

WACO Meeting – May 7, 2021

Thank you for joining today's meeting.
Participants will be muted.

To ask a question:

- Please raise your hand
- Use the chat box (to: Heather - Host)
- Press *9 to raise hand on phone





Welcome



Cathy Green
Director
Orange County Water
District





I pledge allegiance to the flag
of the United States of
America, and to the republic
for which it stands, one nation
under God, indivisible, with
liberty and justice for all.

Program Speaker



Sandra Kerl

General Manager

San Diego County Water Authority





A Conversation with Sandy Kerl San Diego County Water Authority

Water Advisory Committee of Orange County
May 7, 2021

Sandy Kerl
General Manager

Topics



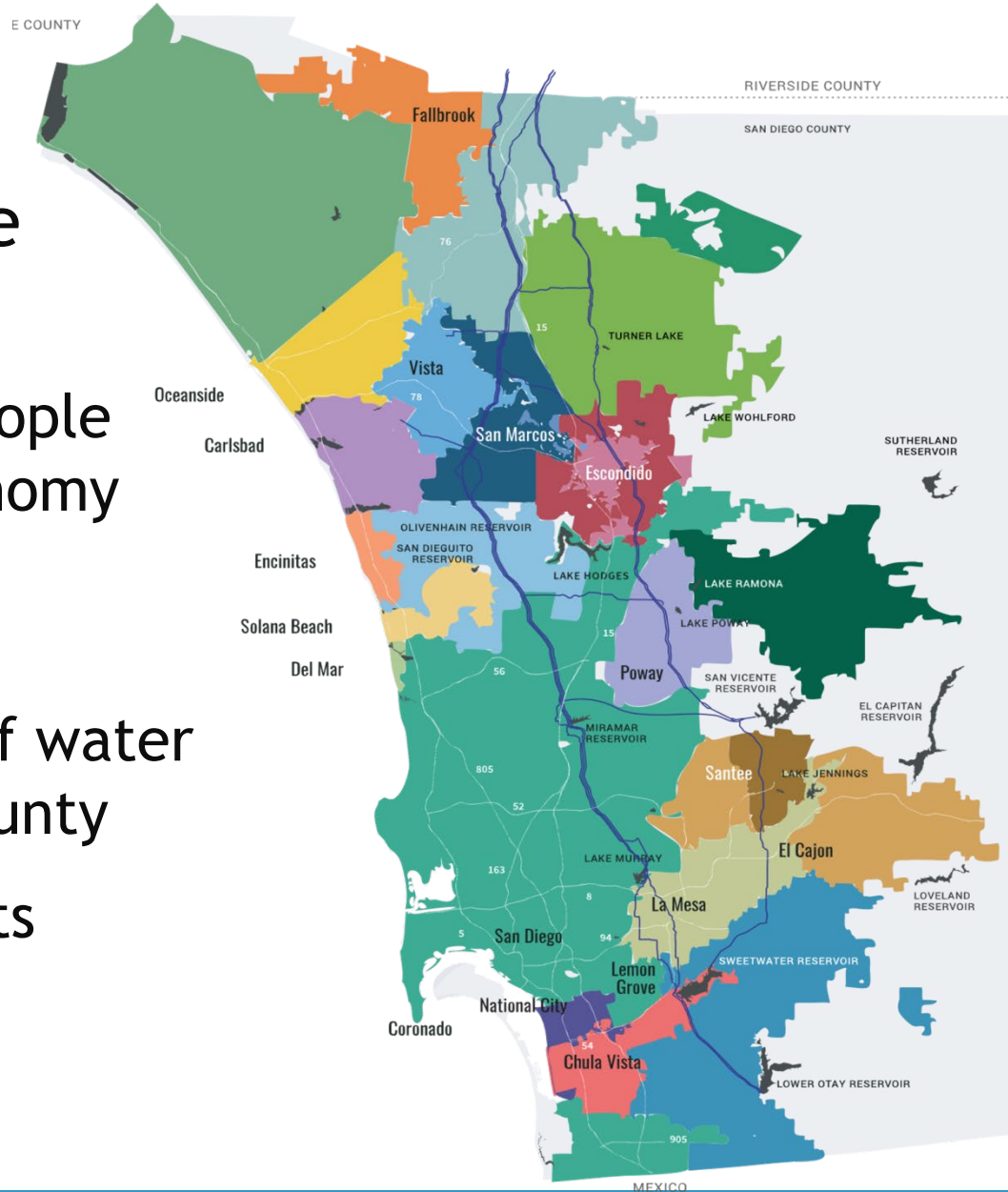
- Who we are
- A (very) short history
- Where we are today
- Opportunities for collaboration

Photo credit: Legoland

Water Authority Serves a Vibrant Region

Wholesale agency created by the state Legislature in 1944

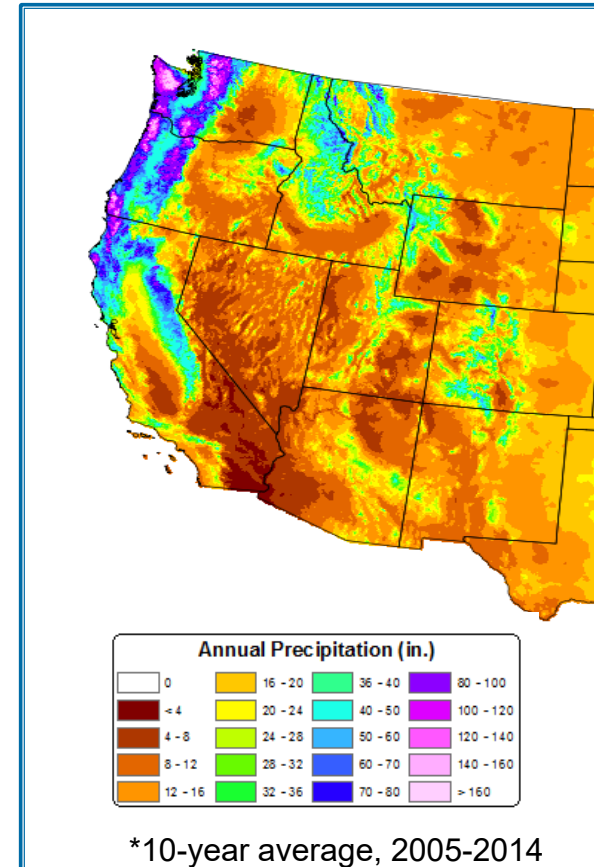
- Serves 3.3 million people and \$245 billion economy through 24 member agencies
- Provides about 75% of water used in San Diego County
- 36-member Board sets policy



