



Development of Strategic Plan
Evaluation of Board Identified Challenges/Potential Actions:
Policy

Board Workshop #4
May 28, 2021



Background

1. Developing a Strategic Plan
2. Kickoff Meeting - December 9, 2020
3. Priority Challenges identified during April 1 Board Workshop #2
 - Projected Water Shortfall
 - Policy
 - Aging Infrastructure
 - Operational Excellence



Background

4. Projected Water Shortfall (May 3, 2021 Board Workshop #3)
 - Key Outcomes:
 - Defer further action on PDR for NPR project
 - Prepare Enhanced Feasibility Study focusing on IPR & DPR (obtaining proposal from consultant)
 - Explore regional groundwater banking options further
 - Terminate participation in reacquisition of SWP Suspended Table A water
5. **May 28, 2021 Board Workshop #4 (Policy Challenge)**
6. Priority Challenges: Infrastructure and Operational Excellence (to be discuss at next Board Workshop)



Priority “Policy” Challenges

1. Influencing Public Policy Making
 - a. State Mandated Urban Water Use Limitation
 - b. Ability to transfer surplus SWP water
 - c. Other Public Policy
2. Agency reorganization (special district consolidation)



Policy Challenge #1a
Influencing Public Policy Making
State Mandated Urban Water Use Limitation

Key Considerations:

1. Actual 2020 GPCD is 97% of SBX7-7 2020 water use target; prelim. 2020 UWMP indicates full compliance with SBX7-7
2. Current water use (2021) trending above SBX7-7 limit
3. Future Urban Water Use Limit is currently unknown
4. Future *Urban Water Use Objective* currently under development by DWR (water budgets)



Policy Challenge #1a

Influencing Public Policy Making

State Mandated Urban Water Use Limitation

Key Considerations:

5. Certain components of Future Urban Water Use Objective could impact the water budget determination
 - Population (2nd homes, institutional population, ADUs, domestic staff)
 - CII (Commercial, Industrial and Institutional)
 - Agriculture (i.e. small residential agriculture)
 - Variances (credits) allowing use above the established urban water use limitations (i.e. potable reuse, desalination)
 - Water use for ensuring water quality (flushing, testing, etc.)



Policy Challenge #1a

Influencing Public Policy Making

State Mandated Urban Water Use Limitation

Key Considerations:

6. Noncompliance with use limitation could have financial implications (i.e. ineligibility for future loan/grant opportunities and/or fines/penalties)
7. Potential influences on future customer demands
 - Climate change; droughts, warmer temperatures
 - Lowering of groundwater levels; wells drying up
 - SGMA compliance – achieving sustainability
8. Water use limitation may impact the Montecito Community Plan (maintaining the community's semi-rural character)



Policy Challenge #1a

Influencing Public Policy Making

State Mandated Urban Water Use Limitation

Possible Actions:

- A. Continued engagement in DWR's process to develop the urban water use objective including the variances (credits)
 - Staff participation in DWR webinars; providing written comment letters
 - Use of consultants for regulatory or special legal support
- B. Involve elected officials in DWR's process
- C. Continue Educating Customers
 - Efficient water use; drought proof landscaping; use of technology (AMI); Use of water conserving fixtures and irrigation systems; storm water capture systems on private property



Policy Challenge #1a

Influencing Public Policy Making

State Mandated Urban Water Use Limitation

Possible Actions:

D. Education of gardeners and landscapers

E. Expanded Water Conservation Program

- Outreach to customers with highest water use
- Develop incentive program to encourage reduced water use (i.e. rebate program for turf removal, fixture replacement, gray water systems)
- Develop program provided by 3rd party(s) providing customers with optional service involving evaluation of landscaping/irrigation and providing direction on how to reduce water use

F. Continued use of water rates to help limit overall water use



Policy Challenge #1a

Influencing Public Policy Making

State Mandated Urban Water Use Limitation

Committee Recommendations:

1. Implement the suggested actions
2. Develop a strategy for engaging in policy making at the State level to maximize impact
 - Involve the Montecito Association (mandated water use reductions could impact the character of the community)
3. Continue to prepare customers for *Making Conservation a Way of Life*
 - Days of unlimited water use are likely a thing of the past



