSE: yes</td>
</tr>
<tr>
<td>INTRODUCED: 12/03/2012</td>
</tr>
<tr>
<td>LAST AMEND: 04/03/2013</td>
</tr>
<tr>
<td>DISPOSITION: Failed</td>
</tr>
<tr>
<td>LOCATION: ASSEMBLY</td>
</tr>
<tr>
<td>SUMMARY: Appropriates funds for use by the Greater Monterey County Regional Water Management Group, referred to as the management group, to develop the integrated plan to address the drinking water and wastewater needs of disadvantaged communities in the Salinas Valley whose waters have been affected by waste discharges.</td>
</tr>
<tr>
<td>STATUS: 01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution. 02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.</td>
</tr>
<tr>
<td><strong>CA AB 7</strong></td>
</tr>
<tr>
<td>AUTHOR: Wieckowski [D]</td>
</tr>
<tr>
<td>TITLE: Oil and Gas: Hydraulic Fracturing</td>
</tr>
<tr>
<td>FISCAL COMMITTEE: yes</td>
</tr>
<tr>
<td>URGENCY CLAUSE: no</td>
</tr>
<tr>
<td>INTRODUCED: 12/03/2012</td>
</tr>
<tr>
<td>LAST AMEND: 06/10/2013</td>
</tr>
<tr>
<td>DISPOSITION: Failed</td>
</tr>
<tr>
<td>LOCATION: ASSEMBLY</td>
</tr>
<tr>
<td>SUMMARY: Requires the owner or operator of a well to file an application specifying additional information before commencing drilling and to provide to the State Oil and Gas Supervisor specific information relating to hydraulic fracturing as part of the well's drilling history. Prohibits drilling until approval or denial of the application. Defines hydraulic fracturing and related fluids. Provides the procedures to be taken in determining that such information is a trade secret. Requires landowner notification.</td>
</tr>
<tr>
<td>STATUS: 02/03/2014 Died on Inactive File.</td>
</tr>
<tr>
<td><strong>CA AB 21</strong></td>
</tr>
<tr>
<td>AUTHOR: Alejo [D]</td>
</tr>
<tr>
<td>TITLE: Safe Drinking Water Small Community Grant Fund</td>
</tr>
<tr>
<td>FISCAL COMMITTEE: yes</td>
</tr>
<tr>
<td>URGENCY CLAUSE: no</td>
</tr>
<tr>
<td>INTRODUCED: 12/03/2012</td>
</tr>
<tr>
<td>ENACTED: 10/08/2013</td>
</tr>
<tr>
<td>DISPOSITION: Enacted</td>
</tr>
<tr>
<td>LOCATION: Chaptered</td>
</tr>
<tr>
<td>CHAPTER: 628</td>
</tr>
<tr>
<td>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 and provides a monetary limit</td>
</tr>
</tbody>
</table>

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to the fund. Authorizes the expending of the money in the fund for grants for specified water projects that serve disadvantaged and severely disadvantaged communities. Limits the amount in the fund.

**STATUS:**

10/08/2013 Signed by GOVERNOR.
10/08/2013 Chaptered by Secretary of State. Chapter No. 628

**CA AB 26**

**AUTHOR:** Bonilla [D]
**TITLE:** Construction: Prevailing Wage
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** no
**INTRODUCED:** 12/03/2012
**LAST AMEND:** 06/16/2014
**DISPOSITION:** Pending
**LOCATION:** Senate Third Reading File

Revises the definition for construction to include postconstruction phases and cleanup work at the jobsite, for purposes of the requirements in existing law regarding the payment of prevailing wages on public works construction, alteration, demolition, installation, or repair work done under contract and paid in whole or in part out of public funds.

**STATUS:**

07/01/2014 In SENATE. Read second time. To third reading.

**CA AB 30**

**AUTHOR:** Perea [D]
**TITLE:** Water Quality
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** no
**INTRODUCED:** 12/03/2012
**ENACTED:** 10/08/2013
**DISPOSITION:** Enacted
**LOCATION:** Chaptered
**CHAPTER:** 629

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 the board makes a prescribed determination, at which time the board would replace the charge with an identical interest rate. Relates to deposits into the State Water Pollution Control Revolving Fund Small Community Grant Fund and expansion of grants from the fund.

**STATUS:**

10/08/2013 Signed by GOVERNOR.
10/08/2013 Chaptered by Secretary of State. Chapter No. 629

**CA AB 39**

**AUTHOR:** Skinner [D]
**TITLE:** Energy: Conservation: Financial Assistance
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** no
**INTRODUCED:** 12/03/2012
**LAST AMEND:** 06/24/2013
**DISPOSITION:** Pending
**LOCATION:** Senate Inactive File
SUMMARY:
Extends the operation of the Energy Conservation Assistance Act of 1979 that requires the State Energy Resources Conservation and Development Commission to administer the State Energy Conservation Assistance Account, a continuously appropriated account to provide grants and loans to local governments and public institutions to maximize energy use savings.

STATUS:
09/12/2013 In SENATE. From third reading. To Inactive File.

CA AB 44
AUTHOR: Buchanan [D]
TITLE: Subletting and Subcontracting Fair Practices Act
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 12/18/2012
ENACTED: 09/09/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 258
SUMMARY:
Amends the Subletting and Subcontracting Fair Practices Act that requires the entity taking bids for the construction of any public work or improvement to specify certain information regarding each subcontractor who will perform work or labor or render service to the prime contractor in or about the work or improvement. Requires that the state contractor license number of each subcontractor also be provided.

STATUS:
09/09/2013 Signed by GOVERNOR.
09/09/2013 Chaptered by Secretary of State. Chapter No. 258

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: 07/02/2014
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/04/2014 10:00 am
SUMMARY:
Amends the California Environmental Quality Act. Specifies a project that may cause substantial adverse change in a tribal cultural resource is a project that may have an environmental effect. Requires the lead agency to begin consultation with Native American tribe traditionally and culturally connected with the project's geographic area. Specifies examples of mitigation measures that may be considered to avoid or minimize impacts on resources. Requires providing tribes with lead agencies in their area.

STATUS:
07/02/2014 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

CA AB 69
AUTHOR: Perea [D]
TITLE: Global Warming Solutions: Market-Based Compliance
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 01/10/2013
LAST AMEND: 07/02/2014
DISPOSITION: Pending
LOCATION: Senate Rules Committee
SUMMARY:
Amends the Global Warming Solutions Act of 2006. Exempts categories of persons or entities that did not have a compliance obligation under the market-based compliance mechanism to achieve greenhouse gas reduction reductions, from being subject to that compliance mechanism for a specified time period. Requires all participating categories of persons or entities to have a compliance obligations beginning on a specified date.
STATUS:
07/03/2014 Withdrawn from SENATE Committee on AGRICULTURE.
07/03/2014 Re-referred to SENATE Committee on RULES.

CA AB 71
AUTHOR: Perez V [D]
TITLE: Salton Sea Restoration
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 01/10/2013
ENACTED: 09/28/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 402
SUMMARY:
Requires the Secretary of the Natural Resources Agency to lead Salton Sea restoration efforts. Authorizes the Salton Sea Authority to lead a restoration funding and feasibility study. Requires the Secretary to seek input from the Authority with regard to Salton Sea restoration components.
STATUS:
09/28/2013 Chaptered by Secretary of State. Chapter No. 402
NOTES: SDCWA Position: Support (5-23-13)

CA AB 72
AUTHOR: Holden [D]
TITLE: Municipal Water District: Board of Directors
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 01/10/2013
ENACTED: 06/17/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 8
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:
06/17/2013 Signed by GOVERNOR.
06/17/2013 Chaptered by Secretary of State. Chapter No. 8

CA AB 115
AUTHOR: Perea [D]
TITLE: Safe Drinking Water State Revolving Fund
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/14/2013
ENACTED: 10/08/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 630
SUMMARY:
Relates to the state Safe Drinking Water Act. Authorizes a legal entity to apply for grant funding on behalf of one or more public water systems serving disadvantaged or severely disadvantaged communities if specified requirements are met, including having a signed agreement with each public water system for which it is applying for funding. Provides for transferring the statutory and regulatory authority for the California Safe Drinking Water Act from the Department of Public Health.

STATUS:
10/08/2013 Signed by GOVERNOR.
10/08/2013 Chaptered by Secretary of State. Chapter No. 630

NOTES:
SDCWA Position: Support (3-28-2013)

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
ENACTED: 10/08/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 631
SUMMARY:
Limits loans and grants from the Safe Drinking Water State Revolving Fund for planning and preliminary engineering studies, project design, and construction costs to those incurred by community and not-for-profit public water systems. Specifies that certain water systems have no ability to repay a loan. Authorizes a loan applicant to receive up to the full cost of a project in the form of a loan, subject to specified conditions.

STATUS:
10/08/2013 Signed by GOVERNOR.
10/08/2013 Chaptered by Secretary of State. Chapter No. 631

CA AB 119
AUTHOR: Env Safety & Toxic Material Cmt
TITLE: Water Treatment Devices
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/14/2013
ENACTED: 09/28/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 403
SUMMARY:
Revises the criteria and procedure for certification of water treatment devices for which a health and safety claim is made. Requires each manufacturer that offers for sale a water treatment device for which it makes such a claim to
submit certain information, including the manufacturer’s contact information, product identification information, and the specific contaminant claimed to be removed or reduced by the device. Requires a regulatory fee. Relates to labeling. Requires posting on a certain Web site.

<table>
<thead>
<tr>
<th>STATUS:</th>
<th>09/28/2013 Chaptered by Secretary of State. Chapter No. 403</th>
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**CA AB 142**

<table>
<thead>
<tr>
<th>AUTHOR:</th>
<th>Water, Parks and Wildlife Cmt</th>
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<tbody>
<tr>
<td>TITLE:</td>
<td>Water Resources: Infrastructure</td>
</tr>
<tr>
<td>FISCAL COMMITTEE:</td>
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<tr>
<td>URGENCY CLAUSE:</td>
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<tr>
<td>INTRODUCED:</td>
<td>01/17/2013</td>
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<td>LAST AMEND:</td>
<td>05/06/2013</td>
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<td>DISPOSITION:</td>
<td>Failed</td>
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<td>LOCATION:</td>
<td>ASSEMBLY</td>
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Requires the Department of Water Resources to initiate and complete a comprehensive study of state and local water supply infrastructure needs and to provide a report to the Legislature that summarizes those findings.

<table>
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<th>STATUS:</th>
<th>01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.</th>
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<td>02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.</td>
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**CA AB 145**

<table>
<thead>
<tr>
<th>AUTHOR:</th>
<th>Perea [D]</th>
</tr>
</thead>
<tbody>
<tr>
<td>TITLE:</td>
<td>State Water Resources Control Board: Drinking Water</td>
</tr>
<tr>
<td>FISCAL COMMITTEE:</td>
<td>yes</td>
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<tr>
<td>URGENCY CLAUSE:</td>
<td>no</td>
</tr>
<tr>
<td>INTRODUCED:</td>
<td>01/18/2013</td>
</tr>
<tr>
<td>LAST AMEND:</td>
<td>06/18/2013</td>
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<tr>
<td>DISPOSITION:</td>
<td>Pending</td>
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<tr>
<td>LOCATION:</td>
<td>Senate Appropriations Committee</td>
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</table>

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. Requires the State Environmental Protection Agency to prepare a project initiation document for the transfer of the state drinking water program from the State Department of Public Health to a Division of Drinking Water Quality.

<table>
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<th>STATUS:</th>
<th>08/30/2013 In SENATE Committee on APPROPRIATIONS: Held in committee.</th>
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<tbody>
<tr>
<td>NOTES:</td>
<td>SDCWA Position: Oppose unless amended (3-28-2013)</td>
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**CA AB 147**

<table>
<thead>
<tr>
<th>AUTHOR:</th>
<th>Perez V [D]</th>
</tr>
</thead>
<tbody>
<tr>
<td>TITLE:</td>
<td>Realignment Omnibus Act of 2014</td>
</tr>
<tr>
<td>FISCAL COMMITTEE:</td>
<td>yes</td>
</tr>
<tr>
<td>URGENCY CLAUSE:</td>
<td>no</td>
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<tr>
<td>INTRODUCED:</td>
<td>01/18/2013</td>
</tr>
<tr>
<td>LAST AMEND:</td>
<td>04/30/2014</td>
</tr>
<tr>
<td>DISPOSITION:</td>
<td>Pending</td>
</tr>
<tr>
<td>LOCATION:</td>
<td>Senate Rules Committee</td>
</tr>
</tbody>
</table>
SUMMARY:
Requires that any person who is released from prison who has a prior conviction for a serious felony, a violent felony, and offense for which the person was sentenced pursuant to the 3-strikes law, a crime where a person is classified as a high-risk offender, or a crime where the person is required to undergo mental health treatment, be subject to parole supervision by the Department of Corrections and Rehabilitation and the court in the county of residence or in which an alleged violation occurred.

STATUS:
05/05/2014 Withdrawn from SENATE Committee on NATURAL RESOURCES AND WATER.
05/05/2014 Re-referred to SENATE Committee on RULES.

NOTES:
SDCWA Position: Oppose unless amended (5-23-13)

CA AB 148
AUTHOR: Perez V [D]
TITLE: Salton Sea Restoration
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/18/2013
LAST AMEND: 06/15/2014
DISPOSITION: To Governor
LOCATION: Enrolled
SUMMARY: Amends existing law that requires the Secretary of the Natural Resources Agency, in consultation and coordination with the Salton Sea Authority, to lead Salton Sea restoration efforts. Eliminates the requirement that the Secretary and the Legislature have final approval for any proposed restoration plan. Authorizes the Authority to lead a feasibility study. Prohibits a study or other activity from delaying the planning and implementation of ongoing and planned restoration projects.

STATUS:
07/02/2014 Enrolled.

CA AB 153
AUTHOR: Bonilla [D]
TITLE: Global Warming Solutions Act of 2006: Offsets
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/18/2013
LAST AMEND: 04/08/2013
DISPOSITION: Failed
LOCATION: ASSEMBLY
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 for reducing greenhouse gases and, commencing in 2014 and continuing thereafter, use that process to review and consider new offset protocols. Requires the board to adopt guidelines and incentives that prioritize the approval of specified offset protocols. Requires the board to submit a specified annual report to the Legislature.

STATUS:
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.
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 if a federal agency determines a conflict with federal law. Excludes from the definition of a supplemental defined benefit plan for purposes of a prohibition in the Act, a multiemployer plan, pursuant to a collective bargaining or similar agreement.

STATUS:
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.

Makes legislative findings and declaration relating to the criticalness of maintaining signal strength and call reliability for 911 calls from cellular telephones. States the intent of the Legislature to subsequently amend this legislation to include provisions that would increase network capacity on existing wireless structures in order to serve the needs of safety personnel and the public of the state.

STATUS:
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.

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 materials suppliers employed on the work under contract.

**STATUS:**
08/13/2013 Signed by GOVERNOR.
08/13/2013 Chaptered by Secretary of State. Chapter No. 94

**CA AB 185**

**AUTHOR:** Hernandez R [D]
**TITLE:** Open and Public Meetings: Televised Meetings
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:**
**INTRODUCED:** 01/28/2013
**LAST AMEND:** 04/23/2013
**DISPOSITION:** Failed
**LOCATION:** ASSEMBLY

Provides the time frame for destruction of an audio or video recording of an open and public meeting. Requires a local agency that collects a franchise fee from a state franchise holder that provides public, educational, and government access channels to televise the open and public meetings of its legislative body and planning commission, unless such is a financial hardship, then meetings would be broadcast via an audio-visual medium. Authorizes the use of franchise fees to implement such televising.

**STATUS:**
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.

**CA AB 194**

**AUTHOR:** Campos [D]
**TITLE:** Open Meetings: Actions For Violations
**FISCAL COMMITTEE:** no
**URGENCY CLAUSE:**
**INTRODUCED:** 01/28/2013
**LAST AMEND:** 07/01/2014
**DISPOSITION:** Pending
**LOCATION:** Senate Third Reading File

Amends the Ralph M. Brown Act. Requires the agenda for a regular meeting to provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public before and during the legislative body's consideration of the item. Prohibits a reduction in the time allocated for public testimony based on the time used for the questioning or interruption of a speaker by the legislative body or its offers or employees, and the speaker's response to same.

**STATUS:**
07/01/2014 In SENATE. Read second time and amended. To third reading.

**CA AB 218**

**AUTHOR:** Dickinson [D]
**TITLE:** Employment Applications: Criminal History
**FISCAL COMMITTEE:** no
**URGENCY CLAUSE:**

Dickinson [D]
INTRODUCED: 02/04/2013
ENACTED: 10/10/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 699
SUMMARY: Prohibits a state or local agency from asking an applicant for employment to disclose information regarding a criminal conviction until the agency has determined the applicant meets the minimum employment qualifications for the position. Includes specified findings and declarations of the Legislature in support of this policy.
STATUS: 10/10/2013 Signed by GOVERNOR.
10/10/2013 Chaptered by Secretary of State. Chapter No. 699

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: 08/12/2013
DISPOSITION: Pending
LOCATION: Assembly Inactive File
SUMMARY: Authorizes the creation by a city, county, city and county, and joint powers authority, of an infrastructure and revitalization financing district and the issuance of debt with voter approval. Authorizes the creation of a district and the issuance of debt. Authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases.
STATUS: 09/11/2013 In ASSEMBLY. From Unfinished Business. To Inactive File.

CA AB 240

AUTHOR: Rendon [D]
TITLE: Mutual Water Companies
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/05/2013
ENACTED: 10/08/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 633
SUMMARY: Relates to mutual water company board member training. Permits the board 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 company. Enacts the Mutual Water Company Open Meeting Act. Requires budget adoption in an open meeting. Relates to mutual water company auditing contracts. Authorizes funding for certain entities for water quality projects for the City of Maywood.
STATUS: 10/08/2013 Signed by GOVERNOR.
10/08/2013 Chaptered by Secretary of State. Chapter No. 633
CA AB 246

**AUTHOR:** Bradford [D]

**TITLE:** Local Government: Open Meetings

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/06/2013

**ENACTED:** 06/24/2013

**DISPOSITION:** Enacted

**LOCATION:** Chaptered

**CHAPTER:** 11

**SUMMARY:**

Authorizes, under the Ralph M. Brown Act, the legislative body of a local agency to hold closed sessions with the Governor, with regards to matters that pose a threat to the security of public buildings, a threat to the security of essential public services, or a threat to the public’s right of access to public services or public facilities. Makes various other technical nonsubstantive changes to the Ralph M. Brown Act.

**STATUS:**

06/24/2013 Signed by GOVERNOR.

06/24/2013 Chaptered by Secretary of State. Chapter No. 11

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CA AB 262

**AUTHOR:** Waldron [R]

**TITLE:** Local Government: Organization

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/07/2013

**DISPOSITION:** Failed

**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:**

02/03/2014 Died at Desk.

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CA AB 279

**AUTHOR:** Dickinson [D]

**TITLE:** Financial Affairs

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/11/2013

**ENACTED:** 09/06/2013

**DISPOSITION:** Enacted

**LOCATION:** Chaptered

**CHAPTER:** 228

**SUMMARY:**

Amends existing law that prescribes the instruments in and criteria by which a local agency may invest and deposit its funds, including its surplus funds and authorizes such agency to invest in specified certificates of deposit. Removes the term certificates of deposit. Authorizes such agency to invest in specified deposits. Limits the amount of its funds that an agency may place with any one private sector entity or with one or more commercial banks, savings banks, savings and loans, or credit unions.
STATUS:
09/06/2013 Signed by GOVERNOR.
09/06/2013 Chaptered by Secretary of State. Chapter No. 228

CA AB 295

AUTHOR: Water, Parks and Wildlife Cmt
TITLE: Water: Water Supply: Infrastructure
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/11/2013
LAST AMEND: 05/06/2013
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY:
Requires the State Water Resources Control Board and the Drinking Water and Environmental Management Division of the State Department of Public Health to initiate and complete a comprehensive study relating to the need for state funding for water projects and to provide a report to the Legislature summarizing those findings.

STATUS:
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.

CA AB 378

AUTHOR: Hueso [D]
TITLE: Resources: Delta Research
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/14/2013
DISPOSITION: Failed
LOCATION: ASSEMBLY
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:
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.

CA AB 380

AUTHOR: Dickinson [D]
TITLE: Spill Response For Railroads
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/14/2013
LAST AMEND: 06/16/2014
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/04/2014 10:00 am
SUMMARY:
Requires a rail carrier to report specified information regarding the
transportation of hazardous materials to the Office of Emergency Services. Requires each rail carrier to maintain a response management communications center. Requires each rail carrier to provide the office with a summary of the rail carrier’s hazardous materials emergency response plan. Requires the office to provide a copy of each summary report to each unified program agency. Limits the dissemination of those reports.

**STATUS:**
06/16/2014 From SENATE Committee on APPROPRIATIONS with author’s amendments.
06/16/2014 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

**NOTES:**
SDCWA Position: Oppose unless amended (4-25-13)

**CA AB 407**

**AUTHOR:** Perez V [D]

**TITLE:** Renewable Energy Resources: Salton Sea

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/15/2013

**LAST AMEND:** 02/20/2014

**DISPOSITION:** Pending

**LOCATION:** Senate Energy, Utilities and Communications Committee

**SUMMARY:**
Requires the State Energy Resources Conservation and Development Commission, in consultation with the Public Utilities Commission and the Independent System Operator, to convene a stakeholders group to identify impediments and recommended steps that should be taken to properly maintain, develop, integrate and transmit electricity generated by eligible renewable energy resources located in and around the Salton Sea Known Geothermal Resource Area and the Geysers Geothermal Field.

**STATUS:**
03/06/2014 Re-referred to SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.

**Commentary:**
SDCWA Position: Support (4-24-14)

**CA AB 409**

**AUTHOR:** Quirk-Silva [D]

**TITLE:** Political Reform Act: Statements: Online Filing

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** yes

**INTRODUCED:** 02/15/2013

**ENACTED:** 10/08/2013

**DISPOSITION:** Enacted

**LOCATION:** Chaptered

**CHAPTER:** 643

**SUMMARY:**
Authorizes the Fair Political Practices Commission to develop and operate an online system for filing statements of economic interests meeting specified requirements. Provides that with certain exceptions, filers would be authorized to use the system to meet requirements under the Act.

**STATUS:**
10/08/2013 Signed by GOVERNOR.
10/08/2013 Chaptered by Secretary of State. Chapter No. 643
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: Failed
LOCATION: ASSEMBLY

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:
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.

CA AB 426

AUTHOR: Salas [D]
TITLE: Water Transfers: Water Rights Decrees
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/15/2013
ENACTED: 10/08/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 634

SUMMARY: Amends existing law that provides that any water right determined under a court decree issued after a specified date, is transferable. Eliminates the requirement that a court decree be issued after a specified date.

