



● **Board of Directors**
Water Planning and Stewardship Committee

6/9/2015 Board Meeting

8-3

Subject

Authorize payments of up to \$3.15 million for participation in the State Water Contractors, Inc. and the State Water Project Contractors Authority for fiscal year 2015/16.

Executive Summary

Authorization is requested to continue funding and participation in the State Water Contractors, Inc. (SWC) and the State Water Project Contractors Authority (SWPCA). Participation in these organizations allows Metropolitan to advocate for the effective management of the State Water Project (SWP), particularly with respect to operations and activities in the Bay-Delta. The SWC provides a unified voice among the contractors to provide input to the Department of Water Resources (DWR) on the management of the SWP. The SWPCA provides a means, through service agreements, for DWR to utilize the expertise and capabilities of participating SWP contractors in the implementation of SWP programs and projects.

A total of \$4.55 million was included in the fiscal year (FY) 2015/16 budget for Metropolitan's participation in both organizations. The requested authorization amount is up to \$3.15 million, which is less than was budgeted.

Details

State Water Contractors

The SWC is a nonprofit association of 27 public agencies from northern, central, and southern California with contracts to purchase water from the SWP, including Metropolitan. The SWC's role and activities are intended to provide input into DWR's policy decision making process. The SWC effectively represents the interests of Metropolitan and the other contractors in discussions with DWR, and through interactions with other state, federal, and local entities. The SWC's work efforts and associated revenue collections are divided into three areas:

1. **Basic Dues Fund**: Provides funding for SWC activities including general operating expenses and supporting activities such as DWR cost management, ensuring sufficient infrastructure and supply reliability, and water quality;
2. **Energy Fund**: Provides funding for SWC staff and consultants working with DWR energy and management staff, at both the strategic and technical levels, to develop and implement energy strategies to achieve cost-effective energy for the SWP; and
3. **Bay-Delta Fund**: Supports SWC involvement in Bay-Delta fish monitoring, environmental review processes, facilities planning processes, coordinated activities with the Central Valley Project and the Bay-Delta Conservation Plan (BDCP), protection of existing operations, collecting scientific data, and planning for the future.

Experience has shown that the united voice of the SWC provides value in achieving favorable outcomes. The SWC's influence is especially focused on restoring supply benefits currently impaired by Bay-Delta constraints.

Refer to **Attachment 1** for a more detailed report on SWC accomplishments in FY 2014/15 and **Attachment 2** for objectives for FY 2015/16.

State Water Project Contractors Authority

The SWPCA was formed in 2003 as a joint powers organization of interested SWP contractors. Its objective is to provide DWR the additional resources required to improve the reliability and efficiency of the SWP. It consists of an organization overseeing three specific project committees. The SWPCA can provide services in those areas where the DWR is challenged due to lack of experienced staff, state budget-related constraints, or a need for specialized expertise. It also provides an opportunity for greater responsiveness and input into major decisions.

Metropolitan actively participates in the following organizational units:

1. SWPCA Board of Directors; and
2. Specific Project Committees which include:
 - a. Delta Specific Project Committee (DSPC) – Provides a mechanism for broad SWP contractor participation in the BDCP and the Delta Habitat Conservation and Conveyance Program (DHCCP). Funding for the State and Federal Water Contractors Authority Joint Powers Authority is managed through the DSPC.
 - b. Municipal Water Quality Investigation (MWQI) – Provides SWP contractors with water quality information as it relates to drinking water regulations – through monitoring, studies, analyses, and forecasting.
 - c. East Branch Enlargement Specific Project Committee (EBESPC) – Provides a mechanism for seven SWP contractors to participate in the design and review of the enlargement of the SWP's East Branch. (No activities planned in FY 2015/16).

Summary of Payment Distribution

A schematic showing the financial support mechanisms of the SWC and SWPCA is included as [Attachment 3](#).