Policy Challenge #1b
Influencing Public Policy Making
Ability to Transfer Surplus SWP Water

Key Considerations:

1. Engaged WestWater in 2019/20 to develop a water marketing strategy involving transferring SWP water determined annually to be surplus to its needs
 - Proposals from interested local and regional entities
 - Surplus water would likely be lost to spill/ carryover limitations
 - Enables recovery of funds to partially offset the cost of acquisition of other local reliable water supplies (i.e. desalination)
2. SWP Amendment 21 (Water Management Amendment) increases flexibility in management of SWP supplies



Policy Challenge #1b
Influencing Public Policy Making
Ability to Transfer Surplus SWP Water

Key Considerations:

3. Santa Barbara County approved SMP Amendment 21 with conditions
 - Conditions may limit/prevent transfers of water outside County
 - County BOS approval required adds uncertainty
 - Conditions reduce likelihood of another SWP contractor exchanging or transferring water with Santa Barbara County water agencies



Policy Challenge #1b
Influencing Public Policy Making
Ability to Transfer Surplus SWP Water

Possible Actions:

- A. Legal Challenge; through CCWA, the County's actions imposing conditions on SWP Amendment 21
- B. Request County approval of transfer arrangement; County has supported MWD's past actions related to water supply reliability
- C. Engage Board with County BOS to garner support for a transfer opportunity



Policy Challenge #1b
Influencing Public Policy Making
Ability to Transfer Surplus SWP Water

Committee Recommendation:

1. Implement the suggested actions



Policy Challenge #1c
Influencing Public Policy Making
Other Public Policy

Key Considerations:

1. MWD is small water district compared with other public agencies locally and statewide
2. Limited ability to affect public policy development
3. Leverage community members/organizations to assist politically
4. Recent MWD efforts to impact public policy has been partially effective (i.e. SWP Amendments)



Policy Challenge #1c
Influencing Public Policy Making
Other Public Policy

Key Considerations:

5. Key policy matters affecting ongoing District activities
 - Recycled Water (IPR, NPR)
 - Cachuma Project (thru JPAs)
 - Jameson Lake



Policy Challenge #1c
Influencing Public Policy Making
Other Public Policy

Possible Actions:

- A. Continue engagement of Board Members with elected officials when necessary
- B. Consider hiring a lobbyist, as determined necessary
- C. More aggressive engagement with ACWA, CCWA, and other entities with more clout than MWD



Policy Challenge #1c
Influencing Public Policy Making
Other Public Policy

Committee Recommendation:

1. Implement the suggested actions
2. Include Policy discussion as regular agenda item for SP Committee
 - To stay well-informed on policy matters needing District attention



Policy Challenge #2

Special District Reorganization (consolidation)

Key Considerations:

1. Recent topic of discussion by MWD & MSD Board of Directors
2. Historically poor relationship between MWD & MSD (outlook possibly different with new MSD Board and Management)
3. Consolidation considered by some to be required to effectuate a recycled water project
4. Many uncertainties remain (i.e. LAFCO support, community desires, benefits/disadvantages, likelihood of success if election required, etc.)



Policy Challenge #2

Special District Reorganization (consolidation)

Possible Actions:

- A. Meet with MSD Board to determine mutual interest in consolidation;
- B. If there is mutual interest, joint committee to perform analytical study of consolidation or adopt a resolution expressing support for consolidation and pursue development of a LAFCO-required financial feasibility study
- C. Alternatively, continue to pursue recycled water project without consolidation



Policy Challenge #2

Special District Reorganization (consolidation)

Committee Recommendation:

1. MWD Board to decide whether to engage with MSD Board regarding consolidation
2. If mutual interest, Joint SP Committees to perform analytical study on consolidation (before engaging in LAFCO process)
 - using consultant as necessary
3. Committees to report back to Boards and determine how to proceed, if at all



Next Steps

1. Discuss Aging Infrastructure and Operation Excellence Challenges with Operations and Customer Relations Committee (Date to be determined)



Questions