

SWEETWATER AUTHORITY

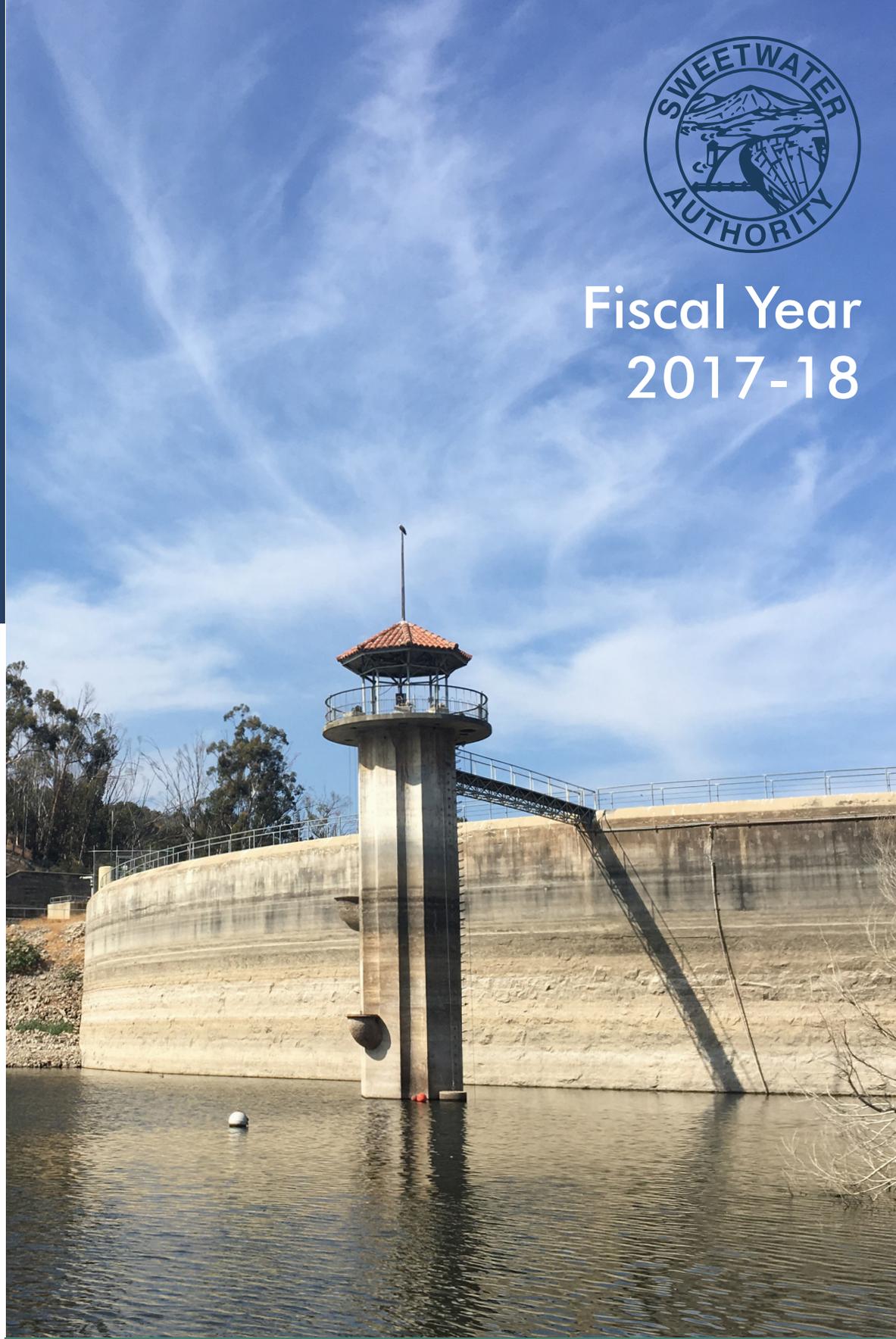
Available online at www.sweetwater.org/AnnualReport

ANNUAL REPORT

ON THE
STRATEGIC PLAN



Fiscal Year
2017-18



Sweetwater Authority provides safe, reliable water service to residents and businesses in National City, Bonita, and western and central portions of Chula Vista.