The current and proposed budgets for participation in the SWC and the SWPCA are summarized in the tables below:

<u>SWC Payments</u>	FY 2014/15	FY 2015/16
Dues Fund	\$ 1,278,759	\$ 1,144,736
Energy Fund	\$ 366,007	\$ 304,150
Bay-Delta Fund	\$ 1,060,747	\$ 935,928
Subtotal:	\$ 2,705,513	\$ 2,384,814

<u>SWPCA Payments</u>	FY 2014/15	FY 2015/16
SWPCA	\$ 125,148	\$ 76,372
DSPC	\$ 579,194	\$ 572,074
MWQI	\$ 136,770	\$ 203,913
EBESPC	\$ 0	\$ 0
FY 2014/15 Credit	\$ 0	\$ (91,500)
Subtotal:	\$ 841,112	\$ 760,859
Grand Total:	\$ 3,546,625	\$ 3,145,673

Metropolitan's payment to SWC for FY 2015/16 is approximately \$830,000 below what was initially included in Metropolitan's budget. In large part, this is due to anticipated legal costs in FY 2014/15 related to Bay-Delta activities that were not incurred. As such, the SWC's are carrying over the unspent funds to FY 2015/16, causing a reduction in the amount due for the Bay-Delta Fund. Likewise, Metropolitan's payment to SWPCA for FY 2015/16 is approximately \$570,000 below budget. Metropolitan's budget included significant costs related to

auditing the design and construction of the DHCCP. However, this project has not yet progressed to the design and construction phase. In addition to the DHCCP costs, the carry-over of FY 2014/15 unspent funds reduced the amount Metropolitan owes for FY 2015/16.

SWPCA is considering partnering with other agencies to help support DWR in the development of 8,000 acres of habitat for fish mitigation currently required for compliance with the Endangered Species Act. While discussions are occurring, it is early in the decision-making process. As such, the funding needed for such activities is not included in this request. If a decision is made to move forward, a separate request will be made.

Staff recommends approval of these budgeted items, which will help with continued advocacy for Metropolitan's interests as the largest SWP contractor. In total, these requests are approximately \$1.4 million below budget.

Policy

Metropolitan Water District Administrative Code Sections 11202 and 11203: Payment of Dues and Participation in Projects or Programs Serving District Purposes. This item is subject to a two-thirds vote requirement.

By Minute Item No. 45348, the Board, at its May 13, 2003, meeting, authorized entering into an agreement with the State Water Project Joint Powers Authority.

By Minute Item No. 47735, the Board, at its December 9, 2008, meeting, authorized the General Manager to execute the Delta Habitat Conservation and Conveyance Program Memorandum of Agreement and three related funding and management agreements.

By Minute Item No. 48302, the Board, at its June 8, 2010, meeting, authorized the General Manager to make payment of \$2,578,548 to the State Water Contractors and up to \$866,831 to the State Water Project Contractors Authority for FY 2010/11.

By Minute Item No. 48708, the Board, at its June 14, 2011, meeting, authorized the General Manager to make payment of \$2,629,897 to the State Water Contractors and up to \$815,000 to the State Water Project Contractors Authority for FY 2011/12.

By Minute Item No. 49094, the Board, at its June 12, 2012, meeting, authorized the General Manager to make payment of \$2,598,474 to the State Water Contractors and up to \$809,000 to the State Water Project Contractors Authority for FY 2012/13.

By Minute Item No. 49450, the Board, at its June 11, 2013, meeting, authorized the General Manager to make payment of \$2,666,837 to the State Water Contractors and up to \$832,025 to the State Water Project Contractors Authority for FY 2013/14.

By Minute Item No. 49797, the Board, at its June 10, 2014, meeting, authorized the General Manager to make payment of \$2,705,513 to the State Water Contractors and up to \$841,112 to the State Water Project Contractors Authority for FY 2014/15.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed actions are not defined as a project under CEQA, because they involve continuing administrative activities such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed actions are not subject to CEQA because they involve other government fiscal activities, which do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed actions are not defined as a project and are not subject to CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination that the proposed actions are not defined as a project and are not subject to CEQA and, by two-thirds vote,

- a. Authorize the General Manager to make payment of \$2.38 million to the State Water Contractors; and
- b. Authorize the General Manager to make payment up to \$760,859 to the State Water Project Contractors Authority.

