An atmospheric river delivered heavy rain and snow to California in January, causing widespread flooding and mudslides across the state.
NOTICE TO THE PUBLIC

BOARD OF DIRECTORS’ AND STANDING COMMITTEES’
REGULAR MEETING
FEBRUARY 23, 2017
BOARD ROOM
WATER AUTHORITY HEADQUARTERS BUILDING
4677 OVERLAND AVENUE, SAN DIEGO, CALIFORNIA

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

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

3. **MEETING TIMES:** The morning session of Standing Committees will commence at 9:00 a.m. on February 23, 2017 the afternoon session of Standing Committees may commence at the conclusion of the morning session and earlier than 1:00 p.m. Please see the meeting schedule. The meeting of 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. Items receiving substantive review by a standing committee are generally included on the Consent Calendar for action at the meeting of full Board. 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

FEBRUARY 23, 2017

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

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

AFTERNOON SESSION
Legislation & Public Outreach Committee
Imported Water Committee
1:00 p.m. to 3:00 p.m.
Estimated time: 35 minutes
Estimated time: 1 hour 10 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.
ENGINEERING AND OPERATIONS COMMITTEE

AGENDA FOR

FEBRUARY 23, 2017

Tony Heinrichs – Chair
Frank Hilliker – Vice Chair
Marty Miller – Vice Chair
Brian Boyle
Brian Brady
Jerry Butkiewicz
Lois Fong-Sakai
Michael Hogan

Ron Morrison
Ken Olson
Jose Preciado
Halla Razak
John Simpson
Tim Smith
Ron Watkins


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-A Directors’ comments.
   4-B Engineering and Operations Committee Draft Work Plan for Calendar Years 2017 and 2018.

I. CONSENT CALENDAR

1. Amendment 2 to service contract with Nash Fabricators, Inc. for in-shop fabrication, repair, and machine shop services. 
   Staff recommendation: Authorize the General Manager to execute Amendment 2 to the services contract with Nash Fabricators, Inc. for $160,000 increasing the contract amount from $140,000 to $300,000. (Action)

   Jesus Meda

II. ACTION/DISCUSSION/PRESENTATION

1. Solar Power and Services Agreement between the San Diego County Water Authority and Pristine Sun, LLC.
   Staff recommendation: Authorize the General Manager to enter into a no cost Solar Power and Services Agreement with Pristine Sun, LLC, for a floating photovoltaic power system on Olivenhain Reservoir. (Action)

   Kelly Rodgers

Page 5 of 130
2. Pipeline 4 Relining at Lake Murray Project Update. (Presentation)  Aaron Trimm

3. La Mesa Sweetwater Extension Pipeline inspection results and repair. (Presentation)  Nathan Faber

4. Energy Task Force Update. (Presentation)  Michael Hogan

III. INFORMATION

IV. CLOSED SESSION

V. ADJOURNMENT

Melinda Cogle
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.
February 15, 2017

Attention: Engineering and Operations Committee

Engineering and Operations Committee Draft Work Plan for Calendar Years 2017 and 2018.

Purpose
This report provides the Engineering and Operations Committee Draft Work Plan for Calendar Years 2017 and 2018.

Background
The Engineering and Operations Committee is responsible for matters of design, construction, replacement, maintenance, and operation of the Water Authority’s facilities, property, and equipment, including: administration of the Capital Improvement Program; administration of the Asset Management Program; right of way acquisition and management; system and facility security; water quality; and other matters relating to facility operations.

Discussion
Attached for your review is the Engineering and Operations Committee Draft Work Plan for Calendar Years 2017 and 2018. The work plan was prepared by staff under the direction of the Engineering and Operations Committee Chair and Vice Chairs. Comments from committee members are welcome and appreciated. The finalized work plan will be adopted at the March 23, 2017 Board meeting.

Prepared by: Jerry Reed, Director of Engineering
Jim Fisher, Director of Operations and Maintenance
Reviewed by: Tony Heinrichs, Chair, Engineering and Operations Committee

Attachment:
Draft Engineering and Operations Committee Work Plan for Calendar Years 2017 and 2018
1. **Nob Hill Improvements Project**
   Provide oversight to complete construction of the Nob Hill Improvements project. (April 2017 – Infrastructure/Capital Improvement Program Objective 1*)

2. **Miramar Pump Station Rehabilitation Project**
   Provide oversight to complete construction of the Miramar Pump Station Rehabilitation project. (June 2017 – Infrastructure/Capital Improvement Program Objective 3*)

3. **Facility Security Assessments and Implementation**
   Provide oversight of efforts required to perform physical security assessments and develop improvement plans for critical facilities for continued water system protection against potential threats. (June 2017 – Water System Management Goal Objective 2*)

4. **Pipeline 4 Relining Lake Murray Interconnect to Alvarado Project**
   Provide oversight to complete construction of the Pipeline 4 Relining Lake Murray Interconnect to Alvarado project. (August 2017 – Infrastructure/Capital Improvement Program Objective 13*)

5. **Administrative Code Revisions**
   Consider approval of Administrative Code additions for decommissioning Service Connections to reduce risk and maintenance costs. (December 2017 – Infrastructure/Capital Improvement Program Objective 5*)

6. **Carlsbad 6 Flow Control Facility Project**
   Provide oversight to complete construction of the Carlsbad 6 Flow Control Facility project. (June 2018)

7. **Predictive Maintenance**
   Provide oversight for developing a plan to evolve from standard preventative maintenance to agile predictive maintenance, using Asset Management data to revise maintenance schedules and practices in order to increase productivity and efficiency. (June 2018 –Infrastructure/Capital Improvement Program Objective 6*)

8. **Pipeline 3 Relining La Mesa to Sweetwater Reservoir Project**
   Provide oversight to complete construction of the Pipeline 3 Relining La Mesa to Sweetwater Reservoir project. (December 2018)

*Item(s) related to the 2017-2021 Business Plan.
9. **Compliance with Water Purchase Agreement**
   Provide oversight for operation of the treated water system to achieve minimum annual desalinated water delivery of 48,000 acre feet/year per the Water Purchase Agreement. (June 2018)

10. **Lake Hodges Hydroelectric Facility**
    Provide oversight to achieve 97 percent uptime and produce $2.8 million in revenue at the Lake Hodges Hydroelectric Facility in fiscal years 2018 and 2019. (June 2018)

11. **Rancho Peñasquitos Hydroelectric Facility**
    Provide oversight to maximize hydroelectric energy revenue at the Rancho Peñasquitos Hydroelectric Facility. (June 2018)

12. **Security Upgrades**
    Provide oversight of efforts to perform security upgrades of surveillance cameras at new and existing/upgraded facilities to ensure security of Water Authority assets and operations. (December 2018)
February 15, 2017

Attention: Engineering and Operations Committee

Amendment 2 to service contract with Nash Fabricators, Inc. for in-shop fabrication, repair, and machine shop services. (Action)

Staff recommendation
Authorize the General Manager to execute Amendment 2 to the services contract with Nash Fabricators, Inc. for $160,000 increasing the contract amount from $140,000 to $300,000.

Alternative
Authorize the General Manager to execute Amendment 2 to the services contract with Nash Fabricators, Inc. for $30,000 increasing the contract amount from $140,000 to $170,000 and direct staff to initiate a new Notice Inviting Bids for in-shop fabrication, repair, and machine shop services.

Fiscal impact
Funds are available for this contract through June 30, 2017 within the fiscal years 2016 and 2017 Operating and Capital Improvement Program (CIP) Budgets. Funds for the remaining term of the contract will be requested in the fiscal years 2018 and 2019 Operating and CIP Budgets and are contingent upon Board approval. The rate category for this project is Transportation.

Background
The Water Authority contracts for in-shop fabrication, repairs, and machine shop services for its maintenance and CIP projects. Products include pipeline flanged spools, butt straps, adapter mounting plates for valves, ladders, valve covers, gates, and flange supports. Application of industrial coatings, platings, and finishes to fabricated items, and parts machining are also included. Items fabricated, repaired, or machined under this contract are installed by Water Authority or CIP contractor staff.

In May 2015, the Water Authority advertised a Notice Inviting Bids (NIB) for in-shop fabrication, repair, and machine shop services. The NIB was advertised in the San Diego Daily Transcript and issued to 42 companies on the Water Authority’s e-procurement website, The Network. The contract scope of work requires emergency and non-emergency response times. In an emergency, work may be requested 24 hours a day, seven days a week, with a 24-hour turn-around time for requested items; and contractor’s staff may be required to work in 24-hour shifts, if necessary, to complete requested items.

On July 6, 2015, one bid was received from Nash Fabricators, Inc. (Nash), the incumbent contractor. Pre- and post-solicitation outreach has been sent to local fabrication firms over the years to maximize competition. Feedback from other firms indicates they lack sufficient resources to support the 24/7 response that the Water Authority requires during an emergency. Nash has historically been the lowest cost contractor even when other firms have placed bids and their 2015 bid contained no price increase over their prior contract prices. The Water Authority
entered into the contract with Nash Fabricators, Inc. on September 8, 2015 for a maximum value of $140,000.

Discussion

Occasionally, as-needed contracts for corrective maintenance items, such as this one, can realize high costs in a limited timeframe. Recently, the contract was used to support two large CIP projects, exhausting the full contract value in 18 months. Additional funds are needed to complete the contract term which expires on August 31, 2018. Amending the contract would preserve pricing and avoid repair delays during the bidding process.

Nash has extensive experience in working with the Water Authority as a contractor and as a subcontractor on past operating and CIP contracts. Nash also provides contract work for other public agencies, including other water agencies in the region, and is highly valued for their understanding of the water industry and the application of their products and services within water systems. Nash’s familiarity with the Water Authority’s aqueduct system, while not required for this contract, has been beneficial and provides confidence to Water Authority staff when working with them to fabricate, repair, or machine items.

Staff’s recommendation is to authorize the General Manager to execute Amendment 2 to the services contract with Nash Fabricators, Inc. to increase the contract amount by an additional $160,000, from $140,000 to $300,000.

The small business participation for this contract is 100%. This information is provided for statistical purposes.

Prepared by: Jesus M. Meda, Operations and Maintenance Manager
Reviewed by: James E. Fisher, Director of Operations and Maintenance
Approved by: Sandra L. Kerl., Deputy General Manager

JM/JF/SK:mmr
February 15, 2017

Attention: Engineering and Operations Committee

Solar Power and Services Agreement between the San Diego County Water Authority and Pristine Sun, LLC (Action)

Staff Recommendation:
Authorize the General Manager to enter into a no cost Solar Power and Services Agreement with Pristine Sun, LLC, for a floating photovoltaic power system on Olivenhain Reservoir.

Fiscal Impact
There are no capital costs to the Water Authority for this installation, or ongoing operations and maintenance expenses. Annual revenue to the Water Authority is estimated to average $128,000 over the 25-year term of the Agreement.

Discussion
On February 22, 2016, a request for proposal was advertised, to provide planning, design, construction, permitting, and operations and maintenance services for an up to 6 megawatt floating photovoltaic power system on up to 20 acres of the Olivenhain Reservoir. A main point in the solicitation was requesting business models where the project could be implemented at little to no cost to the Water Authority. On March 14, 2016, the Water Authority received a proposal from Pristine Sun, LLC. A five-member selection panel evaluated Pristine Sun’s qualifications by reviewing the proposals, conducting two interviews, and verifying past client references. Based on Pristine Sun’s technical competence, applicable experience, past performance, and ability to accomplish the work, the panel reached consensus to negotiate a no cost Solar Power and Services Agreement with Pristine Sun.

The Agreement is a public-private partnership where Pristine Sun will fund all project capital, operations, and maintenance costs, while the Water Authority will provide the installation site. Revenue from the sale of the renewable energy generated will be shared between the parties, with the Water Authority’s share at approximately $3.2 million over the 25-years. Per the Agreement, the Water Authority and Pristine Sun will equally share any intellectual property resulting from the project. Pristine Sun will be responsible for all environmental approvals, permitting, and permit compliance. The County of San Diego will be the lead agency under the California Environmental Quality Act for this project. Construction will proceed only after all environmental approvals and permits are obtained. The project is expected to be commercially operational by the end of 2018.

Prepared by: Kelly Rodgers, Energy Program Manager
Reviewed by: Sandra L. Kerl, Deputy General Manager
Approved by: Maureen A. Stapleton, General Manager
February 15, 2017

Attention: Engineering and Operations Committee

Pipeline 4 Relining at Lake Murray Project Update (Presentation)

Purpose
This information item provides an overview and update on the construction of the Pipeline 4 Relining at Lake Murray project.

Discussion
This project is part of the overall program to rehabilitate and reline prestressed concrete cylinder pipe (PCCP) within the Water Authority’s conveyance system to ensure continued reliability. The Water Authority’s Asset Management Program detects and monitors deterioration of the aqueducts using an acoustic fiber optic monitoring system as well as internal inspections during aqueduct shutdowns. Based on the condition assessment, this portion of the aqueduct was prioritized for rehabilitation due to the pipeline’s diminishing service life and the potential impacts to water deliveries in the event of a pipeline failure.

The project includes relining approximately 5,400 linear feet of Pipeline 4 (an existing 72-inch diameter PCCP) along Lake Murray to the terminus of Pipeline 4 at the City of San Diego’s Alvarado Treatment Plant using steel liners. Once completed, this project will bring the total relining of the Water Authority’s existing PCCP to 50 percent complete. One aqueduct shutdown is required to accomplish the reline work. This project also includes decommissioning the Water Authority’s existing Alvarado Hydroelectric Facility located adjacent to the Pipeline 4 connection to the Alvarado Water Treatment Plant.

After receiving Board approval in August 2016, staff awarded a construction contract to L.H. Woods and Sons, Inc. for $6,777,000. Construction is approximately 77 percent finished and is scheduled for completion in spring 2017. Staff has executed one change order for an overall credit amount of $46,000 or a 1 percent decrease to the overall contract value.

Staff will present a Pipeline 4 Relining at Lake Murray project update at the February 23, 2017 Engineering and Operations committee meeting.

Prepared by: Aaron Trimm, Senior Engineer
Reviewed by: Jerry Reed, Director of Engineering
Approved by: Sandra L. Kerl, Deputy General Manager

Attachments:
1. Location Map
LAKE MURRAY INTERCONNECT
BEGIN PIPELINE 4 RELINING
STA 4362+04

PORTAL 1

PORTAL 2

ALVARADO TREATMENT PLANT
END PIPELINE 4 RELINING
STA 4416+08

GENERAL LOCATION MAP

PROJECT:
PIPELINE 4 RELINING
AT LAKE MURRAY
ATTACHMENT 1
February 15, 2017

Attention:  Engineering and Operations Committee

La Mesa Sweetwater Extension Pipeline inspection results and repair.  (Presentation)

Purpose
This informational item provides an overview of the recently completed La Mesa Sweetwater Extension Pipeline inspection results and repair in Lakeside.

Discussion
As part of the Condition Assessment Plan, the Water Authority identified approximately five miles of the La Mesa Sweetwater Extension Pipeline in Lakeside from the terminus of the First Aqueduct to Highway 67 as a priority for pipeline inspection.  The primary factors were age of the pipeline (constructed in 1947), its criticality with respect to conveying untreated water to Helix Water District’s Levy Water Treatment Plant, and an opportunity to partner with Helix Water District to reduce project costs.

During the 15-day inspection, 840 pipe sections were inspected both visually and using Remote Field technology.  Preliminary results show the pipe is in serviceable condition with only one section experiencing extensive corrosion damage.  Operations and Maintenance crews performed replacement of the damaged section while the pipeline was out of service.  Overall, the condition of the pipe is consistent with its age and is expected to reach its projected service life.

A board presentation at the February Engineering and Operations Committee meeting will provide a summary of the preliminary inspection results and details of the repair work, including the efficient utilization of in-house resources.

Prepared by:  Jim Fisher, Director of Operations and Maintenance
Approved by:  Sandra L. Kerl, Deputy General Manager
ADMINISTRATIVE AND FINANCE COMMITTEE

AGENDA FOR

FEBRUARY 23, 2017

Elsa Saxod – Chair
Gary Arant – Vice Chair
Doug Wilson – Vice Chair
Jimmy Ayala
David Cherashore
Gary Croucher
Ed Gallo

Christy Guerin
Matt Hall
Kathleen Coates Hedberg
Tony Heinrichs
Jim Murtland
John Simpson
Ron Watkins

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-A Directors’ comments.
   4-B Administrative and Finance Committee Draft Work Plan for Calendar Years 2017 and 2018.

I. CONSENT CALENDAR

   Staff recommendation: Note and file monthly Treasurer’s Report.
   (Action)

II. ACTION/DISCUSSION/PRESENTATION

1. Approve the selection of firms to serve in the Water Authority’s pre-approved bond counsel pool.
   Staff recommendation: Approve the formation and use of a pre-qualified bond counsel pool. (Action)

3. Capital Market Update. (Presentation)     Lisa Marie Harris

III. INFORMATION

1. Board calendar.

IV. CLOSED SESSION

V. ADJOURNMENT

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.
February 15, 2017

Attention: Administrative and Finance Committee


Purpose
This report provides the Administrative and Finance Committee Draft Work Plan for Calendar Years 2017 and 2018.

Background
The Administrative and Finance Committee is responsible for administrative and finance matters including rates, fees, charges, and other sources of revenue; budget; audit; investments; human resources; employer-employee relations; information technology; insurance; risk management; and other matters of general business operations.

Discussion
Attached for your review is the Administrative and Finance Committee Draft Work Plan for Calendar Years 2017 and 2018. The work plan was prepared by staff under the direction of the Administrative and Finance Committee Chair and Vice Chairs. Comments from committee members are welcome and appreciated. The finalized work plan will be adopted at the March 23, 2017 Board meeting.

Prepared by: Lisa Marie Harris, Director of Finance/Treasurer
Matthew S. Brown, Director of Administrative Services
Reviewed by: Elsa Saxod, Chair, Administrative and Finance Committee

Attachment:
Draft Administrative and Finance Committee Work Plan for Calendar Years 2017 and 2018
1. **Cost of Service Review**  
   Review and consider approval of a Cost of Service Study that includes verification of existing charges and updated review annexation fees and capacity charges. (June 2017 – Financial Management Program, Objective 3*)

2. **Financial Rate Model Program Upgrade and Full Cost of Study**  
   Review existing financial rate model and make necessary improvements. In addition, complete a review of all rates and charges as part of a Full Cost of Study. (December 2017)

3. **Budget**  
   Review and consider adoption of the multi-year budget for fiscal years 2018 and 2019 and consideration of any mid-term budget adjustments for fiscal year 2019 (June 2017 and June 2018)

4. **Rates and Charges**  
   Review and consider adoption of rates and charges for the 2018 and 2019 calendar year. (June 2017 and June 2018)

5. **Cybersecurity**  
   Review and consider approving cybersecurity initiatives that protect and preserve the Water Authority’s infrastructure and critically important information. (June 2017 – Technology Program, Objective 6*).

6. **Business Insurance**  
   Review and consider approving business insurance renewals for the workers’ compensation, general liability and property programs (June 2017 and June 2018).

7. **Enterprise Resource Planning System Maintenance and Support Agreements**  
   Review and consider renewing the PeopleSoft enterprise resource planning software maintenance and support agreements for the next four fiscal years. (October 2017)

8. **Development of a Long Term Strategic Plan for Debt Program**  
   Review and consider approving debt issuance for Carlsbad Intake Financing, future CIP debt and potential refunding for outstanding debt. (December 2017 – Financial Management Program, Objective 1*)
February 15, 2017

Attention: Administrative and Finance Committee

Monthly Treasurer’s Report on Investments and Cash Flow

Purpose
The purpose of the Treasurer’s Report is to provide monthly financial information to the Board of Directors.

Attached for review by the Administrative and Finance Committee and the Board of Directors is the Treasurer’s Report as of January 31, 2017. 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 December 8, 2016. 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.

Chandler Portfolio Summary: This one page snapshot shows the Chandler Asset portfolio holdings including average duration, coupon, yield and ratings; account summary; top issuers; issuer allocation; maturity distribution; and the managed portfolio yield compared to the benchmark.

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 73 percent currently invested in AAA rated or AAA/AA+ split-rated securities. In January 2017, the Water Authority’s overall portfolio yield remained the same as December at 1.19 percent and continues to exceed the investment benchmark of 0.80 percent. Bond Fund proceeds for the Water Authority’s Capital Improvement Program expenditures are now fully drawn down and no longer reflected in the report.

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 January 31, 2017**

### PORTFOLIO PERCENTAGES

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<th>Investment Type</th>
<th>Permitted By Board Policy</th>
<th>Portfolio Percentage</th>
<th>Book Value</th>
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<td><strong>$371,785,734</strong></td>
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<td><strong>Checking/Petty Cash/Available Funds (unavailable for investing)</strong></td>
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<td><strong>Subtotal for Pooled Funds:</strong></td>
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<td><strong>Debt Service Reserve (DSR) Funds Excluded from Portfolio Percentages:</strong></td>
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<td><strong>Subtotal for Debt Service Reserve Funds (unavailable for CIP expenditures):</strong></td>
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<td><strong>Total Cash and Investments</strong></td>
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### PORTFOLIO INFORMATION

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<td>5.55%</td>
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<td>Average Days to Maturity (730 Days Maximum)</td>
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* "The weighted average days to maturity of the total portfolio shall not exceed 730 days (two years) to maturity" per Water Authority Investment Policy.

** Pooled Funds include Operating, Pay Go, RSF, Equipment and Stored Water funds.
On December 14th the FOMC increased the target for the federal funds rate to a range of 50-75 basis points. The next meeting is February 1st.
**Portfolio Summary**
As of 1/31/2017

**Portfolio Characteristics**
- Average Duration: 2.21
- Average Coupon: 1.83%
- Average Purchase YTM: 1.65%
- Average Market YTM: 1.68%
- Average S&P/Moody Rating: AA/Aa2
- Average Final Maturity: 2.32 yrs
- Average Life: 2.28 yrs

**Account Summary**

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<th>Beg. Values as of 12/31/16</th>
<th>End Values as of 1/31/17</th>
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**Issuer Allocation**

- Procter & Gamble, Company: 13.17%
- Wal-Mart Stores: 6.70%
- Microsoft: 13.35%
- Exxon Mobil Corp: 13.30%
- US Bancorp: 13.37%
- Toyota Motor Corp: 6.45%
- Berkshire Hathaway: 13.44%

**Maturity Distribution**

- 0-1.25 years: 33.3%
- 1.25-2 years: 46.8%
- 2.25-3 years: 13.3%
- 3.25-4 years: 6.5%

**12-Month Yield Comparison**

- SDOWA
- BAML 1-5 Year AAA - AA US Corp Index
## SDCWA - Fiscal Year 2017
### Portfolio Management
#### Portfolio Details - Investments
##### January 31, 2017

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### Managed Pool Accounts

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### Medium Term Notes

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### Subtotals and Averages

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**Portfolio CWA2**

**CC**

**PM (PRF_PM2) 7.3.0**

**Report Ver. 7.3.3b**

**Page 25 of 130**
## Federal Agency - Coupon

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### SDCWA - Fiscal Year 2017
#### Portfolio Management
#### Portfolio Details - Investments
#### January 31, 2017

#### Treasury Securities - Coupon

<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>
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**Subtotal and Average**
- 65,116,938.89
- 65,000,000.00
- 64,894,161.38
- 65,116,938.89

**Total and Average**
- 383,586,434.15
- 382,690,441.24
- 383,025,054.54
- 384,055,634.69
- 1.188
- 351
## Portfolio Management
### SDCWA - Fiscal Year 2017
#### Portfolio Details - Cash
##### January 31, 2017

<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</th>
<th>YTM</th>
<th>Days to Maturity</th>
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## SDCWA - Fiscal Year 2017
### Portfolio Management
#### Activity Summary
##### January 2016 through January 2017

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<th>Month</th>
<th>Year</th>
<th>Number of Securities</th>
<th>Total Invested</th>
<th>Yield to Maturity</th>
<th>Managed Pool Rate</th>
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<td>360 Equivalent</td>
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<td>1.172</td>
<td>1.188</td>
<td>1.409</td>
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Average: 81, 418,493,655.15, 1.042%, 1.056%, 1.123, 2, 3, 775, 373
February 15, 2017

Attention: Administrative and Finance Committee

Approve the selection of firms to serve in the Water Authority’s pre-approved bond counsel pool. (Action)

Staff Recommendation
Approve the formation and use of a pre-qualified bond counsel pool.

Alternative
Do not approve the formation of or recommend firms for the pre-qualified bond counsel pool.

Fiscal Impact
There is no fiscal impact to the operating budget. The general bond counsel costs are expected to remain at the current budgeted levels. Transactional fees related to debt management actions will be approved by the Board at the time the transaction is authorized. The proposed transactional fees are in line with the current levels.

