Agenda

1. High Level Overview of LRFP
2. High/Low Rate Projections
3. 2015 LRFP Conclusions
4. Next Steps
2015 LRFP Provides Key Financial Information

- Provides 10-year forecast
  - Integrates sales projections, capital plans, & financial data forecasts
  - Projects the Water Authority’s financial position & compliance with financial policies
    - Board’s debt service coverage policy of 1.5x coverage
    - Fund balances
    - CIP expenditures
    - Projects bond issuance timing and sizing
    - Financial impact of local supply development

- High/Low rate forecast
  - Analyzes sensitives of major variables to produce high-rate and low-rate forecasts
  - Highly effective way to support member agency budget planning and rate-setting
High/Low Key Assumptions Driving Rates

- Local Supplies
- Cost of Imported Water
- Capital Improvement Program (CIP)
- Water Sales & Treatment
Long Range Financing Plan Table of Contents

1. Executive Summary
2. Financial Management Objectives & Policies
3. Regional Water Sales Projections
4. Capital Improvement Plan
5. Capital Financing Plan
6. Financial Forecast
7. Funds & Reserves
8. Risk Mitigation Strategies
2. Financial Management Objectives & Policies
(Starting on page 9)

- Capital Financing Policies
  - Debt service coverage
  - Financing mix
- Reserve policies
- Financial Guiding Principles
- Financial Management Objectives
  - Cost efficiency
  - Predictable rates and charges
  - Intergenerational equity
- Water Authority Credit Ratings

### Senior Lien Debt Service Scale

<table>
<thead>
<tr>
<th>Standard &amp; Poor’s</th>
<th>Fitch Ratings</th>
<th>Moody’s Investor’s Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>AAA</td>
<td>Aaa</td>
</tr>
<tr>
<td>AA+</td>
<td>AA+</td>
<td>Aa1</td>
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<tr>
<td>AA</td>
<td>AA</td>
<td>Aa2</td>
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<tr>
<td>AA–</td>
<td>AA–</td>
<td>Aa3</td>
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<tr>
<td>A+</td>
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<td>A1</td>
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<tr>
<td>A</td>
<td>A</td>
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<td>A–</td>
<td>A–</td>
<td>A3</td>
</tr>
<tr>
<td>BBB+</td>
<td>BBB+</td>
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<tr>
<td>BBB</td>
<td>BBB</td>
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<tr>
<td>BBB–</td>
<td>BBB–</td>
<td>Baa3</td>
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</table>

<table>
<thead>
<tr>
<th>2015 Ratings</th>
<th>2008 Ratings</th>
</tr>
</thead>
</table>
3. Regional Water Sales Projections

(Starting on page 19)

- Summarizes water supply and sales outlook
  - Forecast assumptions include:
    - Conservation
    - MWD Supply Allocation
    - Local Supply Development
    - Potential impact of El Niño
    - Reductions due to Emergency Regulations
    - Modest Demand Recovery and Growth

**Water Authority Expected Water Sales by Source**

- IID Transfer
- Coachella Canal
- Carlsbad Desalination (SDCWA portion)
- MWD
- All-American Canal

Section 3.0
4. Capital Improvement Program
(Starting on page 31)

<table>
<thead>
<tr>
<th>CIP Category</th>
<th>Lifetime Budget</th>
<th>Cumulative Expenditures June 30, 2015 *</th>
<th>Remaining Budget FY 2016 – FY 2026</th>
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<tbody>
<tr>
<td>Asset Management</td>
<td>$729.97</td>
<td>$322.51</td>
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<tr>
<td>Emergency Storage Project (ESP)</td>
<td>846.05</td>
<td>734.66</td>
<td>111.39</td>
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<tr>
<td>Planning Studies</td>
<td>47.25</td>
<td>6.83</td>
<td>40.42</td>
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<tr>
<td>New Facilities</td>
<td>217.88</td>
<td>91.08</td>
<td>122.99</td>
</tr>
<tr>
<td>Other</td>
<td>111.63</td>
<td>51.09</td>
<td>60.54</td>
</tr>
<tr>
<td>Total</td>
<td>$1,952.78</td>
<td>$1,206.17</td>
<td>$582.55</td>
</tr>
</tbody>
</table>

*Estimated expenditures

Compared to $1.75B in 2008
5. Capital Financing Plan

- Discusses financing options
- Specifies financing needs for the planning period
  - Uses the conservative high rate forecast CIP projection
- Optimize financing Mix
  - Shows increases level of cash funding
- Identifies projected debt issuances

<table>
<thead>
<tr>
<th>Projected Senior Lien Debt Issuance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Issuance</td>
<td>Issue Amount (Millions)</td>
</tr>
<tr>
<td><strong>Fixed Rate Debt</strong></td>
<td></td>
</tr>
<tr>
<td>Series 2017</td>
<td>$41.7</td>
</tr>
<tr>
<td>Series 2020</td>
<td>26.0</td>
</tr>
<tr>
<td>Series 2023</td>
<td>32.2</td>
</tr>
<tr>
<td><strong>Subordinate Debt</strong></td>
<td></td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>68.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$168.4</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Long-Term Capital Funding Target Mix</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2008 LRFP</strong></td>
</tr>
<tr>
<td>PAYGO/Cash</td>
</tr>
<tr>
<td>Debt</td>
</tr>
<tr>
<td><strong>2015 Recommended LRFP</strong></td>
</tr>
<tr>
<td>PAYGO/Cash</td>
</tr>
<tr>
<td>Debt</td>
</tr>
</tbody>
</table>
6. Financial Forecast
(Starting on page 53)

- Overview of rates and charges
- Summarizes revenues and expenditures
- Provides detailed financial projections

### Overall Debt Service Coverage

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
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<tbody>
<tr>
<td>Debt Service Coverage Ratio</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
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<td>1.50</td>
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<td>1.20</td>
<td>1.20</td>
<td>1.20</td>
<td>1.20</td>
<td>1.20</td>
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</tbody>
</table>

- Senior Lien Debt Service Coverage Ratio
- Required Bond Covenant Ratio
Financial Forecast – Prior High/Low Rate Forecast