STATUS:
10/08/2013 Signed by GOVERNOR.
10/08/2013 Chaptered by Secretary of State. Chapter No. 634

CA AB 515

AUTHOR: Dickinson [D]
TITLE: State Environmental Quality Act: Writ of Mandate
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2013
LAST AMEND: 06/05/2014
DISPOSITION: Pending
LOCATION: Senate Environmental Quality Committee

SUMMARY: Amends the State Environmental Quality Act that requires a court, if it finds that a public agency has violated the requirements of the Act, to issue an order, in the form of a peremptory writ of mandate. Authorizes the court to require the public agency to prepare and file an initial return of the writ and to issue a determination if the actions taken are adequate to comply with the peremptory writ of mandate within a specified time period of the filing of the return.
| STATUS: | 06/05/2014 | From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments. |
| STATUS: | 06/05/2014 | In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY. |

**CA AB 519**

| AUTHOR: | Logue [R] |
| TITLE: | Unfair Competition |
| FISCAL COMMITTEE: | no |
| URGENCY CLAUSE: | no |
| INTRODUCED: | 02/20/2013 |
| LAST AMEND: | 03/19/2013 |
| DISPOSITION: | Failed |
| LOCATION: | ASSEMBLY |

**SUMMARY:**
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:**
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.

**CA AB 527**

| AUTHOR: | Gaines B [R] |
| TITLE: | Global Warming Solutions: Western Climate Initiative |
| FISCAL COMMITTEE: | yes |
| URGENCY CLAUSE: | no |
| INTRODUCED: | 02/20/2013 |
| VETOED: | 09/28/2013 |
| DISPOSITION: | Vetoed |
| LOCATION: | Vetoed |

**SUMMARY:**
Amends existing law that exempts the Western Climate Initiative, Incorporated, and its appointees from the Bagley-Keene Open Meetings Act when performing their duties. Repeals that exemption.

**STATUS:**
09/28/2013 Vetoed by GOVERNOR.

**CA AB 536**

| AUTHOR: | Wagner [R] |
| TITLE: | Contractors: Payments |
| FISCAL COMMITTEE: | no |
| URGENCY CLAUSE: | no |
| INTRODUCED: | 02/20/2013 |
| LAST AMEND: | 01/06/2014 |
| DISPOSITION: | Failed |
| LOCATION: | ASSEMBLY |

**SUMMARY:**
Amends existing law that allows specified persons to withhold from 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 the amount of specified claims from being considered disputed amounts.

**STATUS:**
Amends existing law requiring the governing body of a local public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of a recognized employee organization. Requires that, if a certain tentative agreement is reached by parties, the governing body shall vote to accept or reject that agreement within a specified time period. Provides that a charge for failure to meet and confer in good faith shall not be barred in certain cases.

STATUS:
10/13/2013 Chaptered by Secretary of State. Chapter No. 785
Requires the head of a state agency to ensure a state contracting program is administered in a manner that promotes small business participation. Requires the head of the agency to annually review small business participation levels and to develop a plan for increasing small business participation levels when levels are low. Requires the Department of General Services and the Office of the Small Business Advocate to serve as a resource to assist the heads of agencies identify contracting best practices.

**STATUS:**

- 01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
- 02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.

**CA AB 562**

**AUTHOR:** Williams [D]

**TITLE:** Economic Development Subsidies: Local Agency Review

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/20/2013

**ENACTED:** 10/11/2013

**DISPOSITION:** Enacted

**LOCATION:** Chaptered

**CHAPTER:** 740

**SUMMARY:** Relates to economic development activities by state and local agencies. Requires each defined local agency to provide information to the public before approving an economic development subsidy, and to hold hearings and report on those subsidies at specified intervals.

**STATUS:**

- 10/11/2013 Signed by GOVERNOR.
- 10/11/2013 Chaptered by Secretary of State. Chapter No. 740

**CA AB 613**

**AUTHOR:** Hueso [D]

**TITLE:** Water Reclamation

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/20/2013

**ENACTED:** 10/11/2013

**DISPOSITION:** Failed

**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:**

- 02/03/2014 Died at Desk.
- NOTES: SDCW Position: Sponsor (bill is now SB 322; author moved from Assembly to Senate)

**CA AB 616**

**AUTHOR:** Bocanegra [D]

**TITLE:** Local Public Employee Organizations: Dispute: Panels

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/20/2013

**LAST AMEND:** 06/17/2013

**DISPOSITION:** Pending
Senate Appropriations Committee

Relates to local public employee organizations. Requires an organization request for submit a dispute to a factfinding panel to be in writing. Provides if either party disputes that a genuine impasse has been reached, the issue of whether the impasse exists may be submitted to the Public Employees Relations Board for resolution before the dispute is submitted to a factfinding panel. Authorizes each party to select a person to serve as its member of the factfinding panels.

STATUS:
08/30/2013 In SENATE Committee on APPROPRIATIONS: Held in committee.

CA AB 621

AUTHOR: Wagner [R]
TITLE: Local Government: Bonds
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/20/2013
LAST AMEND: 02/24/2014
DISPOSITION: Failed
LOCATION: ASSEMBLY

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 that provides or will provide bond campaign services to the bond campaign. Provides an exemption from that prohibition. Prohibits such a relationship with respect to the new issue of bonds requiring voter approval on or after a specified date. Defines certain terms for those purposes.

STATUS:
06/25/2014 In SENATE Committee on GOVERNANCE AND FINANCE: Not heard.
06/25/2014 From SENATE Committee on GOVERNANCE AND FINANCE without further action pursuant to JR 62(a).

CA AB 649

AUTHOR: Nazarian [D]
TITLE: Oil and Gas: Hydraulic Fracturing
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
LAST AMEND: 05/08/2013
DISPOSITION: Failed
LOCATION: ASSEMBLY

SUMMARY:
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 within a specified distance of a home, public building, school, surface waters, underground source of drinking water, or any sensitive human or environmental resource 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.

STATUS:
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR
CA AB 669

AUTHOR: Stone [D]
TITLE: Oil and Gas: Drilling
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
LAST AMEND: 05/24/2013
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY:
Requires an oil or gas well operator prior to drilling to submit proof that the Regional Water Quality Control Board has approved the 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 well casing failures. Requires well operators to provide a copy of the hydraulic fracturing treatment permit to surface property owners.
STATUS: 02/03/2014 Died on Inactive File.

CA AB 687

AUTHOR: Hernandez R [D]
TITLE: Electricity
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
LAST AMEND: 02/04/2014
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY:
Requires the Public Utilities Commission, when authorizing additional direct transactions for retail nonresidential end-use customers, to provide the highest priority to acquire electric services from other providers to entities treating and remediating groundwater that is identified as contaminated on a site listed as a Superfund site in a disadvantaged or severely disadvantaged community or a public drinking water system of such communities. Requires the treatment and remediation using certain moneys.
STATUS: 02/04/2014 From SENATE Committee on APPROPRIATIONS with author's amendments.
02/04/2014 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

CA AB 696

AUTHOR: Mansoor [R]
TITLE: Public Employment: Pensions
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
DISPOSITION: Failed
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:**
02/03/2014 Died at Desk.

**CA AB 709**

**AUTHOR:** Nestande [R]
**TITLE:** Salton Sea Authority: Restoration Plan
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** no
**INTRODUCED:** 02/21/2013
**LAST AMEND:** 04/11/2013
**DISPOSITION:** Failed
**LOCATION:** ASSEMBLY

**SUMMARY:**
Requires the Salton Sea Authority develop and submit a restoration plan to the Legislative Analyst for review. Requires the Analyst to complete its review by a specified date, and if the Analyst 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. Designates the authority as the lead agency for restoration.

**STATUS:**
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.

**CA AB 729**

**AUTHOR:** Hernandez R [D]
**TITLE:** Evidentiary Privileges: Union Agent-Represented Worker
**FISCAL COMMITTEE:** no
**URGENCY CLAUSE:** no
**INTRODUCED:** 02/21/2013
**VETOED:** 10/11/2013
**DISPOSITION:** Vetoed
**LOCATION:** Vetoed

**SUMMARY:**
Provides a union agent and a represented employee or represented former employee have a privilege to refuse to disclose any confidential communication between the employee or former employee and the agent while the agent was acting in his or her representative capacity. Provides an exception. Provides the represented employee and the represented former employee also have a privilege to prevent another person from disclosure. Provides for a waiver. Exempts the privilege from criminal proceedings.

**STATUS:**
10/11/2013 Vetoed by GOVERNOR.

**CA AB 749**

**AUTHOR:** Gorell [R]
**TITLE:** Public-Private Partnerships
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** no
**INTRODUCED:** 02/21/2013
**LAST AMEND:** 04/11/2013
**DISPOSITION:** Failed
**LOCATION:** ASSEMBLY
SUMMARY:
Amends existing law that authorizes the State Department of Transportation and regional transportation agencies to enter into comprehensive development lease agreements with public and private entities, or consortia of those entities, for certain transportation projects that may charge certain users tolls and user fees and calls those arrangements public-private partnerships. States the intent of the Legislature for a project developed under these provisions to have specified characteristics.

STATUS:
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.

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: 04/11/2013
DISPOSITION: Failed
LOCATION: ASSEMBLY
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, special district, or state government or contracted out to a private entity by the special district or local or state government.

STATUS:
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.

CA AB 762

AUTHOR: Patterson [R]
TITLE: Renewable Energy Resources: Hydroelectric Generation
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
DISPOSITION: Failed
LOCATION: ASSEMBLY
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:
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.

NOTES:
SDCWA Position: Support (3-28-2013)

CA AB 763

AUTHOR: Buchanan [D]
TITLE: Aquatic Invasive Plants: Control and Eradication
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
### CA AB 769

**INTRODUCED:** 02/21/2013  
**ENACTED:** 09/23/2013  
**DISPOSITION:** Enacted  
**LOCATION:** Chaptered  
**CHAPTER:** 330

**SUMMARY:**
Designates the Division of Boating and Waterways as the lead agency of the state for the purpose of cooperating with other state, local, and federal agencies in identifying, detecting, controlling, and administering programs to manage invasive aquatic plants in the Sacramento-San Joaquin Delta, its tributaries, and the Suisun Marsh. Provides required actions by specified agencies regarding aquatic plants. Requires risk assessment to specify if the aquatic plant is considered to be invasive.

**STATUS:**
- 09/23/2013 *****To GOVERNOR.
- 09/23/2013 Signed by GOVERNOR.
- 09/23/2013 Chaptered by Secretary of State. Chapter No. 330

**NOTES:**
SDCWA Position: Support (3-28-2013)

**AUTHOR:** Skinner [D]  
**TITLE:** Sales and Use Taxes: Exemption: Clothes Washers  
**FISCAL COMMITTEE:** yes  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 02/21/2013  
**LAST AMEND:** 05/14/2014  
**DISPOSITION:** Pending  
**LOCATION:** Senate Governance and Finance Committee  

**SUMMARY:**
Exempts from the sales and use tax laws the gross receipts and the sales price that do not exceed a specified amount from the sale of, and the storage, use, or other consumption of, a qualified efficient clothes washer purchased for installation and use in the State.

**STATUS:**
- 05/14/2014 From SENATE Committee on GOVERNANCE AND FINANCE with author's amendments.
- 05/14/2014 In SENATE. Read second time and amended. Re-referred to Committee on GOVERNANCE AND FINANCE.

**Commentary:**
SDCWA Position: Support (6-26-14)

### CA AB 792

**INTRODUCED:** 02/21/2013  
**ENACTED:** 10/04/2013  
**DISPOSITION:** Enacted  
**LOCATION:** Signed by Governor  
**CHAPTER:** 534

**SUMMARY:**
Exempts from any utility user tax imposed by a local jurisdiction, the consumption of electricity generated by a clean energy resource for the use of a single customer or customer's tenants.
CA AB 793

AUTHOR: Gray [D]
TITLE: San Joaquin Valley Groundwater Conservancy
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
LAST AMEND: 06/26/2014
DISPOSITION: Pending
LOCATION: Senate Rules Committee
SUMMARY:
Establishes the San Joaquin Valley Groundwater Conservancy to undertake various activities related to the San Joaquin Valley. Prescribes the management, powers, and duties of the conservancy. Creates a related fund to be used for the purposes of the conservancy.

STATUS:
06/30/2014 In SENATE. Read second time. To third reading.
06/30/2014 Re-referred to SENATE Committee on RULES.

CA AB 803

AUTHOR: Gomez [D]
TITLE: Water Recycling Act of 2013
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
ENACTED: 10/08/2013
DISPOSITION: Enacted
CHAPTER: 635
SUMMARY:
Creates the Water Recycling Act of 2013. Authorizes compliance with effluent limitations and any other permit or waste discharge requirements for the release or discharge of advanced treated purified water that meets certain conditions. Requires certain notification prior to any discharge being allowed. Requires a cemetery supplied with disinfected tertiary recycled treated water that installs a hose bib in a public access area to post visible signage and labeling indicating that the water is nonpotable.

STATUS:
10/08/2013 Signed by GOVERNOR.
10/08/2013 Chaptered by Secretary of State. Chapter No. 635
NOTES: SDCWA Position: Support (3-28-2013)

CA AB 822

AUTHOR: Hall [D]
TITLE: Local Government Retirement Plans
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
VETOED: 10/12/2013
DISPOSITION: Vetoed
LOCATION: Vetoed
SUMMARY:
Requires whenever a local ordinance or measure qualifies for the ballot...
proposing to alter, replace, or eliminate the retirement benefit plan of local entity employees, the governing body secure the services of an independent actuary for a statement or a summary of the statement of the impact of the measure upon costs of the retirement plan and to place the statement in the sample ballot. Requires a notice about obtaining a copy of the measure to be on the sample ballot. Applies to specified entities.

STATUS:
10/12/2013 Vetoed by GOVERNOR.

CA AB 823

AUTHOR: Eggman [D]
TITLE: Environment: State Farmland Protection Act
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
LAST AMEND: 04/23/2013
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY:
Enacts the Farmland Protection Act. Requires that a lead agency reviewing a development project require that all feasible mitigation of the identified significant environmental impacts associated with the conversion of agricultural lands be completed by the project applicant and to consider the permanent protection or replacement of such land as feasible mitigation for identified significant effects on the land caused by the project.

STATUS:
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.

NOTES:
SDCWA Position: Oppose (4-25-13)

CA AB 850

AUTHOR: Nazarian [D]
TITLE: Public Capital Facilities: Water Quality
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
ENACTED: 10/08/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 636
SUMMARY:
Authorizes specified joint powers authorities, upon application of a local agency that owns and operates a publicly owned utility, to issue rate reduction bonds for a utility project. Provides the bonds are secured by utility project property. Authorizes a utility project charge to finance such bonds. Requires a bond review for issue qualification. Requires application fees for bond review cost reimbursement. Requires the Pollution Control Financing Authority to establish procedures for expedited review.

STATUS:
10/08/2013 Signed by GOVERNOR.
10/08/2013 Chaptered by Secretary of State. Chapter No. 636

CA AB 931

AUTHOR: Gaines B [R]
TITLE: Public Employee Retirement: Health Benefits
CA AB 934

Author: Cooley [D]
Title: Local Agencies: Unclaimed Money
Fiscal Committee: no
Urgency Clause: no
Introduced: 02/22/2013
Enacted: 10/01/2013
Disposition: Enacted
Location: Chaptered
Chapter: 457
Summary:
Requires a local agency to document that it has made a reasonable effort to locate and notify the victim to whom restitution is owed if, at the expiration of a specified time period, the agency elects to use restitution funds for victim services.
Status:
10/01/2013 Signed by GOVERNOR.
10/01/2013 Chaptered by Secretary of State. Chapter No. 457

CA AB 941

Author: Rendon [D]
Title: Controller: Reports
Fiscal Committee: yes
Urgency Clause: no
Introduced: 02/22/2013
Last Amend: 04/23/2013
Disposition: Failed
Location: ASSEMBLY
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, or community redevelopment agency. 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. Doubles the fines for failure to submit a report for two consecutive years.
Status:
CA AB 953

**AUTHOR:** Ammiano [D]

**TITLE:** California Environmental Quality Act

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/22/2013

**DISPOSITION:** Failed

**LOCATION:** ASSEMBLY

**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:**
02/03/2014 Died on Inactive File.

**NOTES:** SDCWA Position: Oppose (4-25-13)

CA AB 982

**AUTHOR:** Williams [D]

**TITLE:** Oil and Gas: Hydraulic Fracturing

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/22/2013

**LAST AMEND:** 05/07/2013

**DISPOSITION:** Failed

**LOCATION:** ASSEMBLY

**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 appropriate regional water quality control board, which would contain specific information relating to groundwater, water quality, and the monitoring of wells and water quality. Requires any notice of intent to provide information regarding the amount and source of the water used during such operations.

**STATUS:**
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.

CA AB 1035

**AUTHOR:** Perez J [D]

**TITLE:** Workers' Compensation: Firefighters/Peace Officers

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/22/2013

**ENACTED:** 05/13/2014

**DISPOSITION:** Enacted

**LOCATION:** Chaptered

**CHAPTER:** 15

**SUMMARY:**
Relates to workers' compensation and firefighters and peace officers. Extend the
time period to commence proceedings to collect death benefits, if the proceedings are brought by, or on behalf of, a person who is a dependent on the date of death. Applies only to injuries causing death including cancer, tuberculosis, or a blood-borne infectious disease or certain skin infections. Prohibits the payment of death benefits under these provisions under specified circumstances.

STATUS:
05/13/2014 Signed by GOVERNOR.
05/13/2014 Chaptered by Secretary of State. Chapter No. 15

CA AB 1043

AUTHOR: Chau [D]
TITLE: Drinking Water, Quality, Flood, River Protection
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 05/19/2014
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/04/2014 10:00 am
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 that cost subsequently recovered from a party responsible for the contamination be repaid to the State Department of Public Health and deposited in the Groundwater Contamination Cleanup Project Fund which would be created in this bill. Provides the procedures to the issuance of related grants.

STATUS:
06/23/2014 Re-referred to SENATE Committee on APPROPRIATIONS.

CA AB 1078

AUTHOR: Quirk [D]
TITLE: Water: Water Recycling Technology
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY: States the intent of the Legislature to enact legislation to encourage the creation of new technologies to further the use of recycled water in the state.

STATUS:
02/03/2014 Died at Desk.

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: Failed
LOCATION: ASSEMBLY
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:
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.

CA AB 1096

AUTHOR: Nestande [R]
TITLE: Specialized License Plates: Salton Sea
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 05/23/2014
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/04/2014 10:00 am

SUMMARY:
Requires the Department of Fish and Wildlife to apply to the Department of Motor Vehicles to sponsor a special Salton Sea license plate program. Requires the Department of Motor Vehicles to issue the plates if the Department of Fish and Wildlife meets certain requirements. Requires revenue generated by the plate to be deposited in the Salton Sea Restoration Account.

STATUS:
06/26/2014 From SENATE Committee on TRANSPORTATION AND HOUSING: Do pass to Committee on APPROPRIATIONS. (10-0)

NOTES:
SDCWA Position: Support (5-23-13)

CA AB 1140

AUTHOR: Daly [D]
TITLE: Public Works: Prevailing Wages
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
VETOED: 10/13/2013
DISPOSITION: Vetoed
LOCATION: Vetoed

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:
10/13/2013 Vetoed by GOVERNOR.

CA AB 1149

AUTHOR: Campos [D]
TITLE: Identity Theft: Local Agencies
FISCAL COMMITTEE: yes
<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Status</th>
<th>Author</th>
<th>Title</th>
<th>Fiscal Committee</th>
<th>Urgency Clause</th>
<th>Introduced</th>
<th>Enacted</th>
<th>Disposition</th>
<th>Location</th>
<th>Chapter</th>
<th>Summary</th>
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<tbody>
<tr>
<td>CA AB 1156</td>
<td></td>
<td>Perez V [D]</td>
<td>Palo Verde Irrigation District Act</td>
<td>yes</td>
<td>no</td>
<td>02/22/2013</td>
<td>09/06/2013</td>
<td>Enacted</td>
<td>Chaptered</td>
<td>245</td>
<td></td>
<td>Relates to disclosure of any breach of an agency security to any resident whose unencrypted personal information was acquired by an unauthorized person. Expands disclosure requirements to apply to a breach of computerized data that is owned or licensed by a local agency.</td>
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<tr>
<td>CA AB 1158</td>
<td></td>
<td>Waldron [R]</td>
<td>Vehicles: On-Street Parking for Electric Vehicles</td>
<td>no</td>
<td>no</td>
<td>02/22/2013</td>
<td>02/03/2014</td>
<td>Failed</td>
<td>ASSEMBLY</td>
<td></td>
<td></td>
<td>Authorizes local authorities to adopt rules and regulations by ordinance or resolution regarding designating and enforcing on-street parking spaces for electric vehicles.</td>
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<tr>
<td>CA AB 1175</td>
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<td>Bocanegra [D]</td>
<td>Cooperative Agreements: Agricultural Inspectors</td>
<td>yes</td>
<td>no</td>
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INTRODUCED: 02/22/2013
LAST AMEND: 03/13/2014
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/04/2014 10:00 am
SUMMARY: Prohibits the Secretary of Food and Agriculture to enter into cooperative agreements with county of the first class for agricultural inspector services unless not less than a unspecified percent of the agricultural inspector associates not afforded protections as permanent employees employed under the cooperative agreement between the Secretary and the county board of supervisors are afforded protections as permanent employees.
STATUS: 06/30/2014 In SENATE Committee on APPROPRIATIONS: Not heard.

CA AB 1190
AUTHOR: Bloom [D]
TITLE: Hazardous Waste: Transportation
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 07/01/2013
DISPOSITION: Pending
LOCATION: Senate Third Reading File
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: 07/01/2014 In SENATE. Read second time. To third reading.

CA AB 1200
AUTHOR: Levine [D]
TITLE: Recycled Water: Agricultural Irrigation Impoundments
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
VETOED: 10/07/2013
DISPOSITION: Vetoed
LOCATION: Vetoed
SUMMARY: Permits the San Francisco Bay Regional Water Quality Board to authorize a voluntary pilot project for the purposes of investigating potential water quality impacts associated with maximizing the supplementation of agricultural irrigation impoundments with disinfected tertiary treated recycled water, if the board finds the project satisfies specified criteria. Requires the project to include a stakeholder advisory group. Authorizes a formula development for future waste discharge requirements.
STATUS: 10/07/2013 Vetoed by GOVERNOR.

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: Failed  
LOCATION: ASSEMBLY  
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:  
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.  
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.

CA AB 1235  
AUTHOR: Gordon [D]  
TITLE: Local Agencies: Financial Management Training  
FISCAL COMMITTEE: no  
URGENCY CLAUSE: no  
INTRODUCED: 02/22/2013  
VETOED: 10/07/2013  
DISPOSITION: Vetoed  
LOCATION: Vetoed  
SUMMARY: Requires a local agency official, in local agency service as of a specified date, except for an official whose term of office ends before a specified date, to receive training in financial management if the agency provides any type of compensation, salary, or stipend to, or reimburses the expenses of, a member of the legislative body. Makes such training applicable to charter cities, charter counties, and charter cities and counties. Requires standardized criteria.