Background
It is a best management practice to periodically conduct a solicitation for any service provider. This ensures pricing and firm resources are competitive with the current market. It has been over 5-years since bond counsel services have been solicited. The Water Authority has maintained a pre-qualified underwriter pool since July 2007. The underwriter pool has served the Water Authority very well allowing quick access to both financial expertise and the capital markets.

Discussion
The formation of a pre-approved Pool of Bond Counsels (the Pool) allows firms to be used on an “as-needed” basis for various tasks. While the Pool does not commit the Water Authority to using all of the firms, it does provide increased access to firms specializing in areas that the Water Authority requires support on. The Pool also generates enhanced coverage of the Water Authority by the firms and enhances our ability to respond to regulatory changes impacting the debt portfolio quickly. The Pool will be renewed every five years to provide an opportunity for new firms to be included.

On December 23, 2016, a Request for Qualifications (RFQ) for underwriting services was sent out to forty firms. Seven responsive submittals were received and reviewed by internal staff from the General Counsel’s office and the Finance Department, an external representative from the San Diego County General Counsel’s office and the Water Authority’s financial advisors. The written submissions were scored based on criteria consistent with the RFQ including: scope of work; technical competence/expertise; personnel qualifications; evaluation of the Water Authority’s bond disclosure; and cost proposal.
Based on this review, the selection panel recommended four firms for the Pool. The firms selected for the Pool include:

1. Dentons US LLP
2. Kutak Rock LLP
3. Orrick, Herrington & Sutcliffe LLP
4. Polsinelli LLP

The four firms in Pool will provide access to a balanced mix of legal expertise that includes General Bond Counsel support and areas of specialization like public-private partnerships and conduit financing agencies (i.e. California Pollution Control Financing Authority). By having a pool, the Water Authority will be able to easily access these varying areas of expertise to support ongoing management activities.

Prepared by: David Shank, Financial Planning Manager
Reviewed by: Lisa Marie Harris, Director of Finance/Treasurer
Approved by: Sandra L. Kerl, Deputy General Manager
February 15, 2017

Attention: Administrative and Finance Committee

Controller’s Report on Monthly Financial Reports. (Information)

Purpose
The purpose of the Controller’s Report is to provide monthly financial information to the Board of Directors.

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

1. Water Sales Volumes, in acre-feet
2. Water Sales Revenues, in millions
3. Water Purchases and Treatment Costs, in millions
4. Budget Status Report
5. Operating Departments Expenses, in millions
6. Schedule of Cash and Investments

The Budget Status Report (Attachment 4) compares actual revenues and expenses, on a budgetary basis, for the eighteen-month period of July 1, 2015 through December 31, 2016, to the period-to-date amended budget. Budgeted amounts for the eighteen-month period are presented on a straight-line basis unless noted herein. Water sales and purchases are budgeted based on projected monthly volume in acre-feet. Period-to-date budgeted revenue categories were all adjusted to reflect the expected timing of receipt. In addition, certain period-to-date budgeted expense categories were adjusted for periodic items and include the following: stored water purchases, debt service, QSA mitigation, annual insurance premiums, and contributions 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, emergency storage, infrastructure access charge, and supply reliability. Cost of water includes payments to water suppliers such as Metropolitan Water District (MWD), Imperial Irrigation District (IID), and Poseidon Resources (Channelside) LP.

1 All information regarding water sales volumes, revenues and costs are based on the Adopted Multi-Year Budget for Fiscal Years 2016 and 2017.
Net Water Sales Revenue for the eighteen months ended December 31, 2016 was $212.7 million, trending $9.7 million or 5 percent higher than the period-to-date budgeted amount of $203.0 million. Water Purchases and Treatment costs are trending below projections due to reduced water sales and later start-up of desalination than financially projected. Detailed information relating to Net Water Sales Revenue is described below and shown on Attachments 1, 2, and 3.

Total acre-feet (AF) of water sold were budgeted to be 674,035 AF for the eighteen months ended December 31, 2016. The actual water sales volume was 652,302 AF, trending 21,733 AF or 3 percent lower than budgeted (Attachment 1). Total Water Sales Revenue for the eighteen months ended December 31, 2016 was $844.7 million, trending $41.4 million or 5 percent lower than the period-to-date budgeted amount of $886.1 million (Attachment 2). The decrease was due to mandatory water-use restrictions, continued water conservation efforts across the region, and the reduced need for outdoor irrigation in response to the state-mandated conservation targets. Beginning June 2016 through January 2017, the San Diego region will not be subject to state-mandated water-use reductions as determined by the State Water Resources Control Board.

Total Water Purchases and Treatment costs were budgeted at $683.1 million for the eighteen months ended December 31, 2016. Actual costs were $632.0 million, trending $51.1 million or 7 percent lower than budgeted (Attachment 3). This cost category included $94.2 million for the 150,000 AF of water purchased from IID, and $116.2 million for MWD’s conveyance charges related to IID, Coachella Canal and All-American Canal water. Also reflected in actual costs were water purchased from Poseidon Resources (Channelside) LP of approximately $111.1 million.

**Revenues and Other Income**

As shown in Attachment 4, total Revenues and Other Income were budgeted at $143.3 million for the eighteen-month period ended December 31, 2016. Actual revenues were $142.0 million, trending $1.3 million lower than budgeted. The variance is explained in detail below.

Categories of revenues in which actual revenues trended lower than the eighteen-month period-to-date budget included the following: Contributions in Aid of Capital Improvement Program (CIAC), Grant Reimbursements, Investment Income, Hydroelectric Revenue, and Water Standby Availability Charges. Actual CIAC revenue was trending lower than budgeted by $2.8 million due to less than anticipated receipts during the eighteen-month period. Actual Grant Reimbursements revenue for Integrated Regional Water Management Program Grants (IRWMP) was trending $2.5 million lower than the period-to-date budget as a result of the timing of reimbursement requests billed to the granting agency. Hydroelectric Revenue was budgeted for the Lake Hodges Pumped Storage Facility (Hodges Hydro) and the Rancho Penasquitos Pressure Control and Hydroelectric Facility (Rancho Hydro). Actual hydroelectric revenues were $4.9 million, trending lower than the period-to-date budget by $0.4 million because the sale of hydroelectric power generated by Rancho Hydro has been less than anticipated. Rancho Hydro will continue to be impacted by reduced water demand and the resulting low flows due to conservation efforts in the region. Actual Investment Income and Water Standby Availability Charges were trending lower than budgeted by $0.6 million and $0.4 million, respectively, for the eighteen months ended December 31, 2016.
Categories of revenues in which actual revenues trended higher than the eighteen-month period-to-date budget included the following: Other Income, Property Taxes and In-Lieu Charges, and Capacity Charges. Actual Other Income was trending $4.8 million higher than period-to-date budgeted amount due to miscellaneous and intergovernmental revenue reimbursements. Actual Property Taxes and In-Lieu Charges and Capacity Charges were trending higher than budgeted by $0.5 million and $0.1 million, respectively, for the eighteen months ended December 31, 2016.

**Expenses**

As shown in Attachment 4, total Expenses were budgeted at $374.7 million for the eighteen-month period ended December 31, 2016. Actual expenses were $356.1 million, trending $18.6 million lower than budgeted. The variance is explained in detail below.

Overall Operating Department expenses shown in Attachment 5 were trending less than budgeted by $9.1 million for the eighteen-month period ended December 31, 2016 due to a number of staff vacancies and the timing of expenses.

Debt Service expenses totaled $177.8 million for the eighteen-month period ended December 31, 2016, trending $9.7 million lower than budgeted. The variance was attributed to fees on short-term debt and commercial paper interest expense trending less than budgeted, in addition to the cash flow savings from the prior year refunding transactions. Actual Hodges Pumped Storage and Equipment Replacement was trending lower than budgeted by $0.4 million and $0.3 million, respectively, for the eighteen months ended December 31, 2016.

Other Expenses were budgeted at $1.0 million from the approved prior year carryover of funds from the Fiscal Years 2014 and 2015 Public Outreach and Conservation (POC) budget for drought response outreach and water conservation, as approved by the Board in May 2015. Actual Other Expenses for the eighteen-month period ended December 31, 2016 were $1.0 million for POC costs and $0.3 million for other miscellaneous costs. Actual Grant Expenses were trending $0.4 million higher than the period-to-date budget resulting from the timing in expense recognition of pass-through IRWMP grants.

**CIP Expenses**

Attachment 4 shows that CIP Expenses were budgeted at $109.9 million and actual expenses were $109.9 million for the eighteen-month period ended December 31, 2016.

Actual CIP expenses were funded 26 percent by Pay As You Go Fund and 74 percent by CIP/Bond Construction Fund for the eighteen-month period ended December 31, 2016. Bond proceeds from the Series 2010B Water Revenue Bonds (Build America Bonds) have been fully expended. CIP expenses will continue to be funded by Pay As You Go Fund. In December, the Board approved the Stored Water Fund policy that resulted in the transfer of approximately $9.6 million from the Stored Water Fund to the Pay As You Go Fund to pay for existing capital projects.
Cash and Investments
As of December 31, and November 30, 2016, the overall balance in the Water Authority’s cash and investments was $383.6 million and $394.4 million, respectively (Attachment 6). As of December 31, 2016, the cash and investments balance was approximately 53 percent unrestricted funds with the remaining 47 percent of funds restricted for specific purposes. To maximize investment returns, the Water Authority Treasurer pools the cash of the Pay As You Go Fund with total unrestricted funds. As of December 31, 2016, the Rate Stabilization Fund was funded at $125.7 million, approximately 92 percent of the maximum approved level of $136.4 million.

Prepared by: Jocelyn Matsuo, Senior Accountant
Reviewed by: Joy Kleber, Accounting Supervisor
Approved by: Christopher W. Woidzik, Controller

Attachments:
Attachment 1 – Water Sales Volumes
Attachment 2 – Water Sales Revenues
Attachment 3 – Water Purchases and Treatment Costs
Attachment 4 – Budget Status Report
Attachment 5 – Operating Departments Expenses
Attachment 6 – Schedule of Cash and Investments
*Budgeted amounts are based on the Adopted Multi-Year Budget for Fiscal Years 2016 and 2017.

**Fiscal Year 2016 Cumulative Water Sales (AF)**

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Budget (a)</em></td>
<td>49,896</td>
<td>99,581</td>
<td>144,532</td>
<td>183,281</td>
<td>214,658</td>
<td>242,547</td>
<td>266,410</td>
<td>288,249</td>
<td>315,451</td>
<td>348,266</td>
<td>386,829</td>
<td>432,700</td>
</tr>
<tr>
<td>Actual</td>
<td>36,382</td>
<td>77,854</td>
<td>116,497</td>
<td>154,539</td>
<td>188,620</td>
<td>217,409</td>
<td>237,188</td>
<td>266,411</td>
<td>292,703</td>
<td>326,962</td>
<td>364,821</td>
<td>402,066</td>
</tr>
<tr>
<td>AF Difference (b)</td>
<td>(13,514)</td>
<td>(21,727)</td>
<td>(28,035)</td>
<td>(28,742)</td>
<td>(26,038)</td>
<td>(25,138)</td>
<td>(29,222)</td>
<td>(21,838)</td>
<td>(22,748)</td>
<td>(21,304)</td>
<td>(22,008)</td>
<td>(30,634)</td>
</tr>
<tr>
<td>Cum. Actual AF</td>
<td>-27%</td>
<td>-22%</td>
<td>-19%</td>
<td>-16%</td>
<td>-12%</td>
<td>-10%</td>
<td>-11%</td>
<td>-8%</td>
<td>-7%</td>
<td>-6%</td>
<td>-6%</td>
<td>-7%</td>
</tr>
</tbody>
</table>

**Fiscal Year 2017 Cumulative Water Sales (AF)**

<table>
<thead>
<tr>
<th>Months</th>
<th>Jul-16</th>
<th>Aug-16</th>
<th>Sep-16</th>
<th>Oct-16</th>
<th>Nov-16</th>
<th>Dec-16</th>
<th>Jan-17</th>
<th>Feb-17</th>
<th>Mar-17</th>
<th>Apr-17</th>
<th>May-17</th>
<th>Jun-17</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Budget (a)</em></td>
<td>49,647</td>
<td>99,581</td>
<td>144,532</td>
<td>183,281</td>
<td>214,658</td>
<td>242,547</td>
<td>266,410</td>
<td>288,249</td>
<td>315,451</td>
<td>348,266</td>
<td>386,829</td>
<td>432,700</td>
</tr>
<tr>
<td>Actual</td>
<td>46,252</td>
<td>95,043</td>
<td>138,751</td>
<td>183,297</td>
<td>222,475</td>
<td>250,236</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AF Difference (b)</td>
<td>(3,395)</td>
<td>(4,040)</td>
<td>(5,058)</td>
<td>933</td>
<td>8,891</td>
<td>8,901</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Cum. Actual AF</td>
<td>-7%</td>
<td>-4%</td>
<td>-4%</td>
<td>1%</td>
<td>4%</td>
<td>4%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Budgeted amounts are based on the Adopted Multi-Year Budget for Fiscal Years 2016 and 2017.
*Budgeted amounts are based on the Adopted Multi-Year Budget for Fiscal Years 2016 and 2017.

Fiscal Year 2016 Cumulative Water Sales (in Millions $)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>*Budget (a)</td>
<td>59.0</td>
<td>117.5</td>
<td>172.3</td>
<td>220.7</td>
<td>262.0</td>
<td>300.2</td>
<td>336.7</td>
<td>371.0</td>
<td>410.6</td>
<td>455.9</td>
<td>507.2</td>
<td>565.8</td>
</tr>
<tr>
<td>Actual</td>
<td>44.5</td>
<td>94.3</td>
<td>141.4</td>
<td>187.7</td>
<td>230.4</td>
<td>267.8</td>
<td>299.9</td>
<td>341.5</td>
<td>379.8</td>
<td>425.7</td>
<td>475.3</td>
<td>524.9</td>
</tr>
<tr>
<td>Difference (b)</td>
<td>(14.5)</td>
<td>(23.2)</td>
<td>(30.9)</td>
<td>(33.0)</td>
<td>(31.6)</td>
<td>(32.4)</td>
<td>(36.8)</td>
<td>(29.5)</td>
<td>(30.8)</td>
<td>(30.2)</td>
<td>(31.9)</td>
<td>(40.9)</td>
</tr>
<tr>
<td>Cum. Actual</td>
<td>-25%</td>
<td>-20%</td>
<td>-18%</td>
<td>-15%</td>
<td>-12%</td>
<td>-11%</td>
<td>-11%</td>
<td>-8%</td>
<td>-8%</td>
<td>-7%</td>
<td>-6%</td>
<td>-7%</td>
</tr>
</tbody>
</table>

Fiscal Year 2017 Cumulative Water Sales (in Millions $)

<table>
<thead>
<tr>
<th>Months</th>
<th>Jul-16</th>
<th>Aug-16</th>
<th>Sep-16</th>
<th>Oct-16</th>
<th>Nov-16</th>
<th>Dec-16</th>
<th>Jan-17</th>
<th>Feb-17</th>
<th>Mar-17</th>
<th>Apr-17</th>
<th>May-17</th>
<th>Jun-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Budget (a)</td>
<td>63.2</td>
<td>126.1</td>
<td>183.9</td>
<td>235.2</td>
<td>279.4</td>
<td>320.3</td>
<td>358.4</td>
<td>394.2</td>
<td>435.5</td>
<td>482.7</td>
<td>536.0</td>
<td>597.0</td>
</tr>
<tr>
<td>Actual</td>
<td>58.1</td>
<td>118.4</td>
<td>173.7</td>
<td>229.7</td>
<td>280.3</td>
<td>319.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Difference (b)</td>
<td>(5.1)</td>
<td>(7.7)</td>
<td>(10.2)</td>
<td>(5.5)</td>
<td>0.9</td>
<td>(0.5)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cum. Actual</td>
<td>-8%</td>
<td>-6%</td>
<td>-6%</td>
<td>-2%</td>
<td>0%</td>
<td>0%</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tbody>
</table>

% Difference

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17 through Dec-16</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>565.8</td>
<td>320.3</td>
<td>886.1</td>
</tr>
<tr>
<td>Actual</td>
<td>524.9</td>
<td>319.8</td>
<td>844.7</td>
</tr>
<tr>
<td>Difference</td>
<td>(40.9)</td>
<td>(0.5)</td>
<td>(41.4)</td>
</tr>
<tr>
<td>% Difference</td>
<td>-7%</td>
<td>0%</td>
<td>-5%</td>
</tr>
</tbody>
</table>
**WATER PURCHASES AND TREATMENT COSTS**

*Budget Versus Actual (in Millions $)*

for the 18 Months Ended December 31, 2016

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>*Budget (a)</td>
<td>40.9</td>
<td>82.8</td>
<td>127.6</td>
<td>166.8</td>
<td>200.2</td>
<td>231.3</td>
<td>258.8</td>
<td>284.1</td>
<td>313.6</td>
<td>348.2</td>
<td>387.9</td>
<td>432.9</td>
</tr>
<tr>
<td>Actual</td>
<td>40.3</td>
<td>64.5</td>
<td>96.7</td>
<td>127.2</td>
<td>156.2</td>
<td>205.0</td>
<td>225.0</td>
<td>243.0</td>
<td>273.6</td>
<td>311.6</td>
<td>352.3</td>
<td>387.1</td>
</tr>
<tr>
<td>Difference</td>
<td>(0.6)</td>
<td>(18.3)</td>
<td>(30.9)</td>
<td>(39.6)</td>
<td>(44.0)</td>
<td>(26.3)</td>
<td>(33.8)</td>
<td>(41.1)</td>
<td>(40.0)</td>
<td>(36.6)</td>
<td>(35.6)</td>
<td>(45.8)</td>
</tr>
<tr>
<td>Cum. Actual</td>
<td>-1%</td>
<td>-22%</td>
<td>-24%</td>
<td>-24%</td>
<td>-22%</td>
<td>-11%</td>
<td>-13%</td>
<td>-14%</td>
<td>-13%</td>
<td>-11%</td>
<td>-9%</td>
<td>-11%</td>
</tr>
</tbody>
</table>

*Budgeted amounts are based on the Adopted Multi-Year Budget for Fiscal Years 2016 and 2017, as amended by the Board.

**Fiscal Year 2016 Cumulative Cost of Water Purchases and Treatment (in Millions $)**

<table>
<thead>
<tr>
<th>Months</th>
<th>Jul-16</th>
<th>Aug-16</th>
<th>Sep-16</th>
<th>Oct-16</th>
<th>Nov-16</th>
<th>Dec-16</th>
<th>Jan-16</th>
<th>Feb-16</th>
<th>Mar-16</th>
<th>Apr-16</th>
<th>May-16</th>
<th>Jun-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Budget (a)</td>
<td>50.6</td>
<td>100.4</td>
<td>145.7</td>
<td>185.2</td>
<td>219.0</td>
<td>250.2</td>
<td>279.3</td>
<td>306.1</td>
<td>337.3</td>
<td>373.8</td>
<td>415.1</td>
<td>463.0</td>
</tr>
<tr>
<td>Actual</td>
<td>38.9</td>
<td>91.9</td>
<td>133.6</td>
<td>176.3</td>
<td>217.0</td>
<td>244.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Difference</td>
<td>(11.7)</td>
<td>(8.5)</td>
<td>(12.1)</td>
<td>(8.9)</td>
<td>(2.0)</td>
<td>(5.3)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cum. Actual</td>
<td>-23%</td>
<td>-8%</td>
<td>-8%</td>
<td>-5%</td>
<td>-1%</td>
<td>-2%</td>
<td>-</td>
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</tr>
</tbody>
</table>

**Fiscal Year 2017 Cumulative Cost of Water Purchases and Treatment (in Millions $)**

<table>
<thead>
<tr>
<th>Months</th>
<th>Jul-16</th>
<th>Aug-16</th>
<th>Sep-16</th>
<th>Oct-16</th>
<th>Nov-16</th>
<th>Dec-16</th>
<th>Jan-16</th>
<th>Feb-16</th>
<th>Mar-16</th>
<th>Apr-16</th>
<th>May-16</th>
<th>Jun-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Budget (a)</td>
<td>432.9</td>
<td>250.2</td>
<td>683.1</td>
<td>683.1</td>
<td>683.1</td>
<td>683.1</td>
<td>683.1</td>
<td>683.1</td>
<td>683.1</td>
<td>683.1</td>
<td>683.1</td>
<td>683.1</td>
</tr>
<tr>
<td>Actual</td>
<td>387.1</td>
<td>244.9</td>
<td>632.0</td>
<td>632.0</td>
<td>632.0</td>
<td>632.0</td>
<td>632.0</td>
<td>632.0</td>
<td>632.0</td>
<td>632.0</td>
<td>632.0</td>
<td>632.0</td>
</tr>
<tr>
<td>Difference</td>
<td>(45.8)</td>
<td>(5.3)</td>
<td>(51.1)</td>
<td>(51.1)</td>
<td>(51.1)</td>
<td>(51.1)</td>
<td>(51.1)</td>
<td>(51.1)</td>
<td>(51.1)</td>
<td>(51.1)</td>
<td>(51.1)</td>
<td>(51.1)</td>
</tr>
<tr>
<td>% Difference</td>
<td>-11%</td>
<td>-2%</td>
<td>-7%</td>
<td>-7%</td>
<td>-7%</td>
<td>-7%</td>
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<td>-7%</td>
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</table>
San Diego County Water Authority  
Fiscal Years 2016 and 2017 Budget Status Report  
For the 18 Months Ended December 31, 2016

### Revenues and Other Income

<table>
<thead>
<tr>
<th></th>
<th>FY 2016 &amp; 2017 Amended Budget</th>
<th>FY 2016 &amp; 2017 Budget (75%)</th>
<th>FY 2016 &amp; 2017 Actual Period-to-Date</th>
<th>Variance with Amended Budget Period-to-Date</th>
<th>% Actual/ Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>[A]</td>
<td>[B]</td>
<td>[C]</td>
<td>Expenditures = [B - C]</td>
<td>Positive (Negative)</td>
</tr>
<tr>
<td>Net Water Sales Revenue</td>
<td>$1,162,792,404</td>
<td>$868,107,507 (b)</td>
<td>$844,675,809</td>
<td>($41,431,698)</td>
<td>73%</td>
</tr>
<tr>
<td></td>
<td>20,978,000</td>
<td>15,733,440</td>
<td>(m) 15,809,070</td>
<td>(o) 75,630</td>
<td>75%</td>
</tr>
<tr>
<td></td>
<td>146,525,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues and Other Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure Access Charges</td>
<td>61,206,000</td>
<td>45,672,771 (m)</td>
<td>45,672,792</td>
<td>21</td>
<td>75%</td>
</tr>
<tr>
<td>Property Taxes and In-Lieu Charges</td>
<td>23,400,000</td>
<td>16,668,000 (m)</td>
<td>17,154,928</td>
<td>486,928</td>
<td>73%</td>
</tr>
<tr>
<td>Investment Income</td>
<td>9,233,000</td>
<td>6,585,716 (m)</td>
<td>5,953,404</td>
<td>(632,312)</td>
<td>64%</td>
</tr>
<tr>
<td>Hydroelectric Revenue</td>
<td>7,000,000</td>
<td>5,320,000 (m)</td>
<td>4,877,810</td>
<td>(442,190)</td>
<td>70%</td>
</tr>
<tr>
<td>Grant Reimbursements</td>
<td>16,708,000</td>
<td>15,107,803 (m)</td>
<td>12,580,011</td>
<td>(2,527,792)</td>
<td>75%</td>
</tr>
<tr>
<td>Build America Bonds Subsidy</td>
<td>20,978,000</td>
<td>15,733,440 (m)</td>
<td>15,809,070</td>
<td>75,630</td>
<td>75%</td>
</tr>
<tr>
<td>Other Income</td>
<td>523,000</td>
<td>348,370 (m)</td>
<td>5,122,724</td>
<td>4,774,354</td>
<td>979%</td>
</tr>
<tr>
<td>Capital Contributions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity Charges</td>
<td>30,500,000</td>
<td>20,750,000 (m)</td>
<td>20,897,365</td>
<td>147,365</td>
<td>69%</td>
</tr>
<tr>
<td>Water Standby Availability Charges</td>
<td>22,500,000</td>
<td>13,500,000 (m)</td>
<td>13,112,536</td>
<td>(387,464)</td>
<td>58%</td>
</tr>
<tr>
<td>Contributions in Aid of Capital Improvement Program (CIAC)</td>
<td>3,668,000</td>
<td>3,611,376 (m)</td>
<td>791,486</td>
<td>(2,819,890)</td>
<td>22%</td>
</tr>
<tr>
<td>Total Revenues and Other Income</td>
<td>195,805,000</td>
<td>143,297,476</td>
<td>141,972,126</td>
<td>(1,325,350)</td>
<td>73%</td>
</tr>
<tr>
<td>Net Water Sales Revenue and Revenues and Other Income, net</td>
<td>462,693,043</td>
<td>346,279,583</td>
<td>354,632,227</td>
<td>8,352,644</td>
<td>77%</td>
</tr>
</tbody>
</table>