Historical High/Low Untreated Water Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>High Rate Scenario</th>
<th>Low Rate Scenario</th>
<th>Actual Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$955</td>
<td>$888</td>
<td>$915</td>
</tr>
<tr>
<td>2013</td>
<td>$1,033</td>
<td>$939</td>
<td>$1,003</td>
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<tr>
<td>2014</td>
<td>$1,121</td>
<td>$986</td>
<td>$1,029</td>
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<tr>
<td>2015</td>
<td>$1,208</td>
<td>$1,033</td>
<td>$1,087</td>
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<tr>
<td>2016</td>
<td>$1,273</td>
<td>$1,146</td>
<td>$1,159*</td>
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</table>

* Estimate when rates and charges were set
Financial Forecast – Prior High/Low Rate Forecast

Historical High/Low Treated Water Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>High Rate Scenario</th>
<th>Low Rate Scenario</th>
<th>Actual Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$1,213</td>
<td>$1,115</td>
<td>$1,148</td>
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<tr>
<td>2013</td>
<td>$1,305</td>
<td>$1,176</td>
<td>$1,259</td>
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<tr>
<td>2014</td>
<td>$1,418</td>
<td>$1,231</td>
<td>$1,303</td>
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<td>2015</td>
<td>$1,559</td>
<td>$1,280</td>
<td>$1,365</td>
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<tr>
<td>2016</td>
<td>$1,648</td>
<td>$1,404</td>
<td>$1,439*</td>
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</table>

* Estimate when rates and charges were set
### Key Assumptions Driving High/Low Assumptions

<table>
<thead>
<tr>
<th>Low Rates Scenario</th>
<th>High Rates Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>MWD Allocation ends June 30, 2016</td>
<td>MWD Supply Allocation Extended through FY 2017</td>
</tr>
<tr>
<td>Pure Water Program: 16,800 af/yr starting in 2021</td>
<td><em>Pure Water Program: 16,800 af/yr starting in 2021</em></td>
</tr>
<tr>
<td>No Cal WaterFix Costs during LRFP period</td>
<td>Otay Rosarito project: 20,000 af/yr in 2019</td>
</tr>
<tr>
<td>Rate case trial court decision affirmed on appeal; Supreme Court affirms or denies review</td>
<td><em>MWD Rate &amp; Charge increases include Cal WaterFix planning costs and capital costs outside of LRFP period</em></td>
</tr>
<tr>
<td></td>
<td><em>Rate case trial court decision affirmed on appeal; Supreme Court affirms or denies review</em></td>
</tr>
</tbody>
</table>
Financial Forecast

2015 LRFP High/Low Untreated Water Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>High Rate Scenario</th>
<th>Low Rate Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1,213</td>
<td>1,158</td>
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<tr>
<td>2017</td>
<td>1,331</td>
<td>1,242</td>
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<tr>
<td>2018</td>
<td>1,238</td>
<td>1,119</td>
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<tr>
<td>2019</td>
<td>1,323</td>
<td>1,127</td>
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<tr>
<td>2020</td>
<td>1,404</td>
<td>1,170</td>
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<tr>
<td>2021</td>
<td>1,457</td>
<td>1,192</td>
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<tr>
<td>2022</td>
<td>1,522</td>
<td>1,224</td>
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<tr>
<td>2023</td>
<td>1,577</td>
<td>1,249</td>
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<tr>
<td>2024</td>
<td>1,640</td>
<td>1,280</td>
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<td>2025</td>
<td>1,692</td>
<td>1,309</td>
</tr>
<tr>
<td>2026</td>
<td>1,756</td>
<td>1,330</td>
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</tbody>
</table>

* Restated based upon water sales
Financial Forecast

2015 LRFP High/Low Treated Water Rates

*Restated based upon water sales
7. Funds & Reserves
(Starting on page 69)

- Summarizes funds and fund policies
- Recommended Stored Water Fund Policy
  - Make Stored Water Fund Permanent
  - Manage all stored water funds in SWF and move operating inventory to SWF
  - Establish a maximum year-end balance equal to 110% of the expected cost to fill
  - Policy recommendation was recently validated by cost of service consultant

---

![Projected Year-End Fund Balances](chart.png)
Funds & Reserves

Projected RSF Cash Balances

- Projected RSF Ending Balance
- RSF Target Ending Balance
- RSF Maximum Allowable Ending Balance

Section 7.0
8. Risk Mitigation Strategies
(Starting on page 75)

- Reviews Water Authority’s financial risks and exposures

Financial Impact of Reductions in CY 2016 Water Sales

<table>
<thead>
<tr>
<th>Percent Sales Loss</th>
<th>Sales Loss (Acre-Feet)</th>
<th>Revenue Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Water Sales</td>
<td>Treatment</td>
</tr>
</tbody>
</table>

**Scenario 1**

| Change in M&I Demand | 5% | (18,933) | (7,776) | $ (1,987,930) | $ (3,521,477) | $ (528,774) | $ (6,038,181) |
| Change in TSAWR | 5% | (1,725) | (181,151) | - | - | (181,151) |
| Total | (20,658) | (7,776) | (2,169,082) | (3,521,477) | (528,774) | (6,219,332) |

Rate Impact: $5.85/AF $9.79/AF $3.58/AF $19.22/AF

**Scenario 2**

| Change in M&I Demand | 15% | (56,798) | (23,328) | $ (5,963,791) | $ (10,564,430) | $ (1,586,321) | (18,114,542) |
| Change in TSAWR | 15% | (5,176) | (543,454) | - | - | (543,454) |
| Total | (61,974) | (23,328) | (6,507,245) | (10,564,430) | (1,586,321) | (18,657,996) |

Unit Sales: 329,484 359,721 147,746

Rate Impact: $19.75/AF $32.82/AF $12.00/AF $64.57/AF
2015 LRFP Key Conclusions

- **Limited New Debt Issuances**
  - CIP $582 million over the planning period
  - Debt funding projected at $168.4 million of new debt issuance

- **Policy recommendations**
  - Increasing cash funding mix to 30% from 23%
  - Stored Water Fund becomes permanent

- **Demonstrates the long-term feasibility and affordability of CIP and financing plan**

- **Emphasizes Water Authority’s commitment to long-range planning**
Next Steps

KEY MEETINGS and STAKEHOLDER OUTREACH

Administrative and Finance Committee Meeting (Board Day)  12/10/2015
Request Comments on the LRFP  12/28/2015
Administrative and Finance Committee Meeting (Board Day)  01/28/2016
Questions?