Fiscal Impact: Expenditures for participation in SWC and SWPCA in FY 2015/16 would be up to \$3.15 million. The authorization is approximately \$1.40 million less than the FY 2015/16 budget for participation in the SWC and SWPCA.

Business Analysis: Metropolitan would benefit from the SWC and SWPCA representing positions with DWR, legislators, regulatory, and third-party groups that advance its SWP strategic initiatives.

Option #2

Adopt the CEQA determination that the proposed actions are not defined as a project and are not subject to CEQA and, by a two-thirds vote,

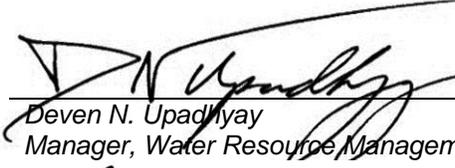
Authorize the General Manager to make payments to a selected grouping of one or more of the components comprising Metropolitan’s FY 2015/16 SWC and SWPCA payments.

Fiscal Impact: Expenditures for participation in SWC and SWPCA in FY 2015/16 would be less than \$3.15 million. A total of \$4.55 million has been budgeted for these activities in Metropolitan’s FY 2015/16 budget.

Business Analysis: Metropolitan would be less effective in advancing its SWP and SWPCA strategic initiatives if the full membership is not approved. Reduced participation would limit Metropolitan’s representation on key issues and activities. Metropolitan would need to develop alternative means to manage the risk of higher costs or greater operational restrictions on supply deliveries.

Staff Recommendation

Option #1

	5/27/2015 Date
Deven N. Upadhyay Manager, Water Resource Management	
	5/27/2015 Date
Jeffrey Lightlinger General Manager	

[Attachment 1 – FY 2014/15 Accomplishments of the State Water Contractors](#)

[Attachment 2 – FY 2015/16 Objectives for State Water Contractors](#)

[Attachment 3 – Organizational Schematic Financial Pathways](#)

FY 2014/15 Accomplishments of the State Water Contractors

Strategic SWP Power and Transmission plan – Coordinate DWR’s development of a near-term and long-term resource plan.

- The SWC Energy Committee completed its 2014/2015 Strategic Plan that identified its priority objectives for the next 18 to 24 months. The SWC appointed four Board members to provide policy direction to the Energy Committee in implementing the recommendations of the Strategic Plan.
- The SWC provided input to DWR’s Electric Integrated Resource Plan (E-IRP) in order for DWR to take the risk tolerance of the SWP Contractors into consideration when making power purchases that the E-IRP recommended.

Near-Term Risk Management – Coordinate with DWR on power resource, transmission, staffing, and State energy policy issues.

- The Energy Committee and Energy Steering Committee reviewed the DHCCP Design and Construction Enterprise plans for the electrical interconnection of construction and permanent power. This led to the SWC providing DCE with a roadmap to assist in obtaining a timely and cost-effective interconnection. DCE is putting in place a contract with SWC consultants to assist in the interconnection work.
- The Energy Committee participated in discussions between DWR and PG&E in the replacement of the long-term transmission contract for the SWP generation and pumping facilities in the PG&E system.
- The Energy Committee met with the legislative advocates of the SWC members to develop and ensure there is a proactive effort that protects the interests of the SWP as the state develops its post-2020 energy plan.
- The Energy Committee continues to monitor the decommissioning of the Reid Gardner power plant and its cleanup.
- The SWC staff provided assistance to DWR with organizational and accountability activities in its compliance office in continuing effort to comply with Western Electric Coordinating Council reliability standards.

The SWC staff is on the Board of Directors for the California Municipal Utilities Association and the Western Electric Coordinating Council to fulfill the objective of elevating the profile of the SWP and represent the perspective of the SWP Contractors included in the activities of the associations.

Defend SWP against Energy Liabilities and Claims – Assure proper legal representation for potential litigation.

- The SWC consultants participated in negotiations to settle litigation that remains from the state energy crisis.
- The SWC intervened in transmission rate proceedings at the Federal Energy Regulatory Commission.