### Total Expenses

<table>
<thead>
<tr>
<th></th>
<th>[A]</th>
<th>[B]</th>
<th>[C]</th>
<th>[A * 75%]</th>
<th>[C / A]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues Before CIP</td>
<td>($40,875,393)</td>
<td>($28,446,213)</td>
<td>($1,411,210)</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>146,525,000</td>
<td>109,893,750</td>
<td>109,931,389</td>
<td>($37,639)</td>
<td>75%</td>
</tr>
<tr>
<td>CIP Expenses by Funding Source</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay As You Go Fund</td>
<td>$28,885,967</td>
<td></td>
<td></td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>CIP/Bond Construction Fund</td>
<td>81,045,422</td>
<td></td>
<td></td>
<td>74%</td>
<td></td>
</tr>
<tr>
<td>Total CIP Expenses by Funding Source</td>
<td>109,931,389</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Operating Departments

<table>
<thead>
<tr>
<th>Department</th>
<th>FY 2016 &amp; 2017 Amended Budget</th>
<th>FY 2016 &amp; 2017 Budget (75%)</th>
<th>FY 2016 &amp; 2017 Actual Period-to-Date</th>
<th>Variance with Amended Budget Period-to-Date</th>
<th>% Actual/ Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Departments</td>
<td>$97,097,615</td>
<td>$73,321,741</td>
<td>$64,198,915</td>
<td>$9,122,826</td>
<td>66%</td>
</tr>
</tbody>
</table>

### Additional Notes

- FY 2016 & 2017 Budget
- 18 Months (75%)
- Period-to-Date
- Actual
- Variance with Period-to-Date
- Amended Budget

---

**Revenues = [-B + C]**

---

**Operating Departments Detail (see Attachment 5)**

<table>
<thead>
<tr>
<th>Department</th>
<th>FY 2016 &amp; 2017 Amended Budget</th>
<th>FY 2016 &amp; 2017 Budget (75%)</th>
<th>FY 2016 &amp; 2017 Actual Period-to-Date</th>
<th>Variance with Amended Budget Period-to-Date</th>
<th>% Actual/ Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Services</td>
<td>$14,835,496</td>
<td>$11,510,094 (m)</td>
<td>$10,254,723</td>
<td>$1,255,371</td>
<td>69%</td>
</tr>
<tr>
<td>Colorado River Program</td>
<td>3,223,420</td>
<td>2,532,622 (m)</td>
<td>2,199,423</td>
<td>413,199</td>
<td>66%</td>
</tr>
<tr>
<td>Engineering</td>
<td>7,306,798</td>
<td>5,480,099 (m)</td>
<td>4,868,575</td>
<td>611,524</td>
<td>67%</td>
</tr>
<tr>
<td>Finance</td>
<td>4,976,484</td>
<td>3,732,363 (m)</td>
<td>3,235,012</td>
<td>497,351</td>
<td>65%</td>
</tr>
<tr>
<td>General Counsel</td>
<td>7,391,815</td>
<td>5,543,861 (m)</td>
<td>4,515,524</td>
<td>1,092,337</td>
<td>60%</td>
</tr>
<tr>
<td>General Manager &amp; Board of Directors</td>
<td>6,028,554</td>
<td>4,521,416 (m)</td>
<td>3,934,077</td>
<td>587,339</td>
<td>65%</td>
</tr>
<tr>
<td>MWD Program</td>
<td>4,204,000</td>
<td>3,153,000 (m)</td>
<td>2,759,767</td>
<td>393,233</td>
<td>66%</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>32,225,807</td>
<td>24,169,355 (m)</td>
<td>22,402,971</td>
<td>1,766,384</td>
<td>70%</td>
</tr>
<tr>
<td>Public Outreach and Conservation</td>
<td>8,764,660</td>
<td>6,573,495 (m)</td>
<td>5,111,491</td>
<td>1,462,004</td>
<td>58%</td>
</tr>
<tr>
<td>Water Resources</td>
<td>8,255,052</td>
<td>6,191,289 (m)</td>
<td>5,277,730</td>
<td>913,559</td>
<td>64%</td>
</tr>
<tr>
<td>Total Operating Departments</td>
<td>$97,097,615</td>
<td>$73,321,741</td>
<td>$64,198,915</td>
<td>$9,122,826</td>
<td>66%</td>
</tr>
</tbody>
</table>
Notes to the Budget Status Report:

a) Period-to-date budgeted amounts are 18/24ths (75%) of Fiscal Years 2016 and 2017 amended budget unless noted.
b) Water sales and water purchases period-to-date budgeted amounts are based on projected acre-feet calculated per month.
c) Property taxes are primarily received in December and April. In-lieu charges in the amount of $499,986 for Fiscal Year 2016 and $524,106 for Fiscal Year 2017 are received quarterly from the City of San Diego.
d) Investment income excludes unrealized gains/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 miscellaneous projects.
i) Bonds and Certificates of Participation debt service payments due semi-annually on November 1 and May 1. Pipeline Bonds, Series 2012 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.
j) The QSA mitigation payments includes: QSA JPA Fiscal Year 2016 contributions of $2,000,000 due July 2015 and $6,076,346 due December 2015; QSA JPA Fiscal Year 2017 contributions of $1,800,000 due July 2016 and $8,254,386 due December 2016; IID Socioeconomic Mitigation Settlement payments of $2,940,000 due June 2016 and June 2017.
k) Amounts include capital equipment purchases.
l) Stored water purchases budgeted to purchase 19,000 AF and 38,000 AF in Fiscal Years 2016 and 2017, respectively, to fill San Vicente Reservoir.
m) Period-to-date budgeted amounts adjusted based on items occurring on a periodic basis.
n) Other Expenses were budgeted at $1 million from the approved prior year carryover of funds from the Fiscal Years 2014 and 2015 Public Outreach and Conservation (POC) budget. Actual expenses include POC costs of $971,261 and miscellaneous costs of $333,706, for total period-to-date costs of $1,304,967.
o) 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 by $768,601 for Fiscal Year 2016 and $384,301 for Fiscal Year 2017.
p) Actual investment income includes the change in accruals for unrealized gains/losses and accrued interest.
q) The Stored Water Fund supports the purchase of water for inventory and storage, budgeted as Stored Water Purchases, to fill the San Vicente Reservoir as a result of raising the dam. The inventory may be resold in the future.
r) In June 2016, the Board approved the mid-term budget adjustments.
s) In September 2016, the Board amended the Capital Improvement Program two-year appropriation by an increase of $9.7 million.
San Diego County Water Authority
Comparison of Amended Budget and Period-to-Date Amended Budget (75% Overall)
to Actual Operating Expenses by Departments
For the 18 Months Ended December 31, 2016

Actual Operating Expenses to Amended Budget in Percentages (%)

- Two-Year Amended Budget $97.1 Million
- Period-To-Date Amended Budget $73.3 Million
- Period-to-Date Actual Operating Expenses $64.2 Million
San Diego County Water Authority  
Schedule of Cash and Investments  
As of December 31, and November 30, 2016

<table>
<thead>
<tr>
<th>Fund</th>
<th>December</th>
<th>November</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Fund</td>
<td>$75,117,412</td>
<td>$75,399,074</td>
<td>$79,800,000</td>
</tr>
<tr>
<td>Stored Water Fund</td>
<td>(4) -</td>
<td>9,582,405</td>
<td></td>
</tr>
<tr>
<td>Equipment Replacement Fund</td>
<td>2,048,394</td>
<td>2,174,990</td>
<td></td>
</tr>
<tr>
<td>Rate Stabilization Fund</td>
<td>125,688,334</td>
<td>125,673,812</td>
<td>$89,300,000</td>
</tr>
<tr>
<td><strong>Total Unrestricted Funds</strong></td>
<td><strong>202,854,140</strong></td>
<td><strong>212,830,281</strong></td>
<td></td>
</tr>
<tr>
<td>Pay As You Go Fund</td>
<td>(1) 155,289,956</td>
<td>151,815,582</td>
<td></td>
</tr>
<tr>
<td>CIP/Bond Construction Funds</td>
<td>2,955,925</td>
<td>7,322,563</td>
<td></td>
</tr>
<tr>
<td>Debt Service Reserve Funds</td>
<td>22,478,763</td>
<td>22,473,270</td>
<td></td>
</tr>
<tr>
<td><strong>Total Restricted Funds</strong></td>
<td><strong>180,724,644</strong></td>
<td><strong>181,611,415</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Cash and Investments</strong></td>
<td><strong>383,578,784</strong></td>
<td><strong>394,441,696</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 is set to equal 45-days of operating expenses.

(3) In 2006, the Board adopted the current policy governing the Rate Stabilization Fund (RSF) balances. The policy created a target and a maximum RSF balance. The RSF target balance is equal to the financial impact of 2.5 years of wet weather or mandatory drought regulations and the RSF maximum balance is set equal to the financial impact of 3.5 years of wet weather or mandatory drought regulations. The effect of the current policy is to create a target for fund balances that is tied to the real financial impacts/risks that the fund is designed to protect against. The current balance in this fund represents approximately 141% of the targeted value of $89,300,000 and 92% of the maximum balance of $136,400,000.

(4) No cash balance is required in the Stored Water Fund (SWF) at this time. In December 2016, the Board directed the SWF to only hold a cash position if the cost to replace the 70,000 target acre feet of water is below the current value in the Fund. The December carryover inventory balance (excluding emergency storage) is 98,825 acre feet valued at $58 million, which is in excess of the target replacement cost including amounts for seepage, evaporation and cost escalation.

![Discretionary Fund Balances As of December 31, 2016](image)
February 15, 2017

Attention: Administrative and Finance Committee

Capital Market Update. (Presentation)

Purpose
Provide a summary of the current capital market conditions and factors that may impact the markets in the future.

Discussion
Lately, the capital markets have been buffeted by both economic and political news making it difficult to develop economic forecasts. Capital market conditions are important to the Water Authority and impact the interest rates paid on the Water Authority’s short-term debt portfolio and any new debt issuances. J.P. Morgan, a member of the Water Authority’s underwriter pool, will provide a presentation to the committee to help clarify the current state of the capital markets and discuss the bank’s economic forecast.

Prepared by:  David Shank, Financial Planning Manager
Reviewed by:  Lisa Marie Harris, Director of Finance/Treasurer
Approved by:  Sandra L. Kerl, Deputy General Manager
MARCH 2017
• 08 MWD Delegates meeting at 11:00 a.m.
• 09 Cancelled – No Special Board Meeting
• 09 AB 1661 Sexual Harassment Prevention and Education Board Training at 11:00 a.m.
• 20 AB 1661 Sexual Harassment Prevention and Education Board Training at 1:30 p.m.
• 23 Committees begin at 9:00 a.m.
  Formal Board meeting begins at 3:00 p.m.

APRIL 2017
• 05 MWD Delegates meeting at 11:00 a.m.
• 13 Special Board meeting at 1:30 p.m.
• 27 Committees begin at 9:00 a.m.
  Formal Board meeting begins at 3:00 p.m.

MAY 2017
• 03 MWD Delegates meeting at 11:00 a.m.
• 11 Special Board meeting at 1:30 p.m.
• 25 Committees begin at 9:00 a.m.
  Formal Board meeting begins at 3:00 p.m.
WATER PLANNING COMMITTEE

AGENDA FOR

FEBRUARY 23, 2017

David Cherashore – Chair
Brian Boyle – Vice Chair
Betty Evans – Vice Chair
Jimmy Ayala
David Barnum
Brian Brady
Kathleen Coates Hedberg
Tom Kennedy

Keith Lewinger
Mark Muir
Jose Preciado
Halla Razak
Tim Smith
Yen Tu
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.
   4-B Water Planning Committee Draft Work Plan for Calendar Years 2017 and 2018.

I. CONSENT CALENDAR

II. ACTION/DISCUSION/PRESENTATION

1. Public Hearing on the Draft Mitigated Negative Declaration (MND) for the Second San Diego Aqueduct Moosa Canyon Crossing Erosion Control Project. (Discussion)

2. Update on water supply conditions and drought response activities. (Presentation)

III. INFORMATION

IV. CLOSED SESSION

V. ADJOURNMENT

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 (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.
February 15, 2017

Attention: Water Planning Committee

Water Planning Committee Draft Work Plan for Calendar Years 2017 and 2018.

Purpose
This report provides the Water Planning Committee Draft Work Plan for Calendar Years 2017 and 2018.

Background
The Water Planning Committee is responsible for developing and implementing policies and plans relative to long range water resources planning, water conservation and water use efficiency, and local supply development including: the Urban Water Management Plan, Integrated Regional Water Management Plan, Regional Water Facilities Optimization and Master Plan Update; Water Shortage and Drought Response Plan; regional and member agency sponsored local water supply development and member agency assistance on local projects, annexation and other planning matters; and environmental compliance interests of the Water Authority including the Climate Action Plan and Natural Communities Conservation Plan.

Discussion
Attached for your review is the Water Planning Committee Draft Work Plan for Calendar Years 2017 and 2018. The work plan was prepared by staff under the direction of the Water Planning Committee Chair and Vice Chairs. Comments from committee members are welcome and appreciated. The finalized work plan will be adopted at the March 23, 2017 Board meeting.

Prepared by: Robert Yamada, Director of Water Resources
Reviewed by: David Cherashore, Chair, Water Planning Committee

Attachment: Draft Water Planning Committee Work Plan for Calendar Years 2017 and 2018
Draft Water Planning Committee Work Plan
for calendar years 2017 and 2018

Water Management Planning

1. **New Water Billing and Information Management System**
   Review and consider approving professional services contract to develop a new water billing system and water resources data base to enhance functionality and ensure software compatibility. (December 2017)

2. **2020 Urban Water Management Plan Long-Range Demand Forecast**
   Review and consider approving professional services contract to update the Water Authority’s Long-Range Demand Forecast as part of the 2020 Urban Water Management Plan update. (July 2018 – Resource Planning Program, Objective 7*)

3. **Integrated Regional Water Management Proposition 1 Grant Funding**
   Review and consider approving an application for the San Diego IRWM planning region’s share of IRWM grant funding from the first round of Department of Water Resources’ Proposition 1 implementation grants. (December 2018 – Resource Planning Program, Objective 8*)

4. **Annexation Requests**
   Review and consider approving annexation requests in a manner consistent with Board adopted policies and taking into account current water supply constraints. (Ongoing)

Water Shortage & Drought Response Management

1. **Water Shortage and Drought Response Plan and Model Drought Response Ordinance**
   Review and consider approving an updated Water Shortage and Drought Response Plan and Model Drought Response Conservation Ordinance; ensuring documents are consistent and reflect lessons learned from previous shortage periods. (April 2017, Resource Planning Program, Objective 1 and 2*)

2. **Urban Water Management Plan Shortage Contingency Analysis**
   Review and consider approving an update to the 2015 Urban Water Management Plan that amends the shortage contingency analysis to comply with updated state requirements and ensure consistency with the Water Shortage and Drought Response Plan update. (December 2018, Resource Planning Program, Objective 3*)

3. **Shortage Management Actions**
   Review and consider approving shortage management actions under the Water Shortage and Drought Response Plan, if required. (May 2018)

4. **Water Supply and Drought Activities Reports**
   Review reports on current water supply, storage and demand conditions along with other drought activities. (December 2018)
Water Use Efficiency

1. **Water Use Efficiency Policy Principles**
   Review and consider approving an updated set of Water Use Efficiency Policy Principles that provide strategic direction for water use efficiency programs and activities. (December 2017)

2. **New Long-Term Water Use Targets**
   Review reports and provide direction on activities related to new long-term water use targets mandated by the state for urban water suppliers in California (December 2018)

3. **Water Use Efficiency Programs**
   Review and consider approving water use efficiency-related program contracts, and review and provide input on other activities that support the region’s compliance with any applicable long-term water use goals or targets. (December 2018)

4. **External Funding**
   Review and consider approving external funding agreements (grants, utility funding, other) that reduce operational funds needed to support current and future water use efficiency programs. (December 2018 – Resource Planning Program, Objective 6*)

Environmental Management

1. **Environmental Compliance Documentation**
   Review, convene public hearings, as appropriate, and consider adoption of California Environmental Quality Act Documents for Water Authority Capital Improvement and energy projects.

2. **Mitigation Program**
   Review reports, provide direction and approve agreements associated with the acquisition, management or disposition of mitigation credits. Approve CEQA compliance document for development of the San Luis Rey Wetlands project.

Facilities Planning

1. **East County Agreements**
   Review and consider approving amendments to the 2006 East County Regional Treated Water Improvement Program Agreements. (June 2017 – Infrastructure/Capital Improvement Program, Objective 4*)

2. **Contract Supplement to the Carlsbad Desalination Water Purchase Agreement**
   Review and consider approving a contract supplement to the Carlsbad Desalination Water Purchase Agreement designating financial responsibilities for the Intake Modifications Project. (October 2017)

*Item(s) related to the 2017-2021 Business Plan.
Page 49 of 130
Local Water Supply Development

1. **Potable Reuse**
   Provide policy level guidance to Water Authority staff and Potable Reuse Coordinating Committee that will support the implementation of member agency potable reuse projects. (March 2018 – Local Water Program, Objective 4*)
February 15, 2017

Attention: Water Planning Committee

Public Hearing on the Draft Mitigated Negative Declaration (MND) for the Second San Diego Aqueduct Moosa Canyon Crossing Erosion Control Project. (Discussion)

Purpose
Pursuant to the California Environmental Quality Act (CEQA), the San Diego County Water Authority released a Draft Mitigated Negative Declaration (MND) for the Second San Diego Aqueduct Moosa Canyon Crossing Erosion Control Project on February 3, 2017 for public review. The purpose of this project is to prevent damage or failure of the Second San Diego Aqueduct pipelines from further erosion causes by storm flows in Moosa Canyon Creek.

In conformance with Section 8.00.110 of the Water Authority’s Administrative Code, the Water Planning Committee shall hold a public hearing to receive comments from the public as part of the public review process for proposed negative declarations and mitigated negative declarations.

The Board received the Draft MND via email notification on February 3, 2017. Notices announcing the availability of the documents and public hearing were published in the Union Tribune and mailed to interested parties.

The documents can be found on the Water Authority website at the following link: http://www.sdcwa.org/moosa-canyon-erosion-control-project

A public hearing to receive comments on the adequacy of the Draft MND will be held at the regularly scheduled Water Planning Committee on February 23, 2017. The public comment period closes at 5:00 PM on March 6, 2017. After the close of the review period, staff will consider all comments received and revise the document as needed to address each relevant comment.

A Final MND, including all comments and responses thereto, will then be presented to the Board for adoption. At that time, the Board may consider approval of the Project. The tentative date for Board consideration of the Final MND and project approval is April 27, 2017.

Background
The Moosa Canyon Erosion Control Project is located just west of the Interstate 15/Camino del Rey undercrossing where the Water Authority’s Second Aqueduct pipelines 3, 4, and 5 (P3, P4, and P5) are located. Scour in Moosa Canyon Creek has resulted in exposure of P4. While an interim repair has been made, this project consists of a permanent erosion control solution to protect the three pipelines. Minor grading and placement of riprap in the creek would reduce erosion and protect the pipes. The project is designed to control and correct erosive conditions and will result in an improvement over existing conditions.
Per CEQA, the MND was prepared to disclose the project’s environmental impacts. Project design includes features to reduce downstream flow energy and associated sedimentation and erosion impacts. Implementation of the Water Authority’s standard specifications and project specific design features would minimize or avoid nearly all environmental effects. The project is subject to and will implement applicable conditions from the Water Authority’s Subregional Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP) and the Water Authority’s Programmatic Master Plan Permit (PMPP). Impacts to riparian vegetation communities require on-site restoration and off-site acquisition. Impacts to biological resources would be less than significant with mitigation incorporated.

The MND finds that with the design features and biological mitigation measures incorporated into the project there will not be a significant effect on the environment.

Prepared by: Don Chadwick, Senior Water Resources Specialist
Reviewed by: Robert R. Yamada, Director of Water Resources
Approved by: Sandra Kerl, Deputy General Manager
February 15, 2017

Attention: Water Planning Committee

Update on water supply conditions and drought response activities (Presentation)

Purpose
To provide a mid-winter update on water supply conditions and drought response activities.

Background
In May 2016, the State Water Resources Control Board (State Board) adopted changes to the emergency water conservation regulation that provided for a supply-based self-certification approach that accounts for differing water supply conditions across the state. In June 2016, the Water Authority and its member agencies submitted the required documentation to self-certify an adequate three-year supply of water under the conditions outlined by the State Board. With the current emergency regulation set to terminate in February 2017, the State Board held a workshop on January 18, 2017, to discuss the potential of extending the emergency regulation. On February 8th, the State Board re-adopted and extended the emergency drought regulation for another 270 days, or until the Governor rescinds or modifies the drought declaration.

Discussion
State Water Project
On February 2, 2017, the California Department of Water Resources (DWR) conducted the second of five manual snowpack surveys. DWR staff measured snow water content at the Phillips Station, located in the central Sierra region, to be 153 percent of average for that time of year. As of February 15, 2017, the Northern Sierra region’s electronic water content readings are 143 percent of average for that date. Statewide, average snow water content is presently at 177 percent of average, boosted by the central and southern Sierra Nevada regions’ above-average seasonal levels (183 percent and 202 percent, respectively). Additionally, snow water content in the central and southern regions continues to track near the 1982-1983 record levels for that date.

In its February 1, 2017 Bulletin 120, DWR projects statewide runoff for water year 2017 to be 170 percent of average. In the same Bulletin, DWR estimates that with with normal weather conditions for the rest of the water year ending September 30, 2017, water year 2017 will rank in the top 10 percent of wettest years.

Accumulated precipitation in the Northern Sierra Nevada region is at 219 percent of average, which is tracking above the 1982-1983 wettest year on record. The resulting runoff sharply elevated storage levels in northern California reservoirs - including Lake Oroville. In response to rising storage and continued rainfall, the Department of Water Resources began flood-control releases at Lake Oroville on February 7th. These releases resulted in damage to Oroville’s main spillway and prompted DWR to prepare the reservoir’s emergency spillway for use. On Saturday, February 11th, for the first time in the dam’s 48-year history, water overtopped the
emergency spillway. The uncontrolled flow resulted in severe erosion to the supporting hillside, leading to alarm that the emergency spillway could collapse, potentially sending a 30-foot wall of water rushing down into the Feather River.

On Sunday, February 12th, the Governor’s Office of Emergency Services activated the State Operations Center in Sacramento to manage the Oroville Dam emergency and later that afternoon authorities issued evacuation orders for areas along the Feather River Basin in Butte, Yuba and Sutter counties. Over 180,000 people were ordered to evacuate. On Sunday evening, operators doubled the release rate of water to 100,000 cubic feet per second through the main spillway in an effort to slow erosion damage at the base of the emergency spillway.

By Monday February 13th, lake levels decreased enough so that water no longer poured over the emergency spillway, which allowed repair work to begin. Helicopter crews dropped large bags of rocks into a gap in the emergency spillway and began pouring concrete to stabilize the eroded hillside. DWR Acting Director Bill Croyle stated that the agency’s plan is to lower the reservoir's overall water level by 50 feet.

By the morning of February 14th, Lake Oroville storage had dropped by more than 12 feet from its peak elevation of 902 feet on Sunday. After an inspection of the emergency spillway, authorities concluded it was safe to downgrade the emergency evacuation order to an evacuation warning, allowing residents to return to their homes. Lake Oroville continues to drain, with levels down 24 feet from capacity on the morning of February 15th. DWR continues to reduce the lake’s level ahead of storms expected to arrive this week. Staff will continue to closely monitor storage conditions and repair work at Lake Oroville and report back to the Board.

Table 1 shows storage levels for Lake Oroville and San Luis Reservoir, and a combined total, as of February 14, 2017. Total combined storage of these two major reservoirs stands at 92 percent of capacity and one-third more than historical storage for that date.

<table>
<thead>
<tr>
<th>Reservoir</th>
<th>Storage in Million Acre-Feet</th>
<th>Percent of Capacity</th>
<th>Percent of Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oroville</td>
<td>3.266</td>
<td>92%</td>
<td>137%</td>
</tr>
<tr>
<td>San Luis*</td>
<td>1.882</td>
<td>92%</td>
<td>113%</td>
</tr>
<tr>
<td>Combined</td>
<td>5.148</td>
<td>92%</td>
<td>127%</td>
</tr>
</tbody>
</table>

*San Luis storage includes SWP and Central Valley Project water. SWP share in San Luis was 1.078 million acre-feet (MAF).
Major reservoirs of the Central Valley Project (CVP) have also seen large increases in storage this winter. As of February 12, 2017, Lake Shasta storage was at 96 percent of capacity and 138 percent of average. Lake Folsom storage was at 82 percent of capacity and 153 percent of average for this same date.