Water Sales & Treatment

Local Supplies

Cost of Imported Water

CIP

Conclusion
Rating Agency Perspectives: 
Drought Impact on Water Utilities

Administrative and Finance Committee
December 10, 2015

Presented by: Lisa Marie Harris, Director of Finance
Summary of Rating Agency Perspectives

- Utilities have the wherewithal to mitigate the impact of drought on credit quality
  - Strong financial reserves
  - Willingness to raise rates to offset declining sales
  - Monthly customer bills remain relatively affordable
- To date, the drought has had no direct impact on ratings of major CA water utilities

<table>
<thead>
<tr>
<th>Utility</th>
<th>Moody's</th>
<th>S&amp;P</th>
<th>Fitch</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego County Water Authority</td>
<td>Aa2 Stable</td>
<td>AA+ Stable</td>
<td>AA+ Stable</td>
</tr>
<tr>
<td>East Bay Municipal Utility District</td>
<td>Aa1 Stable</td>
<td>AAA Stable</td>
<td>AA+ Stable</td>
</tr>
<tr>
<td>Metropolitan Water District of Southern California</td>
<td>Aa1 Stable</td>
<td>AAA Stable</td>
<td>AA+ Stable</td>
</tr>
<tr>
<td>Los Angeles Department of Water and Power (Water)</td>
<td>Aa2 Stable</td>
<td>AA Stable</td>
<td>AA Stable</td>
</tr>
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<td>San Francisco Public Utility Commission (Water)</td>
<td>Aa3 Stable</td>
<td>AA- Stable</td>
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<td>Orange County Water District</td>
<td>Aa1 Stable</td>
<td>AAA Stable</td>
<td>AAA Stable</td>
</tr>
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</table>
Moody’s

Near–term

- Water enterprises are well–prepared to maintain credit quality
  - Revenues were above average in early years of drought
  - Sales remained strong
  - Storage supplies are down, but not at crisis levels

Drought persists for 12–18 months

- Most utilities will successfully adapt
  - Raising rates
  - Implementing greater restrictions
  - More vigorous enforcement on waste

Credit quality is likely to be preserved on average, with only limited, individual cases of maladaptation and weakened credit
Standard and Poor’s

- Most utilities:
  - Planned in advance for extended drought conditions; and
  - Entered the drought period with good-to-strong debt service coverage and solid liquidity

- Longer term success factors:
  - Water supply diversity
  - Ample capacity under conservative hydrology assumptions
  - Significant storage capacity
  - Rate structures with pre-approved drought rates
  - Rate structures that promote conservation

S&P’s Water & Sewer Rating Distribution*
As of Dec. 31, 2014

- AAA (5.5%)
- AA (44%)
- A (47%)
- BBB (3.0%)
- Sepc. grade (0.4%)

*95% of ratings were unchanged in 2014
Fitch Ratings

- Rate structure adaptability and financial flexibility will continue to support credit quality
- Based on a survey of 49 California water utilities, Fitch believes:
  - State-mandate will reduce water sales in 2015 and 2016
  - Debt Service Coverage to decline from 2.45x in FY2014 to 1.80x in FY2015
  - Rate increases are expected to improve financial margins in 2017
    - Rating pressure could arise for utilities that fail to act quickly

Utility Responses to Protect Revenues
Summary of Drought Related Questions

- What revenue stability tools are available to mitigate drought?
- What rate increases are anticipated in response to the drought?
- Any difficulties anticipated implementing rate increases?
- Does your water supply meet current and projected demand?
- What is the current level of stored water supply?
- What is your conservation target per the State?
- What actions have been implemented to meet State target?
- What are the expected drought impacts on system liquidity and reserves?
San Vicente Pumped Storage Study
Hydropower Subcommittee Update

Engineering & Operations Committee
December 10, 2015

Kelly Rodgers, Energy Program Manager
Phase 2 Work Components

Federal Energy Regulatory Commission
- Preliminary Application Document

Owners’ Advisor Professional Services
- September 24, 2015: Board contract approval
Phase 2 Work Completed

- September 28, 2015: Received FERC Traditional Licensing Process approval
- November 9, 2015: Conducted public scoping meetings
- October 20, 2015: Held Owners’ Advisor Kickoff meeting
- November 3, 2015: Conducted Risk/Reward workshop
Owners’ Advisor Phase 2 Work Underway

- Sub-hourly Power Market Modeling
  - Considers 40% and 50% Renewable Portfolio Standard

- Transmission Assessment
  - Evaluates CAISO projects in queue and need for transmission upgrades

- Business Models
  - Includes a range of models and Municipal Preference

California ISO
Shaping a Renewed Future
Phase 2 Work Next Steps

- January 8, 2016 - FERC PAD/NOI Comment period ends
- Primary focus Owners’ Advisor Work
- Provide updates throughout 2016
Proposed 2016 Progress Update Schedule

- **Jan**
  - HPSC Consultant presents initial progress to date

- **Feb**
  - E&O HPSC provides update on work progress
  - HPSC Consultant presents preliminary results of Economic Analysis

- **Mar**
  - E&O HPSC provides update on work progress
  - HPSC Consultant presents preliminary results of Biz Model(s) Analysis

- **Apr**
  - E&O HPSC provides update on work progress
  - E&O Workshop Consultant presents results of Economic Analysis
  - HPSC Consultant presents preliminary results of Economic, Marketability, & Risk Analysis

- **May**
  - HPSC Consultant presents results of Biz Model(s) Analysis
  - E&O Workshop Consultant presents results of Economic, Marketability, & Risk Analysis

- **Jun**
  - E&O Workshop Consultant presents results of Biz Model(s) Analysis
  - HPSC Consultant presents results of Biz Model(s) Analysis

- **Jul**
  - E&O Workshop Consultant presents results of Biz Model(s) Analysis
  - HPSC Consultant presents initial progress to date