Our Governing Board

Sweetwater Authority (Authority) is a publicly-owned, joint powers water agency, with policies and procedures established by a seven-member Governing Board (Board). Five directors are elected by the citizens of the South Bay Irrigation District. Two directors are appointed by the Mayor of National City, subject to City Council confirmation.

OUR MISSION

The mission of the Authority is to provide our current and future customers with a safe and reliable water supply through the use of the best available technology, sound management practices, public participation and a balanced approach to human and environmental needs.

OUR VISION

The Authority is a premier water agency. We partner with public and private sectors to maximize value for our rate payers. Our water system infrastructure is innovative, yet functional, practical and cost-effective. We provide a reliable and sustainable source of water. We consistently deliver industry-leading service to our customers.

SOUTH BAY IRRIGATION DISTRICT DIRECTORS



STEVE CASTANEDA
DIVISION 1
Term 2014-2018



JOSÉ F. CERDA
DIVISION 2
Term 2016-2020



JOSE PRECIADO
DIVISION 3
Term 2016-2020

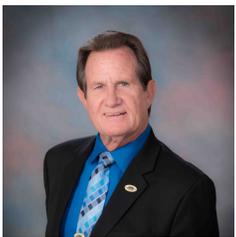


TERESA "TERRY" THOMAS
DIVISION 4
BOARD CHAIR
Term 2014-2018



JOSIE CALDERON-SCOTT
DIVISION 5
Term 2016-2020

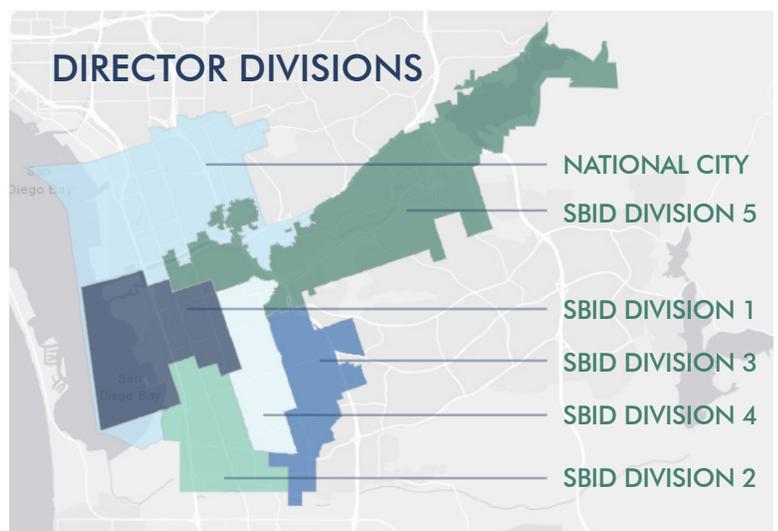
NATIONAL CITY DIRECTORS



RON MORRISON
BOARD VICE CHAIR
Term 2014-2018



JESS VAN DEVENTER
Term 2014-2018



In August 2017, the Authority celebrated its 40th anniversary. Since 1977, the Authority has delivered more than 200 billion gallons of water; every single drop has met or exceeded all water quality requirements. That's four decades of perfect compliance with regulatory standards.

Year in Review

A MESSAGE FROM BOARD CHAIR
TERESA "TERRY" THOMAS



I have proudly served on the Sweetwater Authority Governing Board since 2006 and as Board Chair since 2016. My tenure as Board Chair and on the Board will conclude at the end of 2018, and I am so proud of the accomplishments that we have made during the past year.

The Authority has had an award-winning year, during which we were presented with the Corky McMillin/Best of South County Award from the South County Economic Development Council, the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association, Project of the Year for the Richard A. Reynolds Groundwater Desalination Facility from the American Society of Civil Engineers San Diego/Imperial County Chapter, and the Transparency

Certificate of Excellence from the Special District Leadership Foundation.