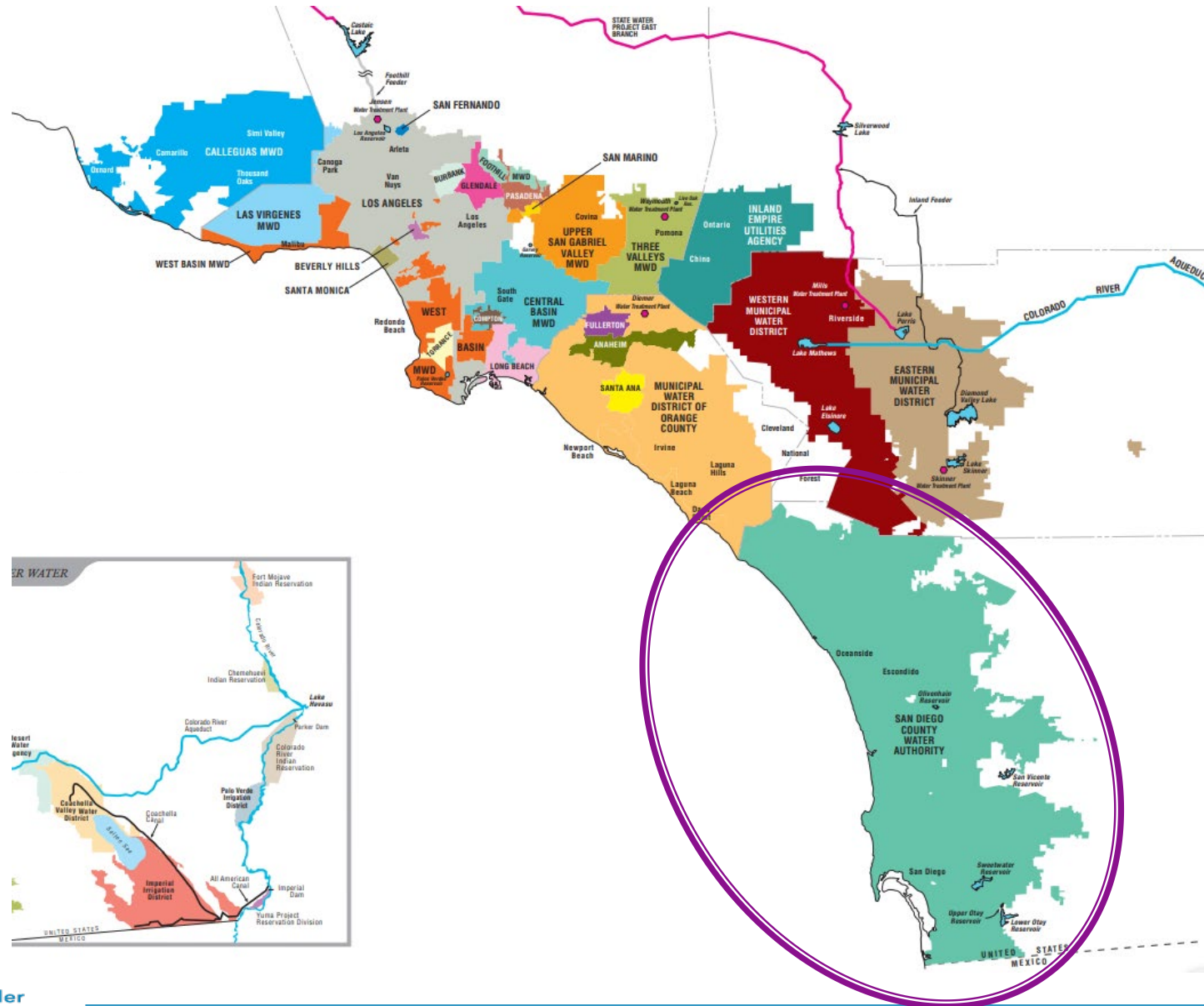
San Diego has Few Natural Water Resources



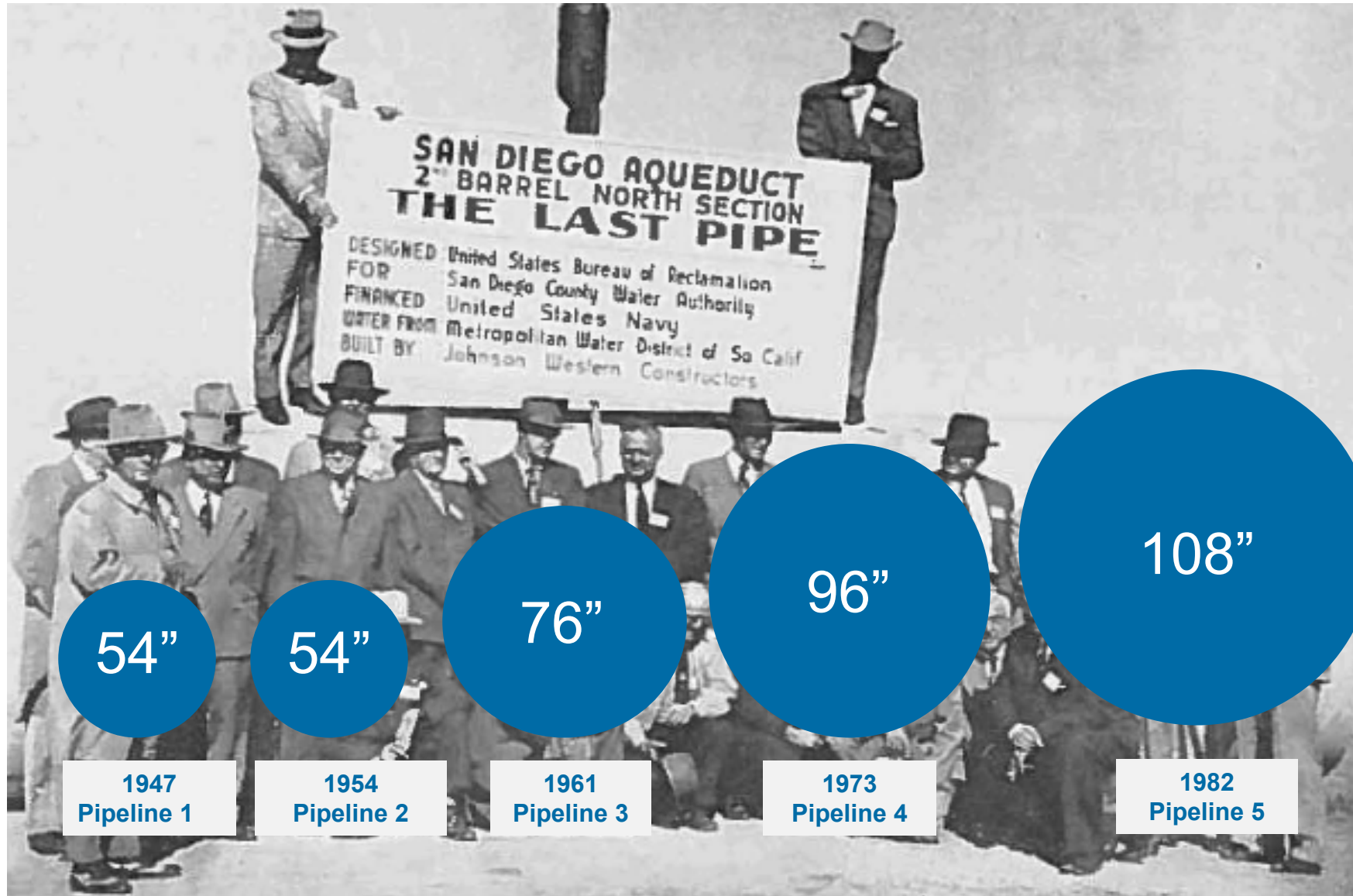
- San Diego County's groundwater is minimal and mostly brackish
- About 10 inches of rainfall per year
- 1946 was the last year regional supplies met regional demand
- In comparison, Orange County has a vast groundwater basin and has about 14 inches of rainfall annually



