



SPECIAL BOARD OF DIRECTORS' MEETING

**540 Cornish Drive
Encinitas, California 92024
(behind Encinitas City Hall)**

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.

**JUNE 9, 2016
8:30 a.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. Opportunity for members of the public who wish to address the Board on matters within the Board's jurisdiction.
6. ACTION / DISCUSSION
- 6- 1. Regional state self-certification of water supply.
Staff recommendation: Adopt Resolution No. 2016-____, a resolution of the Board of Directors of the San Diego County Water Authority regarding compliance with State Water Resources Control Board emergency regulation Article 22.5: Drought Emergency Water Conservation. (Action)
7. CLOSED SESSION(S)
7-A Conference with Legal Counsel - Pending Litigation
Government Code §54956.9(d)(1)
Name of Case: SDCWA v. Metropolitan Water District of Southern California;
Case Nos. CPF-10-510830; CPF-12-512466; CPF-14-514004; BS161729; and A146901
8. ACTION FOLLOWING CLOSED SESSION
9. OTHER COMMUNICATIONS



10. ADJOURNMENT

Melinda Cogle
Clerk of the Board

NOTE: All public documents provided to the 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 920123 at the reception desk during normal business hours.



June 2, 2016

Attention: Water Planning Committee

Regional state self-certification of water supply. (Action)

Staff recommendation

Adopt Resolution No. 2016-____, a resolution of the Board of Directors of the San Diego County Water Authority regarding compliance with State Water Resources Control Board emergency regulation Article 22.5: Drought Emergency Water Conservation.

Alternative

1. Do not adopt the resolution and do not seek regional self-certification of water supply.

Fiscal Impact

There is no direct fiscal impact associated with adoption of the resolution.

Background

In response to an unprecedented multi-year drought, in April 2015, Governor Brown issued Executive Order B-29-15, mandating a 25 percent water-use reduction statewide. Based on the Executive Order, the State Water Resources Control Board (SWRCB), in May 2015, adopted an Emergency Regulation for Statewide Urban Water Conservation. The regulation required Water Authority member agencies to reduce their monthly water use starting in June 2015, by 12 to 36 percent compared to 2013 water-use levels.

In November 2015, Governor Brown issued Executive Order B-36-15, which required the SWRCB to extend the May 2015 Emergency Regulation through October 2016. In accordance with the Executive Order, the SWRCB adopted an extended Emergency Regulation in February 2016, which factored in credits for development of drought-resilient supplies and adjustments for climate and growth. Based on the updated conservation standards that were released in April 2016, member agency reduction targets ranged from eight percent to 28 percent.

In April 2016, the SWRCB held a workshop and received input on potential modifications to the February 2016 Emergency Regulation for consideration and possible action by the SWRCB in May 2016. In advance of the workshop, the SWRCB solicited public comments from interested parties. The Water Authority submitted a comment letter that proposed refinements to the February 2016 Emergency Regulation to take into account regional differences in supply conditions and the actual shortage condition, if any, within a community. The comment letter recommended that a self-certification supply-based approach be used in lieu of the existing mandated conservation standards.

In May 2016, Governor Brown issued Executive Order B-37-16, which builds on temporary statewide emergency water restrictions and calls for longer-term water use efficiency measures, including permanent monthly water use reporting and new permanent water use standards that go beyond the 20 percent reduction in per capita urban water use required in SBX7-7. The Executive Order also permanently bans wasteful practices, such as hosing off sidewalks, driveways and other hardscapes; calls for long-term improvements in local drought preparation; and directs the SWRCB

to develop emergency water restrictions for 2017, if the drought persists. The Executive Order also directed the SWRCB to make adjustments to the emergency water conservation regulation in recognition of the differing water supply conditions across the state.

Discussion

On May 18, 2016, the SWRCB amended the emergency water conservation regulation to change from a mandated conservation standard to a supply-based approach that recognizes the unique water supply conditions of each water supplier. At the Water Authority's May 26, 2016, Water Planning Committee meeting, staff presented information on the amended emergency regulation. The new supply-based approach considers the necessity for a conservation standard, for the period June 2016 through January 2017, based on each agency's specific circumstances and water supplies. The new regulation requires individual urban water agencies – or a region as a whole, if all of that region's urban water agencies agree – to self-certify the sufficiency of available water supplies using a calculation methodology prescribed in the amended regulation. The SWRCB also approved allowing wholesalers, such as the Water Authority, to certify supply sufficiency for their service areas, if every retail agency in the service area agrees. Water Authority staff held a conference call with the member agencies on May 25, 2016, to discuss the amended SWRCB emergency conservation regulation and, specifically, the proposed regional self-certification of water supply by the Water Authority. The member agencies expressed broad support for regional water supply self-certification by the Water Authority.