- **Aug**
  - E&O Workshop Consultant presents results of Biz Model(s) Analysis
  - HPSC Consultant presents results of Biz Model(s) Analysis

- **Sep**
  - E&O Workshop Consultant presents results of Biz Model(s) Analysis
  - HPSC Consultant presents results of Biz Model(s) Analysis

- **Oct**
  - HPSC Consultant provides update on work progress
  - E&O Staff/HPSC recommend Project Go/No-Go & Biz Model(s) for Board Consideration

- **Nov**
  - HPSC Consultant provides update on work progress
  - E&O Workshop Consultant presents results of Biz Model(s) Analysis

- **Dec**
  - HPSC Consultant provides update on work progress
  - E&O Workshop Consultant presents results of Biz Model(s) Analysis

**GO** or **STOP**
Aqueduct System Shutdown Overview

Engineering & Operations Committee
December 10, 2015
Agenda

- “Shutdown” or “Outage”
- Reason for Shutdowns
- Shutdown Planning
- Execution
- Monitoring/Reporting
- 2015-16 Shutdown Schedule
“Shutdown” or “Outage”

- Shutdown – Facility being taken out of service which impacts supply of water into Water Authority’s system or the delivery of water to a member agency

- Outage - Facility being taken out of service which **does not** directly impact the supply of water into Water Authority’s system or delivery of water to a member agency
Reasons for Shutdowns

- Inspections
- Routine and Corrective Maintenance
- CIP Support
  - Integration of new facilities
  - Warranty Inspections
Shutdown Planning

- Schedule
  - 2 year
  - 1 year
- Member Agency Coordination
- Shutdown Package Development
  - Work Activity
  - Impacted Service Connections
  - Lock Out/Tag Out
  - Drain/Fill locations and volumes
- Notifications
Execution

- Shutdown Meeting
- 10-Day Notice
- EOC (Emergency Operations Center)
  - Coordination
- Isolation (Lock Out/Tag Out)
- Draining
- Safety
  - Double Valve/Safety Siphon
Double Valve/Safety Siphon
Execution

- Shutdown Meeting
- 10-Day Notice
- EOC (Emergency Operations Center)
  - Coordination
- Isolation (Lock Out/Tag Out)
- Draining
- Safety
  - Double Valve/Safety Siphon
  - Rescue Crew
- Perform Work Activities
- Return to Service
  - Fill/Disinfection
Execution (Typical Shutdown)
Monitoring and Reporting

- State Water Resources Control Board Drinking Water System Discharge Permit Order WQ 2014-0194-DWQ

- Monitoring
  - BMP Effectiveness
  - Water Quality Impacts

- Reporting
  - Annual Report
  - Emergency Discharge
  - Non-Compliant Discharge
## 2015-16 Shutdown Schedule

<table>
<thead>
<tr>
<th>Shutdown</th>
<th>Date</th>
<th>Duration</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>RPH/P5EI (Untreated)</td>
<td>Nov 1–10, 2015</td>
<td>10 Days</td>
<td>✓</td>
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<tr>
<td>SV Tunnel (Untreated)</td>
<td>Nov 1–10, 2015</td>
<td>10 Days</td>
<td>✓</td>
</tr>
<tr>
<td>P1/P2 (Untreated)</td>
<td>Nov 1–10, 2015</td>
<td>10 Days</td>
<td>✓</td>
</tr>
<tr>
<td>P3/P4 – Mission Trails (Untreated)</td>
<td>Nov 1–10, 2015</td>
<td>10 Days</td>
<td>✓</td>
</tr>
<tr>
<td>P3 MFL – PIF to Black Mtn (Treated)</td>
<td>Feb 21–Apr 3, 2016</td>
<td>42 Days</td>
<td></td>
</tr>
<tr>
<td>TOVWTP TWFCF (Treated)</td>
<td>Mar 20–24, 2016</td>
<td>5 Days</td>
<td></td>
</tr>
<tr>
<td>P3/P4 – San Marcos Vent (Treated)</td>
<td>Mar 20–24, 2016</td>
<td>5 Days</td>
<td></td>
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<tr>
<td>Ramona PL (Treated)</td>
<td>Mar 20–Apr 3, 2016</td>
<td>14 Days</td>
<td></td>
</tr>
</tbody>
</table>
Salton Sea Update
Imported Water Committee
December 10, 2015

Dan Denham
Colorado River Program Director
History of a Declining Resource

1950s 1960s 1970s 1980s 1990s 2000s
QSA Environmental Mitigation and Salton Sea Restoration

$400 + Million

MITIGATION:
Activities that reduce the impact of an action

Improving Air Quality and Habitat

$9 Billion

RESTORATION:
Actions that bring back something that previously existed

San Diego County Water Authority
Salton Sea Mitigation Water

Water agencies funding bucket-for.bucket mitigation program to maintain salinity and elevation through 2017

2003-2015: 520,000 AF
$60M

2016-2017: 280,000 AF
$37M

Acre-feet

Inflows from Coachella Valley
Approximately 100,000 AF
10% Total Inflows

Inflows from Mexico
Approximately 100,000 AF
10% Total Inflows

Inflows from Imperial Valley Agriculture
Approximately 900,000 AF
70% Total Inflows

QSA Mitigation Water
110,000 AF
10% Total Inflows
QSA JPA mitigation costs set at $133M

6 Air Quality monitoring stations installed

Pilot projects aimed at habitat and direct emission reduction where feasible

2003 2009 2015
Fugitive Windblown Dust Drives Air Quality Problems

Estimated PM-10 Tons/Day of Emissions in 2047,

- Fugitive Windblown Dust: 66%
- Unpaved Roads & Farming: 18%
- Other Sources: 11%
- Salton Sea Exposed Shoreline: 4%

Imperial County is currently in non-attainment status for PM-10 air quality regulations.