**Colorado River**
Similar to hydrologic conditions in the Sierra Nevada, the Colorado River’s upper basin snowpack and precipitation are also tracking at above average conditions. Snowpack in the Upper Colorado River Basin is at 155 percent of its seasonal median as of February 15, 2017, and accumulated precipitation is at 136 percent of average. Unregulated runoff into Lake Powell is presently projected to be 13.193 million acre-feet, or 122 percent of normal.

Table 2 shows storage levels for Lakes Powell and Mead as of February 14, 2017.

<table>
<thead>
<tr>
<th>Reservoir</th>
<th>Storage in Million Acre-Feet</th>
<th>Percent of Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lake Powell</td>
<td>11.229</td>
<td>46%</td>
</tr>
<tr>
<td>Lake Mead</td>
<td>10.667</td>
<td>41%</td>
</tr>
<tr>
<td>Combined</td>
<td>21.896</td>
<td>43%</td>
</tr>
</tbody>
</table>

**Local Conditions**
Local reservoir storage as of February 13, 2017, was at 50 percent of capacity, or approximately 376,000 acre-feet. Storage over the previous four weeks increased by approximately 48,000 acre-feet, due primarily to runoff from recent atmospheric river events. It is important to note that local storage includes “dead storage” (capacity that is physically inaccessible) and agency-restricted operating or emergency storage, as well as Water Authority carryover and emergency storage in Lake Hodges, Olivenhain Reservoir and San Vicente Reservoir.

Above average regional temperatures experienced throughout the summer have continued into winter, with only a modest reprieve in January 2017, where the average daily maximum temperature at Lindbergh Field for that month was 0.7 degrees below normal, the first below-average temperature dip in nearly two years. Figure 1 shows the departure from normal maximum temperatures at Lindbergh Field for the 39 months through January 2017.
Local precipitation was scant through November 2016. However, since then, rainfall has been more than twice the average for December and January, pushing water-year-to-date totals to above-normal levels, as shown in Table 3.

Table 3 – 2017 Water Year Rainfall Totals (October 2016-September 2017) *

<table>
<thead>
<tr>
<th>Station</th>
<th>Precipitation (Inches)</th>
<th>Percent of Normal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lindbergh Field</td>
<td>8.05</td>
<td>131%</td>
</tr>
<tr>
<td>Ramona Airport</td>
<td>15.00</td>
<td>171%</td>
</tr>
</tbody>
</table>

*Through February 14, 2017

Outlook
The CPC produces rolling three-month outlooks for precipitation and temperature variables on a national scale. The current February through April 2017 outlook shows the entire state of California to have “equal chances” of normal precipitation and temperatures, through the end of winter and into early spring (Figure 2). The northern portions of the Pacific Northwest and Upper Midwest are now projected to have slightly wetter and cooler conditions over the same period. Non-shaded zones represent areas of equal chance for above- or below-normal precipitation and temperature. The CPC’s next three-month outlook is scheduled for release on February 16th.
On a shorter time-scale, the CPC’s most recent 8- to 14-day forecast shows prevailing wetter, cooler conditions for the entire state of California. Additionally, heavy-rainfall events are projected to occur in the next seven days, mostly in Northern California and along the Central California Coast north of Los Angeles.

Based on the supply sufficiency analysis required by the State Board, even under unlikely dry conditions this year, the San Diego region’s projected water supplies will be sufficient to meet demands. The Water Authority and its member agencies will meet anticipated demands through a combination of drought-resilient water resources, such as the Claude “Bud” Lewis Carlsbad Desalination Plant, conserved agricultural water transfers and savings from canal lining projects, and continuing long-term water-use efficiency measures. The Water Authority also has just under 100,000 acre-feet of conserved water stored as carryover storage at the recently enlarged San Vicente Reservoir that can supplement supplies in the event the region were to experience shortage conditions in the near future.

**Drought Response Plan Activities**

Despite objections by the Water Authority and other water suppliers throughout the state, the State Water Resources Control Board on February 8, 2017, re-adopted and extended the emergency drought regulation for another 270 days, or until the Governor rescinds or modifies the drought declaration. If the drought declaration remains in effect on May 1, 2017, the State Board directed staff to schedule a board meeting in May 2017 to consider repealing the emergency drought regulation based on hydrologic and supply conditions at the end of the rainy season.

The State Board's February 8th action maintains the stress test approach it adopted in May 2016. It also keeps in place existing water use reporting requirements and prohibitions on wasteful water use practices.
February 15, 2017

Attention: Water Planning Committee

Water Resources Report

Purpose
This report includes the following exhibits for January 2017:

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

<table>
<thead>
<tr>
<th>Station</th>
<th>Actual</th>
<th>Normal</th>
<th>Actual</th>
<th>Normal</th>
<th>Departure</th>
<th>% Normal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lindbergh Field (N.O.A.A.)</td>
<td>3.01</td>
<td>1.98</td>
<td>7.91</td>
<td>5.09</td>
<td>2.82</td>
<td>155</td>
</tr>
<tr>
<td>Ramona Airport (Helix W.D.)</td>
<td>7.34</td>
<td>3.32</td>
<td>14.36</td>
<td>7.46</td>
<td>6.90</td>
<td>192</td>
</tr>
<tr>
<td>Lake Cuyamaca (Helix W.D.)</td>
<td>10.85</td>
<td>5.54</td>
<td>22.97</td>
<td>15.57</td>
<td>7.40</td>
<td>148</td>
</tr>
<tr>
<td>Lake Henshaw (Vista I.D.)</td>
<td>12.60</td>
<td>5.42</td>
<td>22.41</td>
<td>12.66</td>
<td>9.75</td>
<td>177</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)**

**JANUARY 2017**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad M.W.D.</td>
<td>1,022.2</td>
<td>912.3</td>
<td>14,689.4</td>
<td>14,210.8</td>
</tr>
<tr>
<td>Del Mar, City of</td>
<td>35.9</td>
<td>43.5</td>
<td>922.1</td>
<td>929.3</td>
</tr>
<tr>
<td>Escondido, City of</td>
<td>154.0</td>
<td>849.6</td>
<td>18,554.6</td>
<td>17,493.4</td>
</tr>
<tr>
<td>Fallbrook P.U.D.</td>
<td>278.4</td>
<td>389.5</td>
<td>9,733.8</td>
<td>9,161.6</td>
</tr>
<tr>
<td>Helix W.D.</td>
<td>1,288.1</td>
<td>917.1</td>
<td>26,976.6</td>
<td>26,646.2</td>
</tr>
<tr>
<td>Lakeside W.D.</td>
<td>138.1</td>
<td>121.3</td>
<td>2,610.6</td>
<td>2,363.1</td>
</tr>
<tr>
<td>National City, City of</td>
<td>488.2</td>
<td>209.1</td>
<td>3,504.6</td>
<td>2,397.0</td>
</tr>
<tr>
<td>Oceanside, City of</td>
<td>1,071.7</td>
<td>1,064.5</td>
<td>21,152.4</td>
<td>20,264.0</td>
</tr>
<tr>
<td>Olivenhain M.W.D.</td>
<td>596.2</td>
<td>772.4</td>
<td>17,449.9</td>
<td>16,548.3</td>
</tr>
<tr>
<td>Otay W.D.</td>
<td>1,411.5</td>
<td>1,603.7</td>
<td>27,096.9</td>
<td>26,281.0</td>
</tr>
<tr>
<td>Padre Dam M.W.D.</td>
<td>485.9</td>
<td>536.6</td>
<td>9,258.4</td>
<td>8,901.6</td>
</tr>
<tr>
<td>Pendleton Military Reservation</td>
<td>1.4</td>
<td>1.8</td>
<td>66.4</td>
<td>49.7</td>
</tr>
<tr>
<td>Poway, City of</td>
<td>153.4</td>
<td>450.7</td>
<td>9,171.3</td>
<td>8,660.7</td>
</tr>
<tr>
<td>Rainbow M.W.D.</td>
<td>521.1</td>
<td>438.6</td>
<td>18,233.7</td>
<td>17,518.8</td>
</tr>
<tr>
<td>Ramona M.W.D.</td>
<td>186.2</td>
<td>313.4</td>
<td>5,178.0</td>
<td>5,011.9</td>
</tr>
<tr>
<td>Rincon Del Diablo M.W.D.</td>
<td>200.9</td>
<td>243.4</td>
<td>5,025.1</td>
<td>4,905.5</td>
</tr>
<tr>
<td>San Diego, City of</td>
<td>11,845.6</td>
<td>21,973.9</td>
<td>227,674.9</td>
<td>258,493.0</td>
</tr>
<tr>
<td>San Dieguito W.D.</td>
<td>246.9</td>
<td>29.9</td>
<td>4,438.2</td>
<td>4,669.3</td>
</tr>
<tr>
<td>Santa Fe I.D.</td>
<td>244.5</td>
<td>33.3</td>
<td>7,997.0</td>
<td>7,179.6</td>
</tr>
<tr>
<td>South Bay I.D.</td>
<td>1,492.4</td>
<td>582.5</td>
<td>12,323.6</td>
<td>10,394.7</td>
</tr>
<tr>
<td>Vallecitos W.D.</td>
<td>690.9</td>
<td>682.7</td>
<td>14,246.8</td>
<td>13,158.5</td>
</tr>
<tr>
<td>Valley Center M.W.D.</td>
<td>276.1</td>
<td>620.7</td>
<td>21,032.2</td>
<td>20,599.3</td>
</tr>
<tr>
<td>Vista I.D.</td>
<td>925.4</td>
<td>1,003.2</td>
<td>15,899.7</td>
<td>14,185.4</td>
</tr>
<tr>
<td>Yuima M.W.D.</td>
<td>-</td>
<td>31.0</td>
<td>4,587.9</td>
<td>3,613.3</td>
</tr>
<tr>
<td>Delivers To SDCWA Agencies</td>
<td>23,755.0</td>
<td>33,824.7</td>
<td>497,824.1</td>
<td>514,390.5</td>
</tr>
<tr>
<td>Less: Deliveries to SDCWA Storage 1</td>
<td>3,005.7</td>
<td>14,045.3</td>
<td>61,960.7</td>
<td>89,475.5</td>
</tr>
<tr>
<td><strong>TOTAL MEMBER AGENCY DELIVERIES</strong></td>
<td><strong>20,749.3</strong></td>
<td><strong>19,779.4</strong></td>
<td><strong>435,863.4</strong></td>
<td><strong>424,915.0</strong></td>
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<tr>
<td>Deliveries to South Coast Water District</td>
<td>4.9</td>
<td>11.0</td>
<td>103.7</td>
<td>149.7</td>
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<tr>
<td>Deliveries From SDCWA Storage</td>
<td>4,846.1</td>
<td>-</td>
<td>29,132.9</td>
<td>10,846.9</td>
</tr>
</tbody>
</table>

1 January 2017 storage account deliveries totaled 1,782 AF to San Vicente Reservoir and 231 AF to Lower Otay Reservoir through city of San Diego connections. Additionally, 992 AF of water was stored in Sweetwater Reservoir. January 2016 storage account deliveries totaled 13,233 AF and 813 to San Vicente and Lower Otay Reservoirs, respectively, through city of San Diego connections.
### Estimated Water Use by Member Agency

#### JANUARY 2017

<table>
<thead>
<tr>
<th>AGENCY</th>
<th>Imported Source</th>
<th>Local Sources</th>
<th>January Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S.D.C.W.A.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carlsbad M.W.D.</td>
<td>561.9</td>
<td>818.3</td>
<td>-</td>
</tr>
<tr>
<td>Del Mar, City of</td>
<td>35.9</td>
<td>43.5</td>
<td>-</td>
</tr>
<tr>
<td>Escondido, City of</td>
<td>534.4</td>
<td>871.7</td>
<td>183.9</td>
</tr>
<tr>
<td>Fallbrook P.U.D.</td>
<td>247.8</td>
<td>379.5</td>
<td>-</td>
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<tr>
<td>Helix W.D.</td>
<td>1,728.7</td>
<td>1,604.8</td>
<td>95.2</td>
</tr>
<tr>
<td>Lakeside W.D.</td>
<td>138.1</td>
<td>121.3</td>
<td>-</td>
</tr>
<tr>
<td>National City, City of</td>
<td>237.3</td>
<td>204.8</td>
<td>-</td>
</tr>
<tr>
<td>Oceanside, City of</td>
<td>1,071.7</td>
<td>1,064.5</td>
<td>-</td>
</tr>
<tr>
<td>Olivenhain M.W.D.</td>
<td>596.2</td>
<td>772.4</td>
<td>-</td>
</tr>
<tr>
<td>Otay W.D.</td>
<td>1,411.5</td>
<td>1,603.7</td>
<td>-</td>
</tr>
<tr>
<td>Padre Dam M.W.D.</td>
<td>495.7</td>
<td>537.9</td>
<td>-</td>
</tr>
<tr>
<td>Pendleton M.C.B.</td>
<td>6.2</td>
<td>12.8</td>
<td>-</td>
</tr>
<tr>
<td>Poway, City of 3</td>
<td>296.1</td>
<td>386.6</td>
<td>-</td>
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<tr>
<td>Rainbow M.W.D.</td>
<td>282.1</td>
<td>539.6</td>
<td>-</td>
</tr>
<tr>
<td>Ramona M.W.D.</td>
<td>186.2</td>
<td>225.1</td>
<td>-</td>
</tr>
<tr>
<td>Rincon Del Diablo M.W.D.</td>
<td>200.9</td>
<td>243.4</td>
<td>-</td>
</tr>
<tr>
<td>San Diego, City of</td>
<td>9,942.5</td>
<td>9,892.8</td>
<td>220.0</td>
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<td>San Dieguito W.D.</td>
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<td>29.9</td>
<td>27.5</td>
</tr>
<tr>
<td>Santa Fe I.D.</td>
<td>244.5</td>
<td>33.3</td>
<td>36.8</td>
</tr>
<tr>
<td>South Bay I.D. 1</td>
<td>725.5</td>
<td>570.5</td>
<td>-</td>
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<tr>
<td>Vallejo W.D.</td>
<td>393.0</td>
<td>424.0</td>
<td>-</td>
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<tr>
<td>Valley Center M.W.D.</td>
<td>276.1</td>
<td>620.7</td>
<td>-</td>
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<tr>
<td>Vista I.D.</td>
<td>925.4</td>
<td>1,003.2</td>
<td>-</td>
</tr>
<tr>
<td>Yuima M.W.D. 4</td>
<td>-</td>
<td>31.0</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>20,784.6</td>
<td>22,035.3</td>
<td>563.4</td>
</tr>
<tr>
<td><strong>PERCENT CHANGE</strong></td>
<td>-6%</td>
<td>-65%</td>
<td>-45%</td>
</tr>
</tbody>
</table>

1. Brackish groundwater use included in groundwater totals.
2. Pendleton’s imported water use includes water delivered by South Coast Water District.
3. Poway recycled use is reported quarterly; 1/3 of quarterly estimate is used as a current monthly estimate.
4. Includes supplemental groundwater use in Improvement District A and other private water companies.
### MONTHLY WATER RESOURCES REPORT

**Potable M&I Water Use for State Water Resources Control Board Emergency Regulation Tracking**

(acre-feet)

#### January 2017

<table>
<thead>
<tr>
<th>AGENCY</th>
<th>2017</th>
<th>2013</th>
<th>20 Months Ended January 2017</th>
<th>CY 2013</th>
</tr>
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<tr>
<td>Carlsbad M.W.D.</td>
<td>776.2</td>
<td>1,024.1</td>
<td>23,761.1</td>
<td>29,563.8</td>
</tr>
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<td>Del Mar, City of</td>
<td>35.9</td>
<td>60.2</td>
<td>1,552.2</td>
<td>1,914.8</td>
</tr>
<tr>
<td>Escondido, City of</td>
<td>718.3</td>
<td>1,164.6</td>
<td>26,844.7</td>
<td>36,448.3</td>
</tr>
<tr>
<td>Fallbrook P.U.D.</td>
<td>237.6</td>
<td>424.8</td>
<td>11,236.5</td>
<td>14,336.5</td>
</tr>
<tr>
<td>Helix W.D.</td>
<td>1,823.9</td>
<td>2,164.8</td>
<td>47,153.1</td>
<td>58,394.7</td>
</tr>
<tr>
<td>Lakeside W.D.</td>
<td>202.5</td>
<td>234.3</td>
<td>5,554.4</td>
<td>7,178.4</td>
</tr>
<tr>
<td>Oceanside, City of</td>
<td>1,078.5</td>
<td>1,557.5</td>
<td>38,097.7</td>
<td>47,683.5</td>
</tr>
<tr>
<td>Olivenhain M.W.D.</td>
<td>576.2</td>
<td>980.7</td>
<td>28,075.9</td>
<td>35,567.9</td>
</tr>
<tr>
<td>Otay W.D.</td>
<td>1,411.5</td>
<td>1,816.9</td>
<td>44,387.7</td>
<td>54,638.3</td>
</tr>
<tr>
<td>Padre Dam M.W.D.</td>
<td>494.7</td>
<td>625.5</td>
<td>14,775.0</td>
<td>19,128.1</td>
</tr>
<tr>
<td>Pendleton Military Reservation</td>
<td>381.2</td>
<td>500.9</td>
<td>9,782.7</td>
<td>13,146.1</td>
</tr>
<tr>
<td>Poway, City of</td>
<td>296.1</td>
<td>514.6</td>
<td>14,744.1</td>
<td>20,733.6</td>
</tr>
<tr>
<td>Rainbow M.W.D.</td>
<td>210.4</td>
<td>500.4</td>
<td>15,579.6</td>
<td>18,769.2</td>
</tr>
<tr>
<td>Ramona M.W.D.</td>
<td>179.2</td>
<td>303.5</td>
<td>5,680.0</td>
<td>8,183.4</td>
</tr>
<tr>
<td>Rincon Del Diablo M.W.D.</td>
<td>200.9</td>
<td>303.6</td>
<td>8,256.3</td>
<td>11,131.5</td>
</tr>
<tr>
<td>San Diego, City of</td>
<td>10,147.5</td>
<td>12,492.4</td>
<td>273,183.1</td>
<td>333,452.4</td>
</tr>
<tr>
<td>San Dieguito W.D.</td>
<td>274.4</td>
<td>366.6</td>
<td>9,974.3</td>
<td>11,000.6</td>
</tr>
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<td>Santa Fe I.D.</td>
<td>281.3</td>
<td>491.0</td>
<td>14,563.1</td>
<td>19,430.1</td>
</tr>
<tr>
<td>Sweetwater Authority</td>
<td>1,169.4</td>
<td>1,353.3</td>
<td>29,159.6</td>
<td>35,912.7</td>
</tr>
<tr>
<td>Vallecitos W.D.</td>
<td>619.8</td>
<td>885.4</td>
<td>21,438.8</td>
<td>27,248.7</td>
</tr>
<tr>
<td>Valley Center M.W.D.</td>
<td>232.6</td>
<td>542.4</td>
<td>11,788.3</td>
<td>15,925.1</td>
</tr>
<tr>
<td>Vista I.D.</td>
<td>925.4</td>
<td>1,091.0</td>
<td>27,668.9</td>
<td>32,787.8</td>
</tr>
<tr>
<td>Yuima M.W.D.</td>
<td>31.8</td>
<td>508.4</td>
<td>10,925.5</td>
<td>16,220.9</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>22,299.3</td>
<td>29,906.4</td>
<td>693,182.6</td>
<td>868,796.4</td>
</tr>
<tr>
<td><strong>PERCENT CHANGE</strong></td>
<td><strong>-25%</strong></td>
<td><strong>-20%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**NOTES:**

1 SWRCB emergency regulation went into effect June 2015.

2 The 2013 baseline is utilized to be consistent with the May 2015 SWRCB emergency drought regulation.

3 Excludes recycled water use and Transitional Special Agricultural Water Rate program deliveries. TSAWR deliveries are estimated for months where agencies have not reported.

4 Baseline includes January 2013 and June-December 2013, twice, in order to establish a base period of 20 months.
## MONTHLY WATER RESOURCES REPORT
### Reservoir Storage
(acre-feet)

**JANUARY 2017**

<table>
<thead>
<tr>
<th>Member Agency</th>
<th>Reservoir</th>
<th>Capacity JAN. 2017</th>
<th>% of Capacity</th>
<th>Capacity JAN. 2016</th>
<th>% of Capacity</th>
<th>Change During Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad M.W.D.</td>
<td>Maerkile</td>
<td>600</td>
<td>405</td>
<td>128</td>
<td>21%</td>
<td>230</td>
</tr>
<tr>
<td>Escondido, City of</td>
<td>Dixon</td>
<td>2,606</td>
<td>2,219</td>
<td>2,488</td>
<td>95%</td>
<td>(283)</td>
</tr>
<tr>
<td></td>
<td>Wohlford</td>
<td>6,506</td>
<td>2,362</td>
<td>2,264</td>
<td>35%</td>
<td>(112)</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>9,112</td>
<td>4,581</td>
<td>4,752</td>
<td>52%</td>
<td>(395)</td>
</tr>
<tr>
<td>Fallbrook P.U.D.</td>
<td>Red Mountain</td>
<td>1,335</td>
<td>429</td>
<td>402</td>
<td>30%</td>
<td>27</td>
</tr>
<tr>
<td>Helix W.D.</td>
<td>Cuyamaca</td>
<td>8,195</td>
<td>3,258</td>
<td>636</td>
<td>8%</td>
<td>2,582</td>
</tr>
<tr>
<td></td>
<td>Jennings</td>
<td>9,790</td>
<td>8,384</td>
<td>8,859</td>
<td>90%</td>
<td>(560)</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>17,985</td>
<td>11,642</td>
<td>9,495</td>
<td>53%</td>
<td>2,022</td>
</tr>
<tr>
<td>Poway, City of</td>
<td>Poway</td>
<td>3,330</td>
<td>3,000</td>
<td>2,952</td>
<td>89%</td>
<td>(106)</td>
</tr>
<tr>
<td>Rainbow M.W.D.</td>
<td>Morro Hill</td>
<td>465</td>
<td>319</td>
<td>102</td>
<td>22%</td>
<td>210</td>
</tr>
<tr>
<td>Ramona M.W.D.</td>
<td>Ramona</td>
<td>12,000</td>
<td>2,642</td>
<td>2,615</td>
<td>22%</td>
<td>111</td>
</tr>
<tr>
<td>San Diego, City of 2</td>
<td>Barrett</td>
<td>34,806</td>
<td>5,260</td>
<td>2,038</td>
<td>6%</td>
<td>3,415</td>
</tr>
<tr>
<td></td>
<td>El Capitan</td>
<td>112,807</td>
<td>32,615</td>
<td>30,934</td>
<td>27%</td>
<td>9,009</td>
</tr>
<tr>
<td></td>
<td>Hodges</td>
<td>30,633</td>
<td>7,671</td>
<td>4,308</td>
<td>14%</td>
<td>3,292</td>
</tr>
<tr>
<td></td>
<td>Lower Otay</td>
<td>49,849</td>
<td>38,468</td>
<td>35,629</td>
<td>71%</td>
<td>3,786</td>
</tr>
<tr>
<td></td>
<td>Miramar</td>
<td>6,682</td>
<td>5,438</td>
<td>5,722</td>
<td>86%</td>
<td>(296)</td>
</tr>
<tr>
<td></td>
<td>Morena</td>
<td>50,694</td>
<td>1,946</td>
<td>1,385</td>
<td>3%</td>
<td>903</td>
</tr>
<tr>
<td></td>
<td>Murray</td>
<td>4,684</td>
<td>4,083</td>
<td>3,884</td>
<td>83%</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>San Vicente</td>
<td>97,258</td>
<td>48,226</td>
<td>49,909</td>
<td>51%</td>
<td>3,904</td>
</tr>
<tr>
<td></td>
<td>Sutherland</td>
<td>29,508</td>
<td>5,011</td>
<td>2,360</td>
<td>8%</td>
<td>2,877</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>416,921</td>
<td>148,718</td>
<td>136,168</td>
<td>33%</td>
<td>26,926</td>
</tr>
<tr>
<td>San Diego WD/Santa Fe ID</td>
<td>San Diego</td>
<td>883</td>
<td>415</td>
<td>376</td>
<td>43%</td>
<td>64</td>
</tr>
<tr>
<td>Sweetwater Authority</td>
<td>Loveland</td>
<td>25,400</td>
<td>12,195</td>
<td>7,538</td>
<td>30%</td>
<td>5,102</td>
</tr>
<tr>
<td></td>
<td>Sweetwater</td>
<td>28,079</td>
<td>3,998</td>
<td>3,440</td>
<td>12%</td>
<td>1,117</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>53,479</td>
<td>16,193</td>
<td>10,978</td>
<td>21%</td>
<td>6,219</td>
</tr>
<tr>
<td>Valley Center M.W.D.</td>
<td>Turner</td>
<td>1,612</td>
<td>1,388</td>
<td>1,025</td>
<td>64%</td>
<td>325</td>
</tr>
<tr>
<td>Vista I.D.</td>
<td>Henshaw</td>
<td>51,774</td>
<td>8,578</td>
<td>4,492</td>
<td>9%</td>
<td>5,075</td>
</tr>
<tr>
<td><strong>MEMBER AGENCY TOTAL</strong></td>
<td><strong>WATER IN STORAGE</strong></td>
<td><strong>569,496</strong></td>
<td><strong>198,309</strong></td>
<td><strong>173,486</strong></td>
<td><strong>30%</strong></td>
<td><strong>40,670</strong></td>
</tr>
<tr>
<td>Water Authority 4</td>
<td>Olivenhain</td>
<td>24,375</td>
<td>19,164</td>
<td>21,750</td>
<td>503</td>
<td>(-)</td>
</tr>
<tr>
<td></td>
<td>San Vicente - Comprised of:</td>
<td>152,100</td>
<td>137,736</td>
<td>114,217</td>
<td>(3,104)</td>
<td>(-)</td>
</tr>
<tr>
<td></td>
<td>Emergency</td>
<td>33,412</td>
<td>33,713</td>
<td>33,713</td>
<td>(10)</td>
<td>(-)</td>
</tr>
<tr>
<td></td>
<td>Carryover</td>
<td>98,796</td>
<td>80,329</td>
<td>80,329</td>
<td>(28)</td>
<td>(-)</td>
</tr>
<tr>
<td></td>
<td>Operating</td>
<td>5,527</td>
<td>175</td>
<td>175</td>
<td>(0,006)</td>
<td>(-)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td><strong>176,475</strong></td>
<td><strong>156,900</strong></td>
<td><strong>135,967</strong></td>
<td><strong>87%</strong></td>
<td><strong>(2,601)</strong></td>
</tr>
<tr>
<td>Water Authority Storage Accounts 5</td>
<td>El Capitan</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(-)</td>
</tr>
<tr>
<td></td>
<td>Hodges</td>
<td>8,360</td>
<td>8,059</td>
<td>8,059</td>
<td>126</td>
<td>(-)</td>
</tr>
<tr>
<td></td>
<td>Lower Otay</td>
<td>3,423</td>
<td>1,886</td>
<td>1,886</td>
<td>226</td>
<td>(-)</td>
</tr>
<tr>
<td></td>
<td>Sweetwater</td>
<td>967</td>
<td>-</td>
<td>967</td>
<td>967</td>
<td>(-)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td><strong>12,750</strong></td>
<td><strong>9,455</strong></td>
<td><strong>1,319</strong></td>
<td></td>
<td>(-)</td>
</tr>
<tr>
<td><strong>TOTAL WATER IN STORAGE</strong></td>
<td></td>
<td><strong>745,971</strong></td>
<td><strong>367,959</strong></td>
<td><strong>319,397</strong></td>
<td><strong>43%</strong></td>
<td><strong>39,386</strong></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 reserved subject to city’s outstanding commitments to San Diego WD, and California American Mutual Water Co. (Cal-Am).
3 Includes allocated and unallocated water in Lake Henshaw.
4 Water Authority carryover, emergency and operating pools in San Vicente Reservoir were established in June 2015. City of San Diego presently states total capacity in San Vicente at 249,358 AF, with the Water Authority portion being 152,100 AF and the remaining capacity, 97,258 AF, allocable to the city. Figures for January 2017 include evaporation/seeage estimates.
5 No defined capacities for storage accounts in city and Sweetwater Authority reservoirs. Figures for January 2017 include evaporation/seeage estimates.
## MONTHLY WATER RESOURCES REPORT
### Tier 1 Estimated Deliveries to Member Agencies
(Figures in acre-feet)