STATUS:  
10/07/2013 Vetoed by GOVERNOR.

CA AB 1248  
AUTHOR: Cooley [D]  
TITLE: Controller: Internal Guidelines for Local Agencies  
FISCAL COMMITTEE: yes  
URGENCY CLAUSE: no  
INTRODUCED: 02/22/2013  
ENACTED: 08/28/2013  
DISPOSITION: Enacted  
LOCATION: Chaptered  
CHAPTER: 190  
SUMMARY: Requires the Controller to develop internal control guidelines applicable to a local agency to prevent and detect financial errors and fraud. Requires the Controller to post the completed guidelines on the Controller's Internet Web site and update them, as he or she deems necessary.

STATUS:  
08/28/2013 Signed by GOVERNOR.  
08/28/2013 Chaptered by Secretary of State. Chapter No. 190

CA AB 1249  
AUTHOR: Salas [D]  
TITLE: Regional Water Management Plans: Contamination  
FISCAL COMMITTEE: yes  
URGENCY CLAUSE: no
Provides the factors to be considered if an area within the boundaries of an integrated regional water management plan has nitrate, arsenic, perchlorate, or hexavalent chromium contamination. Requires that if a grant application includes those areas, the regional water management group include in the application information on how a project or projects helps to address the contamination, or an explanation on why the application does not include those projects.

STATUS:
06/30/2014 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

Commentary:
SDCWA Position: Oppose (2-27-14)

CA AB 1258

AUTHOR: Skinner [D]
TITLE: Electricity: Hydroelectric/Pumped Storage Facilities
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 04/23/2013
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY:
Requires the State Energy Resources Conservation and Development Commission to perform a technical analysis of the potential use of existing hydroelectric and pumped storage facilities to provide additional operational flexibility that could facilitate the integration of eligible renewable energy resources for the state's electrical grid. Requires the commission to complete its analysis and include its analysis in an energy policy review.

STATUS:
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.

NOTES:
SDCWA Position: Watch (3-28-2013)

CA AB 1259

AUTHOR: Olsen [R]
TITLE: Sacramento-San Joaquin Valley
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
ENACTED: 09/06/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 246
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.

STATUS:
09/06/2013 Signed by GOVERNOR.
09/06/2013 Chaptered by Secretary of State. Chapter No. 246

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: Failed
LOCATION: ASSEMBLY
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:
01/31/2014 Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
02/03/2014 From Committee: Filed with the Chief Clerk pursuant to JR 56.

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: Failed
LOCATION: Assembly Natural Resources Committee
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:
08/13/2013 From ASSEMBLY Committee on NATURAL RESOURCES without further action pursuant to JR 62(a).

CA AB 1317

AUTHOR: Frazier [D]
TITLE: State Government Operations
FISCAL COMMITTEE: no
URGENCY CLAUSE: yes
INTRODUCED: 02/22/2013
ENACTED: 09/26/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER:
SUMMARY:
Reallocates certain duties of abolished state entities and officers to establish state entities and officers, including reallocating specified duties of the abolished Business, Transportation and Housing Agency and its Secretary to the created Transportation Agency and its Secretary and the duties of the abolished Commissioner of Corporations to the Commissioner of Business Oversight.
STATUS:
09/26/2013 Signed by GOVERNOR.
09/26/2013 Chaptered by Secretary of State. Chapter No. 352

CA AB 1323
AUTHOR: Mitchell [D]
TITLE: Oil and Gas: Hydraulic Fracturing
FISCAL COMMITTEE: yes
URGENCY CLAIM: no
INTRODUCED: 02/22/2013
LAST AMEND: 05/28/2013
DISPOSITION: Failed
LOCATION: Assembly Third Reading File
SUMMARY:
Defines hydraulic fracturing in oil and gas operations and prohibits such fracturing until the date that regulations adopted by the Division of Oil, Gas, and Geothermal Resources regulating such fracturing take effect.
STATUS:
05/30/2013 In ASSEMBLY. Read third time. Failed to pass ASSEMBLY. (24-37)

CA AB 1330
AUTHOR: Perez J [D]
TITLE: Environmental Justice
FISCAL COMMITTEE: yes
URGENCY CLAIM: no
INTRODUCED: 02/22/2013
LAST AMEND: 09/06/2013
DISPOSITION: Pending
LOCATION: Senate Inactive File
SUMMARY:
Requires the Secretary for Environmental Protection to periodically revise and update the agencywide strategy to identify and address any additional gaps in existing programs, policies, or activities that may impede the achievement of environmental justice. Requires a publicly available database of ongoing enforcement cases and compliance histories of regulated entities. Relates to the state hazardous waste management system. Relates to hazardous waste source reduction; relates to low income communities.
STATUS:
09/12/2013 In SENATE. From third reading. To Inactive File.

CA AB 1331
AUTHOR: Rendon [D]
TITLE: Clean, Safe, and Reliable Drinking Water Act of 2014
FISCAL COMMITTEE: yes
URGENCY CLAIM: no
INTRODUCED: 02/22/2013
LAST AMEND: 06/17/2014
DISPOSITION: Pending
Senator Frazier [D]

**Title:** Prevailing Wages: Payroll Records

- **Fiscal Committee:** Yes
- **Urgency Clause:** No
- **Introduced:** 02/22/2013
- **Enacted:** 10/13/2013
- **Disposition:** Enacted
- **Location:** Chaptered
- **Chapter:** 792

**Summary:**

Relates to the deadline for filing a civil penalty assessment against a contractor or subcontractor for a violation under the public works provisions. Extends the deadline for filing an action regarding prevailing wages under a public works contract. Requires that any copy of a payroll record made available for inspection to be marked or obliterated only to prevent disclosure of an individual's social security number. Authorizes civil penalties only against the employer not paying the prevailing wage.

**Status:**

- 10/13/2013 - Chaptered by Secretary of State. Chapter No. 792

**Notes:**

SDCWA Position: Support (3-28-2013)
<table>
<thead>
<tr>
<th>TITLE:</th>
<th>State and Local Agency Reports: Legislative Counsel</th>
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<tr>
<td>FISCAL COMMITTEE:</td>
<td>yes</td>
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<tr>
<td>URGENCY CLAUSE:</td>
<td>no</td>
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<td>LOCATION:</td>
<td>Chaptered</td>
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<tr>
<td>CHAPTER:</td>
<td>192</td>
</tr>
<tr>
<td>SUMMARY:</td>
<td>Requires the Legislative Council to make a list of agency reports available to the public by posting it on an Internet Web site. Authorizes state and local agencies to file certain reports with the Counsel electronically, with a hyperlink for report access. Removes the requirement to remove obsolete reports from the list of reports and that the list be provided to each member of the Legislature. Requires providing a hyperlink to each member whereby the list or report could be accessed.</td>
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<td>STATUS:</td>
<td>08/28/2013 Signed by GOVERNOR. 08/28/2013 Chaptered by Secretary of State. Chapter No. 192</td>
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**CA AB 1393**

<table>
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<tr>
<th>TITLE:</th>
<th>Personal Income Tax: Exclusion: Mortgage Forgiveness</th>
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<td>FISCAL COMMITTEE:</td>
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<td>To Governor</td>
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<td>LOCATION:</td>
<td>To enrollment</td>
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<tr>
<td>SUMMARY:</td>
<td>Amends the Personal Income Tax Law that provides for modified conformity to specified provisions of federal income tax law relating to the exclusion of the discharge of qualified principal residence indebtedness from an individual's income. Conforms to the federal extension, discharge indebtedness for related penalties and interest.</td>
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<tr>
<td>STATUS:</td>
<td>07/03/2014 In ASSEMBLY. Urgency clause adopted. ASSEMBLY concurred in SENATE amendments. To enrollment. (76-0)</td>
</tr>
</tbody>
</table>

**CA AB 1427**

<table>
<thead>
<tr>
<th>TITLE:</th>
<th>Local Government Cmt Cortese-Knox-Hertzberg Local Government Reorganization</th>
</tr>
</thead>
<tbody>
<tr>
<td>FISCAL COMMITTEE:</td>
<td>no</td>
</tr>
<tr>
<td>URGENCY CLAUSE:</td>
<td>no</td>
</tr>
<tr>
<td>INTRODUCED:</td>
<td>04/01/2013</td>
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<tr>
<td>ENACTED:</td>
<td>08/12/2013</td>
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<tr>
<td>DISPOSITION:</td>
<td>Enacted</td>
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<tr>
<td>LOCATION:</td>
<td>Chaptered</td>
</tr>
<tr>
<td>CHAPTER:</td>
<td>87</td>
</tr>
<tr>
<td>SUMMARY:</td>
<td>Amends the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 that defines an independent district or independent special district. Provides the definition excludes districts with specified membership. Relates to district members residing within the county of the district. Regards district annexation or reorganization to any city in Santa Clara County. Revises</td>
</tr>
</tbody>
</table>
provisions regarding district merger elections. Relates to district formation protest hearings.

STATUS:
08/12/2013 Signed by GOVERNOR.
08/12/2013 Chaptered by Secretary of State. Chapter No. 87

CA AB 1434

AUTHOR: Yamada [D]
TITLE: Low-Income Water Rate Assistance Program
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/06/2014
LAST AMEND: 05/23/2014
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/04/2014 10:00 am
SUMMARY:
Requires the Department of Community Services and Development to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program which would include specified elements. Requires the Department to report to the Legislature on its findings regarding the feasibility and desired structure of the program.

STATUS:
06/23/2014 From SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS: Do pass to Committee on APPROPRIATIONS. (8-2)

Commentary:
SDCWA Position: Oppose unless amended (5-22-2014)

CA AB 1445

AUTHOR: Logue [R]
TITLE: Water Infrastructure Act of 2014
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 01/06/2014
LAST AMEND: 02/14/2014
DISPOSITION: Pending
LOCATION: Assembly Water, Parks and Wildlife Committee
SUMMARY:
Repeals the provisions that would create the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. Enacts the State Water Infrastructure Act of 2014. Authorizes the issuance of bonds in a specified amount to finance a public benefit associated with water storage and water quality improvement projects.

STATUS:
02/14/2014 To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
02/14/2014 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author’s amendments.
02/14/2014 In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.

Commentary:
SDCWA Position: Oppose unless amended (2-27-14)

CA AB 1636

AUTHOR: Brown [D]
TITLE: Water Conservation
Prohibits a city or county, during a drought emergency declared by the Governor, from enforcing a law or ordinance requiring a resident to water his or her lawn. Provides that a requirement imposed by a governmental entity or a public utility to limit, restrict, or conserve water during a drought emergency declared by the Governor does not constitute a diminution of rent or value of a premise or property.

**CA AB 1671**

**AUTHOR:** Frazier [D]

**TITLE:** Sacramento-San Joaquin Delta: Water Conveyance System

**SUMMARY:** Prohibits the Department of Water Resources from constructing water facilities as part of a specified water conveyance system unless specifically authorized by the Legislature.

**STATUS:** 04/08/2014 In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.

**CA AB 1674**

**AUTHOR:** Bigelow [R]

**TITLE:** Vended Water

**SUMMARY:** Amends existing law that prescribed various quality and labeling standards for bottled water and vender water, including mineral water, and limits the levels of certain contaminants that may be contained in those water products. Exempts a water-vending machine from those requirements if the drinking water vended by the machine derives from a groundwater basis that does not exceed the maximum contaminant levels.

**STATUS:** 03/28/2014 To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
CA AB 1705

**AUTHOR:** Williams [D]

**TITLE:** Public Contracts: Payment

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/13/2014

**LAST AMEND:** 06/11/2014

**DISPOSITION:** Pending

**LOCATION:** Senate Third Reading File

**SUMMARY:**
Amends existing law that authorizes the retention proceeds withheld from any payment by an awarding entity from the original contractor, by the original contractor from any subcontractor, and by a subcontractor from any subcontractor, to exceed a specified percentage on projects that are substantially complex. Requires that the bid documents include details explaining the basis for the finding in addition to the actual retention amount. Defines projects that are not substantially complex.

**STATUS:**
06/11/2014 In SENATE. Read second time and amended. To third reading.

**Commentary:**
SDCWA Position: Oppose unless amended (5-22-14)

CA AB 1731

**AUTHOR:** Perea [D]

**TITLE:** Integrated Regional Water Management Plans: Funding

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/14/2014

**DISPOSITION:** Pending

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

**SUMMARY:**
Requires, in each integrated regional water management region, that not less than a specified percentage of any funding for integrated regional water management planning purposes be used to facilitate and support the participation of disadvantaged communities in integrated regional water management planning and for projects that address critical water supply or water quality needs for disadvantaged communities.

**STATUS:**
06/10/2014 In SENATE Committee on NATURAL RESOURCES AND WATER: Not heard.

**Commentary:**
SDCWA Position: Oppose unless amended (3-27-14)

CA AB 1739

**AUTHOR:** Dickinson [D]

**TITLE:** Groundwater Management

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/14/2014
SUMMARY:
Requires specified groundwater basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans. Requires such plan to be coterminous and augment a groundwater management plan. Relates to groundwater extraction facilities. Requires the consideration of such plans by local entities when amending their general plan. Requires certain action on the part of a public water system regarding the implementation of a groundwater sustainability plan.

STATUS:
06/24/2014 From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on APPROPRIATIONS. (7-1)

CA AB 1799

AUTHOR: Gordon [D]
TITLE: Land Use: Mitigation Lands
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2014
LAST AMEND: 05/01/2014
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY:
Specifies, where a governmental entity or specified district is the transferee of property, that an endowment or other financial mechanism is not required if the entity or district provides evidence to the local or State agency that it possesses an investment-grade credit rating by a nationally recognized rating organization or other equivalent evidence of financial responsibility and enters into a contractual agreement enforcing mitigation requirements. Requires related reporting.

STATUS:
05/23/2014 In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

CA AB 1874

AUTHOR: Gonzalez [D]
TITLE: Integrated Regional Water Management Plans: Funding
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/19/2014
LAST AMEND: 04/23/2014
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY:
Requires the Department of Water Resources to develop a streamlined application process for certain regional water management groups. Requires, in order to get water management grant funds through the process, the group must file a streamlined application including specified information. Requires awarding funds according to a statutory formula and covers regions. Requires the group to provide a list of projects to be funded and the Department to award the funding within a specified time period.

STATUS:
CA AB 1891

AUTHOR: Donnelly [R]
TITLE: Sales and Use Taxes: Water Desalination: Equipment
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/19/2014
LAST AMEND: 03/20/2014
DISPOSITION: Pending
LOCATION: Assembly Revenue and Taxation Committee
SUMMARY: Exempts from the sales and use tax laws the gross receipts from the sale in the State of, and the storage, use, or other consumption in the state of, any equipment purchased to be primarily used for water desalination.
STATUS: 05/13/2014 In ASSEMBLY Committee on REVENUE AND TAXATION: Held in committee.

Commentary:
SDCWA Position: Support and seek amendments (4-24-14)

CA AB 1933

AUTHOR: Levine [D]
TITLE: Local Government: Investments
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/19/2014
ENACTED: 06/25/2014
DISPOSITION: Chaptered
LOCATION: Chaptered
CHAPTER: 59
SUMMARY: Authorizes the legislative body of a local agency to invest in United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by certain banks. Requires these investments to be rated AA or better and to not exceed a specified percentage of the agency's moneys that may be invested.
STATUS: 06/25/2014 Signed by GOVERNOR.
06/25/2014 Chaptered by Secretary of State. Chapter No. 59

CA AB 1961

AUTHOR: Eggman [D]
TITLE: Land Use: Planning: Sustainable Farmland Strategy
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/19/2014
LAST AMEND: 04/22/2014
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY: Requires each county to develop a sustainable farmland strategy. Requires the sustainable farmland strategy to include, among other things, a map and
inventory of all agriculturally zoned land within the county, a description of the goals, strategies, and related policies and ordinances, to retain agriculturally zoned land where practical and mitigate the lose of such land to other uses or zones.

**STATUS:**

05/23/2014 In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

**CA AB 1983**

**AUTHOR:** Gray [D]

**TITLE:** Water Meters: Multiunit Structures

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/19/2014

**DISPOSITION:** Pending

**LOCATION:** Assembly Housing and Community Development Committee

**SUMMARY:**

Authorizes the owner or operator of a building containing residential units to install equipment to determine or use an economic allocation methodology to approximate the quantity of water that is provided to the tenants and used in the common areas of that building and to charge tenants separately for water and wastewater service based on usage as determined through the use of that equipment or allocation methodology if certain requirements are met.

**STATUS:**

03/03/2014 To ASSEMBLY Committees on HOUSING AND COMMUNITY DEVELOPMENT and WATER, PARKS AND WILDLIFE.

**Commentary:**

SDCWA Position: Support if amended (4-24-14)

**CA AB 2023**

**AUTHOR:** Wagner [R]

**TITLE:** Eminent Domain: Compensation: Loss of Goodwill

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/20/2014

**LAST AMEND:** 06/15/2014

**DISPOSITION:** Pending

**LOCATION:** Senate Judiciary Committee

**SUMMARY:**

Amends existing law that provides that an owner of property taken by eminent domain is entitled to compensation for loss of goodwill. Requires that an owner prove that goodwill existed before a taking. Provides that evidence of other elements would be presented to the trier of fact only if the owner produces evidence tending to show that goodwill existing before the taking.

**STATUS:**

06/24/2014 In SENATE Committee on JUDICIARY: Failed passage.

**CA AB 2040**

**AUTHOR:** Garcia [D]

**TITLE:** Public Official Compensation

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/20/2014

**LAST AMEND:** 06/25/2014

**DISPOSITION:** Pending

**COMMITTEE:** Senate Appropriations Committee
Requires a local agency to report to the Controller the annual compensation of its public officials. Requires a local agency that is required to report and that maintains an Internet Web site to post that information on the Controller's Government Compensation in California Internet Web site. Requires the Controller to display the financial reports and the public official compensation on that Web site. Requires the entities to consult regarding the reporting requirements for such disclosure.

Status:
06/25/2014 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

CA AB 2043

Author: Bigelow [R]
Title: Safe Clean and Reliable Drinking Water Supply Act
Fiscal Committee: yes
Urgency Clause: yes
Introduced: 02/20/2014
Last Amend: 05/19/2014
Disposition: Pending
Location: Assembly Appropriations Committee

Summary: Repeals provisions of the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. Enacts the Safe, Clean, and Reliable Water Supply Act of 2014, which, if adopted by votes, would authorize the issuance of bonds in a specified amount to finance a safe drinking water and water supply reliability program.

Status:
07/02/2014 In ASSEMBLY Committee on APPROPRIATIONS: Not heard.
Commentary:

SDCWA Position: Support if amended (3-27-14)

CA AB 2067

Author: Weber [D]
Title: Urban Water Management Plans
Fiscal Committee: yes
Urgency Clause: no
Introduced: 02/20/2014
Last Amend: 06/03/2014
Disposition: Pending
Location: SENATE

Summary: Requires an urban retail water supplier and an urban wholesale water supplier to provide narratives describing the supplier's water demand management measures. Requires the narrative to address the nature and extent of each water demand management measure implemented to describe the water demand management measures that the supplier plans to implement. Provides the deadline for the 2015 plan submission. Relates to the determination of future water use reductions.

Status:
07/03/2014 In ASSEMBLY. Ordered returned to SENATE. *****To SENATE.

Commentary:

SDCWA Position: Sponsor
**CA AB 2071**

**AUTHOR:** Levine [D]  
**TITLE:** Recycled Water: Pasture Animals  
**FISCAL COMMITTEE:** yes  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 02/20/2014  
**LAST AMEND:** 06/30/2014  
**DISPOSITION:** Pending  
**COMMITTEE:** Senate Appropriations Committee  
**HEARING:** 08/04/2014 10:00 am  
**SUMMARY:** Requires the State Water Resources Control Board to determine whether the use of disinfected tertiary treated recycled water for the purpose of providing water to pasture animals would be safe for public and animal health. Requires the establishment of statewide recycling criteria for the use of recycled water for such purposes. Prohibits the use of such water in the water supply for dairy animals that are currently producing dairy products for human consumption.  
**STATUS:** 06/30/2014 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

**CA AB 2100**

**AUTHOR:** Campos [D]  
**TITLE:** Common Interest Developments: Yard Maintenance: Drought  
**FISCAL COMMITTEE:** no  
**URGENCY CLAUSE:** yes  
**INTRODUCED:** 02/20/2014  
**LAST AMEND:** 06/10/2014  
**DISPOSITION:** To Governor  
**LOCATION:** To enrollment  
**SUMMARY:** Prohibits a common interest development association from imposing a fine or assessment against a member of a separate interest for reducing or eliminating watering of vegetation or lawns during any period for which the Governor has declared a state of emergency, or a local government has declared a local emergency, due to drought.  
**STATUS:** 07/03/2014 In ASSEMBLY. Urgency clause adopted. ASSEMBLY concurred in SENATE amendments. To enrollment. (76-1)

**Commentary:** SDCWA Position: Support and seek amendments (3-27-14)

**CA AB 2104**

**AUTHOR:** Gonzalez [D]  
**TITLE:** Common Interest Developments: Water Efficient Landscapes  
**FISCAL COMMITTEE:** no  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 02/20/2014  
**LAST AMEND:** 04/01/2014  
**DISPOSITION:** Pending  
**LOCATION:** Senate Third Reading File  
**SUMMARY:** Relates to the Davis-Stirling Common Interest Development Act. Provides that a provision of the governing documents or of the architectural or landscaping guidelines or polices shall be void and unenforceable if it prohibits, or includes
conditions that have the effect of prohibiting, low water-using plants as a group or as a replacement of existing turf, or if the provisions have the effect of prohibiting or restricting compliance with local water conservation measures.

STATUS:
06/12/2014 In SENATE. Read second time. To third reading.

Commentary:
SDCWA Position: Support (3-27-14)

CA AB 2126

AUTHOR: Bonta [D]
TITLE: Meyers Milias Brown Act Mediation
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2014
LAST AMEND: 05/23/2014
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/04/2014 10:00 am
SUMMARY: Amends the Meyers-Milias-Brown Act. Permits either party to contract negotiations to request mediation and agree upon a mediator. Authorizes the Public Employee Relations Board to appoint a mediator upon request. Relates to a waiver of such request if the public agency has a impasse procedure. Authorizes certain collective bargaining negotiation differences to apply to these provisions.

STATUS:
06/23/2014 From SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS. (3-2)

CA AB 2156

AUTHOR: Achadjian [R]
TITLE: Local Agency Formation Commissions: Studies
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/20/2014
ENACTED: 06/04/2014
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 21
SUMMARY: Includes joint powers agencies and joint powers authorities among the entities from which a local agency formation commission is authorized to request land use information, studies, and plans, for purposes of conducting the studies. Includes such agreements in the list of items the local agency formation commission may request in conducting those studies. Defines joint powers agency and joint powers authority for purposes of the Cortese-Know-Hertzberg Local Government Reorganization Act of 2000.