The SWRCB's required supply sufficiency calculation is based on a series of conservative assumptions including three additional years of drought, with the third year, 2019, serving as the evaluation year that determines whether a conservation standard is required for the period June 2016 - January 2017. The calculation specifies the use of hydrology from 2013, 2014, and 2015, to project water supplies for 2017, 2018, and 2019. Very conservative demand projections for the three-year period are based on a water supplier's average potable water use in 2013 and 2014 -- a period where water use was significantly higher than more recent water demands. Projected water supplies and demands for 2019 are compared to determine whether a surplus or deficit exists. If the water supplies meet or exceed the demand, the water conservation standard is zero. If demand exceeds available water supplies, the conservation standard is equivalent to the percentage of the water supply deficit.

The application of the SWRCB supply sufficiency calculation for the Water Authority service area is summarized in the formula below:

$$\begin{array}{l} \text{Member Agency} \\ \text{CY 2013 \& } \\ \text{CY 2014} \\ \text{Average Potable} \\ \text{Water Use} \end{array} - \left(\begin{array}{l} \text{Water} \\ \text{Authority} \\ \text{Available} \\ \text{Supplies} \end{array} + \begin{array}{l} \text{Member} \\ \text{Agency} \\ \text{Local} \\ \text{Supplies} \end{array} + \begin{array}{l} \text{Water} \\ \text{Authority} \\ \text{Stored Water} \end{array} \right) = \begin{array}{l} \text{0\%} \\ \text{Mandatory} \\ \text{Conservation} \\ \text{Standard} \\ \text{(June 2016 –} \\ \text{January 2017)} \end{array}$$

Staff is working with the member agencies to finalize the calculation that will be submitted to the SWRCB. A draft calculation for 2019, included as Attachment 1, shows that projected Water Authority supplies (QSA, Lewis Carlsbad Desalination Plant, MWD), combined with member agency local supplies and supplemented by Water Authority stored water supplies, would be more than sufficient, even after three additional drought years to meet the region's demands. Water Authority stored water is added to the Water Authority available supplies and member agency local supplies to reduce the supply deficit to zero, thereby ensuring that the aggregated conservation

standard is zero, meaning no mandatory conservation for the period June 1, 2016, to the end of January 2017 for all member agencies.

Submittal by the Water Authority to the SWRCB of an aggregated conservation standard requires the Board to adopt Resolution No. 2016-_____ (Attachment 2). The aggregated conservation standard and supporting documentation must be submitted to the SWRCB by June 22, 2016.

Prepared by: Jeff Stephenson, Principal Water Resources Specialist
Reviewed by: Robert R. Yamada, Director of Water Resources
Reviewed by: Sandra L. Kerl, Deputy General Manager

Attachments:

Attachment 1 – Draft 2019 Regional Supply Sufficiency Calculation
Attachment 2 – Resolution No. 2016-_____

RESOLUTION NO. 2016-_____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN DIEGO COUNTY WATER AUTHORITY REGARDING
COMPLIANCE WITH STATE WATER RESOURCES CONTROL
BOARD EMERGENCY REGULATION, ARTICLE 22.5:
DROUGHT EMERGENCY WATER CONSERVATION

WHEREAS, on or about May 18, 2016, the California State Water Resources Control Board (the "SWRCB") enacted a new version of its Article 22.5: Drought Emergency Water Conservation Emergency Regulations ("Article 22.5"); and

WHEREAS, Article 22.5 allows in Section 864.5 a wholesale water agency such as the San Diego County Water Authority to agree with its member agencies that the Water Authority will submit to the SWRCB, in lieu of the individualized self-certified conservation standard applicable pursuant to section 864.5 or section 865 in Article 22.5, an aggregated conservation standard, with all supporting documentation required for individualized self-certified conservation standards by section 864.5; and

WHEREAS, the Water Authority and its constituent member agencies desire to avail themselves of the aggregated conservation standard referenced in Section 864.5 of Article 22.5, and the Water Authority hereby commits, on the conditions stated below, to submitting to the SWRCB the aggregated conservation standard, with all supporting documentation required for individualized self-certified conservation standards by section 864.5 of Article 22.5; and