#### Calendar Year 2017 to Date (January)

<table>
<thead>
<tr>
<th>Member Agency</th>
<th>CY2017 Tier 1 Threshold</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>813.9</td>
<td>6.6%</td>
</tr>
<tr>
<td>Del Mar, City of</td>
<td>935.0</td>
<td>35.9</td>
<td>3.8%</td>
</tr>
<tr>
<td>Escondido, City of</td>
<td>17,859.0</td>
<td>154.0</td>
<td>0.9%</td>
</tr>
<tr>
<td>Fallbrook P.U.D.</td>
<td>10,325.0</td>
<td>278.4</td>
<td>2.7%</td>
</tr>
<tr>
<td>Helix W.D.</td>
<td>25,519.0</td>
<td>1,288.1</td>
<td>5.0%</td>
</tr>
<tr>
<td>Lakeside M.W.D.</td>
<td>3,168.0</td>
<td>138.1</td>
<td>4.4%</td>
</tr>
<tr>
<td>Oceanside, City of</td>
<td>19,383.0</td>
<td>1,071.7</td>
<td>5.5%</td>
</tr>
<tr>
<td>Olivenhain M.W.D.</td>
<td>13,071.0</td>
<td>596.2</td>
<td>4.6%</td>
</tr>
<tr>
<td>Otay W.D.</td>
<td>21,390.0</td>
<td>1,411.5</td>
<td>6.6%</td>
</tr>
<tr>
<td>Padre Dam M.W.D.</td>
<td>9,939.0</td>
<td>485.9</td>
<td>4.9%</td>
</tr>
<tr>
<td>Pendleton M.C.B./South Coast W.D.</td>
<td>758.0</td>
<td>6.3</td>
<td>0.8%</td>
</tr>
<tr>
<td>Poway, City of</td>
<td>9,348.0</td>
<td>153.4</td>
<td>1.6%</td>
</tr>
<tr>
<td>Rainbow M.W.D.</td>
<td>19,018.0</td>
<td>521.1</td>
<td>2.7%</td>
</tr>
<tr>
<td>Ramona M.W.D.</td>
<td>8,052.0</td>
<td>186.2</td>
<td>2.3%</td>
</tr>
<tr>
<td>Rincon Del Diablo M.W.D.</td>
<td>5,482.0</td>
<td>200.9</td>
<td>3.7%</td>
</tr>
<tr>
<td>San Diego, City of</td>
<td>144,555.0</td>
<td>9,832.1</td>
<td>6.8%</td>
</tr>
<tr>
<td>San Dieguito W.D.</td>
<td>3,116.0</td>
<td>246.9</td>
<td>7.9%</td>
</tr>
<tr>
<td>Santa Fe I.D.</td>
<td>5,226.0</td>
<td>244.5</td>
<td>4.7%</td>
</tr>
<tr>
<td>Sweetwater Authority</td>
<td>9,650.0</td>
<td>988.4</td>
<td>10.2%</td>
</tr>
<tr>
<td>Vallecitos W.D.</td>
<td>10,557.0</td>
<td>399.2</td>
<td>3.8%</td>
</tr>
<tr>
<td>Valley Center M.W.D.</td>
<td>29,774.0</td>
<td>276.1</td>
<td>0.9%</td>
</tr>
<tr>
<td>Vista I.D.</td>
<td>11,876.0</td>
<td>925.4</td>
<td>7.8%</td>
</tr>
<tr>
<td>Yuima M.W.D.</td>
<td>2,165.0</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

**MEMBER AGENCY TOTALS**

|                | 393,542.0 | 20,254.2 | 5.1% |

Less: QSA deliveries-calender year 2017  \( (14,808.3) \)

Deliveries to CWA storage-calendar year 2017 \(^3\)  \( 4,035.6 \)

MWD Under-10% Flows-calendar year 2017  \( 1.0 \)

Deliveries from CWA storage-calendar year 2017 \(^4\)  \( (4,846.1) \)

Water Authority WPA desalination deliveries-calender year 2017 \( (2,461.4) \)

**Estimated Tier 1 deliveries calendar year to date** \(^5\)  \( 2,175.0 \)  \( 0.6\)

**Invoiced Tier 1 deliveries calendar year to date** \(^5\)  \( 2,174.3 \)  \( 0.6\)

---

1. Tier 1 threshold is 60% of a member agency's historic maximum year firm demand
2. Carlsbad MWD and Vallecitos WD deliveries exclude local desalination supply transported via Water Authority system.
3. Includes storage puts to San Vicente Reservoir, forced deliveries or deliveries to Olivenhain Reservoir.
4. Includes sales from Water Authority storage accounts, including Olivenhain Reservoir.
5. Estimated Tier 1 deliveries are based on member agency deliveries net of QSA deliveries, seawater desalination and storage puts/takes. Invoiced deliveries are as reported on Metropolitan's invoice. Difference between Estimated and Invoiced Deliveries is explained by storage puts or takes of pre-deliveries in Twin Oaks Valley Water Treatment Plant (TOVWTP) or member agency treatment plants.

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MONTHLY WATER RESOURCES REPORT
Summary of Water Authority Member Agency Operations

JANUARY 2017

Member Agency Deliveries (AF)

<table>
<thead>
<tr>
<th>January</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>20,749</td>
<td>19,779</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Previous 12 Months</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>435,863</td>
<td>424,915</td>
<td></td>
</tr>
</tbody>
</table>

Imported & Desal: 90%
Surface: 2%
Well & Brackish Recovery: 3%
Recycled & Desal: 5%

Member Agency Water Use

JANUARY 2017

Imported & Desal: 87%
Surface: 3%
Well & Brackish Recovery: 4%
Recycled & Desal: 6%

Previous 12 Months

Member Agency Storage (AF)

<table>
<thead>
<tr>
<th>January</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>198,309</td>
<td>173,486</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>12 Month Average</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>159,815</td>
<td>166,606</td>
<td></td>
</tr>
</tbody>
</table>
LEGISLATION AND PUBLIC OUTREACH COMMITTEE

AGENDA FOR

FEBRUARY 23, 2017

Christy Guerin – Chair
Matt Hall – Vice Chair
Yen Tu – Vice Chair
Gary Arant
Jerry Butkiewicz
Gary Croucher
Betty Evans
Ed Gallo

Kristin Gaspar
Frank Hilliker
Jim Madaffer
Ron Morrison
Mark Muir
Joel Scalzitti
Fern Steiner

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.
   4-B Legislation and Public Outreach Committee Draft Work Plan for Calendar Years 2017 and 2018.

I. CONSENT CALENDAR

II. ACTION/DISCUSSION/PRESENTATION

1. Legislative issues.
   1-A Washington report by Ken Carpi. (In person report) (Supplemental Materials)


2. Fleet Science Center Exhibit Renovation. (Presentation) Mike Lee
III. INFORMATION

1. Government Relations Update.  

Glenn Farrel

IV. CLOSED SESSION

V. ADJOURNMENT

Melinda Cogle  
Clerk of the Board

NOTE: This meeting is called as a Legislation and Public 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.
February 15, 2017

Attention: Legislation and Public Outreach Committee


Purpose
This report provides the Legislation and Public Outreach Committee Draft Work Plan for Calendar Years 2017 and 2018.

Background
The Legislation and Public Outreach Committee is responsible for matters relating to: legislation, lobbying and intergovernmental relations; community relations; media relations; public outreach; and the Small Contractor Outreach and Opportunities Program (SCOOP). During the next two years, the committee expects to review, discuss, and make decisions pertaining to these matters.

Discussion
Attached for your review is the Legislation and Public Outreach Committee Draft Work Plan for Calendar Years 2017 and 2018. The work plan was prepared by staff under the direction of the Legislation and Public Outreach Committee Chair and Vice Chairs. Comments from committee members are welcomed and appreciated. The finalized work plan will be adopted at the March 23, 2017 Board meeting.

Prepared by: Jason Foster, Director of Public Outreach and Conservation
Reviewed by: Christy Guerin, Chair, Legislation and Public Outreach Committee

Attachment:
Draft Legislation and Public Outreach Committee Work Plan for Calendar Years 2017 and 2018
Draft Legislation and Public Outreach Committee Work Plan for Calendar Years 2017 and 2018

1. **Legislative Positions**
   Review and consider adopting positions on legislation that affects the Water Authority’s and member agencies’ interests and attainment of the Water Authority’s Business Plan goals, including legislation relating to the state’s long-term water use efficiency framework. (September 2017 and September 2018)

2. **Public Opinion Research**
   Provide input on suggested research topics and review findings of public opinion polls or other research to help gauge effectiveness of outreach activities or identify emerging needs. (December 2017 – Communication and Messaging Program, Objective 3*)

3. **Legislative Policy Guidelines**
   Review, provide input, and consider approving Legislative Policy Guidelines for the following calendar year. (December 2017 and December 2018)

4. **Advocacy Trips**
   Participate in at least one legislative advocacy trip to Sacramento and one advocacy trip to Washington, D.C., annually. (December 2017 and December 2018)

5. **Legislative Roundtables**
   Participate in at least two legislative roundtable events at the Water Authority’s headquarters during each calendar year. (December 2017 and December 2018 – Communications and Messaging program – Objective #12*)

6. **Sponsored Legislation**
   Review and consider approving Water Authority sponsorship of legislation each year to advance or protect the Water Authority’s and member agencies’ interests. (December 2017 and December 2018 – Communications and Messaging – Objective #8*)

7. **Small-Business Outreach**
   Review and consider setting a small-business participation target as a percentage of total procurement dollars as needed; review and provide input on efforts designed to enable the Water Authority to achieve the established target. (June 2018)

8. **Water Use Efficiency/Water Conservation Outreach**
   Review, evaluate and provide direction with regard to preferred outreach strategies, programs and partnerships that promote water use efficiency as a permanent and positive lifestyle, or raise regional awareness and compliance with any mandatory water use restrictions in effect. (December 2018 – Communication and Messaging Program, Objective 4*)

9. **Public Outreach**
   Review and consider supporting the development and implementation of regional outreach and communication initiatives that increase public awareness and support for policies, initiatives and investments that protect or enhance water supply reliability. (December 2018 – Communication and Messaging Program, Objectives 1, 3, 5, 6, 13*)

*Item(s) related to the 2017-2021 Business Plan.
Page 69 of 130
Federal Legislative Priorities for 2017. (Action)

Staff Recommendation

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

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

Background
During the January 26, 2017 Board meeting, staff presented the proposed federal legislative priorities for 2017 for the Board’s consideration and to receive additional input from Board members. There were no additional revisions requested by Board members based on the draft proposed federal legislative priorities presented in January.

<table>
<thead>
<tr>
<th>Federal Legislative Priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Protect the Water Authority’s Colorado River water supplies and continue to regularly apprise members of the San Diego congressional delegation of developments regarding the Water Authority’s interests in the <strong>Colorado River and QSA implementation</strong>.</td>
</tr>
<tr>
<td>2. Actively engage in the Administration’s and Congress’ efforts to undertake broad regulatory reform through the Congressional Review Act and other actions through development and communication of messaging targeted at influencing action on federal rules the Water Authority would like to see eliminated, modified, and protected.</td>
</tr>
<tr>
<td>3. Introduce the Water Authority to key officials in the new Administration, with a particular <strong>relationship-building</strong> effort within the Department of Interior, U.S. Bureau of Reclamation, and the U.S. Environmental Protection Agency, and to new members of the California congressional delegation and key policy and fiscal committees.</td>
</tr>
<tr>
<td>4. Engage in the Administration’s efforts to <strong>implement recently-enacted federal drought legislation</strong>, including <strong>pursuit of federal funding appropriations</strong> for important regional water projects, including recycled water, reuse, and desalination.</td>
</tr>
<tr>
<td>5. Closely monitor, and engage when appropriate, in issues relative to <strong>federal tax policy</strong>, including advancing tax-exempt public financing tools for infrastructure.</td>
</tr>
</tbody>
</table>
6. Continue to inform the regional congressional delegation regarding the Water Authority’s energy needs and contributions, including the study and analysis of the Water Authority’s and City of San Diego’s potential San Vicente energy storage project, and explore options for federal funding support or regulatory relief to reduce energy costs and improve energy efficiency for the Water Authority.

7. Communicate the interests of the Water Authority and its member agencies in promoting potable reuse as a major regional water supply initiative.

8. Communicate the Water Authority’s interests in the California WaterFix with the San Diego congressional delegation and other key federal officials.

FEDERAL LEGISLATIVE PRIORITIES – 2017

1. PROTECTION OF COLORADO RIVER WATER SUPPLIES
The Water Authority’s water supply portfolio includes a suite of water supplies from the Colorado River. These supplies include a water conservation and transfer agreement with the Imperial Irrigation District and water conserved by two projects, the All American Canal Lining Project and the Coachella Canal Lining Project. By 2021, these water supplies are expected to produce approximately 280,000 acre-feet of regional water supplies, and comprise more than 30 percent of San Diego County’s total water supply.

The Water Authority continues to work with other Colorado River contractors and states to develop additional Colorado River supplies and water management strategies. The Water Authority is participating in a study by the U.S. Bureau of Reclamation of overall water demand and supply conditions in the entire seven-state Colorado River Basin, with an eye toward augmenting limited Colorado River supplies. The Water Authority is also participating with U.S. and Mexican agencies in a review of potential water management and water supply programs that could benefit Colorado River water users of both countries.

As drought conditions continue to stress Colorado River supplies, states along the river have shown renewed interest in protecting access to their water allocations. The Water Authority will continue to work with other Colorado River contractors and states to ensure that allocations are honored to benefit all parties.

Action
- Water Authority staff and federal legislative advocates will continue to keep members of the regional congressional delegation, congressional staff, and federal agencies apprised of developments in the lower Colorado River Basin, including the Authority’s activities in support of the lower Colorado River, Basinwide studies and projects, and any efforts to alter water deliveries to contractors along the River through administrative or legislative
actions.

- Water Authority staff and federal legislative advocates will continue to provide educational information to members and staff of the San Diego region’s congressional delegation and federal agencies, relative to how Colorado River issues are different from, or contribute to discussions on other state water initiatives, including the California WaterFix and drought response.

- Water Authority staff and federal legislative advocates will continue to keep members and staff of the San Diego region’s congressional delegation and federal agencies apprised of developments related to Salton Sea restoration, including efforts to evaluate renewable energy programs within the Salton Sea area that may help to facilitate financing of air quality and habitat improvements, and progress towards a viable restoration plan.

2. REGULATORY REFORM/CONGRESSIONAL REVIEW ACT

The Obama Administration’s practice of pursuing policy objectives and goals through Executive Orders, federal rulemaking, and federal guidance, instead of through legislative means, has left many of the Administration’s actions exposed to repeal or revision by the new Trump Administration. The incoming President and Congress appear united in their desire to repeal or alter scores of actions taken by President Obama. President-elect Trump will be able to rescind all or most Executive Orders issued by President Obama, and he will also be able to set in motion the withdrawal of pending rulemaking and repealing or amending many existing rules.

Without threat of veto, Congress is already preparing to make the greatest use of the Congressional Review Act (CRA) since its inception. A broad use of the CRA will delve into relatively new territory, as there has only been one rule overturned through the CRA since it was enacted in 1996. The CRA allows Congress to repeal federal rules by a simple majority vote and congressional leaders are considering changes to the CRA that would allow an even simpler process to repeal broad swaths of the Obama Administration’s works, primarily in the areas of climate change and energy policy.

Under the CRA, all federal rules adopted since June 2016 could be candidates for repeal. Congress would need to act legislatively to make additional federal rules adopted earlier in 2016 subject to the CRA. All Executive Orders and guidance letters – estimated at roughly 800 in number – could be rescinded immediately under the new Administration.

Congress has begun to consider a measure related to the CRA that would extend the “look back” period of the CRA to January 1, 2016 and would allow a single resolution of disapproval to nullify an unlimited number of final regulations issued by the Obama Administration in calendar year 2016. It is anticipated that the House will pass this measure readily (as it actually passed similar legislation in the previous Congress by a vote of 240-179), but it will likely be more difficult to reach a final vote in the Senate due to procedural rules, including filibuster opportunities.
Action

- Water Authority staff will engage immediately in a rigorous review of all federal rules and regulations that could be subject to action by Congress and the Administration under the CRA. The staff review will be prepared for the Board’s consideration, and identify those rules and regulations that the Water Authority would like to see:
  - Eliminated
  - Modified
  - Protected

- Water Authority staff and federal legislative advocates will need to formulate appropriate messaging for the Administration and Congress as a foundation for advocacy efforts.

- The Water Authority’s federal legislative advocates will work closely on messaging and advocacy with industry associations and other coalitions, such as ACWA, the Association of Metropolitan Water Agencies, the Western Urban Water Coalition, and others.

- The Water Authority’s federal legislative advocates will closely monitor and engage in activity within Congress related to implementation of the CRA

3. RELATIONSHIP-BUILDING

The January 20 inauguration of President-elect Donald Trump will also bring a major transition of key federal officials from the Obama Administration to the new Trump Administration. This transition is expected to last for a significant period of time, with many vacancies remaining in key offices from several weeks or months while transition officials prioritize appointments throughout the Administration and the Senate schedules time for confirmation hearings and votes.

There will be many new faces within key offices in the Trump Administration, and many will likely be new to federal service and issues of importance to the Water Authority, as Obama Administration appointments have populated those offices for the past eight years. Establishing relationships and introducing new officials to the Water Authority and the San Diego region will be crucial to successfully navigating through federal agencies.

In addition, there are new members of the California congressional delegation and new members of key policy and fiscal committees within Congress with whom it will be important for the Water Authority to meet and establish working relationships.

Action

- Water Authority staff and federal legislative advocates will explore opportunities for Board members and Water Authority management visits to Washington, D.C. to make
introductions with officials in the new Administration and to encourage new officials to visit the San Diego region to see and be briefed on the Water Authority’s projects and programs.

- Opportunities for scheduling introductions with new Trump Administration officials will likely be available in conjunction with the following events:
  - San Diego Regional Chamber of Commerce Washington, D.C., annual trip – September 2017

4. IMPLEMENT DROUGHT LEGISLATION/PURSUE FEDERAL APPROPRIATIONS

While preliminary winter precipitation results appear promising, California and the western United States continue to suffer from the effects of a historic and prolonged drought. Many interests believe these natural hydrologic conditions are exacerbated by state and federal environmental laws, regulations, and guidance that divert water from agricultural, industrial, and urban uses to support preservation of threatened or endangered species, habitat preservation, water quality controls, and limit sea water intrusion into sensitive aquatic regions and underground aquifers.

The recently-enacted federal drought legislation co-authored by Senator Feinstein authorizes more than $550 million in federal funding for new storage projects, desalination, water recycling, and water use efficiency projects. Specifically, the measure authorizes the following for local water supply development projects:

- $30 million for the Federal Water Desalination Act
- $50 million for a new Title XVI water recycling and reuse grant program
- $100 million for the WaterSMART program, which focuses on water conservation, reclamation, efficiency, and recycling projects

A significant challenge in implementing the federal drought legislation is moving these important federal funding provisions from authorization to appropriation. The congressional ban on earmarking appropriations for specific projects continues as it has for several years. This ban has created significant challenges in funding new projects, and has led to greater creativity in structuring federal funding programs to ensure they are more competitive in nature and don’t rely on the more traditional “earmarking” approach.

Action
- The federal legislative advocates will be actively engaged in the federal drought legislation implementation efforts that are likely to emerge early in 2017, and continue to keep the Water Authority apprised of opportunities to address the Water Authority’s needs.
• Water Authority staff and federal legislative advocates will continue to educate the regional congressional delegation members and staff regarding the Water Authority’s needs for secure, reliable water supplies and its efforts to diversify and conserve water resources.

• Water Authority staff and federal legislative advocates will continue to pursue opportunities for funding for desalination, water reclamation and reuse, and other programs through appropriations and budget processes.

• Water Authority staff and federal legislative advocates will continue to brief Appropriations Committee members and staff on the benefits demonstrated by the Title XVI program, in particular to the Water Authority and the San Diego region, and advocate for continued appropriations for this program.

• The Water Authority’s federal legislative advocates will work with the U.S. Bureau of Reclamation and other federal agencies to promote the Water Authority’s objectives and projects in the context of current and future year budget requests.

• The Water Authority will work closely with industry associations to build support for continued meaningful federal participation in the development and construction of local and regional desalination projects.

5. FEDERAL TAX POLICY
A number of fiscal issues, related to tax reform, unfunded federal mandates, and shifting federal costs to state and local governments are anticipated to be raised by the Trump Administration and within Congress. Over the past several years, the Water Authority has been among a number of San Diego regional entities opposing efforts to reduce or eliminate the tax-exempt status of municipal bonds. The Obama Administration has previously proposed various attempts to cap the value of all tax exemptions, including municipal bond interest – even retroactively – at levels that would serve as a disincentive to utilize this important financing tool. Others have suggested eliminating tax exemptions altogether. These proposals would increase infrastructure costs for local communities, as investors would demand higher interest rates on municipal bonds to offset potential new taxes. Similar proposals, such as a recently emerging proposed new Federal Reserve rule that would exclude municipal bonds from the definition of High Quality Liquid Assets, and could thus constrain investment in municipal bonds, are examples of the public finance issues that are continuing to gain traction in Washington. While President-elect Trump has indicated support for maintaining tax-exempt debt, larger revenue and spending decisions may renew pressure to eliminate or otherwise limit the practical effectiveness of these instruments.