STATUS:
06/04/2014 Signed by GOVERNOR.
06/04/2014 Chaptered by Secretary of State. Chapter No. 21

CA AB 2170

AUTHOR: Mullin [D]
TITLE: Joint powers Authorities: Common Powers
FISCAL COMMITTEE: no
Provides that parties involved in a joint powers authority agreement may exercise any power common to the contracting parties, including, but not limited to, the authority to levy a fee, assessment, or tax.

**CA AB 2193**

**AUTHOR:** Gordon [D]

**TITLE:** Habitat Restoration and Enhancement Act

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/20/2014

**LAST AMEND:** 06/17/2014

**DISPOSITION:** Pending

**COMMITTEE:** Senate Appropriations Committee

**HEARING:** 08/04/2014 10:00 am

**SUMMARY:** Enacts the Habitat Restoration and Enhancement Act and related fund. Authorizes the Department of Fish and Wildlife to schedule fees for projects, based on the cost of a project, sufficient to recover all reasonable administrative and implementation costs of the Department relating to the projects, but not to exceed fees adopted by the Department for standard lake or streambed alteration agreements for projects of comparable cost. Provides moneys in fund are to administer and implement the Act.

**STATUS:**

06/24/2014 From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on APPROPRIATIONS. (9-0)

**CA AB 2269**

**AUTHOR:** Bigelow [R]

**TITLE:** Integrated Regional Water Management Planning

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/21/2014

**DISPOSITION:** Pending

**LOCATION:** ASSEMBLY

**SUMMARY:** Makes a technical, nonsubstantive change to existing law that authorizes a regional water management group to prepare and adopt an integrated regional water management plan.

**STATUS:**

02/21/2014 INTRODUCED.

**CA AB 2282**

**AUTHOR:** Gatto [D]

**TITLE:** Building Standards: Recycled Water Infrastructure

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/21/2014
Requires the Department of Housing and Community Development to conduct research to assist in the development of and to propose adoption, amendment or repeal by the State Building Standards Commission of mandatory building standards for the installation of recycled water infrastructure for newly constructed single-family and multifamily residential buildings. Limits the mandate to install recycled water piping to certain areas within a local jurisdiction. Regards recycled water and green building standards.

Author: Wagner [R]
Title: Initiatives: Writ of Mandate
Fiscal Committee: no
Urgency Clause: no
Introduced: 02/21/2014
Disposition: Failed
Location: ASSEMBLY

Provides that if a local initiative measure has been certified by an elections official as having qualified for the ballot, a public agency is prohibited from bringing suit seeking a declaration of rights until after the election. Provides that, if the governing body of the jurisdiction in which the initiative measure will be voted upon seeks to challenge the qualification or validity of the initiative measure, it shall do so by seeking a writ of mandate or injunction.

Author: Rendon [D]
Title: Local Government: Assessments, fees, and charges
Fiscal Committee: no
Urgency Clause: no
Introduced: 02/21/2014
Enacted: 06/28/2014
Disposition: Enacted
Location: Chaptered
Chapter: 78

States that provisions of the State Constitution generally require that assessments, fees, and charges be submitted to property owners for approval or rejection after the provisions of written notice and the holding of a public hearing. Modifies the definition of water to mean water from any source.
CA AB 2417

**AUTHOR:** Nazarian [D]  
**TITLE:** California Environmental Quality Act: Recycled Water  
**FISCAL COMMITTEE:** yes  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 02/21/2014  
**LAST AMEND:** 05/07/2014  
**DISPOSITION:** Pending  
**LOCATION:** Senate Environmental Quality Committee  
**SUMMARY:** Amends the California Environmental Quality Act, which exempt specified pipeline projects from certain requirements. Exempts from the Act, a project for the construction and installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline, not exceeding a specified length, for the distribution of recycled water within a public street, highway, or right-of-way. Requires the filing of a notice of exemption.  
**STATUS:** 06/18/2014 In SENATE Committee on ENVIRONMENTAL QUALITY: Not heard.  
**Commentary:**  
SDCWA Position: Support and seek amendments (4-24-14)  

CA AB 2420

**AUTHOR:** Nazarian [D]  
**TITLE:** Well Stimulation Treatments: Local Prohibition  
**FISCAL COMMITTEE:** no  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 02/21/2014  
**DISPOSITION:** Pending  
**LOCATION:** Assembly Local Government Committee  
**SUMMARY:** Authorizes a city or county to adopt and enforce a local ordinance prohibiting well stimulation treatments.  
**STATUS:** 04/30/2014 In ASSEMBLY Committee on LOCAL GOVERNMENT: Failed passage.  
04/30/2014 In ASSEMBLY Committee on LOCAL GOVERNMENT: Reconsideration granted.  

CA AB 2434

**AUTHOR:** Gomez [D]  
**TITLE:** Income Taxes: Exclusion  
**FISCAL COMMITTEE:** yes  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 02/21/2014  
**LAST AMEND:** 05/19/2014  
**COMMITTEE:** Senate Appropriations Committee  
**HEARING:** 08/04/2014 10:00 am  
**SUMMARY:** Provides, under the Personal Income Tax and Corporation Tax laws, an exclusion from gross income for any amount received as a rebate, or financial incentive issued by a local water agency or supplier for participation in a turf removal water conservation program.
CA AB 2446

AUTHOR: Waldron [R]
TITLE: San Luis Rey Municipal Water District
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/21/2014
LAST AMEND: 05/28/2014
DISPOSITION: Pending
LOCATION: Senate Third Reading File
SUMMARY: Prohibits a standby assessment or availability charge levied for the San Luis Rey Municipal Water District from exceeding a specified amount per acre for land on which the charge is levied or a specified amount per year for a parcel less than a specified size. Requires the proceeds from the assessment or charge to be used for the purposes of management of local water supply and its quality.
STATUS: 06/26/2014 In SENATE. Read second time. To third reading.

CA AB 2451

AUTHOR: Daly [D]
TITLE: Weights and Measures: Water Submeters
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2014
LAST AMEND: 06/10/2014
DISPOSITION: Pending
LOCATION: Senate Third Reading File
SUMMARY: Requires a county sealer who possesses the appropriate equipment for performing tests on water submeters to inspect, calibrate, test and certify the accuracy of a submeter upon the request of the owner, user or operator, under certain conditions. Authorizes the transfer of a inspected and sealed submeter to another county if certain conditions are met. Provides conditions that require a submeter that is found incorrect to be returned to the service agent. Relates to criminal and civil liability waivers.
STATUS: 07/01/2014 In SENATE. Read second time. To third reading.

CA AB 2453

AUTHOR: Achadjian [R]
TITLE: Paso Robles Basin Water District
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2014
LAST AMEND: 07/02/2014
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/04/2014 10:00 am
SUMMARY: Provides for the formation of the Paso Robles Basin Water District. Sets forth
the composition of, and method of election by landowners and registered voters for, the board of directors for the District, the boundaries of which shall be established and may be modified by the San Luis Obispo County Local Agency Formation Commission. Prescribes District powers relating to the use and extraction of groundwater. Authorizes the development, adoption, and implementation of a groundwater management plan.

**STATUS:**

07/03/2014 Re-referred to SENATE Committee on APPROPRIATIONS.

**CA AB 2454**

**AUTHOR:** Quirk-Silva [D]

**TITLE:** Foster Youth: Nonminor Dependants

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/21/2014

**LAST AMEND:** 07/01/2014

**DISPOSITION:** Pending

**COMMITTEE:** Senate Appropriations Committee

**HEARING:** 08/04/2014 10:00 am

**SUMMARY:**

Authorizes a nonminor who has not attained a specified age to petition the court if the nonminor received public assistance after attaining a specified age and his or her former guardian or guardians or adoptive parent or parents fail to provide ongoing support to, and no longer receive payment on behalf of, the nonminor, and the court determines that it is in the nonminor's best interest for the court to assume dependency jurisdiction.

**STATUS:**

07/01/2014 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

**CA AB 2463**

**AUTHOR:** Dickinson [D]

**TITLE:** Water: Plans

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/21/2014

**LAST AMEND:** 04/21/2014

**DISPOSITION:** Pending

**LOCATION:** Assembly Appropriations Committee

**SUMMARY:**

Requires the Department of Water Resources to partner with the Regional Water Authority, water suppliers in El Dorado, Placer, Sacramento, and Placer counties, and other interested agencies to develop a plan for investing in water supplies and other facilities in order to contribute to the reliability of water supplies for the Sacramento region's communities and environmental resources while also generating statewide benefits.

**STATUS:**

05/23/2014 In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

**CA AB 2492**

**AUTHOR:** Jones-Sawyer [D]

**TITLE:** Controlled Substances: Sentencing

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/21/2014
Amends existing law prohibits a person from using or being under the influence of certain controlled substances. Deletes the requirement that a person convicted under this provision serve at least a certain number of days in a county jail, and would delete the requirement that, as a condition of granting probation, the person serve time in a county jail.

STATUS:
06/26/2014 In SENATE. Read second time. To third reading.

CA AB 2554
AUTHOR: Rendon [D]
TITLE: Clean, Safe, and Reliable Drinking Water Act of 2014
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2014
LAST AMEND: 04/23/2014
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY: Repeals the Safe, Clean, and Reliable Drinking Water Act of 2012 that would authorize the issuance of bonds to finance a safe drinking water and water supply reliability program via a bond act if passed by the voters at a statewide general election. Enacts the Clean, Safe, and Reliable Drinking Water Act of 2014 to authorize bonds in a specified amount to finance a clean, safe, and reliable drinking water program if passed by the voters at a statewide general election.
STATUS:
04/29/2014 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS. (10-3)
Commentary:
SDCWA Position: Support if amended (4-24-14)

CA AB 2619
AUTHOR: Gaines B [R]
TITLE: Dams: Fish: Critically Dry Year
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2014
LAST AMEND: 03/28/2014
DISPOSITION: Pending
LOCATION: Assembly Water, Parks and Wildlife Committee
SUMMARY: Amends existing law which requires a dam owner to allow sufficient water to pass through a fishway or over, around, or through the dam and which authorizes the Department of Fish and Game to grant permission to the dam owner to allow sufficient water to pass through a culvert, waste gate, or over or around the dam, to keep in good condition any fish that may be planted or exist below the dam. Prohibits such provisions from applying during a critically dry year.
STATUS:
03/28/2014 To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
03/28/2014 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.
03/28/2014 In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.

CA AB 2636
AUTHOR: Gatto [D]
TITLE: CalConserve Water Use Efficiency Revolving Fund
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2014
LAST AMEND: 06/30/2014
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/04/2014 10:00 am
SUMMARY: Transfers to the CalConserve Water Use Efficiency Revolving Fund from the Costa-Machado Water Act of 2000 specified bond proceeds issued and available for agricultural water projects. Requires the Department of Water Resources to use these moneys for loans and grants to local agencies to acquire and construct agricultural water conservation projects consistent with the bond act. Prohibits any funds until specified information regarding such projects is provided to the Legislature.
STATUS: 06/30/2014 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
Commentary:
SDCWA Position: Support and seek amendments (3-27-14)

CA AB 2686
AUTHOR: Perea [D]
TITLE: Clean, Safe, and Reliable Water Supply Act of 2014
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 02/21/2014
LAST AMEND: 05/01/2014
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY: Repeals the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. Enacts the Clean, Safe, and Reliable Water Supply Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in an unspecified amount, to finance a clean, safe, and reliable water supply program. Provides for the submission of the bond act to the voters at a statewide general election.
STATUS: 07/02/2014 In ASSEMBLY Committee on APPROPRIATIONS: Not heard.
Commentary:
SDCWA Position: Support if amended (3-27-14)

CA AB 2701
AUTHOR: Gonzalez [D]
TITLE: Groundwater Basins: Investigation and Report
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/21/2014
Makes a technical, nonsubstantive change to existing law that requires the Department of Water Resources, in conjunction with other public agencies, to conduct an investigation of the state's groundwater basins and to report its findings to the Governor and the Legislature.

STATUS:
02/21/2014 INTRODUCED.

CA AB 2727
AUTHOR: Frazier [D]
TITLE: Courts: Witness: Local Agency Employees
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/21/2014
DISPOSITION: To Governor
LOCATION: Enrolled
SUMMARY: Amends existing law that requires a party who subpoenas an employee of a local agency to attend a civil action or proceeding as a witness in a matter regarding an event or transaction that the employee perceived or investigated to which the agency is not a party, and must tender a specified amount of funds for compensation and travel expenses for the employee. Increases the amount to be tendered with the subpoena. Defines local agency to mean a city, county, district, redevelopment agency or other entity.
STATUS: 07/02/2014 Enrolled.

CA AB 2759
AUTHOR: Water, Parks and Wildlife Cmt
TITLE: Interstate Water Rights
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 03/24/2014
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/04/2014 10:00 am
SUMMARY: Recasts provisions of existing law regarding water rights of streams flowing across state lines, the Truckee River, and interstate lakes. Provides, if the waters of an interstate body of water have been allocated with another state or Indian tribe by a compact, United States Supreme Court decree, or other appropriate method allocating interstate waters, the State Water Resources Control Board is required to exercise its authority in a manner consistent with the rights and responsibilities of the state.
STATUS: 06/24/2014 From SENATE Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS. (7-0)

CA ACA 8
AUTHOR: Blumenfield [D]
TITLE: Local Government Financing: Voter Approval
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/13/2013
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:
06/27/2013 To SENATE Committees on GOVERNANCE AND FINANCE and ELECTIONS AND CONSTITUTIONAL AMENDMENTS.

CA AJR 4

AUTHOR: Hueso [D]
TITLE: The United States-Mexico Border
INTRODUCED: 01/14/2013
ENACTED: 05/01/2013
DISPOSITION: Adopted
LOCATION: Chaptered
CHAPTER: 24
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:
05/01/2013 Chaptered by Secretary of State.
05/01/2013 Resolution Chapter No. 24

CA SB 4

AUTHOR: Pavley [D]
TITLE: Oil and Gas: Well Stimulation
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 12/03/2012
ENACTED: 09/20/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 313
SUMMARY: Requires an independent scientific study on well stimulation treatments, including acid well stimulation and hydraulic fracturing treatment. Requires a well operator to record all data on such treatments, and to apply for a permit prior to performing any treatments. Requires the fracturing to be completed by a specified date. Requires prior notification of stimulation. Requires disclosure of the treatment fluids. Requires public notice and direct reporting to a web site. Requires a water management plan.

STATUS:
09/20/2013 *****To GOVERNOR.
09/20/2013 Signed by GOVERNOR.
09/20/2013 Chaptered by Secretary of State. Chapter No. 313

CA SB 7

AUTHOR: Steinberg [D]
TITLE: Public Works: Charter Cities
CA SB 13

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:
10/13/2013 Chaptered by Secretary of State. Chapter No. 794

CA SB 24

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:
CA SB 33  
AUTHOR: Wolk [D]  
TITLE: Infrastructure Financing Districts: Voter Approval  
FISCAL COMMITTEE: yes  
URGENCY CLAUSE: no  
INTRODUCED: 12/03/2012  
LAST AMEND: 08/26/2013  
DISPOSITION: Pending  
LOCATION: Assembly Inactive 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 financing until a certain requirement is met. Prohibits assistance to a vehicle dealer or big box retailer.

STATUS: 09/11/2013 In ASSEMBLY. To Inactive File.

CA SB 36  
AUTHOR: Hueso [D]  
TITLE: Internet: Workers' Compensation Insurers: Data  
FISCAL COMMITTEE: yes  
URGENCY CLAUSE: no  
INTRODUCED: 12/04/2012  
VETOED: 10/13/2013  
DISPOSITION: Vetoed  
LOCATION: Vetoed  
SUMMARY: Requires the Department of Insurance to include on its Internet Web site a dedicated Internet Web page that includes workers' compensation data, statistics, and reports covering insurers. Requires the department to only use data already collected by the department or the Department of Industrial Relations. Authorizes the Department to provide on its Web site links to relevant information on other Internet Web sites.

STATUS: 10/13/2013 Vetoed by GOVERNOR.

CA SB 39  
AUTHOR: De Leon [D]  
TITLE: Local Agencies: Public Officers: Claims and Liability  
FISCAL COMMITTEE: no  
URGENCY CLAUSE: yes  
INTRODUCED: 12/05/2012  
ENACTED: 10/12/2013  
DISPOSITION: Enacted  
LOCATION: Chaptered  
CHAPTER: 775  
SUMMARY: Requires the forfeiture of a contractual, common law, constitutional, or statutory claim against a local public agency employer to retirement or pension rights or benefits by a local public officer who exercised discretionary authority
and who was convicted of a felony for conduct arising out of, or in the
performance of, his or her official duties.

STATUS:
10/12/2013        Chaptered by Secretary of State.  Chapter No. 775

CA SB 40

AUTHOR:        Pavley [D]
TITLE:        Safe, Clean, and Reliable Drinking Water Supply Act
FISCAL COMMITTEE:    yes
URGENCY CLAUSE:    yes
INTRODUCED:    12/10/2012
LAST AMEND:    01/06/2014
DISPOSITION:    Failed
LOCATION:        SENATE
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:
02/03/2014        In SENATE.  Returned to Secretary of Senate pursuant to Joint Rule 56.

CA SB 42

AUTHOR:        Wolk [D]
TITLE:        Safe Drinking Water, Water Quality, Flood Protection
FISCAL COMMITTEE:    yes
URGENCY CLAUSE:    yes
INTRODUCED:    12/11/2012
LAST AMEND:    09/11/2013
DISPOSITION:    Failed
LOCATION:        SENATE
SUMMARY:
Enacts the Safe Drinking Water, Water Quality, and Flood Protection Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in a specified amount pursuant to the State General Obligation Bond Law to finance a safe drinking water, water quality, and flood protection program.

STATUS:
02/03/2014        In SENATE.  Returned to Secretary of Senate pursuant to Joint Rule 56.

CA SB 96

AUTHOR:        Budget and Fiscal Review Cmt
TITLE:        Budget Act of 2013: Public Resources
FISCAL COMMITTEE:    no
URGENCY CLAUSE:    no
INTRODUCED:    01/10/2013
ENACTED:        09/26/2013
DISPOSITION:    Enacted
LOCATION:        Chaptered
CHAPTER:        356
SUMMARY:
Relates to cigarette and tobacco tax funds for natural areas and ecological reserves, funds for managing state lands wildlife restoration, hazardous waste facilities fees, hazardous waste storage fees, school bus retrofit funding, fire emergency reporting, beverage container recycling centers, electricity charge
for research and development, clean energy bonds and funding, carpet and
paint stewardships, environmental education, electric grid security, utility
violation fines, and hydroelectric power.

CA SB 123

AUTHOR: Corbett [D]

TITLE: Environmental and Land-Use Court

FISCAL COMMITTEE: yes

URGENCY CLAUSE: no

INTRODUCED: 01/18/2013

LAST AMEND: 05/02/2013

DISPOSITION: Failed

LOCATION: SENATE

SUMMARY:
Requires the Judicial Council to direct the creation of an environmental and
land-use division within the Superior Courts selected by the Council 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.
Increases the fees for environmental license plates with revenue for the
environmental and land use court.

STATUS:
02/03/2014 In SENATE. Returned to Secretary of Senate pursuant to
Joint Rule 56.

CA SB 135

AUTHOR: Padilla [D]

TITLE: Earthquake Early Warning System

FISCAL COMMITTEE: yes

URGENCY CLAUSE: no

INTRODUCED: 01/28/2013

ENACTED: 09/24/2013

DISPOSITION: Enacted

LOCATION: Chaptered

CHAPTER: 342

SUMMARY:
Requires the Office of Emergency Services to develop a comprehensive
statewide earthquake warning system in the state through a public-private
partnership. Requires the system to include certain features, including the
installation of field sensors. Requires an approval mechanism to review
compliance with earthquake early warning standards. Requires identification of
funding sources. Prohibits expenditure of General Fund funds to establish the
system.

STATUS:
09/24/2013 Signed by GOVERNOR.
09/24/2013 Chaptered by Secretary of State. Chapter No. 342

CA SB 167

AUTHOR: Gaines T [R]

TITLE: California Environmental Quality Act

FISCAL COMMITTEE: no

URGENCY CLAUSE: no

INTRODUCED: 02/04/2013
CA SB 171

Author: Hueso [D]
Title: Drainage: Coachella Valley County Water District
Fiscal Committee: no
Urgency Clause: no
Introduced: 02/05/2013
Enacted: 08/16/2013
Disposition: Enacted
Location: Chaptered
Chapter: 119
Summary:
Specifies that the Coachella Valley Water District is authorized to raise funds by special assessment or by adopting prescribed property related fees and charges.
Status:
08/16/2013 Signed by GOVERNOR.
08/16/2013 Chaptered by Secretary of State. Chapter No. 119

CA SB 184

Author: Governance and Finance Cmt
Title: Local Government: Omnibus Bill
Fiscal Committee: yes
Urgency Clause: no
Introduced: 02/06/2013
Enacted: 09/06/2013
Disposition: Enacted
Location: Chaptered
Chapter: 210
Summary:
Relates to the procedures governing the offering of subdivided lands for sale or lease, the definition of family member and domestic partner under the Public Cemetery District Law, the provisions of law regarding the abuse of public office or position to include bribery of a Member of the Legislature, subdivision map provisions, facsimile signatures and the county recorder, historical property use contracts recording, the Baldwin Hill Conservancy, and the Ventura County Resource Conservation District.
Status:
09/06/2013 Signed by GOVERNOR.
09/06/2013 Chaptered by Secretary of State. Chapter No. 210

CA SB 215

Author: Beall [D]
Title: Public Employee Benefits
Fiscal Committee: yes
Urgency Clause: no
Introduced: 02/11/2013
Amends the Public Employees' Retirement System (PERS). Relates to reimbursing employing agency for paying employee board member that is attending PERS board meeting, investments, benefit payment reporting and the definition of employee. Relates to the approval process for a contracting agency to obtain a health benefit plan, the designation of a beneficiary, and the Highway Patrol Commissioner retirement age requirement. Authorizes recorded member account telephone communications regulations.

Makes conforming changes related to the consolidated Bighorn-Desert View Water Agency District. Repeals provisions under which the consolidation was completed. Specifies procedures for the repayment of bonded indebtedness incurred prior to consolidation. Eliminates the misdemeanor for violations or ordinances. Makes a violation of certain regulations an infraction instead of a misdemeanor. Requires a budget. Relates to meetings and writings of public agencies and officials. Relates to posting limitations.

Requires the State Department of Public Health to investigate the feasibility of developing uniform water recycling criteria for direct potable reuse. Requires the department to convene a panel to establish regulatory criteria for such reuse. Requires the panel to include a limnologist. Requires convening of a related advisory group, task force, or other group. Authorizes the department to contract with a public university or other research institution. Authorizes acceptance of funds from nonstate sources.
STATUS:  
10/08/2013  Signed by GOVERNOR.  
10/08/2013  Chaptered by Secretary of State.  Chapter No. 637 
NOTES:  
SDCWA Position: Sponsor  (started in the Assembly as AB 613) 

CA SB 387  
AUTHOR:  
Wright [D]  
TITLE:  
Coastal Resources: Once-Through Cooling  
FISCAL COMMITTEE:  
yes  
URGENCY CLAUSE:  
no  
INTRODUCED:  
02/20/2013  
DISPOSITION:  
Failed  
LOCATION:  
SENATE  
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:  
02/03/2014  In SENATE.  Returned to Secretary of Senate pursuant to Joint Rule 56.  