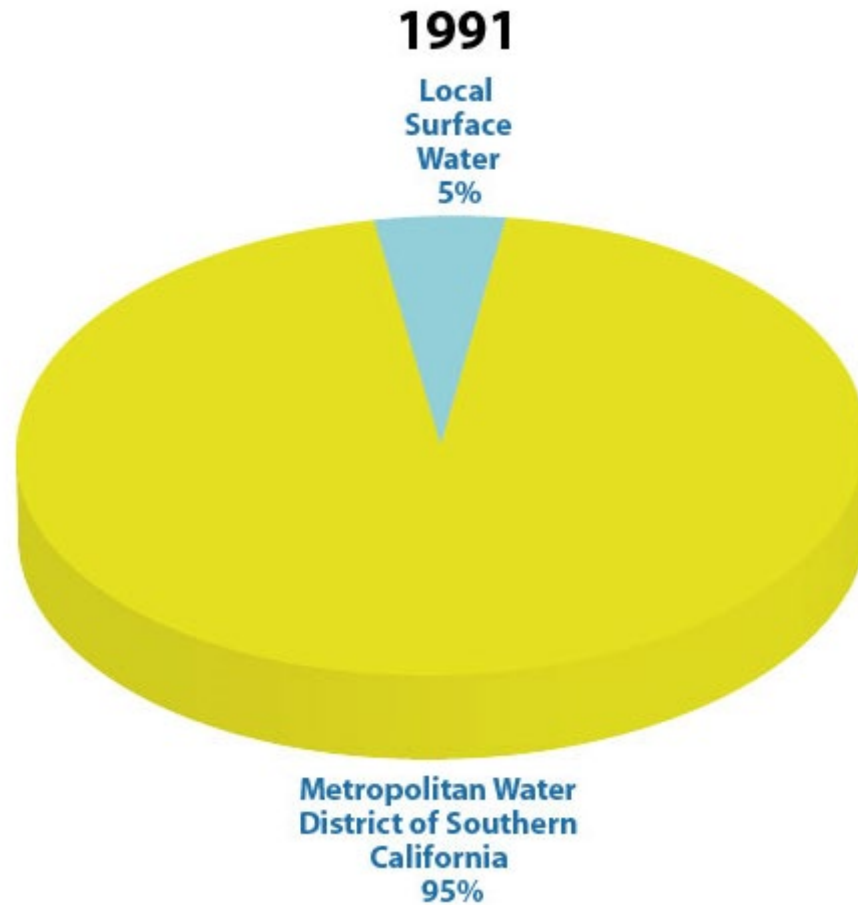
Becoming a MWD Member Agency



At First, a Pipeline Agency



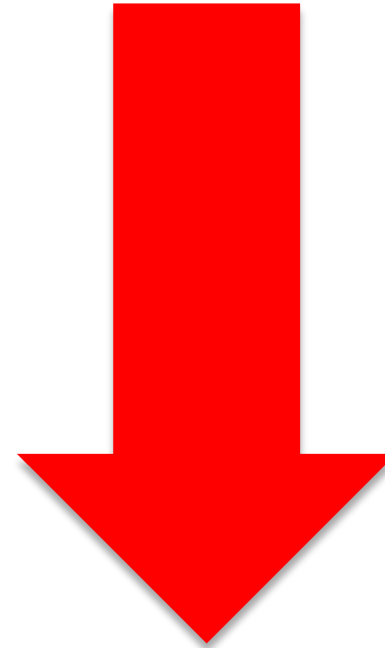
MWD Water Supply Cutbacks



1991 MWD water cuts

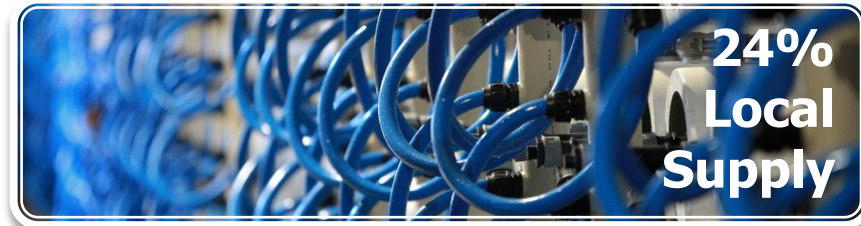
Municipal = 20%

Ag = 50%

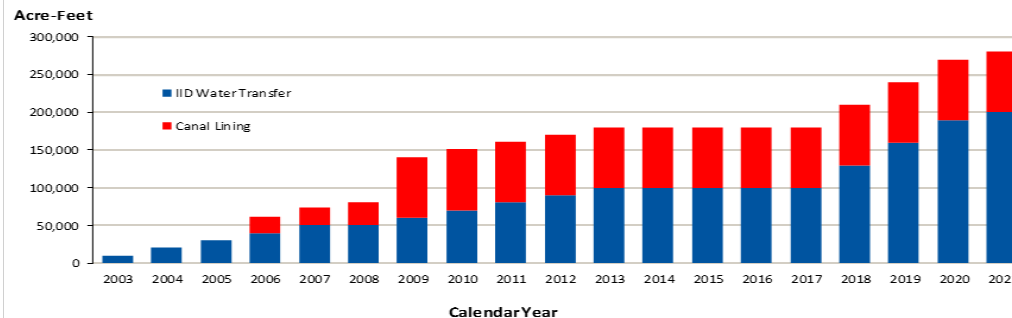


Today, a Vastly Different Story

Sources of San Diego County's Water Supply (2016-2020 five-year average)