FERC Relicense Settlement – Advocate solutions related to obtaining a new license for the Oroville complex consistent with the Settlement agreement. Initiate relicensing activities associated with SoCal facilities.

- The Energy Committee is coordinating with DWR in initiating the relicensing of the hydroelectric facilities in Southern California.
- SWC staff participated in the Oroville Recreation Advisory Committee and Supplemental Benefits Fund Committee.

Davis-Dolwig Act Funding – Work with Contractors and DWR to obtain credits for past recreation costs.

- SWC coordinated with DWR to determine a method to return \$2.5 million annually for repayment of the State's share of past Recreation and Fish & Wildlife Enhancement (RFWE) costs. The first credits for calendar years 2012 and 2013 were received in spring 2015.

Contract Amendment/Extension – Coordinate with DWR on developing ability to provide 30-year or longer bonding and cost repayment period for SWP capital charges, including funding and financing options for a new conveyance facility. Coordinate with DWR to develop billing and reporting system to implement Freeze-Go.

- Agreements in Principle for the 2014 Contract Extension were taken to Contractor Boards of Directors for approval in September 2014.
- Formal Bay Delta Conservation Plan (BDCP) Contract Amendment Negotiations were initiated in December 2014. SWC staff supports the BDCP Contract Amendment Caucus by developing negotiating documents and background materials throughout the negotiation process.
- SWC staff provided multiple workshops to capture Contractors business requirements for SWP reporting to be included in the Financial Management Enhancement Project.

Future Capital Projects and Capital Financing Oversight – Develop a process to track, plan, and prioritize all existing and foreseeable capital projects which are funded by the SWP Contractors.

- SWC staff provided multiple workshops to provide a comprehensive overview of the SWC-developed BDCP/DHCCP SWP cost allocation model. The purpose of the model is to standardize the cost data and other assumptions used to analyze participation in the BDCP/DHCCP.
- SWC staff coordinated with the Energy Committee to develop a forecasting model focused on volatility factors facilitating discussions regarding factors influencing the Variable Component.

SWC staff provided extraordinary operation and maintenance budget materials to the Audit-Finance Committee to assist with the review of the 2015 Statement of Charges.

- SWC staff supports the BDCP/DHCCP SWP Cost Allocation Workgroup by providing documents and workshop support throughout the development process.
- SWC staff provided actual transportation minimum costs and analysis for the East Branch Extension and the South Bay Aqueduct to facilitate Contractors' negotiations with DWR regarding the operations and maintenance of these facilities.

Cost Recovery/Statement of Charges Oversight (Estimated Costs) – Provide oversight over DWR's estimated costs and recovery of those costs through review of the future project cost projections, the Delta Water Charge calculation, and Rate Management Credits review.

- SWC staff provided extraordinary operation and maintenance and capital budget materials to the Audit-Finance Committee to assist with the review of the 2015 Statement of Charges.
 - SWC staff provided materials to improve the productivity of the Contractors' financial evaluation by creating educational materials, reporting tools to streamline and/or direct the Contractors evaluation with minimal impact to DWR.
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Financial Audit and Dispute Oversight – Work with Contractors and DWR to identify and resolve existing and potential protest items.

- SWC staff has participated in the Protest Resolution Workgroup with a goal to provide closure on protest items, which includes either resolution or determining the necessity of filing a claim against DWR. To date, 138 of the 276 identified items have been resolved and another 41 are being actively worked on.
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Facilitate Water Transfers – Work with DWR and potential sellers in the Sacramento Valley to implement dry year transfers, including regulatory approvals.

- A dry year water purchase program was implemented in both 2014 and 2015. About 100,000 acre-feet were purchased in 2014 for SWP contractors. Agreements were signed in 2015 for more than 100,000 acre-feet of transfers; however, the extreme drought conditions resulted in curtailments to upstream water users and the amount of transfers was reduced to about 20,000 acre-feet.
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Yuba Accord Extension – Work with SWC Members, CVP Contractors, and DWR to negotiate extension of Yuba Accord. Address ongoing contractual and operational challenges to implementation of the Accord.

