



Our Region's Trusted Water Leader  
**San Diego County Water Authority**

**SPECIAL MEETING**  
**ADMINISTRATIVE AND FINANCE COMMITTEE**  
**June 13, 2019**

**CALL TO ORDER / ROLL CALL**

Chair Hilliker called the Administrative and Finance Committee meeting to order at 1:35 p.m. Committee members present were Chair Hilliker, Vice Chair Leonard, and Directors Boyle, Croucher, Evans, Saxod, Smith, Udrys, Watkins and Wilson. Committee members absent were Vice Chair Ayala, and Directors Cate, Katz, Murtland, and Simpson. Also present were Directors Butkiewicz, Cherashore, Fong-Sakai, Guerin, Heinrichs, Hogan, Masson, Miller, Mosca, Morrison, Scalzitti, and Supervisor Desmond. 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 Acting General Manager Kerl, General Counsel Hattam, Assistant General Manager Denham, Director of Finance/Treasurer Harris, Budget and Treasury Manager Whyte, Director of Engineering Reed, Director of Operations and Maintenance Fisher, Director of Water Resources Gage, Colorado River Program Director Rodgers, MWD Program Director Chen, Director of Administrative Services Foster, and Director of Public Outreach & Conservation Vedder.

**ADDITIONS TO AGENDA**

There were no additions to the agenda.

**PUBLIC COMMENT**

Dan McMillan, member of the public, made comments about the two-year budget cycle and the water sales presentation presented on June 11, 2019. He requested information from Finance staff. Staff would follow up with the requested information.

**CHAIR'S REPORT**

There was no Chair's report.

**DIRECTORS' COMMENTS**

There were no Directors' comments.

**ACTION/DISCUSSION**

Consideration of the General Manager's Recommended Budget for Fiscal Years 2020 and 2021.

Chair Hilliker reminded the Directors that the Board had met on Tuesday, June 11, 2019 for the first budget workshop and thanked Directors who had attended. He announced the Board would take action on Budget adoption at the June 27, 2019 Board meeting and reviewed logistics of how the workshop would proceed.



Ms. Kerl began with a recap of the first budget workshop held Tuesday, June 11, 2019. She highlighted core presentations that were given, noting they are driving factors for the budget. She detailed key focus areas for the next two years and reviewed key factors impacting fiscal years 2020 and 2021 operating departments budget. She concluded by announcing the Operating Departments presenting their recommended budgets for fiscal years 2020 and 2021.

Mr. Reed explained the Engineering and Operations department reorganization. He reviewed 2018 and 2019 accomplishments in CIP, Energy, and Right of Way and highlighted the installation of battery storage at Twin Oaks, a draft Energy policy, and completion of Phase 1 of the Drone Pilot Study. He detailed key budget initiatives for the next two years and concluded with the departments' recommended operating budget for fiscal years 2020 and 2021.

Directors asked questions and staff provided answers.

Mr. Fisher reviewed the O&M department's 2018 and 2019 accomplishments, and fiscal years 2020 and 2021 key budget initiatives in the areas of Operations, Asset Management, and Security. He also discussed facility energy costs and energy revenue. He concluded with the departments' recommended operating budget for fiscal years 2020 and 2021.

Directors asked questions and staff provided answers.

Ms. Gage reviewed the Water Resources department accomplishments for 2018 and 2019 including successfully satisfying Emergency & Carryover Storage Project's wetland permit obligations with resource agencies. She detailed key budget initiatives for the next two years and concluded with the departments' recommended operating budget for fiscal years 2020 and 2021.

Directors asked questions and staff provided answers.

Ms. Rodgers reviewed responsibilities of the Colorado River Program department. She discussed department accomplishments for fiscal years 2018 and 2019 and highlighted support provided by the department for QSA JPA administration and Salton Sea environmental activities, and the implementation of environmental mitigation for canal lining projects. She reviewed key budget initiatives for the next two years and concluded with the departments' recommended operating budget for fiscal years 2020 and 2021.

Ms. Chen reviewed the department's role in achieving the Water Authority's mission to develop and implement strategies to achieve long-term supply reliability goals at MWD and ensure financial sustainability; promote and advance policy issues impacting MWD supply reliability, quality and cost, and ensure internal alignment on MWD-related activities. She reviewed fiscal years 2018 and 2019 accomplishments and discussed budget initiatives for the next two years. She concluded with the departments' recommended operating budget for fiscal years 2020 and 2021.

Directors asked questions and staff provided answers.



Mr. Foster reviewed responsibilities of the Administrative Services department. He highlighted fiscal years 2018 and 2019 accomplishments and reviewed key budget initiatives for fiscal years 2020 and 2021 in the areas of Information Systems and Cybersecurity, Administrative Support, Purchasing and Risk, and Facilities. He concluded with the departments' recommended operating budget for fiscal years 2020 and 2021.

Directors asked questions and staff provided answers.

Ms. Harris detailed the Finance department's role in achieving the Water Authority's mission which included overseeing the \$2 billion debt portfolio and the \$316 million investment portfolio, work with the Board to prepare the two-year budget and set rates and charges, preparation of the long range financial plan, work with the Audit Committee to develop the comprehensive annual financial report (CAFR), and payroll for Water Authority employees. She reviewed fiscal years 2018 and 2019 accomplishments and discussed key budget initiatives for the next two years. She concluded with the departments' recommended operating budget for fiscal years 2020 and 2021.

Directors made comments.

Ms. Vedder reviewed the POC department's mission which was to increase regional awareness of water as a valuable precious resource and increase participation in programs and initiatives that enhance long term use efficiency. She reviewed the department's 2018 and 2019 accomplishments and discussed key budget initiatives for the next two years. She concluded with the department's recommended operating budget for fiscal years 2020 and 2021.

Directors asked questions and made comments and staff provided answers.

Ms. Kerl reviewed fiscal years 2018 and 2019 accomplishments of the General Managers Office including working with stakeholders to successfully obtain the desal intake permit at the Carlsbad Desalination Plant. She discussed specifics of how the department performed with the State and Federal drivers. She reviewed key budget initiatives for the next two years and concluded with the department's recommended operating budget for fiscal years 2020 and 2021.

Mr. Hattam reviewed the General Counsel department structure and responsibilities. He reviewed the department's accomplishments for fiscal years 2018 and 2019 and key budget initiatives for the next two years. He concluded with the department's recommended operating budget for fiscal years 2020 and 2021.

Directors asked questions and staff provided answers.

Ms. Kerl announced the conclusion of the budget presentations and thanked all the departments, staff, and Board members for their participation.



Our Region's Trusted Water Leader  
***San Diego County Water Authority***

**ADJOURNMENT**

There being no further business to come before the Administrative and Finance Committee, Chair Hilliker adjourned the meeting at 3:22 p.m.