IID and Canal Lining Deliveries 2003-2021



Additional Investments in Reliability



Carlsbad Seawater Desalination
\$1 billion



Pipeline Relining
\$493 million



**Twin Oaks Valley
Water Treatment Plant**
\$179 million



**Olivenhain Dam &
Reservoir**
\$198 million

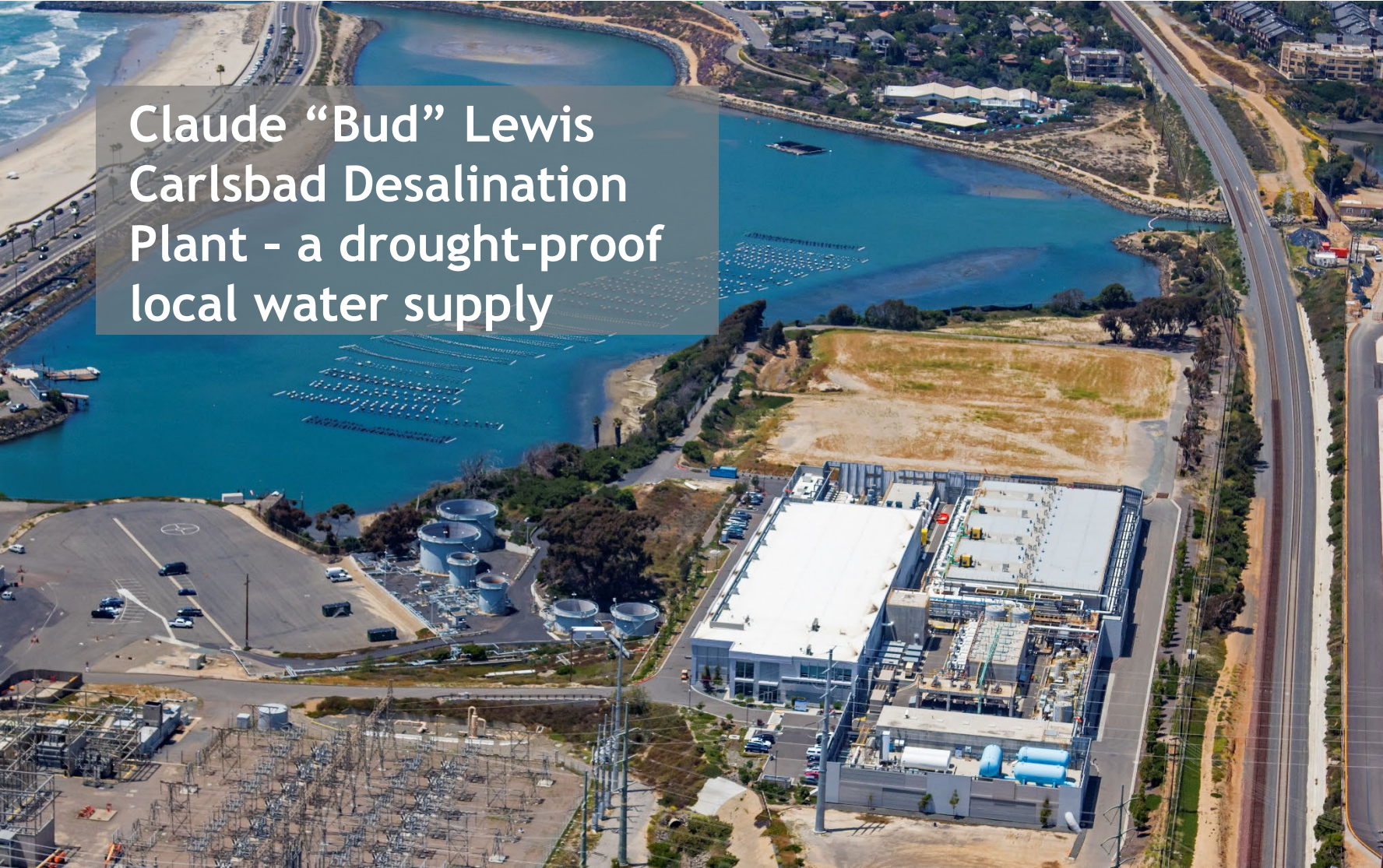


**San Vicente Dam Raise
& Related Projects**
\$811 million



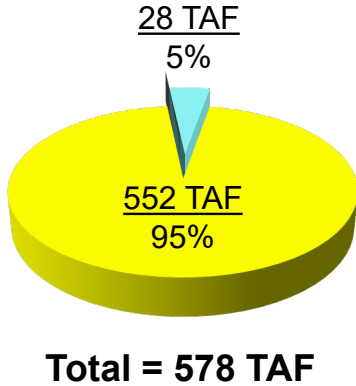
**Lake Hodges
Hydroelectric and
Pump Station Facility**
\$208 million

Desal - Part of a Diversified Water Portfolio

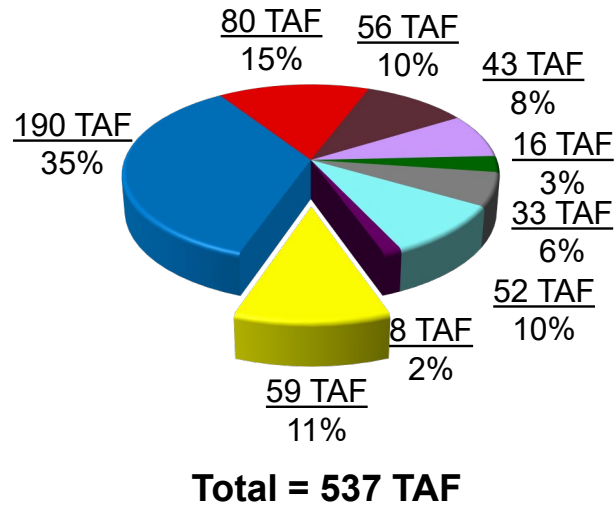


Evolution of our Diversification Strategy

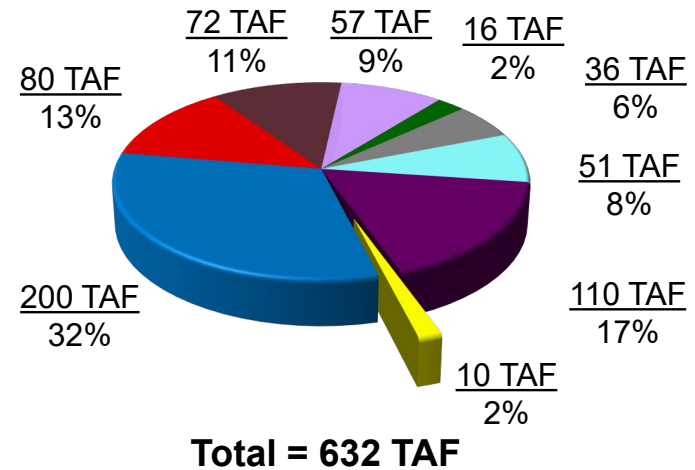
1991



2020*

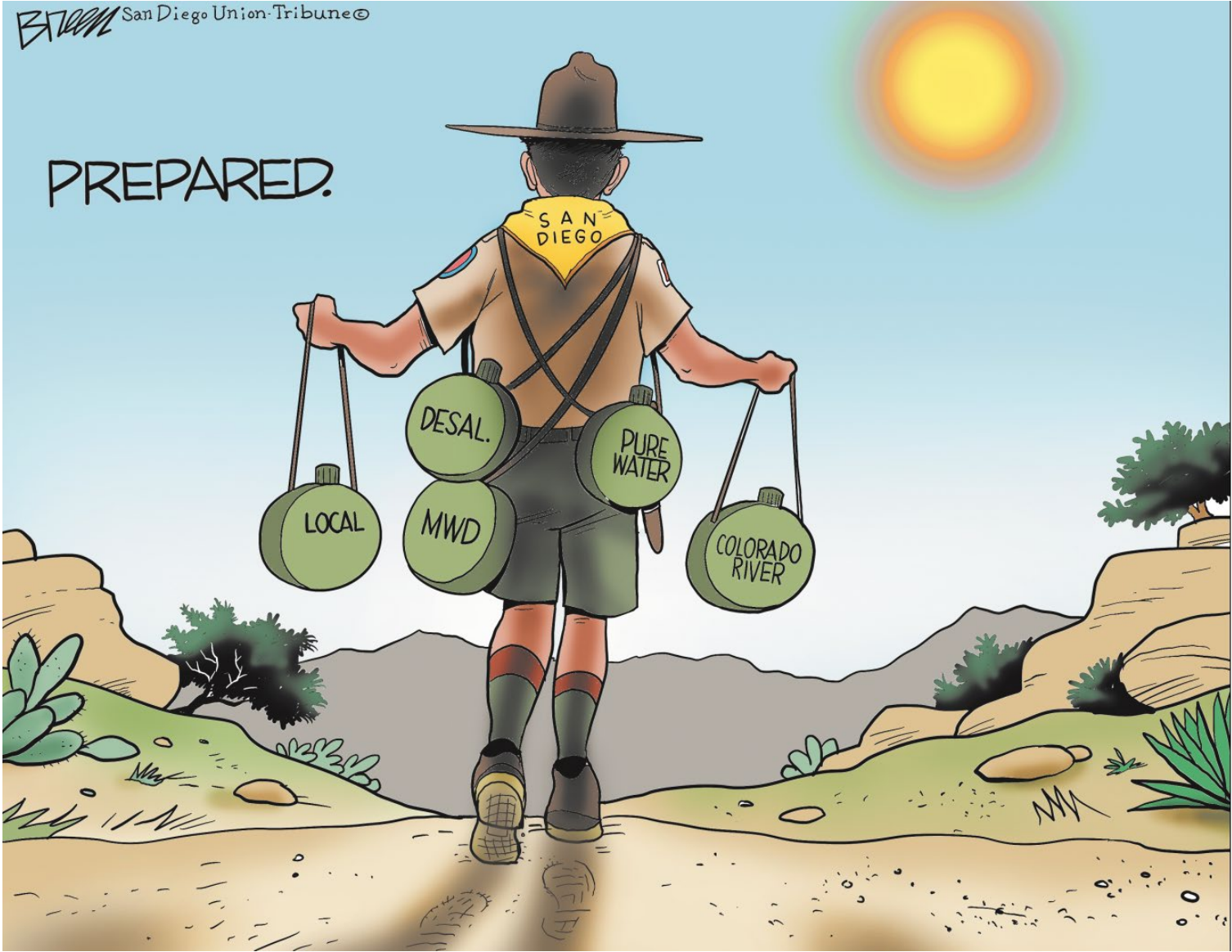


2035*



* Based on Interim Demand Forecast Reset and includes verifiable and additional planned local supply projects from 2015 UWMP