Additionally, significant efforts were pursued during 2015 and 2016 to clarify that rebates for water conservation programs are not considered taxable under federal income tax rules. While the coalition efforts were not successful in pursuing this important clarification during the prior
congressional session, it is likely that efforts will be renewed in early 2017. The Water Authority’s participation in coalition efforts – including those advanced by the Western Urban Water Coalition, ACWA, and others – will provide another important voice to making progress on this issue during 2017.

In a separate development, Congress included $17 million in the continuing resolution passed in December 2016 for the Water Infrastructure Finance and Innovation Act (WIFIA) program. This funding is expected to support substantial water infrastructure loans next year. WIFIA will provide low-interest loans for large water projects that are unlikely to receive State Revolving Loan Fund program funding.

**Action**

- The federal legislative advocates will continue to keep the Water Authority apprised of issues and recommend opportunities to educate and advocate with the San Diego congressional delegation, Congress, the White House, and federal agencies in response to developments.

- Water Authority staff and federal legislative advocates will continue to educate the San Diego congressional delegation and key Members of Congress regarding the importance of preserving the current tax-free municipal bond program.

- Water Authority staff and federal legislative advocates will work closely with coalition partners to pursue income tax credit relief for taxpayers receiving water conservation rebates.

- Water Authority staff and federal legislative advocates will work in tandem with other industry associations to support the implementation of a sound WIFIA program and funding for federal loan and loan guarantee awards from the program.

6. **ENERGY ISSUES**

The Water Authority has several energy producing assets:

- 40 MW Lake Hodges Pumped Storage Project
- 4.5 MW Rancho Penasquitos Hydroelectric Project
- Nearly 1.5 MW of installed solar power

In addition, the Water Authority has entered into an agreement with the Western Area Power Administration to procure more than 1.6 MW of federal preferential power (Hoover Dam allocation) from the Boulder Canyon Project for a 50-year term beginning in October 2017. In addition to the pending federal preferential power delivery, the Water Authority’s power purchase agreement with San Diego Gas & Electric (SDG&E) for the 4.5 MW of energy production at Rancho Penasquitos expires in January 2017.
The Water Authority has been working closely with SDG&E to develop a consensus state legislative proposal for Direct Access to achieve the Water Authority’s objectives of using its produced and acquired power at its own facilities, member agencies’ facilities, and water supply projects that serve the Water Authority (e.g., the Claude “Bud” Lewis Carlsbad Desalination Plant). The most effective way to maximize the financial benefit to water ratepayers would be to directly utilize the Water Authority’s produced and procured power at Water Authority facilities, water supply projects that serve the Water Authority, and facilities owned and operated by the Water Authority’s member agencies.

At the same time as the Water Authority is pursuing energy independence options through the State Legislature, the Water Authority, in partnership with the City of San Diego, is assessing the potential for a significant hydropower energy storage project at the San Vicente Reservoir.

Congress has also shown a growing interest in the energy-water nexus. Legislation to formalize federal intergovernmental consultation and leadership between the Office of Management & Budget, Council on Environmental Quality, Departments of Energy and of the Interior, and the National Academy of Science could continue to be advanced during 2017.

Electricity for moving water is a major cost to the Water Authority and its member agencies. While there is a natural nexus between water use efficiency and energy efficiency, particularly in the operations of water systems, staff and the federal legislative advocates will closely evaluate any energy-water nexus initiatives by Congress or the Administration. In particular, the Water Authority’s federal legislative advocates will be alert for initiatives that would suggest the imposition of mandates requiring specific water resources be developed by water agencies that fail to take into account local factors, such as water reliability, hydrologic and geographic characteristics, and the economic, political, public acceptance, and social environment, which can influence selection of resources and/or fails to take into account or conflicts with existing local and regional planning policies and implementation priorities.

Action

- Water Authority staff and federal legislative advocates will continue to educate the regional congressional delegation members and staff regarding the Water Authority’s energy needs and contributions.

- Water Authority staff and federal legislative advocates will work with the San Diego congressional delegation and appropriate congressional committees to explore options for further regulatory relief to reduce costs for ongoing and planned projects and operations.

- Water Authority staff and federal legislative advocates will monitor congressional hearings and legislation related to the energy-water nexus and communicate the Water Authority’s positions on this issue to the San Diego congressional delegation and relevant committees and federal agencies.
7. POTABLE REUSE
Beginning in the early and mid-1990s, the City of San Diego began planning for a potable reuse project, and in 2012, the California Department of Public Health and the San Diego Regional Water Quality Control Board conceptually approved the City’s proposed indirect potable reuse project for surface water augmentation through San Vicente Reservoir. In addition, several Water Authority member agencies have expressed interest in potable reuse and are in the beginning stages of development projects. As many as 11 Water Authority member agencies are in some stage of planning or development of potential potable reuse water supplies.

Action
- The federal legislative advocates will continue to keep the Water Authority Board apprised of any developments at the federal level relating to potable reuse, and recommend actions related to any emerging opportunities to address the needs of the Water Authority and its member agencies.
- Water Authority staff and federal legislative advocates will continue to educate the regional congressional delegation members and staff, and federal agencies, regarding the needs of the Water Authority and its member agencies for secure, reliable water supplies and its efforts to diversify the region’s water supply portfolio through the advancement of potable reuse projects.

8. CALIFORNIA WATERFIX
The efforts to resolve water supply and ecosystem conflicts in the Delta have a long history in California water policy. Over the past 10 years, state and federal agencies jointly worked on a potential Delta solution previously known as the Bay-Delta Conservation Plan (BDCP) and now known as the California WaterFix. A central feature of the California WaterFix project is the construction and operation of twin tunnels to convey water from a north Delta facility on the Sacramento River and deliver it to the existing Tracy pumping plants for export south of the Delta. It is estimated that the WaterFix project will cost at least $16 billion and will be paid by state and federal water contractors, including the Water Authority through its water supply purchases from the Metropolitan Water District.

In late December, the lead agencies released the Final EIR/EIS for the California WaterFix project, and the lead agencies and the project proponents are actively involved in attempting to address environmental permitting and cost allocation to reach final certification of the project during 2017.

The Water Authority Board adopted Bay Delta Policy Principles in 2012, and used these principles to help guide its evaluation of draft BDCP environmental documents between 2013 and 2014. The Water Authority submitted comment letters through the environmental review process, as well as separately to the Natural Resources Agency. Because project cost allocation is still being negotiated, the exact cost and benefit of the project to the Water Authority is unknown. While the Water Authority supports cost effective and environmentally sustainable
Bay-Delta solutions, the Board has not taken an official position on the project due to lack of answers to several key questions, including:

- How much water will our region receive?
- What portion of the cost will our ratepayers be obligated to pay?
- Which agencies statewide will commit to paying for the WaterFix?
- How will our ratepayers be protected from paying a disproportionate share of the project’s cost?
- Will project costs for our ratepayers negatively impact local water supply development?

**Action**

- Water Authority staff and federal legislative advocates will continue to regularly brief members of the San Diego congressional delegation to ensure there is a thorough understanding regarding the Water Authority’s interests in, and issues with the California WaterFix.

- Water Authority staff and federal legislative advocates will pursue opportunities for the Water Authority General Manager and Board members to provide direct briefings on California WaterFix-related issues during future visits to Washington, D.C.

- Water Authority staff and federal legislative advocates will continue to monitor federal advocacy efforts by the various California WaterFix stakeholders and interested parties, and provide briefings to the Water Authority on developments within Congress and the relevant federal agencies.

Prepared by: Glenn A. Farrel, Government Relations Manager
Approved by: Dennis A. Cushman, Assistant General Manager
February 15, 2017

Attention: Legislation and Public Outreach Committee

Fleet Science Center Exhibit Renovation (Information)

Purpose
This report provides an update on extensive upgrades to enhance the permanent water exhibit at the Fleet Science Center in Balboa Park, which is funded by the San Diego County Water Authority and the City of San Diego.

Background
More than 15 years ago, the Water Authority teamed with the Fleet Science Center in Balboa Park to install an informational, interactive exhibit to help children and their parents understand water issues, including California’s water delivery infrastructure and the water cycle. It was last updated in 2007-2008. In 2015, the Water Authority was awarded $15,000 by the Hans and Margaret Doe Charitable Trust for an exhibit overhaul, which was completed in February 2017 in collaboration with the City of San Diego.

Discussion
The water exhibit at the Fleet Science Center is a key component of the Water Authority’s education program, reaching both students and their families from across San Diego County. More than 400,000 visitors explore the science center each year. The exhibit occupies a prime location at the top of the stairs that lead to the center’s exhibits on the second floor. The Water Authority pays $9,500 a year to lease the space.

A Water Authority staff review of the exhibit in 2015 highlighted the need for refreshing the display panels, which were becoming age-worn and outdated. For instance, they didn’t reference the two most recent droughts in California, the advent of seawater desalination in San Diego County or other major investments by the Water Authority and its member agencies in water supply reliability. The Hans and Margaret Doe Foundation awarded the Water Authority $15,000 for the overhaul.

Over the past year, the Water Authority has partnered with Fleet staff and the City of San Diego to redesign the panels under the new theme “Water Supply Reliability for the 21st Century: Innovation and Conservation,” which underscores the countywide priorities of investing in water supply reliability while making the most of the region’s water resources. The updated exhibit uses the same infrastructure to control costs, while replacing the text and photos in an all-new, integrated graphical interface.
The new display panels at the Fleet include photos of many of the region’s major water supply investments over the past 15 years, such as:

- Lining seepage-prone earthen canals with concrete as part of a historic conservation-and-transfer agreement for water from the Colorado River
- Building Olivenhain Dam in North County
- Raising San Vicente Dam near Lakeside
- Developing the Claude “Bud” Lewis Carlsbad Desalination Plant in partnership with Poseidon Water
- Constructing the Twin Oaks Valley Water Treatment Plant north of San Marcos

The exhibit also guides visitors through the water cycle, and through the steps of securing reliable water supplies, which include pumping, treating and delivering water. In addition, the displays emphasize the importance of WaterSmart landscaping, water recycling and reuse, and reducing storm water pollution. At one station, an interactive display allows visitors to compare homes with average water use to homes with efficient water-use practices, appliances and landscaping.

For the first time, the display panels now present information in both English and Spanish. And, the Water Authority worked with Poseidon Water to secure a reverse osmosis membrane that is part of the permanent display.

With the completion of the retrofit, staff is working with the Fleet Science Center to assess the exhibit’s interactive displays and look for ways to upgrade them so that they continue to educate patrons of all ages. Proposition 84 Final Round funds are available for this phase of the project.

Prepared by: Mike Lee, Senior Public Affairs Representative
Reviewed by: Jason Foster, Director, Public Outreach and Conservation
Approved by: Dennis A. Cushman, Assistant General Manager

Attachment:
Exhibit 1 – Photos of New Exhibit
EXHIBIT 1
Photos of New Water Exhibit
February 15, 2017

Attention: Legislation and Public Outreach Committee

Government Relations Update. (Information)

Purpose
This report is an update of the Water Authority’s government relations program.

Discussion

The Legislature
The 2017 state legislative session is well under way, with the deadline for introduction of bills scheduled to occur on February 17. Bill introduction has been at a very slow pace to-date, which is typical of the first year of a new two-year session, particularly with several new legislators and transitions in leadership and committee roles. Several hundred bills – as many as 3,000 in total – are expected to be introduced by the February 17 bill introduction deadline.

Sponsored Legislation
At its July 28, 2016 Board of Directors’ meeting, the Board approved sponsorship of legislation to clarify statutory authority under the County Water Authority Act relative to energy matters. At its December 8, 2016 Board of Directors’ meeting, the Board approved Water Authority sponsorship of a legislative framework to pursue funding to fulfill the state’s obligations in various resources conflicts, including at the Salton Sea, and at its January 26, 2017 meeting, the Board approved sponsorship of legislation to create a stakeholder workgroup process through the Department of Water Resources for development of long-term water use efficiency standards.

Staff has engaged with several members of the San Diego legislative delegation and with other legislators to discuss the Water Authority’s legislative sponsorship opportunities. The staff remains in active discussions with potential authors for each of the three identified sponsorship proposals, and anticipates legislation to be introduced by the February 17 bill introduction deadline.

Legislative Hearings – California WaterFix
During February, the Senate Natural Resources and Water Committee has indicated that it will hold two informational hearings related to the California WaterFix project, as follows:

Tuesday, February 14, 2017
Senate Natural Resources & Water
Hertzberg, Chair
SUBJECT: California WaterFix: Status of the Project
Tuesday, February 28, 2017
Senate Natural Resources and Water
Hertzberg, Chair
SUBJECT: California WaterFix: Perspectives on the Plan.

The first hearing is anticipated to be a state agency update on the status of the Governor’s proposed twin tunnels project. The second hearing is expected to include a variety of different perspectives on the WaterFix project. The Water Authority has been invited to participate in the February 28 hearing to share its Board’s perspective on the WaterFix project. While the agenda remains in development at this time, it is anticipated that the following will also participate in the panel discussion:

- Ellen Hanak, Public Policy Institute of California
- Roger Patterson, Metropolitan Water District of Southern California
- Brent Walthall, Kern County Water Agency
- Doug Obegi, Natural Resources Defense Council
- Barbara Barrigan-Parrilla, Restore the Delta

Legislation of Interest
As of February 7, nearly 570 bills had been introduced in the Legislature for 2017. However, it is expected that the total could rise to as many as 3,000 bills introduced by the February 17 bill introduction deadline. While there are not many water-related measures introduced at this time, the following represents some of the bills of interest that have been introduced and that are currently being evaluated more thoroughly by Water Authority staff:

- **AB 18 (E. Garcia)** – This measure would advance a $3 billion general obligation bond for the June 5, 2018 statewide primary election ballot to finance a clean water, climate, and coastal protection and outdoor-access-for-all program.

- **AB 313 (Gray)** – This measure would restructure the enforcement and administration of the water rights program in California by shifting responsibility for water rights and enforcement from the State Water Resources Control Board to the Department of Water Resources (DWR), with enforcement proceedings conducted separately by the Office of Administrative Hearings. Additionally, DWR’s current authority and water rights underlying the State Water Project would be transferred to a newly-created State Water Project Authority.

- **SB 5 (De Leon)** – This measure would advance a $3 billion general obligation bond for the June 5, 2018 statewide primary election ballot to finance a drought, water, parks, climate, coastal protection, and outdoor-access-for-all program.

- **SCA 4/SB 231 (Hertzberg)** – These measures are intended to reform Proposition 218 as it relates to conservation-based water pricing, low-income water rate assistance, and
stormwater project financing. SCA 4 would amend the California Constitution to provide cost-of-service relief for water utilities to voluntarily establish conservation pricing mechanisms and to voluntarily provide for rate revenue subsidies to finance low-income water rate assistance programs. SB 231 is intended to bring stormwater charges under the same statutory framework as other water and sewer rates and charges, rather than those charges continuing to be subject to required voter approval.

**Lobbyist Activities**

Steve Cruz of Gonzalez, Quintana, Hunter & Cruz 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.
- Participated in legislative and Administration briefings involving Water Authority Board members and staff.
- Represented the Water Authority in a variety of venues on Water Authority issues.
- Coordinated with V. John White, Bob Giroux, and Water Authority staff on various legislative issues of importance to the Water Authority.

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.

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.
Washington, D.C.

Ken Carpi of Carpi & Clay will provide a separate written report of the firm’s monthly activities in Washington, D.C, and will also appear in person at the February Board meeting.

Prepared by: Glenn A. Farrel, Government Relations Manager
Ivy Ridderbusch, Assistant Management Analyst
Approved by: Dennis A. Cushman, Assistant General Manager
IMPORTED WATER COMMITTEE

AGENDA FOR

FEBRUARY 23, 2017

Mark Weston – Chair
Lois Fong-Sakai – Vice Chair
Tom Kennedy – Vice Chair
David Barnum
Kristin Gaspar
Michael Hogan
Keith Lewinger
Jim Madaffer
Marty Miller
Jim Murtland
Ken Olson
Elsa Saxod
Joel Scalzitti
Fern Steiner
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.
   4-B Imported Water Committee Draft Work Plan for Calendar Years 2017 and 2018.

I. CONSENT CALENDAR

1. Amend agreement for Consulting Services with Southwest Strategies. 
   Board Officers’ recommendation: Amend the agreement with Southwest Strategies for expanded and continued consulting public outreach services to the Water Authority by $476,505 through June 30, 2018, extending the term of the agreement by 12 months, and increasing total contract funding to an amount not to exceed $875,505. (Action)

II. ACTION/DISCUSSION/PRESENTATION

2. MWD issues and activities update.
   2-A Metropolitan Water District Delegates’ Report. MWD Delegates
   (Supplemental Materials) (Discussion)

3. Colorado River Programs.
   3-A Colorado River Board Representative’s Report. Doug Wilson
   (Supplemental Materials) (Discussion)

III. INFORMATION

1. Metropolitan Water District Program Report. Amy Chen

IV. CLOSED SESSION

1. Conference with Legal Counsel – Existing Litigation Mark Hattam
   Government Code §54956.9(d)(1)
   SDCWA v. Metropolitan Water District of Southern California;
   Case Nos. CPF-10-510830; CPF-12-512466; CPF-14-514004;
   CPF-16-515282; CPF-16-515391; A146901; and A148266

2. Conference with Legal Counsel – Existing Litigation Brownstein
   Government Code §54956.9(d)(1)
   State Water Resources Control Board Petition of Imperial
   Irrigation District for Modification of Revised Water Rights Order
   2002-0013

V. ADJOURNMENT Melinda Cogle
   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.
February 15, 2017

Attention: Imported Water Committee

Imported Water Committee Draft Work Plan for Calendar Years 2017 and 2018.

Purpose
This report provides the Imported Water Committee Draft Work Plan for Calendar Years 2017 and 2018.

Background
The Imported Water Committee is responsible for imported water matters, including: Activities and issues as a member agency of the Metropolitan Water District of Southern California; administration of the Colorado River Quantification Settlement Agreement and related agreements; Colorado River Board; State Water Project; San Joaquin-Sacramento Bay-Delta; and other matters relating to water supplies from outside San Diego County.

Discussion
Attached for your review is the Imported Water Committee Draft Work Plan for Calendar Years 2017 and 2018. The work plan was prepared by staff under the direction of the Imported Water Committee Chair and Vice Chairs. Comments from committee members are welcomed and appreciated. The finalized work plan will be presented for adoption at the March 23, 2017 Board meeting.

Prepared by: Amy I. Chen, Director of MWD Program
Dan Denham, Director of Colorado River Program
Reviewed by: Mark Weston, Chair, Imported Water Committee

Attachment: Draft Imported Water Committee Work Plan for Calendar Years 2017 and 2018
Bay-Delta Plan

1. **Bay-Delta Solution Review**
   Review and provide direction for the assessment of any Delta fix proposal and its cost and benefit to Water Authority ratepayers. (December 2017 – Bay-Delta Program, Objective 2*)

2. **Bay-Delta Communications**
   Engage in communications on behalf of the Water Authority regarding its perspectives on the Delta fix proposal to San Diego civic leaders, opinion leaders, the media, and the business community. (December 2018 – Bay-Delta Program, Objectives 8* and 10*)

Colorado River Water Supplies

1. **Water Supply Deliveries**
   Support and provide guidance to the Colorado River Task Force to ensure full access to supplies linked to the Quantification Settlement Agreement and related agreements, including the water transfer with IID, the All American Canal Lining Project, and the Coachella Canal Lining Project. (December 2017 and 2018)

2. **Water Transfer Flexibility**
   Review and consider adoption of demonstration projects to be conducted with Imperial Irrigation District and other stakeholders to provide enhanced flexibility of annual transfer volumes and efficiency-based conservation targets. (June 2017 – Colorado River Program, Objective 1*)

3. **Agreement Timeline**
   Review and consider approval of recommended extension or early termination of the Exchange and Transfer Agreements. (December 2017 – Colorado River Program, Objective 3*)

4. **Continued Policy Dialogue**
   Review and provide guidance regarding the Water Authority’s perspectives on developing responsible mitigation and restoration plans for the Salton Sea to secure the support of the QSA parties, Federal Government, the Governor’s Office, elected officials, and opinion leaders. (December 2017 and 2018 – Colorado River Program, Objective 4*)

5. **Imperial Valley Outreach**
   Review and provide direction for quarterly stakeholder briefings with the farming community and other Imperial Valley stakeholders to enhance relationships, exchange perspectives, and advocate for balanced representation on matters related to QSA implementation and Salton Sea environmental initiatives. (December 2017 – Colorado River Program, Objective 5*)

*Items related to the Water Authority’s 2017-2021 Business Plan.
6. **Surplus Supply Storage**
   Review and consider approval of Water Authority Intentionally Created Surplus account for temporary storage of Colorado River supplies in Lake Mead. (June 2019 – Colorado River Program, Objective 7*)

**Metropolitan Water District (MWD) Water Supplies**

1. **Ensure Long-Term Regional MWD Water Supply Reliability**
   Review and consider recommendations to ensure MWD is a sustainable supplemental imported water supplier, providing quality supplies at an equitable cost for San Diego County water ratepayers. (December 2017 – MWD Program, Objective 9*)

2. **MWD Rate Litigation**
   Review and consider recommendations related to the MWD rate litigation to successfully preserve the favorable ruling for the 2011-2014 rate cases and achieve victorious court rulings for the 2015-2018 rate cases. (December 2017 – MWD Program, Objective 6*)

3. **Ensure MWD’s Long-Term Fiscal Sustainability**
   Review and provide guidance to address issues related to MWD policies and programs to insure its long-term fiscal sustainability. (December 2018 – MWD Program, Objective 9*)

4. **Advocate Equity and Transparency in MWD’s Decision Making Process**
   Support the MWD Delegates to advocate for equity and transparency in MWD’s decision making process. (December 2018 – MWD Program, Objective 9*)

5. **Consider options to secure short-term water transfers and optimize the Water Authority’s out-of-region storage to meet dry-year supply needs**
   Review and provide guidance on short-term transfer and exchange opportunities to maximize the value of Water Authority carryover storage accounts within the San Diego Region and Central Valley. (December 2018)
February 15, 2017

Attention: Imported Water Committee

Amend agreement for Consulting Services with Southwest Strategies. (Action)

Board Officers’ Recommendation
Amend the agreement with Southwest Strategies for expanded and continued consulting public outreach services to the Water Authority by $476,505 through June 30, 2018, extending the term of the agreement by 12 months, and increasing total contract funding to an amount not to exceed $875,505.

Alternatives
Do not amend the agreement with Southwest Strategies. Funding under the current agreement will cover services through June 30, 2017.

Fiscal Impact
Approval of the Officers’ recommendation will amend the contract by $476,505 for a new not to exceed contract value of $875,505. The General Manager has confirmed that funds for the amended agreement during the current fiscal year are available in the existing budget. Funding for fiscal year 2018 will come from fiscal years 2018 and 2019 operating budget, which is contingent upon Board approval of the General Manager’s fiscal years 2018 and 2019 biennial budget.

Background
The Water Authority utilizes consultants to assist in accomplishing Board-directed priorities and programs. Since February 2012, Southwest Strategies has provided local outreach support on key outreach priorities, including certain aspects of the Water Authority’s rate litigation against the Metropolitan Water District of Southern California (MWD). The Board identified the rate litigation against MWD as a top budget and policy priority.

Discussion
Southwest Strategies has effectively provided outreach support services on key Water Authority outreach priorities, including certain aspects of the Water Authority’s rate litigation against MWD and the impact of MWD’s proposed budget and rates on San Diego ratepayers. These services include public relations, media relations, community outreach coalition development, and other outreach services. Southwest Strategies is part of a larger team, comprised of the Water Authority’s Board Officers, MWD delegates, management, legal counsel, and other Water Authority consultants. Its role is integral and critical in ensuring the San Diego region’s business and community leaders understand the rate challenge and the impacts of various MWD programs and policies on San Diego ratepayers.

MWD has significantly ramped up its outreach efforts within San Diego County to undermine the Water Authority’s rate case victory. The Water Authority’s ratepayers have billions of dollars and significant rights to MWD’s water supplies at stake. MWD’s recent board actions to approve and fund more than a billion dollars of unbudgeted programs and projects with little board discussion or analysis exposes San Diego County – and Southern California -- water ratepayers to years of...
unnecessary MWD rate increases and other potential financial liabilities. MWD has also recently expanded its outreach activities throughout its service area, including approval in January of a $4.8 million advertising campaign for 2017.

The Water Authority can demonstrate leadership and help to create transparency and foster dialog on critical issues by expanding outreach activities within San Diego County and expanding outreach activities to other parts of MWD’s service area. For example, the Water Authority Board Officers recently began a dialog with elected officials throughout the MWD service area through a series of letters informing them of fiscal and governance problems at MWD. The Board Officers recommend an expanded outreach program with public officials and civic leaders in other areas of the MWD service territory in an effort to encourage their MWD member agencies’ MWD delegates to engage more fully in MWD’s fiscal and governance affairs. A central focus of this effort will be to ensure MWD adapts to changing conditions (e.g. significantly diminished long-term water sales) and takes steps necessary to ensure the agency’s long-term fiscal sustainability, while providing a reliable and affordable water supply and protecting the long-term interests of water ratepayers. Initial areas for focus of the program include Orange County, Inland Empire and Ventura County.