CA SB 395  
AUTHOR:  
Jackson [D]  
TITLE:  
Hazardous Waste: Wells  
FISCAL COMMITTEE:  
yes  
URGENCY CLAUSE:  
no  
INTRODUCED:  
02/20/2013  
LAST AMEND:  
05/28/2013  
DISPOSITION:  
Failed  
LOCATION:  
SENATE  
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. Requires testing of the waste. Specifies that oil field waste does not include hazardous waste.  

STATUS:  
02/06/2014  In SENATE.  Died on file pursuant to Joint Rule 56.  

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  
ENACTED:  
09/06/2013  
DISPOSITION:  
Enacted  
LOCATION:  
Chaptered  
CHAPTER:  
252  
SUMMARY:  
Allows a public agency, principally tasked with administering, planning, developing, and operating a public works project, to establish a specified peer
review group. Requires the administering agency, if a peer group is established, to draft a charter, published on the agency's Internet Web site, related to the duties of the peer review group.

**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

**ENACTED:** 09/06/2013

**LOCATION:** Senate

**CHAPTER:** 214

**SUMMARY:**

Amends the law that establishes the San Gabriel Basin Water Quality Authority Act. Extends the date of repeal of the Act.

**STATUS:**

09/06/2013 Signed by GOVERNOR.

09/06/2013 Chaptered by Secretary of State. Chapter No. 252

SDCWA Position: Watch (3-28-2013)

**CA SB 449**

**AUTHOR:** Galgiani [D]

**TITLE:** Local Water Supply Programs or Projects: Funding

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/21/2013

**LAST AMEND:** 08/14/2013

**DISPOSITION:** Failed

**LOCATION:** Senate

**SUMMARY:**

Requires the Department of Water Resources to conduct a statewide inventory of local regional water supply projects and post specified results of the inventory on the Department's Internet Web site.

**STATUS:**

02/03/2014 In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.

**CA SB 474**

**AUTHOR:** Nielsen [R]

**TITLE:** Appropriation of Water: Sewerage Commission Oroville

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/21/2013

**DISPOSITION:** Failed

**LOCATION:** Senate

**SUMMARY:**

Authorizes 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.

STATUS:
02/03/2014 In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.

CA SB 481

AUTHOR: Huff [R]
TITLE: California Public Employees Pension Reform Act of 2013
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/21/2013
DISPOSITION: Failed
LOCATION: SENATE
SUMMARY:

Makes a nonsubstantive change to the California Public Employees' Pension Reform Act of 2013.

STATUS:
02/03/2014 In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.

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: Failed
LOCATION: SENATE
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:
02/03/2014 In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.

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
LAST AMEND: 04/15/2013
DISPOSITION: Failed
LOCATION: SENATE
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, University of California and private colleges and universities for purposes of any market-based compliance mechanism adopted
by the board.

**STATUS:**

02/03/2014 In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.

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**CA SB 548**

**AUTHOR:** Roth [D]

**TITLE:** Public Utilities: Renewables Portfolio Standard

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/22/2013

**DISPOSITION:** Failed

**LOCATION:** SENATE

**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:**

02/03/2014 In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.

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**CA SB 553**

**AUTHOR:** Yee [D]

**TITLE:** Local Government: Assessment: Elections Procedures

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/22/2013

**ENACTED:** 09/06/2013

**DISPOSITION:** Enacted

**LOCATION:** Chaptered

**CHAPTER:** 215

**SUMMARY:**

Relates to property assessments and fees. Requires, where a proposed fee or charge is submitted to the registered voters residing in the affected area for approval, a county elections official shall conduct that election. Requires specific procedures for submission of a proposed fee or charge for approval by a vote of the subject property owners. Provides for procedures regarding the form and tabulation of ballots.

**STATUS:**

09/06/2013 Signed by GOVERNOR.

09/06/2013 Chaptered by Secretary of State. Chapter No. 215

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**CA SB 556**

**AUTHOR:** Corbett [D]

**TITLE:** Agency: Ostensible: Nongovernmental Entities

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/22/2013

**LAST AMEND:** 09/04/2013

**DISPOSITION:** Pending

**LOCATION:** Assembly Inactive File

**SUMMARY:**

Relates to third person contracts and ostensible agencies. Prohibits a person, firm, corporation, or association that is a nongovernmental entity and contracts to perform labor or services relating to public health or safety for a public entity from displaying on a vehicle or uniform a logo that reasonably could be
interpreted as implying the labor or services are being performed by employees of a public agency, unless the vehicle and uniform displays a specified disclosure.

**STATUS:**

09/11/2013 In ASSEMBLY. To Inactive File.

**CA SB 591**

**AUTHOR:** Cannella [R]

**TITLE:** Renewable Energy: Utilities: Hydroelectric Enforcement

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/22/2013

**ENACTED:** 10/03/2013

**DISPOSITION:** Enacted

**LOCATION:** Chaptered

**CHAPTER:** 520

**SUMMARY:**

Amends the State Renewables Portfolio Standard Program. Provides that a local publicly owned electric utility is not required to procure additional eligible renewable energy resources in excess of specified levels, if it receives 50% or greater of its annual retail sales from its own hydroelectric generation meeting specified requirements.

**STATUS:**

10/03/2013 Signed by GOVERNOR.

10/03/2013 Chaptered by Secretary of State. Chapter No. 520

**CA SB 608**

**AUTHOR:** Wright [D]

**TITLE:** Adverse Possession: Public Entity Properties

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/22/2013

**DISPOSITION:** Failed

**LOCATION:** SENATE

**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:**

02/03/2014 In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.

**CA SB 614**

**AUTHOR:** Wolk [D]

**TITLE:** Local Government: Changes: Infrastructure Financing

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/22/2013

**LAST AMEND:** 06/16/2014

**DISPOSITION:** Pending

**LOCATION:** Assembly Third Reading File

**SUMMARY:**

Requires that a proposal for a change of organization or reorganization is submitted to a local government organization commission, that the applicant submit a plan for providing services within the affected territory, and to include
a plan to improve or upgrade structures, roads, sewers and water facilities to a
serve disadvantage, unincorporated community, and to agree on a plan for
financing services that may provide that levied taxes, be divided between the
entities that consent to the plan.

06/30/2014 In ASSEMBLY. Read second time. To third reading.

CA SB 617

AUTHOR: Evans [D]
TITLE: California Environmental Quality Act
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 05/28/2013
DISPOSITION: Failed
LOCATION: SENATE
SUMMARY: 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.

02/06/2014 In SENATE. Died on file pursuant to Joint Rule 56.
SDCWA Position: Oppose (4-25-13)

CA SB 620

AUTHOR: Wright [D]
TITLE: Water Replenishment Districts
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
ENACTED: 10/08/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 638
SUMMARY: Amends the Water Replenishment District Act. Eliminates a requirement that a
specified percentage of a district reserve fund be expended for water purchases.
Provides that an operator of a water-producing facility is liable to a district for a
specified financial penalty for failing to be registered with the district or to make
specified reports. Requires a district to establish a budget advisory committee.
Relates to the awarding of attorney's fees in related civil actions.

10/08/2013 Signed by GOVERNOR.
10/08/2013 Chaptered by Secretary of State. Chapter No. 638

CA SB 633

AUTHOR: Pavley [D]
TITLE: State Parks
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 06/24/2014
Requires the Department of Parks and Recreation to report to the Legislature that addresses the Department's energy costs, projects that could reduce those costs, and potential energy-related infrastructure projects. Requires the Department to establish a pilot program for mobile food and beverage concessions and to report on the suitability, increase in visitation, and visitor satisfaction. Relates to the sales of park passes by cooperating vendors. Relates to the funding from special plates revenue.

STATUS:
06/24/2014 From ASSEMBLY Committee on APPROPRIATIONS with author's amendments.
06/24/2014 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

CA SB 658
AUTHOR: Correa [D]
TITLE: Orange County Water District Act
FISCAL COMMITTEE: no
URGENCY CLAUSE: yes
INTRODUCED: 02/22/2013
LAST AMEND: 05/15/2013
DISPOSITION: Failed
LOCATION: SENATE
SUMMARY:
Relates to the Orange County Water District Act that requires the person causing or threatening to cause the contamination or pollution to the surface or groundwaters of the district to be liable to the district for reasonable costs actually incurred in cleaning up or containing the contamination or pollution, abating the effects of the contamination or pollution, or taking other remedial action. Makes that person also liable for costs in investigating the contamination and pollution.

STATUS:
02/06/2014 In SENATE. Died on file pursuant to Joint Rule 56.

CA SB 726
AUTHOR: Lara [D]
TITLE: California Global Warming Solutions Act of 2006
FISCAL COMMITTEE: yes
INTRODUCED: 02/22/2013
ENACTED: 09/28/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 420
SUMMARY:
Relates to greenhouse gases. Relates to the California Global Warming Solutions Act of 2006 and the use of market-based compliance mechanisms. Requires the State Air Resource Board to include information on all proposed expenditures and allocations of moneys to the Western Climate Initiative, Incorporated, in the Governor's Budget. Requires the Board to report on specified procurements. Requires compliance with open meetings and public records policies.

STATUS:
09/28/2013 Chaptered by Secretary of State. Chapter No. 420
CA SB 731

AUTHOR: Steinberg [D]
TITLE: Environment: California Environmental Quality Act
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 09/09/2013
DISPOSITION: Pending
LOCATION: Assembly Second Reading File
SUMMARY: Relates to the State Environmental Quality Act. Provides that certain impacts of a residential, mixed-use, or employment center project within a transit priority area shall not be considered significant impacts. Requires guidelines for thresholds of significance for noise and transportation impacts to be made available. Requires preparation of environmental impact reports. Extends the tolling of time for judicial actions and mitigation measures. Relates to sustainable communities planning and grants.

STATUS: 09/11/2013 From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass as amended. (9-0)

CA SB 735

AUTHOR: Wolk [D]
TITLE: Sacramento-San Joaquin Delta Reform Act
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
LAST AMEND: 05/24/2013
DISPOSITION: Pending
LOCATION: Assembly Water, Parks and Wildlife Committee
SUMMARY: Amends existing law that establishes the Delta Stewardship Council to create a Delta management plan. Authorizes prescribed local entities to enter into a memorandum of understanding or other written agreement with the council and the Department of Fish and Wildlife regarding multispecies conservation plans that describes how the parties would ensure that multispecies conservation plans that have been adopted or are under development are consistent with the Delta Plan.

STATUS: 08/13/2013 In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.

CA SB 739

AUTHOR: Calderon R [D]
TITLE: Environmental Quality
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
DISPOSITION: Failed
LOCATION: SENATE
SUMMARY: Makes a technical, nonsubstantive change to the definition of local agency for the purposes of the California Environmental Quality Act.

STATUS: 02/03/2014 In SENATE. Returned to Secretary of Senate pursuant to
Joint Rule 56.

CA SB 750

**AUTHOR:** Wolk [D]

**TITLE:** Building Standards: Water Meters: Multiunits

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/22/2013

**LAST AMEND:** 08/08/2013

**DISPOSITION:** Pending

**LOCATION:** Assembly Water, Parks and Wildlife Committee

**SUMMARY:** Requires a water purveyor providing water service to new multiunit residential or mixed use structures to require water measurement to each unit and to permit measurement to be by water meters or submeters. Requires submeters to comply with existing laws and regulations. Prohibits purveyor fees for submeters installed by the owner. Imposes certain requirements on landlords in related to the submetered water service. Relates to separate charge notification to tenant. Authorizes damages for violations.

**STATUS:**

08/13/2013 In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Failed passage.

08/13/2013 In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Reconsideration granted.

**NOTES:**

SDCWA Position: Support, if amended (6-27-13)

CA SB 751

**AUTHOR:** Yee [D]

**TITLE:** Meetings: Publication of Action Taken

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/22/2013

**ENACTED:** 09/06/2013

**DISPOSITION:** Enacted

**LOCATION:** Chaptered

**CHAPTER:** 257

**SUMMARY:** Amends the Ralph M. Brown Act that requires all meetings of the legislative body of a local agency to be open and public and prohibits that body from taking action by secret ballot, whether preliminary of final. Requires that the legislative body of a local agency to publicly report any action taken and the vote or abstention of that action of each member present for the action.

**STATUS:**

09/06/2013 Signed by GOVERNOR.

09/06/2013 Chaptered by Secretary of State. Chapter No. 257

CA SB 754

**AUTHOR:** Evans [D]

**TITLE:** Environmental Quality Act

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/22/2013

**LAST AMEND:** 05/06/2013

**DISPOSITION:** Failed

**LOCATION:** SENATE

**SUMMARY:**

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Amends the California Environmental Quality Act. Authorizes a person meeting specified requirements to bring an action or proceeding to enforce the implementation of the mitigation measures specified in a reporting and monitoring program if a project applicant fails to implement those measures. Prohibits a project proponent to contract for, direct or prepare the initial study, environmental impact report or negative declaration. Prohibits the use of a prior EIR for specified purposes.

STATUS:
02/03/2014 In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.

CA SB 765

AUTHOR: Block [D]
TITLE: Public Employees: Collective Bargaining
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
VETOED:
DISPOSITION: Vetoed
LOCATION: Vetoed
SUMMARY:
Permits a public school supervisory peace officer employee to join or participate in an employee organization and negotiating unit that is composed of nonsupervisory peace officers if the representation has been agreed to by the supervisory employee representative, the nonsupervisory peace officer representative, and the employer and the Public Employment Relations Board is so notified.

STATUS:
08/19/2013 Vetoed by GOVERNOR.

CA SB 772

AUTHOR: Roth [D]
TITLE: County Water Company of Riverside: Liability
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 02/22/2013
LAST AMEND: 01/06/2014
DISPOSITION: Failed
LOCATION: SENATE
SUMMARY:
Relates to an exemption for the Elsinor Valley Municipal Water District and the Eastern Municipal Water District from liability for claims by past or existing County Water Company of Riverside concerning the operation and supply of water during an interim operation period for any good faith, reasonable effort using ordinary care to assume possession of, and to operate an supply water to the company's water system. Provides immunity for future customer claims.

STATUS:
02/03/2014 In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.

CA SB 776

AUTHOR: Corbett [D]
TITLE: Public Works: Prevailing Wage Rates: Credits
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
Makes changes to provisions specifying that certain employer payments are a credit against an obligation to pay the general prevailing rate of per diem wages, including certain benefits payments and payments to the Apprenticeship Council. Provides the conditions under which the employer may take credit for the payments. Prohibits credit from being granted for payments made to enforce laws related to public works if those payments are not required by a collective bargaining agreement.

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.

Repeals certain authorizations and enacts provisions that would authorize the Department of General Services, the Department of Corrections and Rehabilitation, and certain local agencies to use the design-build procurement process for specified public works. Authorizes the use of such process by the Marin Healthcare District when contracting for building and improvements construction to a hospital or health facility. Requires specified moneys to be deposited into the State Public Works Enforcement Fund.
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.

CA SB 805

AUTHOR: De Leon [D]
TITLE: Water Corporations: Low-Income Rate Relief Program
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2013
DISPOSITION: Failed
LOCATION: SENATE
SUMMARY: 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.

CA SB 825

AUTHOR: Governance and Finance Cmt
TITLE: Government Finance
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 03/20/2013
ENACTED: 10/05/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 607
SUMMARY: Requires a public agency to accept a corporate check, cashier's check, money order, or other draft method 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. Requires notification of seniors.
CA SB 834

AUTHOR: Huff [R]
TITLE: Sustainable Environmental Protection Act
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 01/06/2014
LAST AMEND: 03/20/2014
DISPOSITION: Pending
LOCATION: Senate Environmental Quality Committee
SUMMARY: Enacts the Sustainable Environmental Protection Act. Specifies the environmental review of projects pursuant to the California Environmental Quality Act (CEQA) is required to consider only specified environmental topic areas. Provides this legislation would prohibit a judicial action or proceeding challenging an action taken place by a lead agency on the ground of noncompliance of specified CEQA procedures. Provides the conditions under which the Sustainable Environmental Protection Act applies.

STATUS: 03/26/2014 In SENATE Committee on ENVIRONMENTAL QUALITY: Not heard.

CA SB 848

AUTHOR: Wolk [D]
TITLE: Safe Drinking Water, Water Quality, and Water Supply
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 01/09/2014
LAST AMEND: 07/03/2014
DISPOSITION: Pending
LOCATION: Senate Second Reading File
SUMMARY: Repeals the provisions of existing law that created the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. Enacts the Safe Drinking Water, Water Quality, and Flood Protection Act of 2014 which would authorize the issuance of bonds pursuant to the State General Obligation Bond Law to finance a safe drinking water, water quality and water supply program. Provides for the submission of the bond act to the voters.

STATUS: 07/03/2014 In SENATE. Read third time and amended. To second reading.

Commentary:
SDCWA Position: Oppose unless amended (2-27-14)

CA SB 927

AUTHOR: Cannella [R]
TITLE: Safe, Clean, and Reliable Drinking Water Supply Act
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 01/29/2014
DISPOSITION: Pending
LOCATION: Senate Natural Resources and Water Committee
SUMMARY: Renames the Safe, Clean, and Reliable Drinking Water Supply Act of 2012 as the Safe, Clean, and Reliable Drinking Water Supply Act of 2014 and makes conforming changes. Authorizes the issuance of bonds in a specified amount by reducing the amount available for projects related to drought relief and water
supply reliability.

STATUS:
04/22/2014 In SENATE Committee on NATURAL RESOURCES AND WATER: Failed passage.
04/22/2014 In SENATE Committee on NATURAL RESOURCES AND WATER: Reconsideration granted.

Commentary:
SDCWA Position: Support if amended (2-27-14)

CA SB 985

AUTHOR: Pavley [D]
TITLE: Stormwater Resource Planning
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/11/2014
LAST AMEND: 06/24/2014
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY: Amends the Stormwater Resource Planning Act. Requires a stormwater resources plan to identify and prioritize the use of lands or easements in public ownership for stormwater and dry weather runoff on- or off-site projects. Eliminates the requirement such a plan be consistent with any applicable integrated regional water management plan. Requires an entity developing a plan to identify opportunities to use existing publicly owned lands and easements to capture, clean, store, and use stormwater and runoff.

STATUS:
06/24/2014 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

CA SB 992

AUTHOR: Nielsen [R]
TITLE: Common Interest Developments: Property and Maintenance
FISCAL COMMITTEE: no
URGENCY CLAUSE: yes
INTRODUCED: 02/12/2014
LAST AMEND: 05/28/2014
DISPOSITION: Pending
LOCATION: Assembly Third Reading File
SUMMARY: Prohibits a common interest development association from imposing a fine or assessment on separate interest owners for reducing or eliminating watering of vegetation or lawns during any period for which the Governor has declared a state of emergency due to drought.

STATUS:
06/19/2014 In ASSEMBLY. Read second time. To third reading.

Commentary:
SDCWA Position: Support and seek amendments (3-27-14)

CA SB 1036

AUTHOR: Pavley [D]
TITLE: Urban Water Management Plans
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2014
LAST AMEND: 05/27/2014
Authorizes an urban water supplier to include within an urban water management plan certain energy-related information, including, but not limited to, an estimate of the amount of energy used to extract or divert water supplies. Requires the Department of Water Resources to include in its guidance for the preparation of such plans, a methodology for the voluntary calculation or estimation of the energy intensity of urban water systems.

STATUS:
06/17/2014 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS. (13-0)

Amends the Integrated Regional Water Management Planning Act. Includes projects or programs that reduce energy used to acquire, transport, treat, or distribute water, or that develop and maintain computer models and analytic tools to model regional water management strategies as a regional project or program. Requires a regional water management group to include all water suppliers that are within a watershed area, the area over a groundwater basin or subbasin, or the area within a county's boundaries.

STATUS:
05/23/2014 In SENATE Committee on APPROPRIATIONS: Held in committee.

Commentary:
SDCWA Position: Support if amended (3-27-14)

Relates to the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, which, if approved by the voters, would authorize the issuance of bonds in a specified amount. Declares the intent of the Legislature to enact legislation to reduce the bond amount.

STATUS:
02/27/2014 To SENATE Committee on RULES.

Authorizes urban water suppliers to include within urban water management plans certain energy-related information, including, but not limited to, an estimate of the amount of energy used to extract or divert water supplies. Requires the Department of Water Resources to include in its guidance for the preparation of such plans a methodology for the voluntary calculation or estimation of the energy intensity of urban water systems.

STATUS:
06/17/2014 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS. (13-0)
| **FISCAL COMMITTEE:** | yes |
| **URGENCY CLAUSE:** | yes |
| **INTRODUCED:** | 02/19/2014 |
| **LAST AMEND:** | 05/27/2014 |
| **DISPOSITION:** | Pending |
| **LOCATION:** | Senate Third Reading File |
| **SUMMARY:** | Enacts the Safe Neighborhood Parks, Rivers, and Coastal Protection Bond Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in an unspecified amount pursuant to the State General Obligation Bond Law to finance a safe neighborhood parks, rivers, and coastal protection program. |
| **STATUS:** | 05/27/2014 In SENATE. Read second time and amended. To third reading. |

**CA SB 1096**

| **AUTHOR:** | Jackson [D] |
| **TITLE:** | Coastal Sanctuary: State Lands: Oil and Gas Leases |
| **FISCAL COMMITTEE:** | yes |
| **URGENCY CLAUSE:** | no |
| **INTRODUCED:** | 02/19/2014 |
| **LAST AMEND:** | 07/03/2014 |
| **DISPOSITION:** | Pending |
| **LOCATION:** | Assembly Appropriations Committee |
| **SUMMARY:** | Deletes, under the State Coastal Sanctuary Act of 1994, an authorization for the State Lands Commission to enter into a lease for the extraction of oil or gas from state-owned tide and submerged lands in the State Coastal Sanctuary if the Commission determines that the oil and gas deposits are being drained by means of producing wells upon adjacent federal lands and the lease is in the best interest of the State. |
| **STATUS:** | 07/03/2014 From ASSEMBLY Committee on APPROPRIATIONS with author's amendments. 07/03/2014 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS. |

**CA SB 1120**

| **AUTHOR:** | Galgiani [D] |
| **TITLE:** | Local Water Supply Programs or Projects: Funding |
| **FISCAL COMMITTEE:** | yes |
| **URGENCY CLAUSE:** | no |
| **INTRODUCED:** | 02/19/2014 |
| **LAST AMEND:** | 05/27/2014 |
| **DISPOSITION:** | Pending |
| **LOCATION:** | Assembly Appropriations Committee |
| **SUMMARY:** | Requires the Department of Water Resources to conduct a voluntary statewide survey of local regional water supply projects and post specified results of the survey on the department's Internet Web site. |
| **STATUS:** | 06/17/2014 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS. (15-0) |
CA SB 1121

**AUTHOR:** De Leon [D]

**TITLE:** Climate Technology and Infrastructure Financing Act

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/19/2014

**LAST AMEND:** 07/01/2014

**DISPOSITION:** Pending

**LOCATION:** Assembly Appropriations Committee

**SUMMARY:**
Enacts the State Climate Technology and Infrastructure Financing Act. Requires the development of the Climate Technology and Infrastructure Financing Program to provide financial assistance to eligible greenhouse gas emissions reduction projects. Establishes a related fund for the purposes of the program.