Diversification has Popular Support

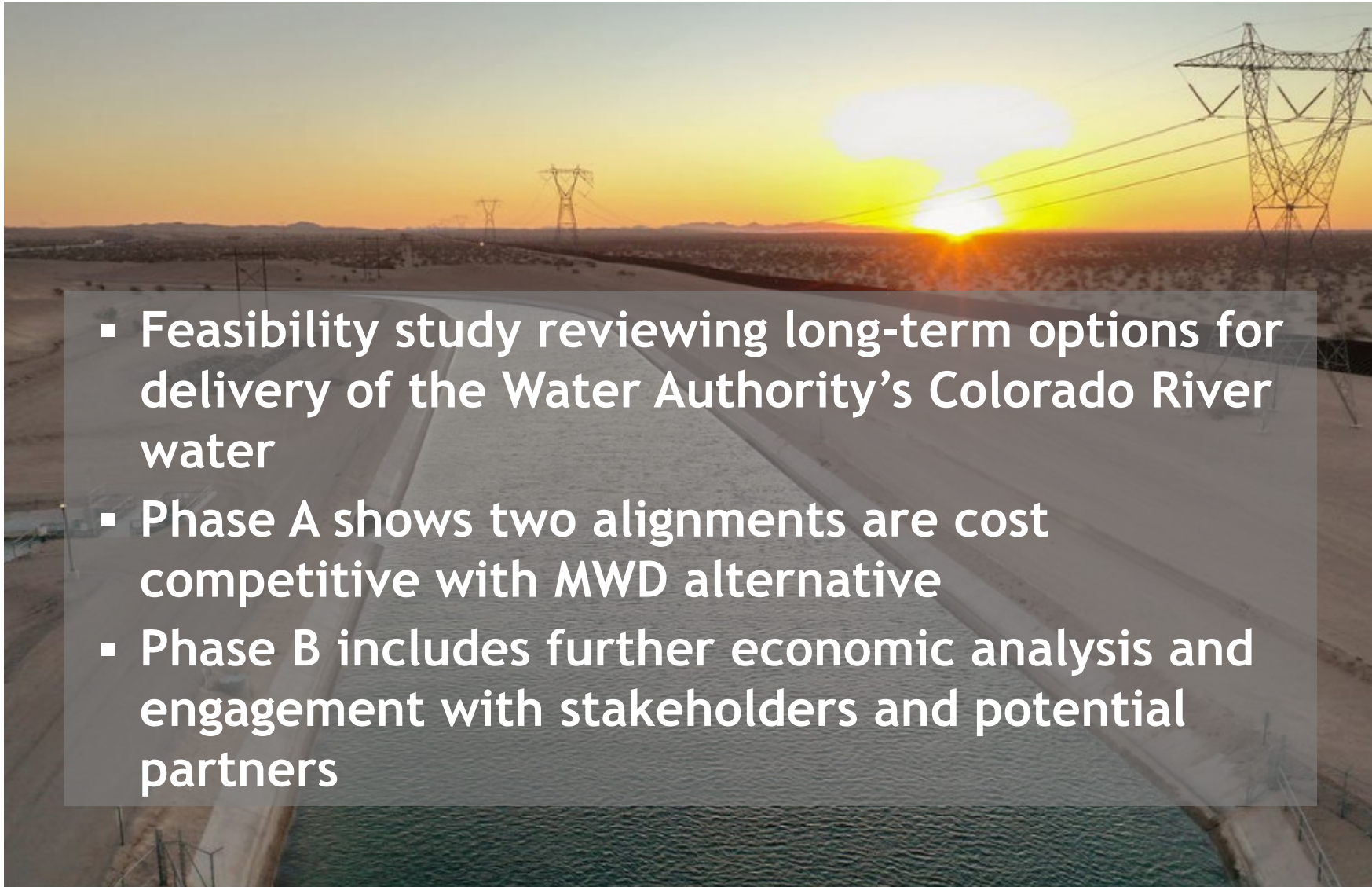


Member Agency Local Projects

- MWD LRP Awarded
 1. Fallbrook Groundwater Desalter
 2. Oceanside Pure Water and Recycled Water Expansion
 3. San Diego Pure Water
 4. East County Advanced Water Purification
 5. Escondido Membrane Filtration RO Project
- Total annual supply will be 58,862 acre-feet
- Total MWD share = \$467 million
- Water Authority's \$143 million down payment



Regional Conveyance System Study



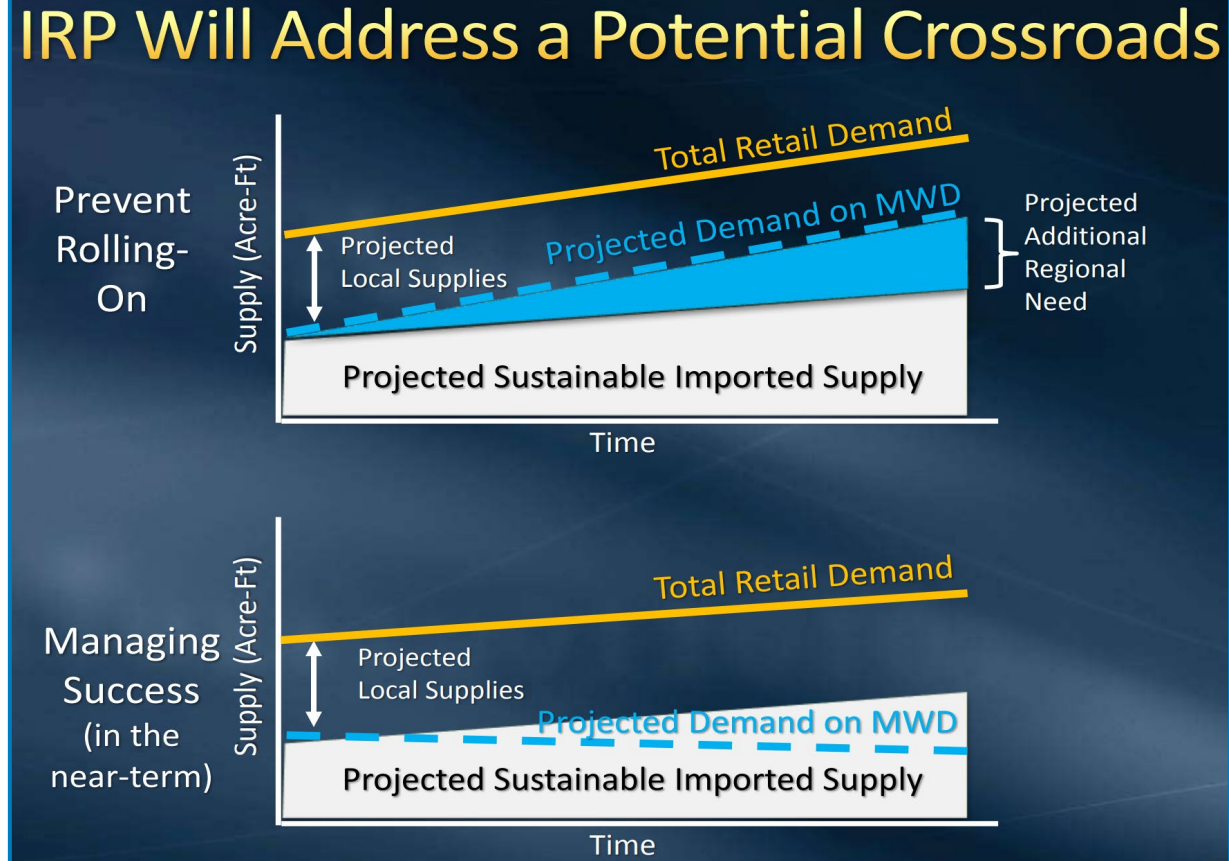
- Feasibility study reviewing long-term options for delivery of the Water Authority's Colorado River water
- Phase A shows two alignments are cost competitive with MWD alternative
- Phase B includes further economic analysis and engagement with stakeholders and potential partners