- The SWC worked with other SWP contractors, CVP contractors, and DWR in negotiating terms for an extension of the Yuba Accord. The extension was signed in Fall 2014 and provides a five-year extension for transfers of up to 200,000 acre-feet annually.
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SWRCB Activities – Present testimony and participate in hearings on Phases 1 and 2 Bay Delta Water Quality Control Plan Updates and related activities such as San Joaquin River water rights and illegal diversions.

- The SWC conducted several technical evaluations on the adequacy of water rights and the availability of water supply to meet those rights in the Sacramento-San Joaquin Delta. This work is being discussed with SWRCB in anticipation of pursuing formal investigations of water rights adequacy and curtailing users with inadequate water rights.
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Hyatt Unit Availability – Track process/cost/operation impact of issues affecting various Hyatt units (includes Head cover repair, leakage, downthrust remediation, field ground damage, and shutoff valve improvements).

- The SWC participated in an extensive value engineering evaluation for the refurbishment alternatives for the six turbine shutoff valve.
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	Objective	Description	Priority	SWC Assignment
Energy Operations	Strategic SWP Power and Transmission Plan	Coordinate with DWR on near-term (up to 5 years) and long-term (up to 20 years) Resource Plan.	●	Haines
	Near-Term Risk Management	Coordinate with DWR on power resource, transmission, staffing, and State energy policy issues.	●	Haines
	Greenhouse Gas/Renewable Policies	Work with DWR on appropriate greenhouse gas and renewable policies that reflect SWP utility characteristics and rate concerns.	●	Haines
	FERC Relicense Settlement	Advance solutions for new license at Oroville complex consistent with Settlement Agreement. Initiate relicensing activities associated with the SoCal facilities.	●	Haines
	Defend SWP Against Energy Liabilities and Claims	Assure proper legal representation for potential litigation.	○	Haines
Infrastructure	Hyatt Units 1, 3, 5 New Runners, Bearings, TSV Refurb	Track progress, cost, and operation impact for the replacement of new runners and bearings for units 1, 3, 5 to restore reliability and eliminate high downthrust loads.	●	Chapman
	Oroville Dam River Valves	Track progress, cost, schedule, and impact to operations related to the follow-up work on the 2014 emergency restoration.	●	Chapman
	Sisk Dam Seismic Stability & Dam Raise Study	Work with the USBR and DWR in the review of the new seismic stability analysis and potential remedial actions for the embankment. Also, participate in the USBR's Project Alternative & Risk study for a potential Dam raise.	●	Chapman
	Aqueduct Subsidence and SWP Capacity Retention	Work with DWR in determining the quantity, rate, and capacity reduction impacts of/and subsidence in the San Joaquin Valley. Target projects/repairs to assure capacity is restored or preserved to assure long-term operational reliability.	●	Chapman
	Motor/Generator Refurbishments	Track cost/progress/schedule and operational impact of new stator core, rewinds, and pump casing reconditioning. Long-term task in several of SWP plants.	○	Chapman
	Edmonston Pump Replacement/Refurb	Track performance/efficiency of four new units. Work with DWR in the value engineering process to select action (replacement vs. refurbishment) for aging east wing units.	○	Chapman
	SWP Asset Management	Work with DWR as they develop/document/implement an asset management system and capital improvement program including the required risk strategies and management policy and objectives.	○	Chapman