1 – The 2047 estimate of playa emissions without implementation of any restoration measures. Assumes implementation of all required mitigation.
2014 IID Petition Workshop and Little Hoover Commission Hearings

- IID requests the SWRCB to modify its 2002 Order and make QSA transfers contingent upon Salton Sea restoration

- Little Hoover Commission recommendation - immediately begin construction on projects that are permitted and funded
Water Authority Position

- All environmental impacts of the QSA water transfers have been mitigated
- Mitigation and Restoration are separate issues
- Decades-old pre-QSA conditions at the Salton Sea are currently contributing to its decline
- The commitment of the State to restore the Salton Sea was not obtained through the execution of the QSA agreements

- Recommend a consensus-based process and stakeholder task force managed by the Governor’s Office
Governor creates Task Force based on stakeholder input

Governor signs AB 1095 (Eduardo Garcia) in October aimed at fast-tracking Salton Sea habitat and air quality projects

Recommendations from the Salton Sea Task Force:
1. Restore up to 12,000 acres of shoreline habitat over next 5 years
2. Restore additional 25,000 acres starting in 2020
3. Convene scientific advisory committee
4. State Water Resources Control Board to periodically hold public workshops to monitor and assess activities
Salton Sea Management Concept

- A marriage of 4 independent plans from IID, Salton Sea Authority, CA and US Departments of Fish and Wildlife
  - Covers short and mid-term (2015 – 2030) goals of the Salton Sea Task Force
  - Uses 200,000 AF of natural inflows to create a shoreline sustained by 65-miles of levees
  - Incremental habitat and funding
  - Promotion of renewable energy development
  - Environmental permit streamlining
Salton Sea Management Concept

Salton Sea Authority Levee System

State Species Conservation Habit Project – Phase 2

IID Renewable Energy Initiative

US Fish and Wildlife Service Red Hill Bay Project

State Species Conservation Habit Project – Phase 1
## Current Restoration Funding Sources

*(nominal dollars)*

<table>
<thead>
<tr>
<th>Source</th>
<th>Approved Funds</th>
<th>Potential Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salton Sea Restoration Fund</td>
<td>$67,000,000</td>
<td></td>
</tr>
<tr>
<td>Prop 1*</td>
<td>$</td>
<td>$475,000,000</td>
</tr>
<tr>
<td>Prop 50</td>
<td>$22,000,000</td>
<td></td>
</tr>
<tr>
<td>Prop 84</td>
<td>$47,000,000</td>
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<tr>
<td>Water Resources Development Act</td>
<td>$</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>Wildlife Conservation Board</td>
<td>$3,300,000</td>
<td>$1,700,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$139,300,000</strong></td>
<td><strong>$506,700,000</strong></td>
</tr>
</tbody>
</table>

*Maximum potential funding. Three projects qualify for Prop 1 funding, including the Salton Sea, in what will be a competitive grant process.*
Future Activities

- Ongoing support & engagement of Salton Sea Task Force
- Advocacy for funding for additional Salton Sea projects
- Informational materials on Salton Sea issues and QSA mitigation
- Legislative engagement on Salton Sea-specific bills
Bay Delta Conservation Plan/California WaterFix: Potential Cost Impact to the Water Authority

Imported Water Committee
December 10, 2015
<table>
<thead>
<tr>
<th>Board Meeting Date</th>
<th>Imported Water Committee/Board Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 18, 2014</td>
<td>Resolution supporting prompt completion of the BDCP environmental review process</td>
</tr>
<tr>
<td>June 18, 2014</td>
<td>Resolution supporting prompt completion of the BDCP environmental review process</td>
</tr>
<tr>
<td>July 24, 2014</td>
<td>Draft supplemental comment letter on the BDCP Implementing Agreement</td>
</tr>
<tr>
<td>March 26, 2015/April 23, 2015</td>
<td>State Treasurer’s Assessment of the Affordability and Financing Considerations of the Bay Delta Conveyance Facility</td>
</tr>
<tr>
<td>July 23, 2015</td>
<td>Bay–Delta Activities Update</td>
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<tr>
<td>August 27, 2015</td>
<td>Presentation on the California WaterFix Plan and California EcoRestore -- Recirculated BDCP DEIR/SDEIS</td>
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<tr>
<td>September 24, 2015</td>
<td>Review of the BDCP/California WaterFix Partially Recirculated DEIR/SDEIS</td>
</tr>
<tr>
<td>October 22, 2015</td>
<td>Comment letter on the BDCP/California WaterFix Partially Recirculated DEIR/SDEIS</td>
</tr>
<tr>
<td>December 10, 2015</td>
<td>BDCP/California WaterFix: Potential Cost Impact to the Water Authority</td>
</tr>
</tbody>
</table>
What is the California WaterFix?

- Makes physical and operational improvements to water delivery system in Delta
  - Basically same facilities as described in BDCP CM1
- PRDEIR/SEIS released July 10, 2015
- Design Modifications
  - Relocate pumping plants
  - Revise tunnel alignment
- Estimated capital cost: $14.9 billion (2014$)
Key Observations

1. Preferred project is a large infrastructure project, and costs may climb
2. Without an NCCP/HCP, uncertain supply benefits
3. Cost allocation matters – but today, is unknown
4. Water Authority’s region has local projects that may be explored to lessen supply risks from SWP
Facility Capital Cost

- $15 Billion
- $22.5 Billion
- $30 Billion

MWD Share of the Cost
(based on “Water follows Money”)

- SWP = 55%; MWD share = Proportional Table A
- Proportional share of urban water take
- 100 percent of cost

Water Authority’s allocation of WaterFix

- Status quo rate structure and preferential rights
- Trial court decision affirmed
## California WaterFix Potential Costs to Water Authority