MWD Litigation

- “San Diego prevailed, and the judgment not only benefits its own ratepayers but all of the nearly 19 million people in Metropolitan’s service area because enforcing cost-of-service principles serves the interests of all ratepayers”
 - Judge Massullo (Jan. 13, 2021)
- Water Authority is not seeking to detach or declare its “independence” from MWD



MWD's 2020 IRP Update is Critical



- Must grapple with reduced demand for MWD water
- Data, analysis and member agencies' demonstrated need and willingness to pay must drive MWD's future investments

MWD's Rate Review Process



| | |
|---|-----|
| ■ State Water Contract | 33% |
| ■ Departmental O&M | 29% |
| ■ Debt Service | 16% |
| ■ CIP | 11% |
| ■ Supply Programs | 4% |
| ■ CRA Power Costs | 3% |
| ■ Demand Management | 3% |
| ■ Delta Tunnel Planning Costs | 1% |
| ■ Recycled Water Program Planning Costs | 1% |

- Must integrate with 2020 IRP resources plan
- Must build on MWD Board's October 2019 retreat
- Must have long-term financial planning

From Us to You, in Regional Collaboration





Questions

To be called on to speak:

- Please raise your hand
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ACWA Report

ACWA Report

- Federal Investments in Water Infrastructure
- Climate Bond Proposals
- Water Affordability (SB 222 and SB 223)
- ACWA Sponsored Legislation – SB 323 (Caballero)
- California Water Commission
- Proposed Clean Fleets Regulation
- Upcoming Events



Cathy Green

*Region 10 Chair, ACWA
1st Vice President, OCWD*





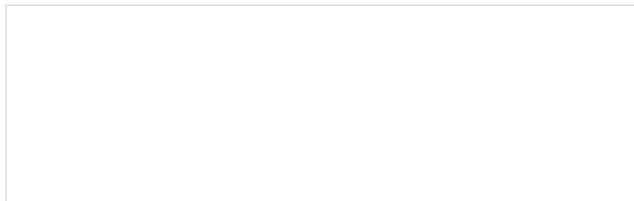
Questions

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Column: Drought-tolerant San Diego won't go thirsty in the dry stretch ahead

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A file photo of the San Vicente reservoir. (John Gibbins/The San Diego Union-Tribune)

Years of adding new water sources — and spending a lot to do it — should give the region ample supply

By MICHAEL SMOLENS | COLUMNIST

MAY 5, 2021 5 AM PT



San Diego takes droughts very seriously. That’s why the region is well-positioned to weather an extended dry spell with enough water.

Local officials don’t shrug at the drought conditions across the state that have triggered

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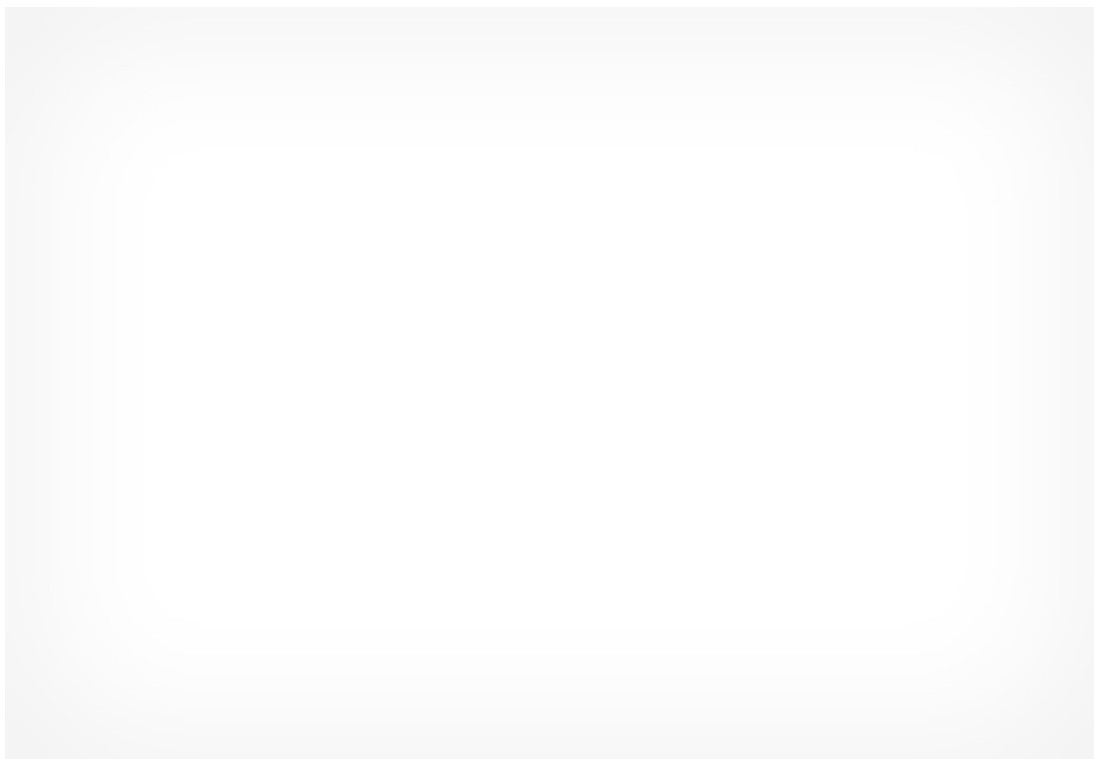
San Diego may be more drought-tolerant than in the past w
may never be fire-resistant.

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ut it

The Southern fire that burned near Shelter Valley on the edge of the Anza-Borrego Desert was a reminder that fire season is pretty much year-round these days — even on a weekend when it drizzled along the coast.

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But despite a weak state snow pack for the second consecutive winter and below-normal local rainfall, San Diego will have enough water to ride out a several-year drought.

That has everything to do with an ambitious, and expensive, two-decade effort by the San Diego County Water Authority and smaller water agencies to raise dams, expand reservoirs, extend pipeline networks, build a desalination plant in Carlsbad and diversify water imports.

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resource manager at the water authority, told [Erik Andersor](#)

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“Under those scenarios, we have more than sufficient water supplies to meet the needs of the region.”



PAID CONTENT

The Mazda CX-30 2.5 Turbo: In a Word, Sophisticated

By Mazda

Ikuo Maeda, the executive officer and general manager of Mazda's design division, believes in a simple but beautiful design.

Two weeks ago, Gov. Gavin Newsom declared a [drought emergency](#) in Mendocino and Sonoma counties in the Russian River watershed. That will allow state agencies to consider relaxing requirements for reservoir releases and for storing more water in reservoirs serving the area.