	Objective	Description	Priority	SWC Assignment
	Perris Dam-Remediation of Seismic Deficiency	Track cost/progress/schedule on foundation strengthening and embankment stabilization, outlet tower stability improvement, and emergency release facility improvements.	●	Chapman
	Thermalito Plant Post-Fire Rebuild	Track the progress, cost, and operation impact related to the restoration and modernization of the Thermalito plant.	●	Chapman
	Control System Upgrade	Track progress, cost, and schedule on the implementation of phase IV of the control system upgrade, which involves upgrading SWP plants south of the Delta.	○	Chapman
	Fire System Modernization	Track the design and implementation of DWR's new corrective measures and proactive fire systems to increase personnel safety and prevent catastrophic fires in SWP facilities.	○	Chapman
	Valve Rehab/Replacements	Track progress, cost, and schedule on the replacement or refurbishments of major valves within SWP plants.	○	Chapman
Business Processes	Financial Enhancements	Coordinate with DWR on funding and financing options for a new conveyance facility and expanding water management tools within the SWP contract. Coordinate with DWR to develop billing and reporting system to implement Freeze-Go. Support Contractor's SWRDS Finance Committee objectives.	●	Ramsay/Lightle
	Reporting	Coordinate with Contractors to develop business requirements for SWP reporting. Coordinate with DWR for inclusion of requirements in Financial Management Enhancement Project, Stage 1-3.	●	Ramsay/Lightle
	Cash and Financing Oversight	Work with DWR to finalize the Project Cost and Debt Service Reconciliation and determine options for Habitat Restoration funding.	●	Ramsay/Lightle
	Job Costing Oversight (Actual Costs)	Provide oversight over DWR's actual expenditures compared to estimated costs.	●	Ramsay/Lightle
	Implementation of Freeze-Go	Coordinate with DWR on the development of the To-Be design and solution alternatives for the implementation of the integrated approach to billing that can accommodate both current and future "pay-as-you-go" billing methodologies.	●	Ramsay/Lightle
	Future Capital Projects and Capital Financing Oversight	Develop a process to track, plan, and prioritize all existing and foreseeable capital projects which are funded by the SWP Contractors.	●	Ramsay/Lightle
	Cost Recovery/Statement of Charges Oversight (Estimated Costs)	Provide oversight over DWR's estimated costs and recovery of those costs through review of the future project cost projections, the Delta Water Charge calculation, and Rate Management Credits review.	●	Ramsay/Lightle

	Objective	Description	Priority	SWC Assignment
	Financial Audit and Dispute Oversight	Work with Contractors and DWR to identify and resolve existing and potential protest items.	●	Ramsay/Lightle
	Davis-Dolwig Act Funding	Work with Contractors and DWR to obtain credits for past recreation costs.	○	Ramsay/Lightle
Water Supplies	California WaterFix	Obtain ROD for California WaterFix. Proceed with implementation activities including SWRCB change petition.	●	Erlewine
	Water Management Contract Amendment	Coordinate SWP Contractors involvement in contract amendment discussions on California WaterFix cost allocation and water management activities.	●	Erlewine
	Coordinated Operations Agreement (COA)	Coordinate with DWR and SWC members in developing information for and participating in discussions of possible COA modifications.	●	Febbo
	State Water Resource Control Board (SWRCB) Activities	Present testimony and participate in hearings on updating the Bay-Delta Water Quality Control Plan and related activities such as San Joaquin River water rights and illegal diversions.	●	Morris
	Facilitate Water Transfers	Work with DWR and potential sellers in the Sacramento Valley to implement dry year transfers, including facilitating regulatory approvals. Begin planning for implementation of long-term transfers.	●	Chapman
	Upstream Water Supply Augmentation	Work with CVP Contractors and upstream water users to identify water supply operations to address existing and potential regulatory obligations.	●	Erlewine
	Delta Levee Strategy	Work with MWD and DWR in identifying and evaluating alternative approaches for levee improvements to project SWP water supplies.	●	Erlewine
	OCAP Compliance	Monitor progress of implementation of required habitat and other RPAs under OCAP Biological Opinions.	●	Febbo
	Delta Operations Improvements	Identify and implement operations strategies to minimize reductions to near-term exports using existing facilities or with additional features that can be implemented within a short time period.	●	Febbo
	Water Operations Evaluation	Develop documentation for ongoing Delta Water Supply Operations including water losses from regulatory actions. Develop analysis tool to evaluate water supply and predict water supply allocations during the runoff season.	●	Febbo