WHEREAS, this Resolution is legally binding as to the matters stated herein;

NOW, THEREFORE, the Board of Directors of the San Diego County Water Authority resolves the following:

The Water Authority General Manager is hereby instructed to, under Article 22.5, submit to the SWRCB the aggregated conservation standard, with all supporting documentation required for individualized self-certified conservation standards by section 864.5 of Article 22.5, so long as Article 22.5 remains substantially in the same form as of the date of this Resolution, and so long as authorized representatives of member agencies of the Water Authority sign the consent to the regional self-certification approach in substantially the form attached hereto.

PASSED, APPROVED, and ADOPTED this 9th day of June 2016 by the following vote:

AYES:

NOES: Unless noted below all Directors voted aye.

ABSTAIN:

ABSENT:

Mark Weston, Chair

ATTEST:

Jim Madaffer, Secretary

I, Melinda Cogle, Clerk of the Board of the San Diego County Water Authority, certify that the vote shown above is correct and this Resolution No. 2016- _____ was duly adopted at the meeting of the Board of Directors on the date stated above.

Melinda Cogle, Clerk of the Board

MEMBER AGENCY CONSENT FORM

The member agencies of the San Diego County Water Authority hereby consent to the regional self-certification approach approved by the San Diego County Water Authority by its Resolution 2016-__ of June 9, 2016, and certify that the materials to be submitted to the Water Authority by each agency for use by the Water Authority and by the State Water Resources Control Board will be to the best of their knowledge true and accurate. The undersigned represent and warrant that they are authorized to sign this consent.

CARLSBAD MUNICIPAL WATER DISTRICT

DATE: _____

By: _____

Its: _____

CITY OF DEL MAR

DATE: _____

By: _____

Its: _____

CITY OF ESCONDIDO

DATE: _____

By: _____

Its: _____

CITY OF OCEANSIDE

DATE: _____

By: _____

Its: _____

CITY OF POWAY

DATE: _____

By: _____

Its: _____

Member Agency Consent Form

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CITY OF SAN DIEGO

DATE: _____

By: _____

Its: _____

FALLBROOK PUBLIC UTILITY DISTRICT

DATE: _____

By: _____

Its: _____

HELIX WATER DISTRICT

DATE: _____

By: _____

Its: _____

LAKESIDE WATER DISTRICT

DATE: _____

By: _____

Its: _____

OLIVENHAIN MUNICIPAL WATER DISTRICT

DATE: _____

By: _____

Its: _____

OTAY WATER DISTRICT

DATE: _____

By: _____

Its: _____

PADRE DAM MUNICIPAL WATER DISTRICT

DATE: _____

By: _____

Its: _____

RAINBOW MUNICIPAL WATER DISTRICT

DATE: _____

By: _____

Its: _____

RAMONA MUNICIPAL WATER DISTRICT

DATE: _____

By: _____

Its: _____

RINCON DEL DIABLO MUNICIPAL WATER DISTRICT

DATE: _____

By: _____

Its: _____

SAN DIEGUITO WATER DISTRICT

DATE: _____

By: _____

Its: _____

SANTA FE IRRIGATION DISTRICT

DATE: _____

By: _____

Its: _____

SWEETWATER AUTHORITY

DATE: _____

By: _____

Its: _____

VALLECITOS WATER DISTRICT

DATE: _____

By: _____

Its: _____

Member Agency Consent Form

June 9, 2016

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VALLEY CENTER MUNICIPAL WATER DISTRICT

DATE: _____

By: _____

Its: _____

VISTA IRRIGATION DISTRICT

DATE: _____

By: _____

Its: _____

YUIMA MUNICIPAL WATER DISTRICT

DATE: _____

By: _____

Its: _____



June 9, 2016

Attention: Board of Directors

CLOSED SESSION:

Conference with Legal Counsel - Pending Litigation

Government Code §54956.9(d)(1)

**Name of Case: SDCWA v. Metropolitan Water District of Southern California;
Case Nos. CPF-10-510830; CPF-12-512466; CPF-14-514004; BS161729;
and A146901**

Purpose

This memorandum is to recommend a closed session, pursuant to Government Code §54956.9(d)(1), to discuss the above-referenced matter at the June 9, 2016 meeting.

Prepared by: Mark J. Hattam, General Counsel