- **Cost Allocation**: SWP/CVP: 55/45, Urban/Ag: 90/10, MWD: 100%

<table>
<thead>
<tr>
<th>Total Cost</th>
<th>SWP/CVP: 55/45</th>
<th>Urban/Ag: 90/10</th>
<th>MWD: 100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>$15 Billion</td>
<td>$40.3 M</td>
<td>$83.5 M</td>
<td>$160.1 M</td>
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<tr>
<td>Water Rate Impact</td>
<td>$71</td>
<td>$146</td>
<td>$281</td>
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<td>$15 Billion</td>
<td>$74.9 M</td>
<td>$155.1 M</td>
<td>$297.4 M</td>
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<tr>
<td>Water Rate Impact</td>
<td>$131</td>
<td>$272</td>
<td>$521</td>
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<tr>
<td>$22.5 Billion</td>
<td>$60.5 M</td>
<td>$125.3 M</td>
<td>$240.2 M</td>
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<tr>
<td>Water Rate Impact</td>
<td>$106</td>
<td>$220</td>
<td>$421</td>
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<tr>
<td>$22.5 Billion</td>
<td>$112.4 M</td>
<td>$232.9 M</td>
<td>$446.1 M</td>
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<tr>
<td>Water Rate Impact</td>
<td>$197</td>
<td>$408</td>
<td>$782</td>
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<tr>
<td>$30 Billion</td>
<td>$80.7 M</td>
<td>$167.1 M</td>
<td>$320.2 M</td>
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<tr>
<td>Water Rate Impact</td>
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<td>$293</td>
<td>$561</td>
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<tr>
<td>$30 Billion</td>
<td>$149.8 M</td>
<td>$310.3 M</td>
<td>$594.7 M</td>
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<tr>
<td>Water Rate Impact</td>
<td>$263</td>
<td>$544</td>
<td>$1,042</td>
</tr>
</tbody>
</table>

- Trial Court Decision
- Status Quo

- **Annualized Share of Capital**
- **Water Rate Impact $/AF**

- **Water Rate Impact $/AF**
Summary

- Change of permitting approach creates uncertainty on long-term supply stability.
- How costs are allocated matter, even with “water follows money” approach.
  - How much water can MWD take?
- Whether trial court decision is affirmed matters.
- How much water San Diego will get and at what cost are still unknown.
- Investment in local resources in San Diego County could cover supply risks of SWP.
Today’s Agenda

- History of Water Authority’s Out-of-Region Groundwater Programs
- Update on the Groundwater Programs
- What’s next
History of Water Authority
Out-of-Region Groundwater Programs

- In 1998, SB 1765 (Peace) adopted into law
  - Appropriated $200 million for Colorado River Measures
  - Appropriated $35 million for groundwater conjunctive use programs
    - Approximately $30.5 million made available to Water Authority
- In July 2008, entered into agreement with Vidler Water Company to acquire storage rights in Semitropic’s Original Water Bank
- In August 2008, executed an agreement with Semitropic-Rosamond Water Bank Authority to acquire storage rights in
  - Semitropic Stored Water Recovery Unit
  - Antelope Valley Water Bank
History of Water Authority’s Out of Region Groundwater Programs

Semitropic Water Storage District
OWB: 30,000 AF
SWRU: 15,000 AF
AVWB: 25,000 AF
## Out-of-Region Groundwater Programs

<table>
<thead>
<tr>
<th>Storage Capacity (AF)</th>
<th>Put (AF)</th>
<th>Take (AF)</th>
<th>Water Currently Stored in Bank (AF)</th>
<th>Note:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Semitropic (Original Water Bank)</strong></td>
<td></td>
<td></td>
<td></td>
<td>Entitlement Exchange Guarantee of 3% of Semitropic’s SWP Allocation</td>
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<tr>
<td>30,000</td>
<td>2,715</td>
<td>4,200</td>
<td>16,117</td>
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<tr>
<td><strong>Semitropic-Rosamond WBA (Stored Water Recovery Unit)</strong></td>
<td></td>
<td></td>
<td></td>
<td>--</td>
</tr>
<tr>
<td>15,000</td>
<td>1,666</td>
<td>5,000</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td><strong>Semitropic-Rosamond WBA (Antelope Valley Water Bank)</strong></td>
<td></td>
<td></td>
<td></td>
<td>--</td>
</tr>
<tr>
<td>25,000</td>
<td>5,000</td>
<td>5,000</td>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>
Water Banking Partners

**Semitropic-Rosamond Water Bank Authority**
800,000 AF Storage Capacity

**Original Water Bank**
1.0 MAF Storage Capacity

- SCVWD 350,000 AF
- MWD 350,000 AF
- Alameda 150,000 AF
- Zone 7 65,000 AF
- Newhall 55,000 AF
- Water Authority 30,000 AF
- Rosamond CSD (AVWB) 30,000 AF
- Water Authority (AVWB) 25,000 AF
- Water Authority (SWRU) 15,000 AF
- Unallocated (AVWB) 445,000 AF
- Unallocated (SWRU) 285,000 AF

Unallocated (SWRU) 285,000 AF

Unallocated (AVWB) 445,000 AF

Water Authority (AVWB) 25,000 AF

Water Authority (SWRU) 15,000 AF

Rosamond CSD (AVWB) 30,000 AF

Alameda 150,000 AF

Zone 7 65,000 AF

Newhall 55,000 AF

Water Authority 30,000 AF

SCVWD 350,000 AF
Update: Original Water Bank

- In January 2001, USEPA reduced MCL for arsenic from 50 ppb to 10 ppb
- DWR criteria for arsenic
  - No more than 2 ppb increase from ambient
  - No more than 10 ppb average influent from Kern County programs
- Raw Water Processing Facility reduces concentration of arsenic
- Semitropic seeks to apply same methodology to all recovered pumped-in water to California Aqueduct
- Cost to retrieve water in 2015 is estimated at $21.50/AF

Water Authority stored 16,117 AF in OWB
Update: Semitropic–Rosamond

- Semitropic-Rosamond Water Bank Authority restructured in 2012
  - Retains full responsibility for Customer agreements

- Semitropic Stored Water Recovery Unit
  - Able to accommodate Water Authority’s use, if needed

- Antelope Valley Water Bank
  - Put (direct recharge) estimated at 5,500 AF/month
  - Take estimated at 12,100 AF/month

Water Authority has no water stored in program
What’s Next?