	Objective	Description	Priority	SWC Assignment
	Yuba Accord Extension	Work with SWC Members, CVP Contractors, and DWR to negotiate extension of Yuba Accord. Address ongoing contractual and operational challenges to implement the Accord.		Febbo
	Delta Related Litigation	Work with DWR in defending Monterey Plus EIR against litigation. Continue participation in Plumas Watershed Forum. Continue challenging the CEQA and authority of the Delta Stewardship Council to implement certain Delta Plan activities. Continue monitoring requirements for Sacramento Regional CSD. Continue monitoring other potential dischargers that may impact the Delta ecosystem.		Morris
	Suisun Marsh	Participate in negotiations for updates or amendments to Suisun Marsh Preservation Agreement. Review and provide input on the Suisun Marsh Plan and associated environmental documents. Work with DWR to transfer operations of facilities to SRCD.		Morris
	Wastewater Discharge and Water Quality Issues	Follow-up on remaining litigation efforts related to Sacramento Regional CSD discharge permits. Participate in development and review of discharge standards for other Delta Watershed dischargers. Participate in processes related to methylmercury regulations.		Morris
	Collaborative Adaptive Management Team (CAMT)	Observe CAMT participation by SWC and SFCWA members and provide support as needed.		Morris
	 Priority I (Highest Priority) Objectives  Priority II (High Priority) Objectives  Priority III (Medium Priority) Objectives			

State Water Project Contractors Authority (SWPCA) FY 2015/16 Objectives

Near-term objectives

- Leverage SWPCA's unique tools as a public agency to carry out the mission and principles.
- Focus and manage the SWPCA organization through the Board of Directors and create Specific Project Committees as opportunities arise.
- Provide services, supplies, equipment, and other resources to cost-effectively and efficiently meet the requirements of the SWP.
- Prepare for potential financing of various projects, as needed.
- Coordinate and collaborate with other public agencies to carry out SWPCA's mission.
- Determine "value added" component of potential projects or services provided to DWR or other State agencies.

Long-term objectives

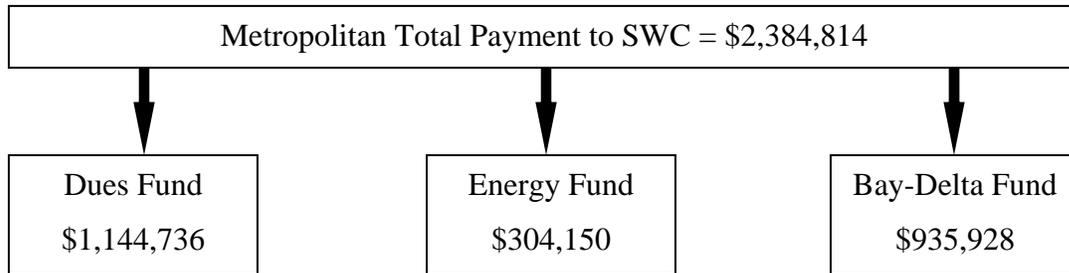
- Ensure safe, reliable, and efficient operations and maintenance of all SWP facilities and equipment.
- Maintain the SWPCA public agency structure and take on project or service opportunities as they present themselves.
- Keep policies and administrative procedures up to date to keep organization ready to take on projects or provide services.
- Strengthen communication and partnership with the State and other agencies as appropriate to achieve effective management, operation, and maintenance of the SWP.

SWPCA's Municipal Water Quality Investigations (MWQI) Specific Project Committee (SPC) will continue to provide funds to perform supplemental water quality related services for the MWQI Program to ensure that work is completed in a timely and cost-effective manner. The program will focus on water quality data collection, analysis, and management in the Delta, scientific support on Delta and SWP drinking water quality issues, and provide early warning of water quality events and water quality forecasting. The SPC will initiate a portion of the SWP Watershed Sanitary Survey. The survey report evaluates the adequacy of the source water and will evaluate the watershed for surface water sources and vulnerability. Additionally, an SPC program is in progress to elucidate limiting nutrient dynamics in the SWP based on historical data as well as problematic algal and aquatic macrophyte growth dynamics. Light as a factor limiting growth is also being explored. Field work and algae sampling efforts are underway. This project will provide valuable information that could lead to improved prevention or management of taste and odor episodes, filter clogging algae, and excessive macrophyte growth.

Organizational Schematic

Financial Pathways

State Water Contractors Total Budget = \$6,798,500 million



State Water Project Contractors Authority Total Budget = \$1,668,000