**STATUS:** 07/01/2014 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

CA SB 1122

**AUTHOR:** Pavley [D]

**TITLE:** Sustainable Communities: Strategic Growth Council

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/19/2014

**LAST AMEND:** 05/05/2014

**DISPOSITION:** Pending

**LOCATION:** Senate Appropriations Committee

**SUMMARY:**
Requires the Strategic Growth Council to manage and award financial assistance for the purpose of supporting the implementation of sustainable communities strategies or alternate planning strategies, to be funded by the Greenhouse Gas Reduction Fund. Requires guidelines for funds use. Authorizes such assistance for the development and implementation of agricultural, natural resource, and open space land protection plans consistent with sustainable communities and greenhouse gas emission reduction plans.

**STATUS:** 05/23/2014 In SENATE Committee on APPROPRIATIONS: Held in committee.

CA SB 1132

**AUTHOR:** Mitchell [D]

**TITLE:** Oil and Gas Well Stimulation Treatments

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/20/2014

**LAST AMEND:** 05/27/2014

**DISPOSITION:** Failed

**LOCATION:** SENATE

**SUMMARY:**
Requires a specified scientific study to be conducted to consider additional elements and evaluate potential direct, indirect and cumulative health and environmental effects of onshore and offshore well stimulation and well stimulation treatment-related activities. Prohibits all well stimulation treatments until the Secretary of the Natural Resources Agency convenes a committee to review the scientific study, and that such stimulation will not create specified adverse public or environmental health impacts.
CA SB 1139

AUTHOR: Hueso [D]
TITLE: State Renewables Portfolio Standard Program
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2014
LAST AMEND: 07/02/2014
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee

SUMMARY:
Requires each retail seller of electricity to procure a proportionate share of the statewide total megawatts of electricity generated by specified baseload geothermal power plants. Requires each such seller to file a related plan. Authorizes the PUC to determine if such energy procurement shall count towards meeting obligations under the State Renewables Portfolio Standard Program. Requires project to demonstrate environmental benefit to the State. Requires an investigation of contract expiration.

STATUS:
07/02/2014 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

Commentary:
SDCWA Position: Support if amended (5-22-2014)

CA SB 1144

AUTHOR: Galgiani [D]
TITLE: Common Interest Developments
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/20/2014
DISPOSITION: Pending
LOCATION: Senate Transportation and Housing Committee

SUMMARY:
Prohibits an association from imposing a fine or assessment on separate interest owners for yard maintenance issues related to under watered plants and lawns during any period for which the governor has declared a state of emergency due to drought. Prohibits a city, county, or city and county from imposing a fine or assessment on separate interest owners for yard maintenance issues.

STATUS:
03/06/2014 To SENATE Committee on TRANSPORTATION AND HOUSING.

Commentary:
SDCWA Position: Support and seek amendments (3-27-14)

CA SB 1168

AUTHOR: Pavley [D]
TITLE: Groundwater Management
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2014
LAST AMEND: 06/17/2014
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY:
Enacts the Sustainable Groundwater Management Act. Requires basins and subbasins to be categorized. Authorizes a groundwater management agency to collect fees and set up a system for allocating groundwater, and to monitor and manage groundwater levels. Requires a groundwater management plan. Requires a local general plan to be referred to such agency, of the State Water Resources Control Board.

STATUS:
06/24/2014 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS. (9-4)

CA SB 1250
AUTHOR: Hueso [D]
TITLE: Safe, Clean and Reliable Drinking Water Supply Act
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 02/20/2014
LAST AMEND: 05/07/2014
DISPOSITION: Pending
LOCATION: Senate Natural Resources and Water Committee
SUMMARY:
Repeals the Safe, Clean and Reliable Drinking Water Supply Act of 2012 that would authorize the issuance of bonds to finance a safe drinking water and water supply reliability program. Enacts the Safe, Clean, and Reliable Drinking Water Supply Act of 2014, which, if adopted by voters would authorize the issuance of State General Obligation Bonds in a specified amount to finance a safe drinking water and water supply program.

STATUS:
05/13/2014 In SENATE Committee on NATURAL RESOURCES AND WATER: Not heard.

Commentary:
SDCWA Position: Support if amended (4-24-14)

CA SB 1259
AUTHOR: Pavley [D]
TITLE: Dams: Sedimentation Studies
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2014
LAST AMEND: 05/27/2014
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY:
Requires the Department of Water Resources to make investigations and to gather or cause to be gathered data for a proper review and study of the loss of storage capacity behind dams resulting from sedimentation. Requires the results of the study to be reflected in the update of the State Water Plan and provided to appropriate legislative committees. Requires identifying high-priority reservoirs for evaluation. Requires a study on the loss of dam storage capacity due to sedimentation.

STATUS:
06/17/2014 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS. (14-0)
CA SB 1281

**AUTHOR:** Pavley [D]
**TITLE:** Oil and Gas Production: Water Use Reporting
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** no
**INTRODUCED:** 02/21/2014
**LAST AMEND:** 06/09/2014
**DISPOSITION:** Pending
**LOCATION:** Assembly Appropriations Committee

**SUMMARY:**
Requires the monthly statement by a well owner to the State Oil and Gas Supervisor to include the source and amount of fluid or gas injected into each well, and the source and amount of water used to generate injected fluid or gas. Requires the use of recycled water during a drought. Prohibits the use of unmanaged groundwater. Requires the statement to include additional information, including the treatment of water and the use of treated or recycled water in oil and gas field activities.

**STATUS:**
07/02/2014 In ASSEMBLY Committee on APPROPRIATIONS: Not heard.

CA SB 1370

**AUTHOR:** Galgiani [D]
**TITLE:** Reliable Water Supply Bond Act of 2014
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** yes
**INTRODUCED:** 02/21/2014
**LAST AMEND:** 03/24/2014
**DISPOSITION:** Pending
**LOCATION:** Senate Natural Resources and Water Committee

**SUMMARY:**

**STATUS:**
04/08/2014 In SENATE Committee on NATURAL RESOURCES AND WATER: Heard, remains in Committee.

**Commentary:**
SDCWA Position: Oppose unless amended (3-27-14)

CA SB 1410

**AUTHOR:** Wolk [D]
**TITLE:** Wildlife Management Areas: Payments
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** yes
**INTRODUCED:** 02/21/2014
**LAST AMEND:** 04/21/2014
**DISPOSITION:** Pending
**LOCATION:** Senate Appropriations Committee

**SUMMARY:**
Appropriates funds from the General Fund to the Department of Fish and Wildlife to make payments to counties for unpaid amounts under provisions of existing law. Appropriates funds annually from the General Fund to the Department to make payments to counties for under these provisions regarding wildlife management areas.

**STATUS:**

CA SB 1420

AUTHOR: Wolk [D]
TITLE: Urban Water Management Plans
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2014
LAST AMEND: 04/21/2014
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY: Requires an urban water management plan to quantify and report on distribution system water loss. Authorizes water use projections to display and account for the water savings estimated to result from adopted codes, standards, ordinances, or transportation and land use plans, when the information is available and applicable to the supplier. Requires the plan, or amendments to be submitted electronically to the Department of Water Resources and include department forms, tables, or displays.
STATUS: 06/17/2014 From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS. (15-0)
Commentary:
SDCWA Position: Support (3-27-14)

CA SB 1447

AUTHOR: Fuller [R]
TITLE: Bay Delta Conservation Plan: Judicial Review
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/21/2014
DISPOSITION: Pending
LOCATION: Senate Rules Committee
SUMMARY: States the intent of the Legislature to enact legislation establishing judicial review procedures for the Bay Delta Conservation Plan.
STATUS: 03/13/2014 To SENATE Committee on RULES.

CA SB 1451

AUTHOR: Hill [D]
TITLE: Environmental Quality: Judicial Review: Standing
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2014
LAST AMEND: 04/21/2014
DISPOSITION: Pending
LOCATION: Senate Judiciary Committee
SUMMARY: Relates to the California Environmental Quality Act. Requires that the alleged grounds for Act noncompliance shall have been presented to a public agency prior to the close of a public hearing on the project under certain conditions. Limits the standing of a person objecting to the project prior to the close of the hearing before the filing of notice of determination for which no public comment
period was provided by the Act. Extends related preclusion provisions.

**STATUS:**
05/06/2014 In SENATE Committee on JUDICIARY: Not heard.

**CA SCA 3**

**AUTHOR:** Leno [D]
**TITLE:** Public Information
**FISCAL COMMITTEE:** yes
**URGENCY CLAUSE:** no
**INTRODUCED:** 12/03/2012
**ENACTED:** 09/20/2013
**DISPOSITION:** Adopted
**LOCATION:** Chaptered
**CHAPTER:** 123

**SUMMARY:**
Proposes an amendment to the Constitution to require each local agency to comply with the State Public Records Act and the Brown Act and with any statutory enactment amended either act, enacting a successor act, or amending any successor act which contains findings demonstrating that the statutory enactment furthers the purposes of the people's right of access to information concerning the conduct of the people's business. Regards the subvention of funds.

**STATUS:**
09/20/2013 Chaptered by Secretary of State.
09/20/2013 Resolution Chapter No. 123

**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:** 08/28/2013
**DISPOSITION:** Pending
**LOCATION:** Senate Appropriations Committee

**SUMMARY:**
Proposes an amendment to the Constitution to provide the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of a related proposition that includes certain requirements. 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:**
08/29/2013 Re-referred to SENATE Committee on APPROPRIATIONS.

**CA SCA 11**

**AUTHOR:** Hancock [D]
**TITLE:** Local Government: Special Taxes: Voter Approval
**FISCAL COMMITTEE:** no
**URGENCY CLAUSE:** no
**INTRODUCED:** 01/25/2013
**LAST AMEND:** 05/21/2013
**DISPOSITION:** Pending
**LOCATION:** Senate Appropriations Committee

**SUMMARY:**
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, if the proposition proposing the tax contains specified requirements.

**STATUS:**
06/27/2013 Re-referred to SENATE Committee on APPROPRIATIONS.

### Federal Legislation

<table>
<thead>
<tr>
<th>Bill</th>
<th>Related</th>
<th>Sponsor</th>
<th>Title</th>
<th>Introduced</th>
<th>Enacted</th>
<th>Disposition</th>
<th>Location</th>
<th>Chapter #</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>US HR 267</td>
<td>US S 545</td>
<td>McMorris Rodger [R]</td>
<td>Hydropower</td>
<td>01/15/2013</td>
<td>08/09/2013</td>
<td>Enacted</td>
<td>Chaptered</td>
<td>113-23</td>
<td>Creates the Hydropower Regulatory Efficiency Act of 2013; relates to licensing of conduit hydroelectric power projects, promoting such projects, hydropower development at nonpowered dams and closed loop pumped storage projects, and a study of pumped storage and potential hydropower from conduits.</td>
</tr>
<tr>
<td>US HR 3964</td>
<td>US HR 934, US HR 2554, US HR 2705, US HRES 472</td>
<td>Valadao [R]</td>
<td>Sacramento San Joaquin Valley Emergency Water Delivery</td>
<td>01/29/2014</td>
<td>02/05/2014</td>
<td>Pending</td>
<td>Senate General Orders</td>
<td>Relates to the Sacramento-San Joaquin Valley Emergency Water Delivery Act; addresses certain water-related concerns in the Sacramento-San Joaquin Valley; relates to a water reliability project, San Joaquin River restoration, repayment contracts and acceleration of repayment of construction costs, and</td>
<td></td>
</tr>
</tbody>
</table>
Bay-Delta watershed water rights preservation and protection.

**STATUS:**
02/10/2014 In SENATE. Read second time. Placed on Legislative Calendar under General Orders.

**US HR 4039**

**SPONSOR:** Costa [D]
**TITLE:** Water Supplies and Disaster Assistance
**INTRODUCED:** 02/11/2014
**DISPOSITION:** Pending
**LOCATION:** House Energy and Commerce Committee

**SUMMARY:**
Directs the Secretary of the Interior, the Secretary of Commerce, and the Administrator of the Environmental Protection Agency to take actions to provide additional water supplies and disaster assistance to the State of California due to drought.

**STATUS:**
02/14/2014 In HOUSE Committee on ENERGY AND COMMERCE: Referred to Subcommittee on ENVIRONMENT AND THE ECONOMY.

**US S 2016**

**SPONSOR:** Feinstein [D]
**TITLE:** California Emergency Drought Relief Act of 2014
**INTRODUCED:** 02/11/2014
**DISPOSITION:** Pending
**LOCATION:** Senate Energy and Natural Resources Committee

**SUMMARY:**
Relates to the California Emergency Drought Relief Act of 2014; directs the Secretary of the Interior, the Secretary of Commerce, and the Administrator of the Environmental Protection Agency to take actions to provide additional water supplies and disaster assistance to the State of California due to drought.

**STATUS:**
02/11/2014 INTRODUCED.
02/11/2014 In SENATE. Read second time.
02/11/2014 To SENATE Committee on ENERGY AND NATURAL RESOURCES.
July 16, 2014

Attention: Legislation, Conservation and Outreach Committee

Government Relations Update. (Information)

Discussion
This report is an update of the Water Authority’s government relations program.

Legislature
On July 3, 2014, the Legislature adjourned for its summer recess, and will reconvene on August 4, 2014. Upon its return, the Legislature will have only 22 legislative days remaining in the 2014 regular legislative session prior to adjournment for the year and the two-year legislative session.

Sponsored Legislation
At its November 2013 Board meeting, the Water Authority Board of Directors approved sponsorship of two legislative proposals for the 2014 legislative session. Both of the following sponsored measures were introduced in February 2014:

- AB 1874 – authored by Assemblymember Lorena Gonzalez – would streamline the state’s administration of the integrated regional water management (IRWM) program.
  - As reported previously, AB 1874 was held on the Assembly Appropriations Committee suspense file. The Appropriations Committee staff and the Department of Finance had identified one-time state costs in the range of $150,000 to $250,000 to the Department of Water Resources for the creation of a new and separate streamlined IRWM application process. The Water Authority staff and legislative advocates demonstrated the offsetting cost-savings associated with implementation of the measure, but it remained on the Appropriations Committee suspense file.
  - Alternative opportunities to advance the policy issues in AB 1874 by other means are continuing to be explored and pursued by the staff and legislative advocates.

- AB 2067 – authored by Assemblymember Shirley Weber – would simplify and update the reporting requirements for demand management measures in urban water management plans and extend the deadline for submittal of 2015 urban water management plans from December 31, 2015 to July 1, 2016.
  - AB 2067 passed the Assembly Water, Parks, and Wildlife Committee on a 13-0 vote, passed the Assembly Appropriations Committee on a 17-0 vote, and passed off the Assembly Floor on a 75-0 vote.
AB 2067 passed the Senate Natural Resources and Water Committee on June 10, 2014, on a 9-0 vote, and is pending action on the Senate Floor.

Water Bond
SBX7-2 (Cogdill), the $11.14 billion water bond measure originally enacted in 2009, is currently on the November 4, 2014 ballot. Activity related to the water bond proceeded very rapidly leading up to the Legislature’s summer recess on July 3; however, no water bond legislation emerged with sufficient support and the necessary two-thirds vote in each house of the Legislature to advance prior to the recess. At this time, there are two primary water bond measures that are most actively being considered within the Legislature for the November 4, 2014 statewide general election ballot:

<table>
<thead>
<tr>
<th>Water Bond Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bill</strong></td>
</tr>
<tr>
<td>AB 2686 (Perea)</td>
</tr>
<tr>
<td>SB 848 (Wolk)</td>
</tr>
</tbody>
</table>

Attachment 1 provides an overview comparison of the active water bond bills in terms of their alignment with the Water Authority’s water bond priorities.

Any water bond measure approved by the Legislature to replace SBX7-2 on the ballot would require a two-thirds vote in both houses of the Legislature. In addition, any measure to move the existing water bond from the November 2014 ballot to a future statewide ballot, would require a two-thirds vote in each house. At this time, even if the only modification to the measure is the change of ballot date, it would now require a two-thirds vote in each house because it would need to be enacted as an urgency measure to take effect immediately.

The Water Authority’s staff and legislative advocates continue to participate in discussions in any venue within which water bond discussions are occurring, on how the water bond should be restructured to advance the Water Authority’s priorities.

Lobbyist Activities
Steve Cruz of Gonzalez, Quintana & Hunter reports that he performed the following lobbying activities on behalf of the Water Authority over the past month:

- Provided strategic advice and information regarding the Water Authority’s legislative interests
- Worked with the Water Authority Government Relations Manager to secure support for the Water Authority’s two sponsored bills
Represented the Water Authority in various legislative policy and fiscal committees on Water Authority position bills.

Coordinated with V. John White, Bob Giroux, and Water Authority staff on various legislative issues of importance to the Water Authority

Conducted a series of advocacy briefings on a regular and ongoing basis to communicate and share the Water Authority’s interests in various water bond measures being considered within the Legislature

Bob Giroux of Lang, Hansen, O’Malley & Miller reports that he performed the following lobbying activities on behalf of the Water Authority over the past month:

- Provided strategic advice and information regarding the Water Authority’s legislative interests
- Coordinated with V. John White, Steve Cruz, and Water Authority staff on various legislative issues of importance to the Water Authority
- Confferred with the Assembly Speaker and the Senate President pro tem regarding the Water Authority’s interests

V. John White reports that he performed the following lobbying activities on behalf of the Water Authority over the past month:

- Provided strategic advice and information regarding the Water Authority’s legislative interests
- Coordinated with Bob Giroux, Steve Cruz, and Water Authority staff on various legislative issues of importance to the Water Authority
- Met with legislators and staff regarding Salton Sea mitigation planning and long term funding sources
- Met and discussed several Water Authority issues of interest with key environmental groups, including Sierra Club, Planning and Conservation League, and the California League of Conservation Voters
- Met and discussed the proposed San Vicente pumped hydro storage project with Water Authority staff and representatives and staff of the California Public Utilities Commission and the California Independent System Operator
**Washington, D.C.**
Ken Carpi of Carpi & Clay will provide a separate written report of the firm’s monthly activities in Washington, D.C.

Prepared by:  Glenn A. Farrel, Government Relations Manager  
Reviewed by:  Dennis A. Cushman, Assistant General Manager  

Attachment:  Comparison of Water Bonds vs. San Diego Priorities
## San Diego County Water Authority
### Comparison of Water Bonds vs. San Diego Priorities

<table>
<thead>
<tr>
<th>San Diego Water Bond Priorities</th>
<th>Governor’s Water Bond Proposal</th>
<th>SB 848 (Wolk)</th>
<th>SB 1250 (Hueso)</th>
<th>AB 1331 (Rendon)</th>
<th>AB 2043 (Bigelow)</th>
<th>AB 2686 (Perea)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearly delineated funding opportunities for seawater desal projects and water reuse projects at a level on-par with groundwater protection</td>
<td>?</td>
<td>-</td>
<td>√</td>
<td>-</td>
<td>√</td>
<td>√/-</td>
</tr>
<tr>
<td>Robust IRWM program without new policy conditions and encumbrances</td>
<td>?</td>
<td>√</td>
<td>√</td>
<td>-</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Provides funding to help fulfill State’s obligations with respect to QSA mitigation and Salton Sea restoration</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>-</td>
<td>√/-</td>
</tr>
</tbody>
</table>

### Funding Opportunities

- **SB 848 (Wolk)**
  - Oppose Unless Amended
  - Includes $1.07 B for groundwater sustainability projects, but only $500 M for water recycling and desal projects

- **SB 1250 (Hueso)**
  - Support if Amended
  - Includes $500 M for groundwater protection and $500 M for water recycling and desal projects

- **AB 1331 (Rendon)**
  - Oppose Unless Amended
  - Includes $100 M for groundwater protection projects and $500 M for water recycling and desal projects

- **AB 2043 (Bigelow)**
  - Support if Amended
  - Includes $800 M for groundwater protection projects and $800 M for water recycling and desal projects

- **AB 2686 (Perea)**
  - Support if Amended
  - Includes $900 M for groundwater protection projects and $900 M for recycling and desal (However, groundwater cleanup is also identified as an eligible project in the recycling chapter)

### Funding Priorities

- **SB 848 (Wolk)**
  - Provides $825 M for IRWM projects ($81 million to San Diego region). Adds one new condition and a “coordination” role with the SWRCB

- **SB 1250 (Hueso)**
  - Provides $1 B for IRWM projects ($87 million to San Diego region). Adds one new condition and a “collaboration” role with the SWRCB

- **AB 1331 (Rendon)**
  - Provides $1 B for IRWM projects ($96 million to San Diego region). Adds 2 new conditions that must be satisfied and one state agency to the process

- **AB 2043 (Bigelow)**
  - Provides $840 M for IRWM projects ($69.6 million to San Diego region). No new conditions and no additional state agencies

- **AB 2686 (Perea)**
  - Provides $500 M for IRWM projects ($43.5 million to San Diego region). One new condition and no additional state agencies

### Fulfillment of State’s Obligations

- **SB 848 (Wolk)**
  - Identifies “state settlement obligations” as a funded element.