- Staff to continue to participate in banking partner workgroups to ensure Water Authority interests are protected
- Staff to seek mutually beneficial opportunities
Sponsored Legislation for 2016

Legislation, Conservation, & Outreach Committee
December 10, 2015
Staff solicited ideas, concepts, and legislative proposals from:
- Water Authority staff
- Member agencies
- Board members

Staff evaluated six proposals for possible sponsorship of legislation in 2016

Staff is recommending Water Authority sponsorship of one legislative proposal, at this time.
Recommended Sponsorship Proposal

- Create an improved path forward for large-scale energy storage projects

**Issues**
- Large-scale energy storage does not currently count towards the investor-owned utilities’ RPS requirements
- Large-scale energy storage does not count towards the investor-owned utilities’ storage procurement mandate

**Proposed legislative approach**
- Co-sponsor AB 33 (Quirk) to require the PUC to determine a role for large-scale energy storage within strategy for procuring diverse resources and grid reliability
Staff Recommendation

- Approve sponsorship of legislation:
  - Co-sponsor AB 33 to create an improved path forward for large-scale energy storage projects, including hydropower pumped storage
Outreach

- 5 events
- 5 organizations
### SCOOP 1st Quarter Report  FY 2016

<table>
<thead>
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<th>Measurements</th>
<th>Total</th>
<th>% Small</th>
<th>% M/W</th>
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<tr>
<td>Database</td>
<td>2907</td>
<td>31%</td>
<td>22%</td>
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<tr>
<td># Bidders</td>
<td>116</td>
<td>40%</td>
<td>18%</td>
</tr>
<tr>
<td># Firms</td>
<td>221</td>
<td>24%</td>
<td>8%</td>
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<tr>
<td>Contracts</td>
<td>40</td>
<td>15%</td>
<td>8%</td>
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<tr>
<td>$ Awarded</td>
<td>$21,328,303</td>
<td>46%</td>
<td>15%</td>
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</table>

Overall SCOOP participation goal for 2016 = 30%
## Dollars Awarded  1<sup>st</sup> Quarter 2016

<table>
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<th></th>
<th>FY 2016 YTD</th>
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<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Small</td>
<td>% Small</td>
<td>M/W</td>
<td>% M/W</td>
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<tr>
<td><strong>Construction</strong></td>
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<td></td>
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<tr>
<td>Primes</td>
<td>5,254,954</td>
<td>5,254,954</td>
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<td>0</td>
<td>0%</td>
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<tr>
<td>Subs</td>
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<td>3,525,027</td>
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<td>2,805,200</td>
<td>59%</td>
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<tr>
<td><strong>Construction Subtotal</strong></td>
<td>9,987,970</td>
<td>8,779,981</td>
<td>88%</td>
<td>2,805,200</td>
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<td><strong>Professional Services</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Primes</td>
<td>4,762,675</td>
<td>451,310</td>
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<td>200,800</td>
<td>4%</td>
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<td>Subs</td>
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<td>87,000</td>
<td>77%</td>
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<td>0%</td>
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<td><strong>Prof. Services Subtotal</strong></td>
<td>4,875,775</td>
<td>538,310</td>
<td>11%</td>
<td>200,800</td>
<td>4%</td>
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<tr>
<td><strong>Contracts</strong></td>
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<td></td>
<td></td>
<td></td>
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</tr>
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<td>Primes</td>
<td>10,218,321</td>
<td>5,706,264</td>
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<td>200,800</td>
<td>2%</td>
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<td>Subs</td>
<td>4,846,116</td>
<td>3,612,027</td>
<td>75%</td>
<td>2,805,200</td>
<td>58%</td>
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<tr>
<td>Vendors</td>
<td>6,263,866</td>
<td>463,142</td>
<td>7.4%</td>
<td>190,233</td>
<td>3%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$21,328,303</td>
<td>$9,781,433</td>
<td>46%</td>
<td>$3,196,233</td>
<td>15%</td>
</tr>
</tbody>
</table>
Contracts and Procurements

- Trend towards smaller contracts as CIP ramps down
- Large construction this quarter
  - Nob Hill
- Professional services
  - Average contract size: $60,000
Legislative Policy Guidelines

- Annual update for 2016
- Legislative Policy Guidelines direct staff and legislative advocates on issues of importance to the Water Authority, its member agencies, and the San Diego region
  - Provide a framework to evaluate the potential impact of state and federal legislation
- Proposed Legislative Policy Guidelines reflect input from:
  - Water Authority staff
  - Member agencies
  - Board members
Draft proposed modifications presented to the Board on October 22

Staff received three proposed additions to the October 23 draft

- Pages 12, 18, and 19
- Each of the additions relates to SWRCB emergency drought regulations declaration and implementation

April 16, 2014

Attention: Legislation, Conservation and Outreach Committee

Adopt positions on various state bills. (Action)

Staffrecommendation

1. Adopt a position of Support on AB 407 (V.M. Perez)
2. Adopt a position of Support and Seek Amendments on AB 1636 (Brown)
3. Adopt a position of Support on AB 1891 (Donnelly)
4. Adopt a position of Support if Amended on AB 1957 (Gray)
5. Adopt a position of Support if Amended on AB 2282 (Gatto)
6. Adopt a position of Support and Seek Amendments on AB 2417 (Nazarian)
7. Adopt a position of Support on AB 2454 (Gomez)
8. Adopt a position of Support if Amended on AB 2534 (Rendon)
9. Adopt a position of Support if Amended on SB 1250 (Hueso)

Alternatives

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

Fiscal Impact

There is no direct fiscal impact associated with the consideration of adopting policy positions on the legislation, but the Water Authority could secure direct and indirect fiscal benefits from passage of a water bond measure.

Energy Legislation

**AB 407 (V.M. Perez) – Renewable Energy Resources: Salton Sea**

Existing law requires the California Energy Commission to adopt and update every two years, an integrated energy policy report that includes an overview of major energy trends and issues facing the state, an assessment and forecast of system reliability, and the need for resource additions, efficiency, and conservation. In addition, the California Renewables Portfolio Standard Program requires retail sellers of electricity and local publicly owned electric utilities to purchase renewable energy resources sufficient to ensure that the procurement of electricity products from eligible renewable energy resources achieves 25 percent of retail sales by December 31, 2016 and 33 percent of retail sales by December 31, 2020.