Newsom is under pressure to make a similar declaration for the [Central Valley](#) to free up more water for agriculture operations.

Most of the state is suffering severe drought conditions, but water officials said that the other regions aren't hit hard enough yet to declare a statewide emergency, according to the online news organization [CalMatters](#). The governor left open the option of taking more action should conditions worsen.

San Diego only gets a small percentage of its water from Northern California. Its main source is the Colorado River. That doesn't mean the region hasn't struggled to get water. The motivation to diversify water sources has a lot to do with the Los Angeles-based Metropolitan Water District, San Diego's main supplier.

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water authority's complaint that Met is charging too much. It deal with Met's conveyance charges, but is continuing to draw on Met's water.

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ice

Drawing on different sources not only gives the region more independence, but can act as a buffer if disaster disrupts water deliveries from the north.

Like other regions in California, San Diego has been stretching its water supply by continued conservation efforts. Each major drought, at least in modern times, has resulted in significant temporary actions — such as restrictions on the length of showers, watering lawns, washing cars and draining swimming pools.

Those dry spells also resulted in permanent changes that save water. California's drought in the 1970s led to low-flow showerheads and toilets, more water-efficient dishwashers and washing machines, drip irrigation and more.

The five-year drought beginning in 2012 brought on innovations in water management, according to the American Society of Civil Engineers. That emergency also spurred state and local governments to create incentives for residents to save water. For instance, grants went to property owners to replace lawns with artificial grass or drought-tolerant xeriscape, which already had been growing in popularity.

At the time, state finances were tight in large part because the nation was still coming out of the Great Recession. Now California has a large budget surplus.

Last week, Democrats in the California Senate unveiled a \$3.4 billion package aimed at programs to ease the impact of the drought. That's more money than the state spent collectively during the previous drought, according to The Associated Press.

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truck in emergency water to particularly parched areas, and rivers — the narrow bands of water vapor that form over the significant rain.

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Also, some \$500 million would go to grants for replacing lawns and money for farmers to improve irrigation systems.

The painful irony is that many consumers across the state will use less water but pay more for it. That certainly will be the case in the San Diego region. Many of the increased storage and efficiency projects along with ongoing operations and maintenance will be pumping up bills well into the future. Those costs are fixed, regardless of usage.

There's more coming.

The new [desalination plant](#) and the eventual [Pure Water San Diego](#) facilities are designed, respectively, to make ocean water and wastewater drinkable. Those projects will cover a large portion of the region's needs well into the future. But their multibillion-dollar price tags will make the water they produce some of the most expensive around.

Meanwhile, California's climate past raises questions about the future. The last century or so may have been a unique time in California, according to Lynn Ingram, professor at the Department of Earth and Planetary Science at UC Berkeley.

"The past 150 years have been unusually wet when viewed over the past 2,000 years," Ingram said in a 2014 [video presentation](#). "So, the 20th century was a wetter century. And this is when all of our water development, population growth and agricultural

industries were established. So, it's possible the climate may be shifting to a drier

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Compared with other parts of California, the San Diego region has more water in the future, at least for the near term.

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water

Given California's drought history, that's nothing to be smug about.

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May 2, 2021

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Column: San Diego is still trying to become a 'City of Villages'

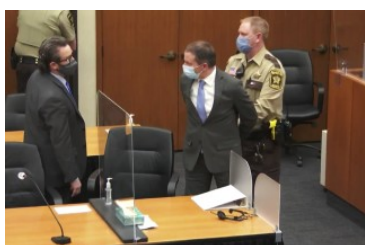
April 30, 2021



COLUMNS

Column: Targeting methane as big step to slow down global warming

April 28, 2021



COLUMNS

Column: Why police officers will step in more often when colleagues use excessive force

April 25, 2021



COLUMNS

Column: More resources — and bureaucracy — aimed at San Diego's growing homeless problem

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Column: Shooting epidemic surges as coronavirus pandemic winds down

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Column: Anti-Asian hate crimes are being understated; here are some of the reasons why

Hate crimes against Asian Americans spiked 169 percent in 15 major cities in the first quarter of the year

May 4, 2021



COLUMNS

Column: As pandemic eases, local pastor experiences another disaster

On the day Derek Chauvin was convicted, Presbyterian minister's Normal Heights home goes up in flames

May 4, 2021



COLUMNS

From feeling powerless to empowered, San Diego woman starts nonprofit to support people of color

The BIPOC Support Foundation is a San Diego nonprofit supporting Black, Indigenous and people of color in business, education and breaking barriers

May 2, 2021

NORTH COUNTY

Column: Minor divide over major attachment

Irv Erdos' humor column, Ham on Wry

May 2, 2021

SPORTS COLUMNISTS

Column: Bob Baffert, Medina Spirit soar, Hot Rod Charlie impresses in Kentucky Derby

Baffert winningest trainer with seven; Del Mar's Bill Strauss sees Charlie run third

May 1, 2021

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Column: San Diego para athletes get the spotlight — a inspire — in a new documentary

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SDSU's Michelle Cross is featured in 'Let 'Em Play,' which highlights track and field para athletes

May 1, 2021

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SAN DIEGO

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May 5, 2021

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Positioned for theFuture

San Diego County Water Authority General Manager Sandra L. Kerl is embracing unexpected opportunities in an era of rapid change.

By Matt Williams

There have been many surprises and unanticipated outcomes in the long wake of the pandemic. Like most workplaces, the San Diego County Water Authority had to quickly adapt a year ago, and that process continues to evolve under the leadership of General Manager Sandra L. Kerl. In a conversation with California Water & Power, Kerl discusses how her organization has embraced change and continues to prepare for the future.

WHAT ARE THE BASICS TO KNOW ABOUT THE SAN DIEGO COUNTY WATER AUTHORITY?

The San Diego County Water Authority is a wholesaler of water. We provide water to the San Diego region. We have 24 member agencies and a 36-member board of directors. Our primary mission is to ensure a safe and reliable source of water. In San Diego County, we have been working for many years to diversify our supply portfolio to make it through what is likely going to be another very dry period coming up and to position our county to weather changes in hydrology, and support the quality of life and economy in San Diego County.

We are authorized to have about 255 employees. We're about 20 under that due to COVID-19 and not filling positions. We serve a 3.3 million population and a \$245 billion economy in San Diego.

TELL US A LITTLE BIT ABOUT THE TRAJECTORY OF YOUR CAREER.

HOW DID YOU ARRIVE AT SDCWA AND ELEVATE TO THE GM ROLE?

I've been a public servant my entire career. I've been with the Water Authority for almost 12 years. In March 2019, I became acting general manager and in November 2019 was appointed GM after serving as the No. 2—the deputy general manager—since joining the Water Authority in 2009.

and got a lot of data about what was working well in the organization and where we had some opportunities for growth. From there, we set out to work on enhancing the work environment and people's engagement.

We had a good running start on it, and then COVID-19 happened. It actually catapulted our efforts even further. As an organization, we had been very top-down, command and control—very traditional—and we really had to look at doing things differently. Within a week of the start of COVID, 75% of our workforce was working remotely, and we continue in that mode today. We went from holding board meetings in person with 36 board members to completely virtual.

It has increased the opportunity for employees to excel and to take a fresh look at things. I hold a weekly Teams call, and it has been an opportunity to talk to all our employees about what's happening in the Water Authority and showcase different employees who never would have had the chance to talk to the whole organization about the work they're doing.

The situation has enabled us to get to know each other better. It's been quite phenomenal because, although COVID has been challenging for so many, it actually has brought our organization closer together. Before, in a more traditional operating standpoint, we would not be having the engagement we are.