- **SB 1250 (Hueso)**
  - Provides $165 M to help fulfill the State’s obligations, of which $66 M is allocated to QSA mitigation and Salton Sea restoration

- **AB 1331 (Rendon)**
  - Provides $500 M to help fulfill the State’s obligations, of which QSA mitigation and Salton Sea restoration is an identified obligation

- **AB 2043 (Bigelow)**
  - Provides $500 M to help fulfill the State’s obligations, of which QSA mitigation and Salton Sea restoration is an identified obligation

- **AB 2686 (Perea)**
  - Does not provide funding to fulfill this priority

- **SB 1250 (Hueso)**
  - Provides $165 M to help fulfill the State’s obligations, of which $66 M is allocated to QSA mitigation and Salton Sea restoration

- **AB 1331 (Rendon)**
  - Provides $500 M to help fulfill the State’s obligations, of which QSA mitigation and Salton Sea restoration is an identified obligation

- **AB 2043 (Bigelow)**
  - Provides $500 M to help fulfill the State’s obligations, of which QSA mitigation and Salton Sea restoration is an identified obligation

- **AB 2686 (Perea)**
  - Provides $475 M to help fulfill the State’s obligations, but does not specifically identify the QSA- and Salton Sea-related obligations
<table>
<thead>
<tr>
<th>San Diego Water Bond Priorities</th>
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<th>AB 2686 (Perea)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides clearly delineated funding for expansion and addition of local and regional surface storage projects</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Does not provide funding to address this priority – only includes statewide storage funding ($2 B – cont. approp)</td>
<td>Does not provide funding to address this priority – only includes Chapter 8 funding ($2 B – cont. approp)</td>
<td>Provides $100 M in a stand-alone chapter specifically for local and regional storage projects – need amendments to ensure eligibility for pumped hydropower storage (Chapter 8 provides $3 B – cont. approp)</td>
<td>Provides very limited opportunity to compete for funding under Chapter 9 ($2.5 B – Legis. approp)</td>
<td>Provides $100 M funding account specifically for local and regional storage projects, including pumped hydropower storage (Chapter 8 provides $3 B – cont. approp)</td>
<td>Provides substantial funding for Delta ecosystem restoration in support of the co-equal goals</td>
<td>Provides $250 M to the CA Department of Fish and Wildlife for Delta ecosystem restoration and Delta sustainability</td>
</tr>
<tr>
<td>Provides $100 M in a stand-alone chapter specifically for local and regional storage projects – need amendments to ensure eligibility for pumped hydropower storage (Chapter 8 provides $3 B – cont. approp)</td>
<td>Provides $335 M in funding to the Delta Conservancy for Delta ecosystem projects</td>
<td>Provides $2.25 B for Delta ecosystem restoration and Delta sustainability</td>
<td>Provides $600 M to protect, restore, and enhance the Delta – no specific indication that funds could be used to advance the co-equal goals</td>
<td>Provides $1.5 B for Delta ecosystem restoration</td>
<td>Provides substantial funding for Delta ecosystem restoration in support of the co-equal goals</td>
<td>Provides $250 M to the CA Department of Fish and Wildlife for Delta ecosystem restoration and Delta sustainability</td>
</tr>
<tr>
<td>Provides for equitable, proportional funding among regions of the state</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Does not meet test of providing proportional funding to San Diego region (9%)</td>
<td>Does not meet test of providing proportional funding to San Diego region (8%)</td>
<td>Does not meet test of providing proportional funding to San Diego region (7.3%)</td>
<td>Does not meet test of providing proportional funding to San Diego region (9%)</td>
<td>Does not meet test of providing proportional funding to San Diego region (8.7%)</td>
<td>Provides for equitable, proportional funding among regions of the state</td>
<td>Provides for equitable, proportional funding among regions of the state</td>
</tr>
</tbody>
</table>
FORMAL BOARD OF DIRECTORS’ MEETING

The mission of the San Diego County Water Authority is to provide a safe and reliable supply of water to its member agencies serving the San Diego region.

July, 24, 2014

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 Formal Board of Directors’ meeting of June 26, 2014.

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 Rincon Del Diablo Municipal Water District Overview – Greg Thomas, General Manager.
   7-B Retirement of Director. Adopt Resolution No. 2014-___ honoring Bob Topolovac 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
       Imported Water Committee Director Saxod
       Water Planning Committee Director Tu
       Engineering and Operations Committee Director Brady
       Legislation, Conservation and Outreach Committee Director Croucher
9. CONSENT CALENDAR

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

9- 2. Adopt Resolution setting the time and date for a Public Hearing to consider amendments to the San Diego County Water Authority Local Conflict of Interest Code.
    Adopt Resolution No. 2014-___ setting the August regular meeting of the Administrative and Finance Committee as the time and date of a public hearing to consider amendments to the San Diego County Water Authority Local Conflict of Interest Code.

9- 3. Adopt Ordinance to make minor, technical amendments relating to the requirements for imposition of the System Capacity and Water Treatment Capacity Charges.
    Adopt Ordinance No. 2014-___ amending and restating the provisions of Ordinance No. 2013-03 relating to the system capacity and water treatment capacity charges.

9- 4. Approve Amendment to Agreement for Special Services with Liebert Cassidy Whitmore.
    Authorize the General Counsel to execute an amendment to the agreement for special services with Liebert Cassidy Whitmore to increase the contract limit to $220,000.

9- 5. Notify the Water Authority member agencies of a Regional Drought Response Level 2, Drought Alert condition, and declare Stage 2 of the San Diego County Water Authority’s Water Shortage and Drought Response Plan.
    Approve notification to the Water Authority member agencies of a Regional Drought Response Level 2, Drought Alert condition, which under the Model Drought Ordinance includes mandatory water use restrictions. Declare Stage 2 of the San Diego County Water Authority’s Water Shortage and Drought Response Plan. Do not pursue dry-year supplies at this time due to severe statewide drought conditions and limited water transfer opportunities.
9- 6. Contracts for the Pipelines 3, 4, and 5 Relining at the San Luis Rey River project.
Authorize the General Manager to award a construction contract to L.H. Woods & Sons, Inc. in the amount of $9,750,000 for the Pipelines 3, 4, and 5 Relining at the San Luis Rey River project. Authorize the General Manager to award a professional services contract to Pure Technologies US, Inc., for a total not-to-exceed amount of $385,100 to perform Acoustic Fiber Optic modifications for the Pipelines 4 and 5 Relining at the San Luis Rey River project.

9- 7. Adopt positions on various state bills.
Adopt a position of Support on SB1121 (De León).

10. ACTION / DISCUSSION

11. CLOSED SESSION(S)

11-A 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; CPF-12-512466; and BC547139

11-B CLOSED SESSION:
Security of Water Authority Services or Facilities
Consultation with: Board Security Taskforce,
Director of Operations and Maintenance, Director of
Administrative Services, Government Code §54957(a)

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

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

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 Saxod
13-D AB 1234 Compliance Reports – Directors
14. OTHER COMMUNICATIONS

15. ADJOURNMENT

Doria F. Lore
Clerk of the Board

NOTE: The agendas for the Formal Board meeting and the meetings of the Standing Committees held on the day of the regular Board meeting are considered a single agenda. All information or possible action items on the agenda of committees or the Board may be deliberated by and become subject to consideration and action by the Board.
ENGINEERING AND OPERATIONS COMMITTEE
CALL TO ORDER / ROLL CALL

Chair Brady called the Engineering and Operations Committee meeting to order at 9:00 a.m. Committee members present were Chair Brady, Vice Chairs Miller and Pocklington and Directors Barnum, Mudd, Murtland, Olson, Razak, Simpson*, Tu, Verbeke, Watkins, and Wornham. Members absent were Director Morrison and Representative Roberts. Also present were Directors Arant, Hilliker, Hogan, Kern, Lewinger, Linden, Madaffer, Sanford, Saunders, Saxod, Topolovac, Watton, Weston, Williams, and Wilson. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Deputy General Counsel Gallien, Director of Operations and Maintenance Eaton, Director of Engineering Rose, Engineering Manager Reed, Operations and Maintenance Manager Fisher, Principal Engineer Rodgers, Senior Construction Manager Griffis, and Engineer P.E. Crutchfield.

ADDITIONS TO AGENDA
There were no additions to the agenda.

PUBLIC COMMENT
There were no members of the public who wished to speak.

CHAIR’S REPORT
Chair Brady announced that the San Vicente Dam Raise Dedication was scheduled for July 16, 2014 at 10:00 am. He stated that RSVP forms had been placed in front of each Board member and asked them to complete the form so that staff could collect them. He also announced that the annual Engineering and Operations Tour was scheduled for Tuesday, September 30, 2014. He reported the tour would visit several sites of the Carlsbad Desalination project and that more details would follow in the coming months.

Chair Brady reported that CNN had done a feature series called “City of Tomorrow” consisting of several segments, and one of the segments showcased the Carlsbad Desalination Project and featured the Water Authority’s Bob Yamada. A copy of the video segment was shown to the Board.

DIRECTORS’ COMMENTS
There were no Directors’ comments.
I. CONSENT CALENDAR

1. Notice of Completion for San Marcos Vent Desalination Modifications.
   Staff recommendation: Authorize the General Manager to accept the San Marcos Vent Desalination Modification project as complete, record the Notice of Completion, and release funds held in retention to TC Construction Company, Inc., following the expiration of the retention period.

   Director Wornham moved, Vice-Chair Pocklington seconded, and the motion to approve staff’s recommendation passed unanimously.

II. ACTION/DISCUSSION

1. San Vicente Projects.
   1-A Notice of Completion for the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities project.
   Staff recommendation: Authorize the General Manager to accept the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities project as complete, and record the Notice of Completion. The funds held in retention will be administered in consultation with General Counsel.

   Mr. Reed gave a presentation including a summary of the Emergency Storage Project, construction packaging, San Vicente Dam Raise, outlet tower, saddle dam, contract summary, and cost recovery.

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

   1-B San Vicente Dam Raise Post-Construction Certification and Coring Program.
   Staff recommendation: Authorize the General Manager to award a professional service contract to Crux Subsurface, Inc. in the amount of $1,960,100 to provide core samples for the San Vicente Dam certification program.

   Mr. Reed presented information regarding the Post-Construction Certification and Coring Program including Division of Safety of Dams certification and reservoir filling, DSOD coring plan, core extraction, bond strength testing, and scope of work for the professional services contract.

   Director Tu moved, Vice Chair Pocklington seconded, and the motion to approve staff’s recommendation passed unanimously.

* Director Simpson arrived at 9:22 am, after voting on the first three agenda items had taken place.
1-C Presentation on San Vicente Marina project – construction update.

Mr. Reed provided a construction update on the San Vicente Marina project including wave erosion control, bypass pipeline, boat ramp, and project risk management.

1-D Advertisement for bids for the San Vicente Bypass Pipeline project, Specification 593.

Mr. Reed gave a presentation regarding the San Vicente Bypass Pipeline project including the need for the future bypass pipeline, project risk management, and the advertisement for public bid.

2. San Vicente Pumped Storage Study.
   2-A Budget and Scope recommendations for the San Vicente Pumped Storage Study.

   **Staff recommendation:**
   1. Approve the addition of the San Vicente Pumped Storage Study to the Capital Improvement Program.
   2. Approve the transfer of $1.2 million from the San Vicente Dam Raise project to the San Vicente Pumped Storage Study.
   3. Approve Fiscal Year 2015 scope of work for the San Vicente Pumped Storage Study.

Director Hogan provided introductory remarks regarding the Hydropower Task Force meeting stating the task force had unanimously agreed to the recommendations for the San Vicente Pumped Storage Study.

Mr. Belock gave a presentation on the San Vicente Pumped Storage Study including work plan elements, analysis of impacts to the City’s Indirect Potable Reuse program, financial analysis, continuation of important relationships, legislative efforts, decision making analysis and software, risk identification, Federal Energy Regulatory Commission (FERC) preliminary permit, and schedule. He reported that the Water Authority’s application for renewal of the FERC permit was denied on June 24, 2014 and that the Water Authority would be applying for a re-hearing by FERC.

Director Hogan noted the Hydropower Task Force had not been able to regroup and discuss the impact of the denial and that it would be added to the agenda for the Engineering and Operations Committee Workshop in August of 2014. It was noted that approval of the action during the days meeting would be further evidence to FERC of the Water Authority’s intention to pursue the project.

Director Wornham moved to approve staff’s recommendation contingent upon execution of the agreement with the City of San Diego. To ensure the contingency, the following sentence was added to the end of staff’s recommendation: “Expenditures which are shared by the City of San Diego will be authorized upon Board approval of the City agreement and amendments to
consultant contracts.” Director Barnum seconded the motion and the revised staff recommendation passed unanimously.

III. INFORMATION
1. Presentation on the Annual Aqueduct Operating Plan.

Mr. Fisher presented information regarding the Aqueduct Operating Plan including why the plan was necessary, what was included in the plan, projected demand vs. deliveries of treated and untreated water for fiscal year 2014; treated and untreated water delivery for fiscal year 2015, untreated water distribution priorities, aqueduct shutdowns and outages, member agency shutdowns, fiscal year 2014 energy production, reservoirs and regional storage, and asset management activities.

IV. CLOSED SESSION
There were no Closed Session items.

V. ADJOURNMENT
There being no further business to come before the Engineering and Operations Committee, Chair Brady adjourned the meeting at 10:14 a.m.
DIRECTORS’ COMMENTS
There were no Directors’ comments.

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

2. Water Authority Business Insurance.
   Staff recommendation: Authorize the General Manager to purchase property
   insurance from Travelers Insurance Company in the amount of $161,890 and
   liability insurance from Argonaut Insurance Company in the amount of $338,335,
   for a total amount of $500,225.

   Water Do Not Mid – The Dark Side.”
   Staff recommendation: Approve response to the May 13, 2014 San Diego County

   Director Lewinger moved, Director Arant seconded, and the motion passed unanimously
   to approve the consent calendar.

II. ACTION/DISCUSSION
1. Adopt the Water Authority’s rates and charges for calendar year 2015 and extend
   the Transitional Special Agricultural Water Rate Program.
   Staff recommendations:
   a. Conduct the Public Hearing.
   b. Accept Carollo Engineers’ San Diego County Water Authority Desalination
      Cost Allocation Cost of Service Study dated May 13, 2014 and letter
      amending the study, included in Attachment A of the report.
   c. Adopt Ordinance No. 2014-01 an ordinance of the Board of Directors of the
      San Diego County Water Authority setting rates and charges for the delivery
      and supply of water, use of facilities, and provisions of services;
   d. Adopt Ordinance No. 2014-02 an ordinance of the Board of Directors of the
      San Diego County Water Authority extending the Transitional Special
      Agricultural Water Rate Program through December 31, 2015; and
   e. Find the actions exempt form CEQA pursuant to Public Resources Code §
      21080(b)(8) and authorize the General Manager to file a notice of exemption.

   Chair Saunders called the Public Hearing open at 10:22 a.m.

   Mr. Shank provided a presentation on the proposed calendar year 2015 rates and charges,
   which included the rate and charge drivers and highlights; proposed calendar year rates and
   charges; and key financial performance metrics.

   Directors asked questions, and staff provided answers.
Director Lewinger moved, Director Gallo seconded, and the motion passed unanimously to approve the item.

The Public Hearing was closed at 10:50 a.m.

2. Consideration of the Fiscal Years 2014 and 2015 Mid-Term Budget update.
   Staff recommendation: Adopt Resolution No. 2014-13 amending the bi-annual budget for fiscal years 2014 and 2015.

Ms. Stapleton provided a presentation on the fiscal years 2014 and 2015 mid-term budget update, which included accomplishments, a summary of sources and uses of funds, major budget drivers, and key budget highlights.

Directors congratulated staff on the agency’s accomplishments to date. Directors asked questions and staff provided answers. Director Lewinger requested further information on the rate stabilization fund. Ms. Stapleton stated a presentation on the topic would be scheduled for a future committee meeting.

Director Weston moved, Director Lewinger seconded, and the motion passed unanimously to approve the item.

III. INFORMATION
   The following items were noted and filed:
   1. Controller’s report on monthly financial reports.
   2. Board calendar.

IV. CLOSED SESSION
   There were no closed session items.

V. ADJOURNMENT
   There being no further business to come before the Administrative and Finance Committee, Chair Saunders adjourned the meeting at 11:20 a.m.

WATER PLANNING COMMITTEE
CALL TO ORDER/ROLL CALL
   Chair Tu called the Water Planning Committee Meeting to order at 11:28 a.m. Committee members present were Chair Tu, Vice Chairs Linden and Watton, Directors Brady, Kern, Miller, Murtland, Sanford, Saunders, Steiner and Weston. Directors Madaffer and Simpson were absent. Also present were Directors Arant, Evans, Hilliker, Hogan, Lewinger, Morrison, Olson, Saxod, Topolovac, Verbeke, 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 was General Manager Stapleton, General Counsel Hentschke, Deputy General Manager Kerl, Assistant General Manager Cushman, Water Resources Director
PUBLIC COMMENT
There were no requests for public comment received.

CHAIR’S REPORT
There was not a Chair’s Report.

DIRECTORS’ COMMENTS
There were no comments made by Directors.

I. CONSENT CALENDAR
There were no items for the Consent Calendar.

II. ACTION/DISCUSSION
1. 2014 Integrated Regional Water Management Drought Solicitation implementation grant application; acceptance of awarded grant funds; and distribution of funds to project sponsors.
   Staff recommendation:
   1. Adopt Resolution No. 2014-_____ authorizing the General Manager to submit a 2014 Integrated Regional Water Management Drought Solicitation implementation grant application for $15,075,025, accept grant funds that are awarded and enter into contracts to distribute the funds to the project sponsors.
   2. Authorize the General Manager to enter into contracts to distribute $10,551,255 in funding from the San Diego Region’s Proposition 84, Round 2 IRWM grant to Olivenhain Municipal Water District, Water ReUse Research Foundation, Rural Communities Assistance Corporation, County of San Diego, San Diego River Park Foundation and Jacobs Center for Neighborhood Innovation.

   Mr. Stadler presented on the 2014 Integrated Regional Water Management Drought Solicitation Implementation Grant Program and provided information on the Proposition 84, Round 2 grant distribution recommendation. Director Brady moved, Director Murtland seconded, and the motion to approve staff recommendations was approved.

   2. Resolution certifying the final Environmental Impact Report for the Nob Hill Pipeline Improvements Project; adopting Environmental Findings of Fact, Statement of Overriding Considerations and 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. 2014-____ that:
1. Certifies the Final EIR has been completed in compliance with the California Environmental Quality Act and State CEQA Guidelines, and reflects the independent judgment of the Board; and
2. Concurrently adopts the Environmental Findings of Fact, Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program; and
3. Approves the project proposed in the Final EIR as Alternative 1 as the selected project; and
4. Authorizes the filing of a Notice of Determination.

Director Steiner moved, Director Weston seconded, and the motion to approve staff recommendation was approved.

III. INFORMATION
1. Water supply and demand conditions.

Ms. Dobalian reported on water supply conditions, potable water use, MWD 2014 supply and demand balance and reserves, and 2014 temperature measurements and outlook. She added that the State Water Resources Control Board would conduct a hearing at the July 15, 2014 meeting on proposed emergency drought regulations, which would be distributed July 9, 2014, and that Water Authority staff would discuss the proposed regulations at the monthly Member Agency Managers Meeting. She reported that over the next several months, staff would closely monitor State board actions; participate in the MWD Member Agency review of the Water Supply Allocation Plan; prepare 2015 outlook scenarios; and return with a full report in the fall.

In response to Director Arant’s request, staff would schedule a meeting with Member Agency Managers between July 9, 2014 and July 15, 2014 to review and comment on the proposed State board emergency drought regulations.

The following report was received and filed:

IV. CLOSED SESSION
1. CLOSED SESSION:
   Conference with Legal Counsel – Existing Litigation
   Government Code §54956.9(d)(1)
   San Diego Coastkeeper v SDCWA;
   San Diego Superior Court Case Nos. 37-2014-00013216-CU-JR-CTL

At 11:45 a.m., the Committee went into Closed Session.

Mr. Hentschke brought the Committee out of Closed Session at 12:03 p.m. and stated there was no reportable action.
V.  ADJOURNMENT
Chair Tu adjourned the meeting at 12:04 p.m.

IMPORTED WATER COMMITTEE
CALL TO ORDER / ROLL CALL
Chair Saxod called the Imported Water Committee meeting to order at 1:01 p.m.
Committee members present were Chair Saxod, Vice Chairs Muir and Williams, Directors Arant, Croucher, Evans, Hogan, Lewinger, Linden, Olson, Pocklington, Roberts*, Steiner, Watkins, Wilson, and Wornham. Also present were Directors Barnum, Brady, Gallo, Hilliker, Kern, Miller, Mudd, Murtland, Razak, Sandford, Simpson, Topolovac, Verbeke, Watton, and Weston. 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 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 Denham, Water Resources Manager Purcell, and others.

ADDITIONS TO AGENDA
There were no additions to the agenda.

PUBLIC COMMENT
There were no public comments.

The agenda was taken out of order and Mr. Hentschke took the Committee into closed session at 1:02 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; CPF-12-512466; and BC547139

   Mr. Hentschke brought the Committee out of Closed Session at 1:30 p.m. and stated there was no reportable action.

* Representative Roberts arrived at 1:35 p.m.

CHAIR’S REPORT
Chair Saxod announced that a handout containing the inspection trip schedule was provided to all Directors. The trips were sponsored by MWD and hosted by the Water Authority MWD Delegates. This year’s tours included the State Water Project, the Colorado River Aqueduct system, and Hoover Dam. She stated that if Directors had not participated in these
inspection trips, or if they knew any civic or community leaders who would be interested in attending, that they should contact the email address listed on the handout.

She reminded Directors who had served on the board for a year or more that an opportunity to “shadow” the Delegates at MWD was available. She stated that any Directors who were interested in the opportunity should contact Ms. Chen or Ms. Espe.

Chair Saxod announced that consent items 2 and 3 were removed from the agenda as both items were approved on March 27, 2014 by the Committee and Board.

DIRECTORS’ COMMENTS
There were no comments by Directors.

I. CONSENT CALENDAR
   1. Professional services contract with GEI Consultants, Inc. for the Dos Palmas Water Supply System Management and Reporting project.
      Staff recommendation: Approve Amendment 1 in the amount of $610,000 to provide management and reporting services for the Dos Palmas Water Supply Systems.

      Director Williams made a motion and Director Pocklington seconded the motion. The motion passed unanimously to approve staff recommendation.

      As stated above in the Chair’s report, the following two consent items were removed from the agenda:

      2. Amend agreement for consulting services with SCN Strategies.
         Staff recommendation: Amend the agreement with SCN Strategies for continued consulting services to the Water Authority through June 30, 2015, for a period of 12 additional months, and increasing total contract funding to an amount not to exceed $689,050.

      3. Amend agreement for consulting services with Southwest Strategies.
         Staff recommendation: Amend the agreement with Southwest Strategies for continued consulting services to the Water Authority through June 30, 2015, for a period of 12 additional months, and increasing total contract funding to an amount not to exceed $255,000.

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

      The Delegates reported on the discussions and actions taken at the recent MWD Board Meetings.
2. **Colorado River Program.**  
   2-A Colorado River Board representative’s report.

   Director Wilson reported on the discussions at the June, 2014 Colorado River Board (CRB) meeting. He reported that the July, 2014 CRB meeting had been cancelled and the August 13, 2014 meeting would be held at the Water Authority office.

3. **Resolution supporting prompt completion of the Bay Delta Conservation Plan environmental review process.**  
   **Staff recommendation:** Approve Resolution No. 2014-__ supporting prompt completion of the Bay Delta Conservation Plan environmental review process.

   Mr. Purcell made brief remarks regarding the resolution supporting prompt completion of the environmental review process for the Bay Delta Conservation Plan. He pointed out that the resolution did not support the BDCP itself or any of the other alternatives, it simply supports the completion of the environmental review process for the BDCP.

   Director Steiner made a motion and Director Arant seconded the motion. The motion passed unanimously to approve staff recommendation.

### III. INFORMATION

1. **Metropolitan Water District Storage Programs.**

   Ms. Chen made a presentation on MWD’s storage programs and how reliance on storage had evolved as MWD demands increased and imported supplies challenged. Following the presentation, Directors asked questions and made comments.