AB 407, as amended on February 20, 2014, would require the California Energy Commission, in consultation with the Public Utilities Commission and 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 its associated geothermal fields, and to include its evaluation and recommendations in the next integrated energy policy report.
Staff Recommendation

- Adopt the 2016 Legislative Policy Guidelines
Purchase of Mitigation Credits for Carryover Storage Project

December 10, 2015

Presented by Don Chadwick, Senior Water Resources Specialist
CSP Permanent Habitat Impacts

404 ac Habitat Impacts
Requires Mitigation
Status of CSP Offsite Mitigation

355 acres required

Mitigation Completed
- San Miguel
- Rancho Cañada

Remaining Mitigation to be determined
State Water Board Emergency Regulation accelerated reservoir fill schedule and urgency to complete mitigation before impacts occur

Purchase of mitigation credits achieves permits’ concurrent timing requirement
Mitigation Bank Options

- Local banking entities have the required mitigation credits available:
  - San Luis Rey Mitigation Bank (wetlands)
  - Brook Forest Mitigation Bank (wetlands & riparian)
  - Crestridge Conservation Bank (riparian)

- Permitting agencies ultimately determine best fit of bank site to project impact
Next Steps

- Negotiate appropriate habitat credit mitigation packages with one or more bank owners
- Confirm permit compliance with permitting agencies
- Execute purchase agreement
Authorize the General Manager to enter into one or more contracts with mitigation banking entities to procure wetlands and riparian habitat mitigation credits that satisfy regulatory permits issued for the Carryover Storage Project in a cumulative total not to exceed $2,200,000.
Update on Supply Conditions and Drought Response Activities

Mammoth offers its best opening day conditions in five years
Copyright: Peter Morning/MMSA

Water Planning Committee
December 10, 2015 Meeting

Presentation by:
Dana Friehauf, Water Resources Manager
Northern Sierra Snowpack
Beginning of Water Year 2016

64% of Normal
(Dec. 8, 2015)
Initial State Water Project Allocation: 10 Percent

<table>
<thead>
<tr>
<th>Year</th>
<th>Initial (%)</th>
<th>Final (%)</th>
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<tbody>
<tr>
<td>2016</td>
<td>10</td>
<td>?</td>
</tr>
<tr>
<td>2015</td>
<td>10</td>
<td>20</td>
</tr>
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<td>2014</td>
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<td>5</td>
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<td>2013</td>
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<td>35</td>
</tr>
<tr>
<td>2012</td>
<td>60</td>
<td>65</td>
</tr>
</tbody>
</table>

Initial allocation may be increased or decreased, depending upon the rainfall and snowpack this winter.
Upper Colorado River Basin Snowpack

Source: December 8, 2015 MWD Water Planning and Stewardship Committee Presentation
Local Precipitation and Storage

- Local reservoir storage on November 30, 2015 was approximately 272,193 AF, or 36% of capacity
- Water Authority carryover storage in San Vicente Reservoir: 45,000 AF

<table>
<thead>
<tr>
<th>Station</th>
<th>Actual in.</th>
<th>% Normal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lindbergh Field</td>
<td>1.97</td>
<td>108%</td>
</tr>
<tr>
<td>Ramona Airport</td>
<td>1.76</td>
<td>79%</td>
</tr>
</tbody>
</table>
Sea Surface Temperatures Exceed Strongest El Niño Ever Recorded
Seasonal Temperature Outlook
Jan-Feb-Mar 2016

Climate Prediction Center
Issued: 11/19/15

San Diego County Water Authority
Total Potable M&I Water Use
State Emergency Regulation Reporting Months

Cumulative June – November 2015 is **24%** lower than 2013

Source: Member Agency monthly water use reporting to the Water Authority
Governor Brown
November 13, 2015 Executive Order
Statewide Reduction Mandate

• If drought persists through January 2016, SWRCB shall extend restrictions until Oct. 31, 2016 to achieve statewide reduction in urban potable water usage

• SWRCB shall consider modifying existing restrictions to:
  • Address uses of potable and non-potable water
  • Incorporate insights gained from existing restrictions
Drought-Resilient Supply Credit

Basis and Rationale

1. Provides a more sustainable, balanced approach to managing California’s drought

2. Protects California’s economy
   - Current regulation relies just on reduction mandates, which can limit growth

3. Allows communities to realize the reliability benefits from investments in drought-resilient supplies
   - Investments consistent with Governor’s Action Plan to increase self-reliance
   - Provides incentive for communities to invest
Drought-Resilient Supply Credit
Alternative Path to Compliance

• Reduction target is met through combination of conservation and drought-resilient supplies

• Include conservation savings floor of 8% to ensure balanced approach to managing droughts

• Applies to potable reuse, desalination, long-term transfers of conserved water or other potable drought-resilient supplies
# Proposed Alternative Path to Compliance

**Illustrative Example (Figures in AF)**

<table>
<thead>
<tr>
<th></th>
<th>Agency A</th>
<th>Agency B</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>2013 Base Period Month</td>
<td>3,000</td>
</tr>
<tr>
<td>B</td>
<td>Conservation Standard</td>
<td>20%</td>
</tr>
<tr>
<td>C=A*B</td>
<td><strong>Total Reduction Target</strong></td>
<td><strong>600</strong></td>
</tr>
</tbody>
</table>

*Reduction target may be met through conservation and sustainable supplies*

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
<td>Drought-resilient supplies available</td>
</tr>
<tr>
<td>E=C-D</td>
<td>Conservation savings</td>
</tr>
<tr>
<td>F=E/A</td>
<td>Does savings drop below 8%?</td>
</tr>
</tbody>
</table>

*Determine sustainable supplies and conservation applied to reduction target, assuming 8% conservation floor*

<table>
<thead>
<tr>
<th></th>
<th>Agency A</th>
<th>Agency B</th>
</tr>
</thead>
<tbody>
<tr>
<td>G=A*.08</td>
<td>Conservation required with 8% floor</td>
<td>400</td>
</tr>
<tr>
<td>H=C-G</td>
<td>Adjusted drought-resilient supplies applied to reduction target</td>
<td>200</td>
</tr>
</tbody>
</table>
SWRCB Informational Public Workshop
Potential Extension of Emergency Regulation

• Total of 248 written comments received
  • 169 comments from San Diego County (68%)

• Workshop included panel presentations on proposed modifications

• Water Authority and member agency representatives provided oral comments

• SWRCB staff to release proposed framework to the public within next several weeks

Providing comments: Allen Carlisle, Padre Dam MWD