The challenge nowadays is you don't have those hallway conversations. The great thing is, you don't have to travel for meetings. The bad thing is, you don't have to travel for meetings! I find now that you get scheduled every minute of the day. We need to have some breathing space in there.

Overall, COVID has changed my perspective about what the future of work looks like. I don't think we'll ever be back to a fully traditional office setting. I think there will be elements of telecommuting. I think we can introduce flexibility, which helps employees and their work-life balance and improves our organization's productivity.

HOW DO YOU DESCRIBE YOUR LEADERSHIP STYLE?

It's about being inclusive, allowing the space to have tough conversations, and making decisions and moving forward with a variety of perspectives. I think our

I really jumped in with both feet. I have had the opportunity to work on one of arguably the largest projects in California—the development of the Carlsbad Desalination Project.

I led the team that financed that project and worked on the team that negotiated the deal with the developer, Poseidon. Then, I had the opportunity to oversee all the Water Authority’s departments since becoming general manager.

Prior to that, I was city manager of a medium-size community in San Diego County. It has given me a very interesting perspective coming into the water industry from working in communities and supporting economic development. Working in the water space has been an incredible journey and one I have thoroughly enjoyed.

It has been a gratifying experience to focus on an area that is critical to life.

There are a lot of things we can live without, but water is not one of them.

WHAT LEADERSHIP LESSONS AND WISDOM HAVE YOU LEARNED AS YOUR CAREER HAS PROGRESSED, PARTICULARLY DURING THE DIFFICULT PAST YEAR?

I’m very much about employee engagement, communication, and ensuring employees show up and feel included in the workplace. In August 2019, we did our first employee engagement survey

organization is better with that engagement from employees across the spectrum.

WHAT IS YOUR APPROACH TO DEVELOPING THE WATER AUTHORITY’S WORK CULTURE? HOW IS THAT CHANGING THE WAY YOUR EMPLOYEES RELATE TO ONE ANOTHER AND THEIR WORK?

It really started with our employee engagement survey and recognizing our organization needed to have a conversation about what’s working well and what needs improvement. We want to set up structures so decisions are pushed down to the most effective level possible—not all at the general manager or executive level. Employees should be empowered to make decisions.

Having gone through this employee engagement process, we have discovered our organizational values — and our values statement—need an update. We’ve started to work on that with a multidisciplinary values development team with employees in different position classifications and departments, who are working through a process called “appreciative inquiry.” They are asking other employees,

“What were you doing or what were the circumstances when you worked at the Water Authority and felt the best and did your best work?” Out of that, the team is pulling the values our organization wants.

There has been a tremendous amount of change in the last year—due to COVID as well as social unrest—and these conversations are important to have to recalibrate. Over the years, the Water Authority has been very successful at developing projects and accomplishing them. The internal infrastructure of the organization maybe took a backseat, and I see that as a high priority for the success of the organization going forward.

We’re also seeing a lot of our employees retiring and new employees coming into our organization. The

are at the forefront. The City of Oceanside is building its Pure Water program, and the City of San Diego is about to break ground on a similar project. Those are immediate advancements.

The Water Authority itself has innovated. The Carlsbad Desalination Plant is a public-private partnership, and the nation’s largest ag-to-urban water transfers were done with the Imperial Irrigation District for high priority Colorado River water. We have maintained and relined our pipelines to ensure there is very little, if any, leakage. Again, we’re investing in storage to be able to carry our supplies in the event they’re needed in an emergency. Whether it’s a drought or an earthquake, we will have access to an in-region water supply.

knowledge transfer required for that transition is certainly challenging because of the breadth and depth of projects this organization has had.

We've basically gone from being a pipeline company to an organization that treats and stores water, and operates dams and hydroelectric facilities. We're in many lines of business, and it's a very different organization today than it was even 20 years ago.

WE ARE HEADED INTO DROUGHT CONDITIONS FOR THIS SUMMER. HOW HAS SDCWA PREPARED FOR MULTIPLE DRY YEARS?

The Water Authority is in an excellent position. We have a couple of things going for us.

First and foremost, this region has taken conservation as an ethic across the region. Our water use has been substantially diminished per capita over the past 20 years. We're down about 40%.

Second, we have invested in water supplies from two sources: conserved water from on-farm water practices as well as lining the All-American and Coachella canals. All that water is under contract to the San Diego County Water Authority—about 280,000 acre-feet of water per year of very high-priority rights through the Imperial Irrigation District.

We've invested in the Carlsbad Desalination Plant, which provides about 10% of our total need depending on what the demands are in a year. We have invested in building a new dam as well as raising a dam, so we have a lot of storage. We're sitting in a very good position. It doesn't mean we won't try to do more conservation and be very mindful of appropriate water use, but this region has invested and done its part to ensure it has a reliable source of water.

It's about continuing to foster water-use efficiency. It's also about safeguarding local water resources that we've developed. In addition, our member agencies are developing their own supplies through potable reuse projects. For example, the City of San Diego's Pure Water project, the City of Oceanside Pure Water program and the East County Advanced Water Purification project are all the next increment of water coming online in the region to provide that well-diversified portfolio of sources for the future.

CMUA IS CO-SPONSORING A BILL ON WATER INNOVATION THIS YEAR.

It has been a multipronged approach.

There is no silver bullet to making sure you are reliable and can manage through difficult hydrology.

WHERE DO YOU SEE THE FUTURE OF CALIFORNIA WATER HEADED?

THERE ARE BIG CHALLENGES AND BIG OPPORTUNITIES NOT JUST THIS YEAR, BUT IN THE NEXT 10 OR 20 YEARS.

We're going to continue to have hydrology challenges because of climate change and a variety of other factors.

The key to success for California is through collaboration. We're looking at the governor's Water Resilience Portfolio and how we better manage and move water to serve the entire state of California. I think there are some opportunities to do that better. There have been jurisdictional boundary issues and a number of challenges, and it's incumbent upon us as water managers to figure out how to make the system the best we can for the state of California.

It's going to take all of us thinking together. One of the challenges for the San Diego region is we have already made investments in supply reliability, and that comes at a cost. Other areas of California have not done that. I think they will be faced with making some of those same investments, which is challenging in an environment where there is huge sensitivity to keeping water affordable for customers.

It's really important to have many tools in your tool bag to ensure the state has a reliable supply of water—everything from potable reuse projects to more desalination to how we store and transfer water in a way that serves California best.

WHAT ELSE ARE YOU THINKING ABOUT FOR THE FUTURE?

We as an industry have a challenge ensuring we will have enough people coming into this industry.

The Brookings Institute did a study a few years ago looking at water and wastewater jobs and occupations, from water operators to accountants and engineers. We need to engage, so the public understands the importance of our work and the industry's opportunities. They're good-paying jobs; there is a variety of education levels and training required to get

IF SUCCESSFUL, THE BILL WOULD AUTHORIZE A WATER INNOVATION OFFICE AT THE CALIFORNIA WATER COMMISSION. WHAT ARE SOME EXAMPLES OF INNOVATIVE PROJECTS THAT SDCWA AND ITS MEMBER AGENCIES ARE WORKING ON TO ADVANCE SUSTAINABLE WATER MANAGEMENT?

Potable reuse projects

into these positions. We need to help encourage folks to come into the business.

San Diego County put together a website called San Diego Waterworks at www.sandiegowaterworks.org, a onestop shop for job openings, educational opportunities and how to enter the profession.

That is a charge to all of us in leadership: How do we bring in the next generation to sustain these water systems, which are highly complex and very important to the quality of life of the state of California?

CWP

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