   The following information item was noted and filed:
   2. **Metropolitan Water District Program report.**
Staff present were General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Public Outreach and Conservation Foster, Public Affairs Supervisor Penunuri.

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 Croucher announced that the Legislature had approved the State budget on time and the Governor was in San Diego to sign it the week prior. He reported that a delegation of Water Authority Board Members, along with General Manager Stapleton and Assistant General Manager Cushman, visited Sacramento on June 18 and June 25, 2014 and met with the entire San Diego legislative delegation, Senate and Assembly Water Committee leaders, representatives of the Governor’s office and legislators taking a key lead role on water bond development and negotiations.

He stated the Water Authority was continuing to follow an aggressive schedule providing presentations on water issues to various groups within the community. He reported that almost 80 presentations had been made in less than six months. In addition, he reported that two roundtables were completed during June that briefed industry executives on water issues including MWD litigation, Bay-Delta issues, and the drought. The purpose of the June 11, 2014 roundtable was to brief leaders of the Maritime and Blue industries, and was conducted in partnership with the San Diego Regional Economic Development Corporation. The second roundtable was held on June 24, 2014 with homebuilding industry executives.

He announced that the water-efficient landscape exhibit, sponsored by the Water Authority in partnership with the San Diego Horticultural Society, had won 15 awards at the San Diego County Fair. He reported that this year’s Water Authority’s WaterSmart Landscape Award at the fair was awarded to Backyard Vacations.

DIRECTORS’ COMMENTS
There were no comments made by Directors.

I. CONSENT CALENDAR
1-C Adopt positions on various state bills.
Staff recommendation: Adopt a position of Support on AB 769.

Director Muir moved, Director Barnum seconded, and the motion to approve staff recommendation passed unanimously.
II. ACTION/DISCUSSION

1. Legislative Issues.
   1-A Report by Carpi, Clay & Smith.

   Washington report by Ken Carpi.


   Mr. White provided a Sacramento update, announced that the State Budget had been
   adopted, and provided an update on water bond discussions.

   1-D Presentation on Water Authority Sponsored State Legislation 1991 –
   Present.

   Mr. Cushman presented on how the Water Authority had helped support conservation
   and diversification of our local water supply by being an active sponsor of legislation bills which
   have now become law.

   1-E Update on state water bond proposals.

2. Amendment to professional services contract with WaterWise Consulting, Inc. for
   administration of the Water Authority’s Turf Replacement Rebate Program.
   Staff recommendation: Approve an amendment to the professional services
   contract with WaterWise Consulting, Inc. to increase the contract value to a not-
   to-exceed amount of $1,658,406.

   Director Muir moved, Director Kern seconded, and the motion to approve the staff’s
   recommendation passed unanimously.

III. INFORMATION

1. Drought response communications and outreach update.

   Mr. Foster provided an update on drought response communications and outreach efforts
   and highlighted recent activities of the “When In Drought” campaign. He reported that radio and
   online advertisements continued through June, 2014 and television partnerships would begin in
   July, 2014. He previewed the 30-second television spot which would be featured on Channel 10
   and TV Azteca. He also reported on continued engagement in various outreach events, such as
   the San Diego County Fair. He announced a partnership with the San Diego Padres, which
   would provide free scoreboard messages between June 18 and September 1, 2014. In addition, he
   reported on the sponsorship of centerpieces for the San Diego County Taxpayers Annual Dinner.
   The centerpieces were made of succulent plants and received coverage in the U-T San Diego,
   KUSI and on social media. He announced that staff were reaching out to homeowner
   associations, and that two events were planned for June 2104, aimed at Association Managers.
   One of the planned events was a Landscape Irrigation Managers Workshop and the other a
   Landscape Water Conference. He added that fall campaign planning was under way, and staff
was continuing to coordinate with member agency staff on new messaging and communication tools.

2. **Presentation on Small Contractor Outreach and Opportunities Program Committee Quarterly report.**

Ms. Penunuri presented the SCOOP third quarter report for fiscal year 2014, including outreach activities, training and achievements.

The committee received and filed the following items:

3. Quarterly report on Public Outreach and Conservation activities.
5. Government Relations update.

**IV. ADJOURNMENT**

There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Croucher adjourned the meeting at 3:17 p.m.

**FORMAL BOARD OF DIRECTORS’ MEETING OF JUNE 26, 2014**

1. **CALL TO ORDER** Chair Wornham called the Formal Board of Directors’ meeting to order at 3:22 p.m.

2. **SALUTE TO THE FLAG** Director Madaffer led the salute to the flag.

3. **ROLL CALL, DETERMINATION OF QUORUM** Secretary Hogan called the roll. Directors present were Arant, Barnum, Brady, Croucher, Evans, Gallo, Hilliker, Hogan, Kern, Lewinger, Linden, Madaffer, Miller, Mudd, Muir, Murtland, Olson, Pocklington, Sanford, Saunders, Saxod, Steiner, Simpson, Verbeke, Watton, Weston, Wight, Wilson, Wornham and Representative Roberts. Directors absent were Morrison, Razak, Topolovac (p), Tu, Watkins and Williams.

3-A **Report on proxies received.** Director Hogan was the proxy for Director Topolovac.

4. **ADDITIONS TO AGENDA**

There were no additions to the agenda.

5. **APPROVAL OF MINUTES**

Director Saxod moved, Director Gallo seconded, and the motion carried at 98.93% of the vote to approve the minutes of the Formal Board of Directors’ meeting of May 22, 2014.

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 Carlsbad Municipal Water District Overview – Wendy Chambers, Assistant General Manager.

Chair Wornham introduced Ms. Wendy Chambers, Carlsbad Municipal Water District General Manager. Ms. Chambers provided a presentation on Carlsbad MWD including a brief history of the district, service boundaries and demands, customer base, service connections and operated facilities. She also covered Board structure, employee figures, budget and the District’s water portfolio. She concluded her presentation with a review of the issues and challenges facing the district, including staff reductions and succession planning efforts.


Chair Wornham announced the reappointment of Director Weston, representing the city of Poway, and Director Murtland, representing Rincon Del Diablo MWD.

8. REPORTS BY CHAIRS
8-A Chairs report: Chair Wornham announced that he and Mr. Cushman, in partnership with the San Diego Regional Economic Development Corporation, held an industry roundtable on June 11, 2014 with the maritime and “Blue Tech” sector. He and Mr. Cushman held a second roundtable event on June 24, 2014 with the leading executives of the largest homebuilders in San Diego County. He stated that both events were well attended.

He announced to the Board that a copy of a new climate change related report released by the San Diego Climate Education Partners and The San Diego Foundation, had been placed at each Board Members seat for review. He stated that the report highlights how the San Diego Region was responding to the potential of climate related challenges, including how climate could affect water supplies. He added that the report featured the Water Authority’s strategy to improve supply reliability through supply diversification.

Chair Wornham reminded the Board of the upcoming San Vicente Dam Raise Dedication on July 16, 2014. He stated that invitations had been mailed and encouraged Board Members and Member Agency Managers to attend.

8-B Report by Committee Chairs.
   Engineering and Operations Committee. Director Brady reviewed the meeting and the actions taken.
   Administrative and Finance Committee. Director Saunders reviewed the meeting and the actions taken.
Water Planning Committee. Director Linden reviewed the meeting and the actions taken.
Imported Water Committee. Director Saxod reviewed the meeting and the actions taken.
Legislation, Conservation and Outreach Committee. Director Croucher reviewed the meeting and the actions taken.

9. **CONSENT CALENDAR**
Director Arant moved, Director Murtland seconded, and the motion carried at 98.93% of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.

9-1. **Notice of Completion for San Marcos Vent Desalination Modifications.**
The Board authorized the General Manager to accept the San Marcos Vent Desalination Modification project as complete, record the Notice of Completion, and release funds held in retention to TC Construction Company, Inc., following the expiration of the retention period.

9-2. **Notice of Completion for the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities project.**
The Board authorized the General Manager to accept the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities project as complete, and record the Notice of Completion. The funds held in retention will be administered in consultation with General Counsel.

9-3. **San Vicente Dam Raise Post-Construction Certification and Coring Program.**
The Board authorized the General Manager to award a professional service contract to Crux Subsurface, Inc. in the amount of $1,960,100 to provide core samples for the San Vicente Dam certification program.

9-4. **Budget and Scope recommendations for the San Vicente Pumped Storage Study.**
The Board approved the addition of the San Vicente Pumped Storage Study to the Capital Improvement Program. The Board approved Fiscal Year 2015 scope of work for the San Vicente Pumped Storage Study. The Board approved the transfer of $1.2 million from the San Vicente Dam Raise project to the San Vicente Pumped Storage Study. Expenditures which are shared by the City of San Diego will be authorized upon Board approval of the City agreement and amendments to Consultants contracts.

9-5. **Treasurer’s report.**
The Board noted and filed the monthly Treasurer’s report.

9-6. **Water Authority Business Insurance – Property and Liability.**
The Board authorized the General Manager to purchase property insurance from Travelers Insurance Company in the amount of $161,890 and liability insurance from Argonaut Insurance Company in the amount of $338,335, for a total amount of

Adopt the Water Authority’s rates and charges for calendar year 2015 and extend the Transitional Special Agricultural Water Rate Program.
The Board accepted Carollo Engineers’ San Diego County Water Authority Desalination Cost Allocation Cost of Service Rate Study dated May 13, 2014 and letter amending the study. The Board adopted Ordinance No. 2014-01 an ordinance of the Board of Directors of the San Diego County Water Authority setting rates and charges for the delivery and supply of water, use of facilities, and provision of services. The Board adopted Ordinance No. 2014-02 an ordinance of the Board of Directors of the San Diego County Water Authority extending the Transitional Special Agricultural Water Rate Program through December 31, 2015. The Board found the actions exempt from CEQA pursuant to Public Resources Code § 21080(b)(8) and authorized the General Manager to file a notice of exemption.

Consideration of the Fiscal Years 2014 and 2015 Mid-Term Budget update.
The Board adopted Resolution No. 2014-13 amending the bi-annual budget for fiscal years 2014 and 2015.

2014 Integrated Regional Water Management Drought Solicitation implementation grant application; acceptance of awarded grant funds; and distribution of funds to project sponsors.
The Board adopted Resolution No. 2014-14 authorizing the General Manager to submit a 2014 Integrated Regional Water Management Drought Solicitation implementation grant application for $15,075,025, accept grant funds that are awarded and enter into contracts to distribute the funds to the project sponsors. The Board authorized the General Manager to enter into contracts to distribute $10,551,255 in funding from the San Diego Region’s Proposition 84, Round 2 IRWM grant to Olivenhain Municipal Water District, Water ReUse Research Foundation, Rural Communities Assistance Corporation, County of San Diego, San Diego River Park Foundation and Jacobs Center for Neighborhood Innovation.

Directors Brady and Murtland abstained on item 9-10.

Resolution certifying the final Environmental Impact Report for the Nob Hill Pipeline Improvements Project; adopting Environmental Findings of Fact, Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program; approving the Project; and authorizing filing of a Notice of Determination.
The Board adopted Resolution No. 2014-15 that certifies the Final EIR has been completed in compliance with the California Environmental Quality Act and State CEQA
Guidelines, and reflects the independent judgment of the Board. The Board concurrently adopts the Environmental Findings of Fact, Statement of Overriding consideration and a Mitigation Monitoring and Reporting Program. The Board approved the project proposed in the Final EIR as Alternative 1 as the selected project. The Board authorized the filing of a Notice of Determination.

9-12. Professional services contract with GEI Consultants, Inc. for the Dos Palmas Water Supply System Management and Reporting project. The Board approved Amendment 1 in the amount of $610,000 to provide management and reporting services for the Dos Palmas Water Supply System.


9-15. Amendment to professional services contract with WaterWise Consulting, Inc. for administration of the Water Authority’s Turf Replacement Rebate Program. The Board approved an amendment to the professional services contract with WaterWise Consulting, Inc. to increase the contract value to a not-to-exceed amount of $1,658,406.

10. ACTION/DISCUSSION
There were no action items.

11. CLOSED SESSION(S)
Mr. Hentschke announced there was no need for Closed Session.

11-A CLOSED SESSION:
Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1) -
San Diego Coastkeeper v SDCWA;
San Diego Superior Court Case No. 37-2014-00013216-CU-JR-CTL

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; and BC547139

12. ACTION FOLLOWING CLOSED SESSION – None.
13. **SPECIAL REPORTS**

13-A **GENERAL MANAGER’S REPORT** – Ms. Stapleton reminded the Board that there would be no Special Board Meeting on July 10, 2014.

13-B **GENERAL COUNSEL’S REPORT** – No report was given.

13-C **SANDAG REPORT** – Chair Wornham announced the new “One Sweet Ride” campaign, which consisted of an express bus route along the I-15. Supervisor Roberts added that free tickets were available online for a limited time only.

SANDAG Subcommittee: Borders/Regional Planning Committee – Director Saxod thanked Mr. Cushman for a presentation he provided on the Bay Delta Conservation Plan.

13-D **AB 1234 Compliance Reports** – No reports were given.

14. **OTHER COMMUNICATIONS** – Chair Wornham reminded the Board of the upcoming Board Officer nomination process. He also reminded the Board to complete performance evaluation forms for the General Manager and General Counsel and submit to Doria Lore.

15. **ADJOURNMENT**

The meeting was adjourned at 3:50 p.m.

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Thomas V. Wornham, Chair

Michael T. Hogan, Secretary

Doria F. Lore, Clerk of the Board
RESOLUTION NO. 2014-____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN DIEGO COUNTY WATER AUTHORITY
HONORING ROBERT TOPOLOVAC
UPON HIS RETIREMENT FROM THE BOARD OF DIRECTORS

WHEREAS, Robert Topolovac served as a member of the Board of Directors of the San Diego County Water Authority, representing Olivenhain Municipal Water District, from November 28, 2011 to his retirement on August 1st, 2014; and

WHEREAS, he served as Chair on the Legislation, Conservation and Outreach Committee; and

WHEREAS, he served as a member on the Administrative and Finance Committee, and Legislation Conservation and Outreach Committee; and

WHEREAS, his contributions to the community extend beyond the activities with the San Diego County Water Authority; and

WHEREAS, his service, both public and private, has resulted in benefit to all people of San Diego County.

NOW, THEREFORE, BE IT RESOLVED, that on behalf of its individual members, past and Present, its staff, and the people of San Diego County, the Board of Directors offers its most sincere appreciation to Robert Topolovac for his dedicated service to the San Diego region.

PASSED, APPROVED, and ADOPTED this 24th day of July, 2014.

Ayes:

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. 2014- _____ was duly adopted at the meeting of the Board of Directors on the date stated above.

Doria F. Lore
Clerk of the Board
July 16, 2014

Attention: Board of Directors

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

Purpose
This memorandum is to recommend a closed session, pursuant to Government Code §54957 to discuss the above-referenced matter at the July 24, 2014, meeting.

Prepared by: Daniel S. Hentschke, General Counsel
July 16, 2014

Attention: Board of Directors

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

Purpose
This memorandum is to recommend a closed session, pursuant to Government Code §54957 to discuss the above-referenced matter at the July 24, 2014, meeting.

Prepared by: Daniel S. Hentschke, General Counsel
July 16, 2014

Attention:  Board of Directors

General Counsel’s Report – June/July 2014

Purpose
This report discusses certain legal matters receiving attention during the months of June/July 2014.

Significant Developments in Pending Litigation

MWD Rate Cases
As reported previously, on April 24, 2014, Judge Karnow of San Francisco Superior Court issued a final Phase I Statement of Decision, which invalidated four MWD rates—the System Access Rate, the System Power Rate, the Water Stewardship Rate, and MWD’s wheeling rate—for calendar years 2011, 2012, 2013 and 2014. The Court held that each of those rates “violates Proposition 26 (2013-14 rates only), the Wheeling statute, Govt. Code §54999.7(a), and the common law.”

The Court held a Case Management Conference on July 2, 2014, to address Phase II of the case, in which the Water Authority’s claims for breach of contract and declaratory relief concerning preferential rights will be decided. At the CMC, the Water Authority argued that, in light of the Court’s Phase I Statement of Decision invalidating MWD’s rates and the plain language of the Exchange Agreement concerning the monies to be paid by MWD if the Water Authority prevails on a price dispute, there are no further factual issues in dispute, and the Court can and should decide the contract claims on written pleadings, without the need for another evidentiary trial. MWD should simply be ordered to pay to the Water Authority the disputed amount that has been deposited by MWD into a separate account, as specified in the Exchange Agreement. Similarly, the Water Authority argued that the preferential rights claim turns solely on legal issues that can also be decided by the Court based on written briefing and without the need for another evidentiary trial.

In sharp contrast, MWD argued that the only proper way to calculate contract damages is to have the Court determine a series of hypothetical lawful MWD rates for 2011-2014, choose the one most favorable to MWD, and award the Water Authority the difference between what has been deposited in the separate interest-bearing account and what the Water Authority would have paid under those hypothetical rates. MWD also argued that the Exchange Agreement should be declared void and be rescinded, based on the idea that the Court’s invalidation of MWD’s rates made the Exchange Agreement an “illegal contract.” MWD also argued that the Exchange Agreement was based on a “mutual mistake of law,” since - according to MWD - both parties agreed in 2003 that MWD’s rates were lawful. As to preferential rights, MWD argued that there are disputed issues of fact concerning whether the Water Authority’s payments under the
Exchange Agreement are payments for the “purchase of water” that may therefore be excluded from the Water Authority’s calculation of preferential rights. MWD said it would need 7-10 days of trial to present its portion of the case.

In connection with these novel arguments - none of which MWD had made previously in the four years of this litigation - MWD filed two motions. First, MWD filed a motion to amend its answer to the Complaint to add affirmative defenses of “mistake of law” and “illegality of contract.” Second, MWD filed a motion to re-open expert discovery, so that it can identify and present a ratemaking expert to testify about MWD’s hypothetical lawful rates, as well as a forensic accountant to testify about what the amount of the Water Authority’s damages would be in light of those hypothetical rates. The Water Authority will oppose these motions, which will be heard on August 6, 2014. Judge Karnow indicated from the bench that, in deciding these motions, he may effectively decide whether Section 12.4(c) of the Exchange Agreement, which requires MWD to *forthwith* pay the disputed amounts it has been setting aside for the past four years, is controlling.

It is anticipated that Judge Karnow will set another case management conference soon after the August 6 motion hearing for the purpose of setting the briefing schedule and/or trial dates for Phase II. It is difficult to predict what those dates will be pending resolution of MWD’s two motions. Following the completion of Phase II of the case, the Court will enter a final Judgment, which will start the clock ticking for appeals.

On May 30, 2014, the Water Authority filed a separate lawsuit in Los Angeles County challenging MWD’s 2015 and 2016 rates, which had been set by MWD in April based on the same unlawful cost allocation methodology as Judge Karnow had found invalid. The Water Authority has completed the process of publishing the summons, and any interested parties must file an Answer by no later than July 25. After that, the Water Authority will seek to transfer venue of the new case to San Francisco and ask the Court to coordinate the proceedings. The venue issue should be resolved by late August or September.

**QSA Litigation**

In the state QSA litigation, the County of Imperial and Imperial County Air Pollution Control District filed separate Appellant’s reply/Cross-respondent’s briefs, and joined in each other’s brief. IID filed a response to the Cross-appellant’s briefs. POWER has not yet filed its reply brief, which is due later this month. In the federal QSA case, as previously reported, on May 19, the 9th Circuit Court of Appeal affirmed the trial court judgment rejecting federal NEPA and Clean Air Act challenges to the QSA. Although the Court of Appeal disagreed with the trial court on the procedural issue of standing to sue, the Justices agreed with the trial court that there was no NEPA violation and based on its independent review of the record found there was no violation of the Clean Air Act either. The trial court had not decided the Clean Air Act issue, but the Court of Appeal determined that it could reach a decision based on the record. Earlier this month, the federal government, MWD, SDCWA, and CVWD filed a joint motion asking the court to clarify a couple of sentences in the opinion regarding control of water within the State of California, because the court had incorrectly indicated that the County of Imperial has some power to control water use. IID filed a separate brief generally supporting the motion. The County of Imperial and Imperial County Air Pollution Control District filed oppositions and also
filed petitions for panel rehearing and rehearing *en banc*. The court has not ruled on any of the motions.

**CEQA Litigation**
In late April, Coastkeeper filed a lawsuit challenging the Water Authority’s CEQA compliance for the 2013 Master Plan Update and Climate Action Plan. Special counsel, Mark Hattam, is working with the attorneys for Coastkeeper to prepare the administrative record. The record should be completed in late August or early September. Coastkeeper is required to file a request for hearing later this month. Once that is done, the parties will seek to agree upon a mutually acceptable briefing and hearing schedule.

**Special Counsel Expenditures**
Funds approved for payments to special counsel during June/July 2014 from the General Counsel’s Operating Budget totaled $226,521.22 for work related to the Metropolitan rate dispute, QSA litigation, San Diego Coastkeeper litigation, and employee benefit matters. In addition, $17,131.20 was approved for payment from Human Resources’ Operating Budget for work related to personnel issues, $5,578.26 was approved for payment from Colorado River Program’s Operating Budget for work related to QSA implementation, $2,850.00 was approved for payment from Finance’s Operating Budget for work related to bond counsel services, and $1,585.00 was approved for payment from Engineering’s Operating Budget for work related to San Vicente FERC Project. CIP expenditures during June/July 2014 were $5,731.00 for work related to the Olivenhain-Lake Hodges Pump Storage Project.

Prepared by: Daniel S. Hentschke

Attachment: Special Counsel Expenditure Report
## General Counsel’s Office
### Special Counsel Expenditure Report
#### (June-July 2014)

<table>
<thead>
<tr>
<th>Special Counsel</th>
<th>Project</th>
<th>Total $ Expended FYs 12 &amp; 13 (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 14 &amp; 15 (Fees &amp; Costs)</th>
<th>Budget Allocation FYs 14 &amp; 15 for Legal Services $12,724,000.00</th>
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* Concluded matters or assignments.

1 These legal costs ($155,000 total) were reimbursed to the Water Authority by City of Los Angeles as part of the settlement in SDCWA v City of LADWP.
2 These legal costs ($95,808.26 total) were reimbursed to the Water Authority by Eastern Municipal Water District as part of the settlement in SDCWA v EMWD.
3 Not included in totals, these legal expenses related to QSA came out of Colorado River Program budget, not GC budget.
4 Not included in totals, these legal expenses related to San Vicente came out of Engineering budget, not GC budget.
5 Not included in totals, these legal expenses related to desalination came out of Water Resources budget, not GC budget.
6 Not included in totals, these legal expenses related to personnel issues/labor negotiations came out of Human Resources budget, not GC budget.
7 Not included in totals, these legal expenses related to bond counsel services came out of Finance budget, not GC budget.
### Special Counsel Project

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<tr>
<th>Special Counsel</th>
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* Concluded matters or assignments.

1 These legal costs ($155,000 total) were reimbursed to the Water Authority by City of Los Angeles as part of the settlement in SDCWA v City of LADWP