Southwest Strategies has significant experience and established relationships with public officials, civic and business leaders throughout the MWD service area. The firm will develop and implement a sustained program that substantially increases outreach efforts to communicate ongoing concerns and support achievement of fiscally sound and financially prudent decision-making at MWD.

The amendment will extend the contract with Southwest Strategies through June 30, 2018, and may be terminated by the Water Authority upon delivery of 10 days’ written notice. Due to the limited scope of this project, SCOOP outreach was not required.

Recommended by: Mark Muir, Chair
Jim Madaffer, Vice Chair
Gary Croucher, Secretary
February 15, 2017

Attention: Imported Water Committee


Purpose
The purpose of this memo is to provide a review of California WaterFix’s final environmental documents.

Background
The Sacramento-San Joaquin Bay-Delta (Bay-Delta) is an important water source for southern California as the hub of the State Water Project, yet its ecosystem has been, and continues to be in decline due to development, farming, water exports, climate change and various other factors. As such, water deliveries south of the Bay-Delta are becoming less reliable. In 2009, the Delta Reform Act was adopted to address the decline of the Bay-Delta ecosystem and water supply reliability. Included within the Act was an important state policy to reduce supply reliance on the Bay-Delta.1

The Water Authority supports a cost effective and environmentally sustainable Bay-Delta solution. This position on the Delta is long standing and is encompassed within the Board of Directors’ approved Bay-Delta Policy Principles.2 All actions the Water Authority has taken since the 1990s to diversify its supplies have reduced its reliance on Metropolitan Water District (MWD) – the Water Authority’s only source of Bay-Delta supply. In 1991, the Water Authority received 95 percent of the region’s water supply from MWD. Today, the Water Authority’s reliance on MWD has dropped to 41 percent, and in 2016, only 4 percent of water used in the San Diego region came from the Delta.

In December 2013, the Department of Water Resources (DWR) and the U.S. Bureau of Reclamation released the Bay Delta Conservation Plan (BDCP) document and Draft Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for review. The BDCP was intended to address the State’s co-equal goals established in the Delta Reform Act. The Water Authority, under the oversight of the Board’s Imported Water Committee, conducted an extensive review of the BDCP and submitted formal comment letters through the environmental review process, as well as policy letters to the California Resources Agency.3,4

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1 Water code: 85021. The policy of the State of California is to reduce reliance on the Delta in meeting California’s future water supply needs through a statewide strategy of investing in improved regional supplies, conservation, and water use efficiency. Each region that depends on water from the Delta watershed shall improve its regional self-reliance for water through investment in water use efficiency, water recycling, advanced water technologies, local and regional water supply projects, and improved regional coordination of local and regional water supply efforts.

2 See the Water Authority’s Bay-Delta Policy Principles at http://www.sdcwa.org/bdcp.


By April of 2015, after it became clear that the 50-year Endangered Species Act (ESA) permits set-forth in the BDCP were unachievable, the BDCP was bifurcated into California EcoRestore and California WaterFix (Alternative 4A), ecosystem restoration and conveyance pieces, respectively. A Partially Recirculated Draft EIR/Supplemental Draft EIS (RDEIR/SDEIS) for the Bay Delta Conservation Plan/California WaterFix was made available. The Board has held 40 public meetings and workshops on various aspects of the BDCP and WaterFix over the past several years.

Although the Water Authority has long been a proponent of a fix to the Bay-Delta problem, due to the lack of clarity on how the project will be structured and how costs would be shared, the Water Authority Board has not taken a position on WaterFix. The consistent questions raised by the Water Authority about BDCP/WaterFix have been:

- How much will it cost?
- How much water will San Diego County receive?
- What portion of the cost will San Diego County be obligated to pay?
- Which agencies statewide will commit to paying for the WaterFix?
- How will San Diego County ratepayers be protected if other funding doesn’t materialize?

**Discussion**

On December 22, 2016 the 90,000-page Final EIR/EIS for California WaterFix was released by the Bureau of Reclamation and the California Department of Water Resources (DWR). The purpose of the EIR/EIS is to analyze the impacts of the alternative on the environment under the legal framework of the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA). The Final EIR/EIS combines the information released in the Draft EIR/EIS and the RDEIR/SDEIS. Water Authority staff reviewed the Final EIR/EIS to assess the degree to which the comments the Water Authority had submitted on the earlier draft environmental planning documents were addressed. Because the documentation is so extensive, the Final EIR/EIS was reviewed using a similar inter-departmental, multi-disciplinary approach employed during the review of the BDCP during the release of the Draft EIR/DIS. The key issues reviewed by Water Authority staff in the Draft EIR/EIS focused on identifying and analyzing possible environmental impacts and ways in which the significant effects of the BDCP could be mitigated. The review of the Water Authority’s comments related to the project’s key areas: engineering, supply, and the associated costs. Because the project’s affordability to the Water Authority is

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5 The BDCP was a Habitat Conservation Plan/Natural Community Conservation Plan (HCP/NCCP), seeking to secure 50-year incidental take permits under state and federal endangered species laws requiring Endangered Species Act (ESA) permits through Section 10 and Section 2835 of the respective federal and state laws. Permitting for WaterFix was altered to a Section 7 ESA permit, the same species-by-species permit under which the State Water Project (SWP) currently operates, and is subject to change should additional species become listed.


7 All Water Authority Bay-Delta memos and presentations can be found here: [http://www.sdcwa.org/bay-delta-board-memos-presentations](http://www.sdcwa.org/bay-delta-board-memos-presentations)


important, “what-if” analyses were also conducted in an attempt to provide a book-end cost impact evaluation to the Water Authority’s ratepayers.\footnote{See “Bay Delta Conservation Plan/California WaterFix: Potential Cost Impact to the Water Authority.” Memo dated December 2, 2015, available at: \url{http://www.sdcwa.org/sites/default/files/files/board/2015_12_SDCWAWaterFix_all-attachments.pdf}.}

**Engineering**

Citing they are not related to the environmental impact analysis, Water Authority comments on the Conceptual Engineering Report were not addressed. These comments include questions related to property acquisition, project schedule and project risks. Left unaddressed, the project may be vulnerable to cost increases. Responses to the Water Authority’s comments related to the cost estimate methodology—with respect to engineering—were addressed.\footnote{Letter numbers 628 of 6999, 1931 of 6999 and 1932 of 6999 were addressed. The specific responses relating to the cost estimate are contained in Master Response No. 5 of 47, p1-72, available at: \url{http://baydeltaconservationplan.com/Libraries/Dynamic_Document_Library/Final_EIR-EIS_Vol_II_Part_1.sflb.ashx}.} However, for a project of this magnitude and complexity, opining on the overall accuracy of the estimate or likelihood of the final project being within a predicted range would require a significant independent effort to verify underlying estimate assumptions relating to the geotechnical work, property acquisition, environmental permit requirements, and litigation risks.

**Supply**

Since the Draft EIR/EIS was last reviewed, both the Water Authority and MWD adopted their respective 2015 Urban Water Management Plans (UWMPs). MWD’s 2015 UWMP assumes its supplies from the State Water Project would deteriorate without California WaterFix under the “Existing Supply Programs.” Based on the Water Authority’s 2015 UWMP, the Water Authority plans to manage its projected MWD demand within MWD’s “Existing Supply Programs.” Accordingly, the Water Authority projected demand on MWD is not the cause for MWD to invest in supplies beyond existing supply programs.

**Cost Allocation**

Although the Final EIR/EIS addressed some of the questions the Water Authority raised as related to the environmental requirements, questions about the total project cost, how project cost will be allocated among water contractors, and how MWD plans to recover its share of the cost from the San Diego region remain unanswered. At a recent MWD Special Committee on Bay Delta,\footnote{On January 24, 2017. Agenda and materials available at \url{http://mwdh2o.granicus.com/GeneratedAgendaViewer.php?view_id=12&clip_id=5839}.} MWD staff clarified that the $15 billion cost estimate is based on 2014 dollars. Taking into account that the project will not start now and that it will be financed over the construction period, it is likely the cost estimate will eventually be adjusted higher than the current $15 billion. Any delay to the project will also increase the project costs.

New to the equation is the Water Authority’s 2015 UWMP finding that the San Diego region plans to manage its projected MWD demands without WaterFix. How would WaterFix benefit the San Diego ratepayers? While the Final EIR/EIS reiterates the project’s goals of minimizing and avoiding take of listed species to the maximum extent practicable, the permitting approach set forth for Alternative 4A does not guarantee the 50-year permitting process of the BDCP. Rather, WaterFix relies on a species-
by-species approach; hence there is no assurance that any of the “restored” supplies – even if the Water Authority ratepayers needed them – would be maintained.

Next steps
A Federal or State decision cannot be made until the Final EIR/EIS has been publicly available for at least 30 days, at which point the U.S. Bureau of Reclamation (USBR) and DWR will complete a Notice of Decision. The Water Authority Board has not adopted a position on WaterFix (Alternative 4a)—neither in favor nor opposed—and has consistently asked questions regarding cost and benefit to the San Diego region and the need for WaterFix. To-date, those important questions remain unanswered. Water Authority staff will continue to monitor the issue and report back to the Board regarding cost allocation.
February 15, 2017

Attention: Imported Water Committee

Metropolitan Water District Program Report (Information)

Purpose
This report summarizes activities of interest associated with the Metropolitan Water District of Southern California (MWD) and MWD Member Agencies.

Discussion
This section provides a summary of key issues at the February 13 and 14, 2017 meetings of the MWD Board of Directors. The MWD Board will meet next on March 13 and 14, 2017.

Issuance and Remarketing of Metropolitan’s Bonds
The MWD Board approved and authorized the distribution of the draft Appendix A of MWD’s offering statements for use in the issuance and remarketing of MWD’s bonds through the next biannual update. Appendix A provides information to investors on MWD’s water supply, water delivery system, capital investment plan, governance and management, revenues and expenses, and power. Last June, MWD modified its offering statements review procedures so the Appendix A is approved biannually (as opposed to immediately prior to the debt issuance). With the approval, MWD staff will now work with a finance team to finalize the details in Appendix A. Once finalized, an ad hoc committee that is comprised of the Chairman of the Board, the Chairman of the Finance and Insurance Committee, and the General Manager will authorize the distribution of the offering statements when MWD sells bonds.

The MWD Committees and Board also:
• Inducted three new Directors: Zareh Sinanyan (City of Glendale), Philip D. Hawkins (Central Basin Municipal Water District), and Pedro Aceituno (Central Basin Municipal Water District);
• Reappointed one Director: Jesus E. Quinonez (City of Los Angeles);
• Authorized a contract increase with Western Energy & Water for legal services by $150,000 (not to exceed $250,000) and heard a report on legal activities related to the future management and operation of MWD’s CRA power and transmission resources;
• Heard oral reports on:
  o Metropolitan’s Attitudes and Awareness Survey;
  o Water Treatment Plant Operating Capacities;
  o Delta Islands;
  o Foundational Action Funding Program;
  o Overview of the State Water project; and
  o Water Surplus and Drought Management Plan;
• In closed session, heard oral reports on:
  o Evaluation Progress Checks of the General Manager, General Auditor, General Counsel, and Ethics Officer; and
  o Update on Conference with Labor Negotiators.
MWD Member Agencies.

Municipal Water District of Orange County (MWDOC).

At MWDOC’s February 1 Board meeting with MWD Directors, the Board heard a presentation by MWD Chief Engineer Gordon Johnson regarding MWD’s potential recycled water program with the Los Angeles County Sanitation Districts (LACSD). In November 2015, the MWD Board authorized the program’s demonstration project. Johnson confirmed that the program is technically feasible, but highlighted that the financial arrangements with member agencies are not yet determined. Johnson also noted that the project does not supplant California WaterFix. Overall, the MWDOC Board expressed support for the program. Questions arose about the possibility of stranded assets due to limited storage capacity.

Prepared by: Anne Middleton, Water Resources Specialist
Reviewed by: Amy Chen, Director of MWD Program
Approved by: Dennis A. Cushman, Assistant General Manager
February 15, 2017

Attention: Imported Water Committee

CLOSED SESSION:
Conference with Legal Counsel – Existing 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;
               CPF-16-515282; CPF-16-515391; A146901; and A148266

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 February 23, 2017 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:  Mark J. Hattam, General Counsel
February 15, 2017

Attention: Imported Water Committee

CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
State Water Resources Control Board Petition of Imperial Irrigation District for Modification of Revised Water Rights Order 2002-0013

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 February 23, 2017 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.

General Counsel’s office will not be in attendance at this Closed Session. It will be conducted by outside Special Counsel.

Prepared by: Mark J. Hattam, General Counsel
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.

FEBRUARY 23, 2017

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 January 26, 2017.

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 Re-Appointment of Director. Re-Appointment of Director Ken Olson representing the City of Del Mar. Term ending March 12, 2023.
   7-B Recognition of Ken Sanders, Senior Engineering Technician, Employee of the 2nd Quarter.

8. REPORTS BY CHAIRS

   8-A Chair’s Report: Chair Muir

   8-B Report by Committee Chairs
      Engineering and Operations Committee
      Administrative and Finance Committee
      Water Planning Committee
      Legislation and Public Outreach Committee
      Imported Water Committee
      Director Heinrichs
      Director Saxod
      Director Cherashore
      Director Guerin
      Director Weston
9. CONSENT CALENDAR

9-1. Amendment 2 to service contract with Nash Fabricators, Inc. for in-shop fabrication, repair, and machine shop services. Authorize the General Manager to execute Amendment 2 to the services contract with Nash Fabricators, Inc. for $160,000 increasing the contract amount from $140,000 to $300,000.

9-2. Solar Power and Services Agreement between the San Diego County Water Authority and Pristine Sun, LLC. Authorize the General Manager to enter into a no cost Solar Power and Services Agreement with Pristine Sun, LLC, for a floating photovoltaic power system on Olivenhain Reservoir.


9-4. Approve the selection of firms to serve in the Water Authority’s pre-approved bond counsel pool. Approve the formation and use of a pre-qualified bond counsel pool.


9-6. Amend agreement for Consulting Services with Southwest Strategies. Board Officers’ recommendation: Amend the agreement with Southwest Strategies for expanded and continued consulting public outreach services to the Water Authority by $476,505 through June 30, 2018, extending the term of the agreement by 12 months, and increasing total contract funding to an amount not to exceed $875,505.

10. ACTION / DISCUSSION

10-A Ratify the appointment of Mark Watton to the Colorado River Board. (Action)

11. SPECIAL REPORTS

11-A GENERAL MANAGER’S REPORT – Ms. Stapleton
11-B GENERAL COUNSEL’S REPORT – Mr. Hattam
11-C SANDAG REPORT – Chair Muir
   SANDAG Subcommittees: Borders Committee – Director Croucher
   Regional Planning Committee – Director Olson
11-D AB 1234 Compliance Reports – Directors

12. CLOSED SESSION(S)

12-A 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; CPF-14-514004;
   CPF-16-515282; CPF-16-515391; A146901; and A148266
12-B Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
State Water Resources Control Board Petition of Imperial Irrigation District for Modification of Revised Water Rights Order 2002-0013

12-C Public Employee Performance Evaluation
Government Code §54957 – Title: General Manager

Conference with Labor Negotiators, Government Code §54957.6
Designated Board Representatives: Chair, Vice-Chair, Secretary
Unrepresented Employee: General Manager

12-D Public Employee Performance Evaluation
Government Code §54957 – Title: General Counsel

Conference with Labor Negotiators, Government Code §54957.6
Designated Board Representatives: Chair, Vice-Chair, Secretary
Unrepresented Employee: General Counsel

13. ACTION FOLLOWING CLOSED SESSION

14. OTHER COMMUNICATIONS

15. ADJOURNMENT

Melinda Cogle
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.
MINUTES OF THE FORMAL BOARD OF DIRECTORS’ MEETING
JANUARY 26, 2017

ADMINISTRATIVE AND FINANCE COMMITTEE
CALL TO ORDER / ROLL CALL
Chair Saxod called the Administrative and Finance Committee meeting to order at 9:05 a.m. Committee members present were Chair Saxod, Vice Chairs Arant and Wilson, and Directors Ayala, Cherashore*, Gallo, Guerin, Hall, Hedberg, Heinrichs, Murtland, and Watkins. Committee members absent were Directors Croucher and Simpson. Also present were Directors Boyle, Butkiewicz, Evans, Fong-Sakai, Hilliker, Hogan, Kennedy, Lewinger, Madaffer, Miller, Muir, Olson, Razak, Scalzitti, Smith, Steiner, and Tu. 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 Hattam, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Finance/Treasurer Harris, Director of Administrative Services Brown, Budget and Analysis Manager Whyte, and Controller Woidzik.

ADDITIONS TO THE AGENDA
There were no additions to the agenda.

PUBLIC COMMENT
There were no members of the public who wished to speak.

CHAIR’S REPORT
There was no Chair’s report.

DIRECTORS’ COMMENTS
There were no Directors’ comments.

I. CONSENT CALENDAR
   Staff recommendation: Note and file the monthly Treasurer’s report.

   Director Ayala moved, Director Murtland seconded, and the motion to approve staffs’ recommendation passed unanimously.

II. ACTION/DISCUSSION/PRESENTATION
1. Development of the upcoming Fiscal Years 2018 and 2019 Recommended Budget.

   Ms. Stapleton provided a presentation on the item intended to solicit input from
the Board on the development of the upcoming multi-year budget. The presentation provided an overview of the Water Authority, reviewed the framework of the current budget, highlighted accomplishments to date, identified key factors impacting the upcoming budget, discussed the upcoming Board schedule, and requested Board direction for the upcoming budget.

*Director Cherashore arrived at 9:10 a.m.

Directors asked questions and staff provided answers.

Chair Saxod thanked Ms. Stapleton for the presentation and commended the Board and staff on the achievements of the past two years, specifically for achieving a AAA financial rating and $78.3 million (based on present value) in debt refunding savings.

Director Olson requested more information on existing energy projects. Ms. Stapleton replied that staff will provide an accounting of energy project revenues and expenditures.

Director Razak requested a projection of number of staff positions into the future.

Director Razak requested information on the impact of the Bay-Delta Fix on water rates. Ms. Stapleton replied the Bay-Delta Fix Financing Plan is due in 2017 and would be shared with the member agencies when it becomes available to address its impacts.

III. INFORMATION
The following items were noted and filed:
1. Board of Directors’ fourth quarter 2016 Expenses and Attendance.
3. 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 Saxod adjourned the meeting at 9:41 a.m.

LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE
CALL TO ORDER/ROLL CALL
Chair Guerin called the Legislation and Public Outreach Committee to order at 9:51 a.m. Committee members present were Chair Guerin, Vice Chairs Hall and Tu, Directors Arant, Butkiewicz, Evans, Gallo, Hilliker, Madaffer, Muir, Scalzitti and Steiner. Committee members absent were Director Crouch, Morrison and Supervisor Gaspar. Also present were Directors Ayala, Boyle, Cherashore, Fong-Sakai, Hedberg, Heinrichs, Hogan, Kennedy, Lewinger, Miller, Murtland, Olson, Razak, Saxod, Simpson, Smith, Watkins 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 were General Manager Stapleton, General Counsel Hattam, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Public Outreach and Conservation Foster, Government Relations Manager Farrel, Senior Public Affairs Representative Lee and Water Resources Specialist German.

**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 Guerin reported that the State Legislature was back in session for the 2017-2018 legislative session. She reported that since they reconvened on January 4, 2017 there were new committee assignments in both the State Assembly and State Senate, a new proposed State Budget, and that the Governor provided his annual State-of-the-State address.

She announced that January 3, 2017 was the beginning of the 115th Congressional session, which included the inauguration of President Donald Trump on January 20.

She also reported that the Government Relations staff was developing two upcoming events for the Board Officers and Legislation and Public Outreach Committee leadership, including a Sacramento advocacy trip and a Water Authority Legislative Team Planning Session.

**I. CONSENT CALENDAR**

There were no consent calendar items.

**II. ACTION/DISCUSSION/PRESENTATION**

1. Legislative Issues.


   1-B Sacramento Report

   Mr. Farrel provided a Sacramento update, including an overview of the state budget, San Diego Senate and Assembly Delegation changes, the California Rebuild package of senate infrastructure-related bills and key emerging issues for 2017.

   1-C Sponsor Legislation regarding long-term water use efficiency.

   **Staff recommendation:** Approve sponsorship of legislation regarding long-term water use efficiency.
Mr. Farrel provided a review of prior Board action regarding legislation and provided an overview of issues pertaining to long-term water use efficiency in relationship to legislation.

Director Arant moved, Director Muir seconded, and the motion to approve staff’s recommendation passed unanimously.


Mr. Farrel presented an overview of the Water Authority’s Federal Legislative Priorities for the coming year. He requested suggestions for revisions and modifications from Board Members and member agencies be submitted to him by February 6, 2017. He reported that staff would present the proposed final Federal Legislative Priorities for the Board’s consideration at the February Board meeting.

3. Live WaterSmart Campaign Update.

Mr. Lee presented an overview of the “Live WaterSmart” campaign, including outreach tactics and partnerships and presented the Board with campaign result information regarding reduction in water use and website page views. Ms. German presented an overview of the campaign results for the WaterSmart checkups, rain barrel events, landscaping classes and the Sustainable Landscapes Program. She also reviewed the next steps of the campaign, which include hotel laundry reminders, plant fairs, and announcements at SDSU.

III. INFORMATION

The following information item was received and filed:
1. Government Relations Update.

IV. ADJOURNMENT

There being no further business to come before the Legislation and Public Outreach Committee, Chair Guerin adjourned the meeting at 10:45 a.m.

WATER PLANNING COMMITTEE
CALL TO ORDER/ROLL CALL

Chair Cherashore called the Water Planning Committee meeting to order at 10:52 a.m. Committee members present were Chair Cherashore, Vice Chairs Boyle and Evans, and Directors Ayala, Boyle, Barnum, Brady, Hedberg, Kennedy, Lewinger, Muir, Preciado*, Razak, Smith, and Tu. Committee member absent was Director Weston. Also present were Directors Arant, Butkiewicz, Croucher*, Fong-Sakai, Gallo, Guerin, Hall, Heinrichs, Hilliker, Hogan, Madaffer, Miller, Murtland, Olson, Saxod, Scalzitti, Simpson, Steiner, Watkins 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 Hattam, Deputy General Manager Kerl, Assistant General Manager Cushman, Water Resources Director Yamada, Public
Outreach and Conservation Director Foster, Colorado River Program Director Denham, Water Resources Managers Friehauf and Roy, Principal Water Resources Specialist Bombardier, and Clerk of the Board Cogle.

ADDITIONS TO THE AGENDA
There were no additions to the agenda.

PUBLIC COMMENT
There were no members of the public who wished to speak.

CHAIR’S REPORT
Director Cherashore welcomed those present. He thanked the Board Officers for the opportunity to serve as Water Planning Committee Chair for 2017 through 2018, Chair Tu for her prior two years’ leadership, and Directors Boyle and Evans for agreeing to serve as Committee Vice Chairs. He announced that, going forward, the Water Planning Committee scope of responsibility would be broadened to include water use efficiency and conservation.

DIRECTORS’ COMMENTS
There were no Directors’ comments.

I. CONSENT CALENDAR
There were no consent calendar items.

*Directors Preciado and Croucher arrived at 11:05 a.m. and 11:15 a.m., respectively.

II. ACTION/DISCUSSION/PRESENTATIONS
1. Update on water supply conditions and drought response activities.

   Mr. Bombardier presented graphs and information on regional, state and local precipitation, storage, and forecasts through January 2017, including record-setting levels and favorable supply conditions. Staff responded to questions from Directors Lewinger and Preciado.

2. Update on extension of State Water Resources Control Board Emergency Regulation.
   a. Approve a Resolution declaring an end to drought conditions in San Diego County.

      Staff recommendation: Consider approval of a resolution declaring an end to the drought emergency in San Diego County and imploring Governor Brown and the State Resources Control Board to end the statewide drought emergency and rescind drought emergency water use regulations for areas no longer in drought conditions.
Ms. Friehauf presented a summary of key state actions taken on drought response from January 2014 through May 2016, including the recent proposal by State Water Resources Control Board staff to extend the existing emergency regulation through October 2017, despite widespread support by agencies, including the Water Authority, to allow the regulation to expire in February. She then reviewed current hydrologic conditions and information that supported this position. She reported the State Board would render its decision at its February 8, 2017, meeting.

Director Barnum moved and Director Muir seconded a motion to approve the staff recommendation. During the discussion, staff responded to questions and comments posed by Directors Barnum, Guerin, Boyle, Hilliker, Evans, Boyle, Croucher, Muir, Madaffer, Fong-Sakai and Arant. Board Chair Muir suggested the state develop an objective matrix as a tool for determining and communicating whether or not the state is in drought. Director Brady brought forth a point of order concerning the timing of the committee agenda change to include the staff recommendation and the distribution of supplemental materials regarding the proposed Resolution, to which Mr. Hattam and Ms. Stapleton responded satisfactorily. The motion carried among committee members with abstention from Directors Tu, Razak, and Preciado.

At 11:46 a.m. Board Chair Muir requested that, due to the full discussion on this item, that Committee Chair Cherashore convene the full Board for consideration of and action on this item.

FORMAL BOARD OF DIRECTORS' ROLL CALL
Clerk Cogle conducted the roll call of the full Board. Directors present were Arant, Ayala, Barnum, Boyle, Brady, Butkiewicz, Cherashore, Croucher, Evans, Fong-Sakai, Gallo, Guerin, Hall, Hedberg, Heinrichs, Hilliker, Hogan, Kennedy, Lewinger, Madaffer, Miller, Muir, Murtland, Olson, Preciado, Razak, Saxod, Scalzitti, Simpson, Smith, Steiner, Tu, Watkins, and Wilson. Directors absent were Morrison, Steiner, Weston and Supervisor Gaspar.

a. Approve a Resolution declaring an end to the drought emergency in San Diego County.
   Staff recommendation: Consider approval of a resolution declaring an end to the drought emergency in San Diego County and imploring Governor Brown and the State Resources Control Board to end the statewide drought emergency and rescind drought emergency water use regulations for areas no longer in drought conditions.

Chair Muir moved, Director Kennedy seconded, and the motion carried at 89.92% of the vote to approve the staff recommendation to adopt Resolution No. 2017-01. Directors Brady, Fong-Sakai, Preciado, Razak, Saxod, Simpson, Tu, and Wilson abstained.

At 11:51 a.m., Chair Cherashore adjourned the full Board meeting and reconvened the Water Planning Committee meeting.
Director Lewinger requested staff to look into water trade opportunities in response to recent reports that San Luis Reservoir is overflowing. Director Barnum suggested staff should, in addition, look into storage opportunities with reservoirs within the Water Authority’s service area.


Ms. Roy presented a report on a mitigation needs assessment. Staff responded to questions and comments from Directors Ayala and Razak, who requested staff connect with staff from the City of San Diego, itself in possession of mitigation credits, to explore potential collaboration and coordination.


Chair Cherashore reported that, in the interest of time, this item would be continued to the March 2017 committee meeting.

III. INFORMATION
The following information item was received and filed:

IV. CLOSED SESSION
There were no Closed Session items.

V. ADJOURNMENT
There being no further business to come before the Water Planning Committee, Chair Tu adjourned the meeting at 11:57 a.m.

ENGINEERING AND OPERATIONS COMMITTEE CALL TO ORDER / ROLL CALL
Chair Heinrichs called the Engineering and Operations Committee meeting to order at 1:00 p.m. Committee members present were Chair Heinrichs, Vice Chairs Hilliker and Miller, and Directors Boyle, Brady, Butkiewicz, Fong-Sakai, Hogan, Morrison, Olson, Preciado, Simpson, Smith, and Watkins. Committee member absent was Director Razak. Also present were Directors Arant, Ayala, Barnum, Croucher, Evans, Gallo, Hall, Hedberg, Kennedy, Lewinger, Madaffer, Muir, Murtland, Scalzitti, and Tu. 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 Hattam, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Operations and Maintenance Fisher, Director of Engineering Reed, Senior Engineering Manager Bousquet, Principal
Engineer Kuzmich, Construction Manager Olvera, Senior Engineers Fountain and Trimm and Engineer (P.E.) Oleksyn.

ADDITIONS TO AGENDA
There were no additions to the agenda.

PUBLIC COMMENT
There were no members of the public who wished to speak.

DIRECTORS’ COMMENTS
There were no Directors’ comments.

CHAIR’S REPORT
Chair Heinrichs thanked the Board Officers for their confidence in him to chair the committee and welcomed new Directors Butkiewicz and Smith to the committee.

IV. CLOSED SESSION
At that time the agenda was taken out of order and Mr. Hattam took the committee into Closed Session at 1:04 p.m.

1. Conference with Legal Counsel – Existing Litigation
   Government Code §54956.9(d)(1)
   Shimmick Construction Co., Inc./Obayashi Corp., joint venture v. San Diego County Water Authority, Riverside Superior Court Case No. RIC 1609196

   Mr. Hattam brought the committee out of Closed Session at 1:09 p.m. and stated the Board approved termination of the legal contract with Denton’s Law Firm and moved the contract to Procopio Law Firm for litigation.

I. CONSENT CALENDAR
There were no consent calendar items.

II. ACTION/DISCUSSION/PRESENTATION
1. Miramar Pump Station Rehabilitation Project Update.

   Senior Engineer Trimm gave a presentation on the Miramar Pump Station Rehabilitation project including the location, purpose, before and after photographs of the facility and equipment, photographs of work in progress, the change order status, and the schedule.

III. INFORMATION
1. Advertisement for bids for San Vicente Dam inclinometer installation.

   2. Energy Task Force Update.
Director Hogan, Energy Subcommittee Chair, reported that on January 4, 2017 the Water Authority and the City of San Diego advertised a joint request for letters of interest for the San Vicente Energy Storage Facility Study. They reached out to electrical utilities, developers, investors, energy off-takers, and other entities wishing to purchase services to gauge interest in the potential project. Staff conducted a broad outreach effort internationally. Letters of interest are due February 15, 2017 and the entire process is expected to be completed by April 2017, and the Energy Task Force would provide a full report to the Committee at that time.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Chair Heinrichs adjourned the meeting at 1:22 p.m.

IMPORTED WATER COMMITTEE

CALL TO ORDER / ROLL CALL

Vice Chair Kennedy called the Imported Water Committee meeting to order at 1:28 p.m. Committee members present were Vice Chairs Fong-Sakai and Kennedy, Directors Barnum, Hogan, Lewinger, Madaffer, Miller, Murtland, Olson, Saxod, Scalzitti, Steiner, and Wilson. Committee members absent were Chair Weston and Supervisor Gaspar. Also present were Directors Arant, Ayala, Brady, Butkiewicz, Cherashore, Croucher, Gallo, Hall, Hedberg, Hilliker, Morrison, Muir, Preciado, Razak, Simpson, Smith, Tu, and Watkins. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present were General Manager Stapleton, General Counsel Hattam, Deputy General Manager Kerl, Assistant General Manager Cushman, MWD Program Director Chen, Colorado River Program Director Denham, and Government Relations Manager Farrel. Also present were Chris Frahm and Scott Slater, Legal Counsel for Brownstein Hyatt Farber Schreck.

ADDITIONS TO AGENDA

There were no agenda additions to the agenda.

PUBLIC COMMENT

There were no members of the public who wished to speak.

CHAIR’S REPORT

Vice Chair Kennedy recognized and thanked past Imported Water Committee Chair Watton and Vice Chairs Saxod and Verbeke for their service.

Vice Chair Kennedy made several announcements beginning with the Colorado River Water Users Association (CRWUA) conference held in Las Vegas December 14-16, 2016. He mentioned that the Water Authority was represented by eight members of the Board, member
agency board members, and Water Authority staff. Much of the discussion focused on the drought on the Colorado River and its link to the Salton Sea.

Vice Chair Kennedy announced that on January 18, 2017, former Secretary of the Interior, Sally Jewel issued a Secretarial Order directing the Department of Interior to continue working towards finalizing the Lower Basin States Drought Contingency Plan for the Colorado River. He explained to reduce the risk of water shortages in the West, the Order would direct the Bureau of Reclamation to work on three actions: Finalizing the Lower Basin Drought Contingency Plan; Investing to Support the Drought Contingency Plan; and Completing Minute 32X negotiations with Mexico.

Vice Chair Kennedy also mentioned the Secretary had issued an Order related to California WaterFix, which directed Fish and Wildlife Service to issue a final Biological Opinion by April 2017 that would consider the project’s final EIR/EIS released at the end of December. Additionally, the Order directed federal agencies to collaborate with other agencies on issues related to endangered species management and projects’ operations.

Lastly, Vice Chair Kennedy announced the Department of Water Resources had increased the State Water Project allocation twice; it is currently at 60 percent.

**DIRECTORS’ COMMENTS**

There were no Directors’ comments.

I. CONSENT CALENDAR

There were no consent calendar items.

II. ACTION/DISCUSSION/PRESENTATION

1. Update on California WaterFix.

   Mr. Farrel gave a brief update on the California WaterFix touching on the Twin Tunnels Plan, support for fixing the Bay-Delta, and a projected timeline.

   Directors asked questions and staff provided answers.

2. MWD issues and activities update.


   The delegates reported on discussion and actions taken at recent MWD board meetings.

   Ms. Chen gave an update on MWD’s Treatment Fixed Charge reviewing the background and explaining the current status.

   Directors asked questions and staff provided answers.
3. Colorado River Programs.
   
   
   Director Wilson reported on discussion and action taken at recent Colorado River Board meetings held in December 2016 and January 2017.
   
   
   3-C Proposed Lower Colorado River Drought Contingency Plan update.
   
   Mr. Denham combined items 3-B and 3-C into one presentation explaining State Water Board Salton Sea proceedings, overview, timeline, the Water Authority’s position, shortage projections, and the Lower Basin Contingency plan.
   
   Directors asked questions and made comments.
   
   3-D 2017 Transfer and Exchange Agreement Decision Overview.
   
   Mr. Denham presented a brief overview of the 2017 Transfer and Exchange decision timeline including background information, QSA agreement terms, and MWD litigation impact.
   
   Directors asked questions and made comments.

III. INFORMATION
The following information item was noted and filed:
1. Metropolitan Water District Program Report.

VI. CLOSED SESSION
Mr. Hattam took the Committee into Closed Session at 2:37 p.m.

1. Conference with Legal Counsel – Existing 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; CPF-16-515282; CPF-16-515391; A146901; and A148266
   
   Mr. Hattam reported the Board approved an amendment of the Brownstein Hyatt Farber Shreck legal services contract to add $380,000.
Mr. Hattam announced two additional closed session items would be handled in their entirety by outside special counsel Scott Slater from Brownstein Hyatt Farber Shreck. Mr. Hattam recused himself and reported that the General Counsel’s office would not attend or participate in the closed session.

2. Conference with Legal Counsel – Existing Litigation
   Government Code §54956.9(d)(1)
   State Water Resources Control Board Petition of Imperial Irrigation District for Modification of Revised Water Rights Order 2002-0013

3. Conference with Legal Counsel – Anticipated Litigation
   Government Code §54956.9(d)(4)
   Deciding to Initiate Litigation – One Case

   Mr. Slater reported the Board approved an amendment of the Brownstein Hyatt Farber Shreck legal services contract to add $830,000.

V. ADJOURNMENT
   There being no further business to come before the Imported Water Committee, Vice Chair Kennedy adjourned the meeting at 3:30 p.m.

FORMAL BOARD OF DIRECTORS’ MEETING OF JANUARY 26, 2017
1. CALL TO ORDER Chair Muir called the Formal Board of Directors’ meeting to order at 3:31 p.m.

2. SALUTE TO THE FLAG Director Hedberg led the salute to the flag.

3. ROLL CALL, DETERMINATION OF QUORUM
   Secretary Croucher called the roll. Directors present were Arant, Ayala, Barnum, Brady, Butkiewicz, Cherashore, Croucher, Evans, Fong-Sakai, Gallo, Hall, Hedberg, Heinrichs, Hilliker, Hogan, Kennedy, Lewinger, Miller, Muir, Murtland, Olson, Razak, Saxod, Scalzitti, Simpson, Smith, Steiner, Tu, Watkins, and Wilson. Directors absent were Boyle, Guerin, Madaffer, Morrison, Preciado, Weston, and Supervisor Gaspar.

4. ADDITIONS TO AGENDA
   There were no additions to the agenda.

5. APPROVAL OF MINUTES
   Director Ayala moved, Director Kennedy seconded, and the motion carried at 86.80% of the vote to approve the minutes of the Formal Board of Directors’ meeting of December 8, 2016.
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 who wished to speak.

7. **PRESENTATIONS & PUBLIC HEARINGS**

7-A Retirement of Director. Adopt Resolution honoring John Linden upon his retirement from the Board of Directors.

7-B Retirement of Director. Adopt Resolution honoring DeAna Verbeke upon her retirement from the Board of Directors.

7-C Retirement of Director. Adopt Resolution honoring Mark Watton upon his retirement from the Board of Directors.

Director Steiner moved, Director Tu seconded, and the motion carried at 86.80% of the vote to adopt Resolution Nos. 2017-02, 2017-03 and 2017-04 honoring John Linden, DeAna Verbeke, and Mark Watton on their retirement from the Board of Directors.

7-D Appointment of Director. Appointment of Joel Scalzitti representing Helix Water District. Term ending August 18, 2019.

7-E Appointment of Director. Appointment of Kathleen Coates Hedberg representing Helix Water District. Term ending July 15, 2019.


Chair Muir welcomed Directors Scalzitti, Hedberg, and Smith to the Board of Directors.

7-G Proclamation of Service. Proclamation honoring Dave Roberts for his service as County Representative to the Board of Directors.

Chair Muir presented Dave Roberts with a proclamation and thanked him for his service.

7-H Appointment of County Representative. Kristin Gaspar, County Representative to the Board of Directors.

8. **REPORTS BY CHAIRS**

8-A Chairs report: Chair Muir reported on Water Authority representation to outside groups.

Chair Muir thanked the Chairs and Vice Chairs for accepting their new positions. He reported that on January 11, 2017, he and Vice Chair Madaffer sent a letter to the local elected officials within Metropolitan Water District’s (MWD) service territory regarding MWD’s turf subsidy spending along with Randy Record’s response letter.

1. Discussion of Water Authority representation to outside groups.
After discussion and comments relating to Water Authority representation to outside groups, it was requested that the appointment of Mark Watton to the Colorado River Board be placed on the February agenda for ratification.

8-B Report by Committee Chairs:
- Administrative and Finance Committee. Director Saxod reviewed the meeting and the action taken.
- Legislation and Public Outreach Committee. Director Guerin reviewed the meeting and the action taken.
- Water Planning Committee. Director Cherashore reviewed the meeting and reported and the action taken.
- Engineering and Operations Committee. Director Heinrichs reviewed the meeting and the action taken.
- Imported Water Committee. Director Kennedy reviewed the meeting and the action taken.

9. **CONSENT CALENDAR**
Director Lewinger moved, Director Evans seconded, and the motion carried at 86.80% of the vote to approve Consent Calendar. Directors voting no or abstaining are listed under the item number.

9- 1. **Monthly Treasurer’s Report on Investments and Cash Flow.**
The Board noted and filed the monthly Treasurer’s Report.

9- 2. **Water Authority Sponsorship of Legislation in the 2017 State Legislative Session.**
The Board approved sponsorship of a legislative proposal to create a stakeholder workgroup process through the Department of Water Resources for development of long-term water use efficiency standards.

9- 3. **Closed Session: Shimmick Construction Co., Inc./Obayashi Corp., joint venture v. San Diego County Water Authority, Riverside Supervisor Court Case No. RIC 1609196.**
The Board approved termination of the legal contract with Denton’s Law Firm, and move contract to Procopio Law Firm for the Shimmick/Obayashi litigation.

9- 4. **Closed Session: The Board approved termination of the legal contract with Denton’s Law Firm, and move contract to Procopio Law Firm for the Shimmick/Obayashi litigation.**
The Board approved an amendment of the Brownstein Hyatt Farber Shreck legal services contract to add $380,000.

9- 5. **Closed Session: Deciding to Initiate Litigation – One Case.**
The Board approved an amendment of the Brownstein Hyatt Farber Shreck legal services contract to add $830,000.
10. **ACTION/DISCUSSION**

There were no action/discussion items.

11. **SPECIAL REPORTS**

11-A GENERAL MANAGER’S REPORT – Ms. Stapleton stated there would not be a special meeting on February 9, 2017. She reported on a new requirement (AB 1661) that all Board Members attend sexual harassment prevention training and that the Water Authority would host training sessions in March.

11-B GENERAL COUNSEL’S REPORT – Mr. Hattam stated he had nothing further to report.

11-C SANDAG REPORT – Chair Muir stated he had nothing to report.

   SANDAG Subcommittees:
   - Borders Committee – Director Croucher stated he had nothing to report.
   - Regional Planning Committee – Director Olson stated he had nothing to report.

11-D AB 1234 Compliance Reports – No reports were given.

12. **CLOSED SESSION(S)**

Mr. Hattam stated there was no need for Closed Session.

12-A Conference with Legal Counsel – Existing Litigation

   Government Code §54956.9(d)(1)

   Shimmick Construction Co., Inc./Obayashi Corp., joint venture v. San Diego County Water Authority, Riverside Superior Court Case No. RIC 1609196

12-B 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; CPF-14-514004; CPF-16-515282; CPF-16-515391; A146901; and A148266

12-C Conference with Legal Counsel – Existing Litigation

   Government Code §54956.9(d)(1)

   State Water Resources Control Board Petition of Imperial Irrigation District for Modification of Revised Water Rights Order 2002-0013

12-D Conference with Legal Counsel – Anticipated Litigation

   Government Code §54956.9(d)(4)

   Deciding to Initiate Litigation – One Case

13. **ACTION FOLLOWING CLOSED SESSION**

There were no action items following closed session.
14. **OTHER COMMUNICATIONS**
   There were no other communication items.

15. **ADJOURNMENT**
   There being no further business to come before the Board, Chair Muir adjourned the meeting at 3:52 p.m.

Mark Muir, Chair

Gary Croucher, Secretary

Melinda Cogle, Clerk of the Board
DATE:    February 15, 2017
TO:      Board of Directors
FROM:    Mark J. Hattam, General Counsel
RE:      Credentials of Ken Olson
          City of Del Mar

Transmitted herewith is notification submitted by the city of Del Mar reappointing Ken Olson to the Water Authority’s Board of Directors. His term will expire on March 12, 2023.

The credentials furnished are sufficient for reappointment of Mr. Olson on the Water Authority Board.

\[Signature\]
Mark J. Hattam
General Counsel
Attachment
RESOLUTION NO. 2017-06

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL MAR, CALIFORNIA, REAPPOINTING KEN OLSON AS ITS REPRESENTATIVE TO THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY

WHEREAS, the City’s current San Diego County Water Authority Board representative Ken Olson’s term will expire on March 12, 2017; and

WHEREAS, the Del Mar City Council desires to reappoint Ken Olson to serve as its representative on the San Diego County Water Authority Board.

NOW, THEREFORE, BE IT RESOLVED, that Ken Olson is hereby reappointed as the Del Mar representative to the SAN DIEGO COUNTY WATER AUTHORITY BOARD for a term set to expire on March 12, 2023.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Del Mar, California, at a Regular Meeting held the 17th day of January 2017.

Tefry Sinnott, Mayor
City of Del Mar

APPROVED AS TO FORM:

Leslie E. Devaney, City Attorney
City of Del Mar
Resolution No. 2017-06
Page 2 of 2

ATTEST AND CERTIFICATION:

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO
CITY OF DEL MAR

I, ASHLEY JONES, City Clerk of the City of Del Mar, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. 2017-06, adopted by the City Council of the City of Del Mar, California, at a Special Meeting held the 17th day of January 2017, by the following vote:

AYES: Mayor Sinnott, Deputy Mayor Worden, Council Members Druker, Haviland, and Parks

NOES: None

ABSENT: None

ABSTAIN: None

[Signature]
Ashley Jones, Administrative Services Director/City Clerk
City of Del Mar
February 15, 2017

Attention: Board of Directors

Ratify the appointment of Mark Watton to the Colorado River Board. (Action)

Chair’s recommendation
Ratify the appointment of Mark Watton to the Colorado River Board.

Background
Previous Board action: On December 8, 2016, the Board adopted a resolution requesting the Governor appoint Mark Watton as the Water Authority’s representative to the Colorado River Board.

On January 26, 2017, the Board directed that the ratification of the appointment of Mark Watton be placed on the February Board meeting.

Discussion
Pursuant to discussion at the January 26, 2017 Board meeting, it was noted that with the exception of the MWD delegates, there is no requirement for the Water Authority representative be a board member. Due to the retirement of Mark Watton, the Board requested that the appointment of Mark Watton to the Colorado River Board be placed on the February 2017 agenda for ratification.
February 15, 2017

Attention: Board of Directors

General Counsel’s Report – January/February 2017

Purpose
This report discusses certain legal matters receiving attention during the months of January/February 2017.

Significant Developments in Pending Litigation

MWD Rate Cases

2010/2012 Rate Cases: The formal briefing of MWD’s appeal from Judge Karnow’s ruling invalidating its 2011-2014 rates and awarding the Water Authority $235 million in contract damages, and the Water Authority’s cross-appeals concerning MWD’s Rate Structure Integrity (RSI) clause and Judge Karnow’s attorneys’ fees order, is now complete between the parties in the case. As earlier reported, the Court of Appeal granted an application by the Upper San Gabriel Valley Municipal Water District for leave to file an amicus curiae brief in the pending appeal; the Water Authority filed its response on January 23, 2017. In the near future, the case will be set for oral argument in the Court of Appeal, with a likely argument date in spring 2017, followed by a decision in summer 2017 (though such dates are just estimates at this time). John Keker will argue on behalf of the Water Authority, and Kathleen Sullivan of the Quinn Emanuel law firm will argue on behalf of MWD.

2014 Rate Case: The case filed on May 30, 2014 challenging MWD’s rates adopted in 2014 for 2015 and 2016 was transferred to San Francisco Superior Court, assigned to Judge Karnow, and remains stayed pending the outcome of the appeal of the 2010 and 2012 cases.

2016 Rate Case: The case filed on April 13, 2016 challenging MWD’s rates adopted in 2016 for 2017 and 2018 was transferred to San Francisco Superior Court and, following MWD’s exercise of a peremptory challenge against Judge Karnow, assigned to Judge Mary Wiss, the other complex litigation judge in San Francisco. The Water Authority, MWD, and the eight MWD member agencies who answered the 2016 complaint entered into a stipulation (1) allowing the Water Authority to amend the 2016 complaint to add claims under the Exchange Agreement and for monetary damages; and (2) staying the 2016 case pending the outcome of the appeal in the 2010 and 2012 cases. On November 14, 2016, the Water Authority filed its amended complaint, and the 2016 case is now stayed.

Public Records Act Case: As previously reported, the Water Authority filed a lawsuit in August against MWD in the Los Angeles Superior Court for disclosure of MWD’s rate model and related
records evidencing how MWD assigned its costs and set its rates in 2016 for calendar years 2017 and 2018. The lawsuit has been transferred to San Francisco Superior Court and we are awaiting assignment to a judge.

**Shimmick/Obayashi Joint Venture v. San Diego County Water Authority**

The discovery phase of this large CIP case is continuing as the case moves towards trial, which is set for July 21, 2017 in Riverside Superior Court. The Plaintiff and Water Authority have agreed to attend mediation on April 20, 2017, with experienced construction mediator Lynn Frank.

**Requests Pursuant to the Public Records Act Request**

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<tr>
<th>Requestor</th>
<th>Documents Requested</th>
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<tr>
<td>Metropolitan Water District</td>
<td>Distribution lists SDCWA used for its 1/11/17 and 1/26/17 mailings</td>
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prepared by: Mark J. Hattam, General Counsel

Attachment: Special Counsel Expenditure Report
## On-going Litigation

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<td>Procopio Cory Hargreaves &amp; Savitch</td>
<td>Shimmick/Obayashi Joint Venture</td>
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## Non-Litigation

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<td>Liebert Cassidy Whitmore</td>
<td>Personnel Issues</td>
<td>$2,744.00 (OP)</td>
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1 The California Supreme Court has held that the amounts of monthly legal bills for ongoing litigation have privileged status, as they may disclose litigation strategy. Los Angeles County Bd. of Supervisors v. Superior Court, (2016) 2 Cal. 5th 282, 286.
February 15, 2017

Attention: Board of Directors

CLOSED SESSION:

Public Employee Performance Evaluation
Government Code §54957 - Title: General Manager

Conference with Labor Negotiators, Government Code §54957.6
Designated Board Representatives: Chair, Vice-Chair, Secretary
Unrepresented Employee: General Manager

Purpose
This memorandum is to recommend a closed session, pursuant to Government Codes §54957 and §54957.6, to discuss the above-referenced matter at the February 23, 2017 meeting.

Prepared by: Mark J. Hattam, General Counsel
February 15, 2017

Attention: Board of Directors

CLOSED SESSION:

Public Employee Performance Evaluation
Government Code §54957 - Title: General Counsel

Conference with Labor Negotiators, Government Code §54957.6
Designated Board Representatives: Chair, Vice-Chair, Secretary
Unrepresented Employee: General Counsel

Purpose
This memorandum is to recommend a closed session, pursuant to Government Codes §54957 and §54957.6, to discuss the above-referenced matter at the February 23, 2017 meeting.

Prepared by: Mark J. Hattam, General Counsel