While our list of awards is impressive, we would not have been able to achieve such greatness without our employees. I have always felt a tremendous amount of pride in the hard work and dedication of the Authority's staff. Our devoted team works hard to carry out the Authority's mission of serving safe, reliable water. Their contribution to the community is invaluable, and along with my fellow Board members, I want to thank them for their service to our customers.

As I retire from the Board, I want to thank my current and past colleagues on the Board for their support. We have been able to accomplish many great things because of our policy decisions and leadership during this past year. Current and future customers will see the long-term benefits of those choices, and for that I am grateful.

Executive Summary

A MESSAGE FROM GENERAL
MANAGER TISH BERGE



As we close out Fiscal Year 2017-18, my first year as General Manager of Sweetwater Authority, I am filled with a deep sense of pride for all that the organization accomplished. These accomplishments are the direct result of the Authority's ability to run as an efficient and effective organization.

Demonstrating the Authority's commitment to efficiency, this past fiscal year the management team negotiated a staffing plan with the labor groups to take us into the future. The plan provides for historically low staffing levels, 10 percent lower than a decade ago, by leveraging operational efficiencies without sacrificing customer service.

We successfully executed a robust outreach program for the Five-year Water Rate Study, including community presentations, open houses, and a variety of media and direct mail to ensure customers were informed of the proposed rate changes. The Board created a Rate Stabilization Fund as a fiscally responsible tool to help manage the rising cost of imported water and smooth rate impacts to our customers.

Staff completed yet another year of perfect compliance with all drinking water regulations – making this the 41st year of perfect compliance for the Authority. Together, we entered into an exciting partnership with the Chula Vista Elementary School District to host hands-on learning events at the award winning Reynolds Desalination Facility.

As I reflect on this past fiscal year, I am especially struck by the pride I saw each employee display when talking about how they contribute to the Authority's mission to deliver safe, reliable water to our customers. It is an honor to lead this amazing team of water professionals in service to the community.

This document is the year-end report which summarizes the achievements of the Authority over the past fiscal year and the degree to which Authority staff achieved the goals and objectives as set forth in the Strategic Plan. The full Strategic Plan and the Detailed Work Plan Status Report are available on the Authority's website at www.sweetwater.org.



"How to Use Water" by Alexis Trujillo, 2nd place, High School Photo Contest
Photo taken at Olivewood Gardens

TEACHING WATERSHED PROTECTION

In October 2017, the Authority updated its watershed exhibit at the Living Coast Discovery Center in Chula Vista. The new interactive kiosk, made possible by funding from the Hans and Margaret Doe Charitable Trust and Sweetwater Authority, features a touchscreen monitor and new software program that allows visitors to take a deeper look at the wildlife and water quality of our watershed.



CIVIL ENGINEERING PROJECT OF THE YEAR

In May 2018, the Authority's Reynolds Groundwater Desalination Facility was awarded Project of the Year by the American Society of Civil Engineers San Diego Section. The state-of-the-art facility allows the Authority to provide customers with a reliable, drought-proof local water source at a cost less than imported water. The project's sustainable design includes 2,950 ground-mounted solar photovoltaic panels as an alternative energy source.

ADAPTING TO NEW REGULATIONS

Last fiscal year, the State mandated that all public water systems test for lead at K-12 schools within their service areas that submit a written request for testing. The Authority worked closely with the 46 schools that wrote letters of request to develop sampling plans and conduct testing. Testing of those 46 schools was completed in October 2017.



INVESTING IN WATER QUALITY

Performing proactive flushing in our service area helps maintain the water quality in the distribution system ensuring that we deliver safe, reliable water to our customers. Controlled flushing of water through fire hydrants removes sediment and build-up from the pipeline. The Authority works under the guidance of state and regional regulations to ensure flushing is done as efficiently as possible, with minimal environmental and water quality impacts. In FY 2017-18, the Board approved a three-year program to flush of all distribution pipelines to improve system water quality.



In 2017, the water delivered by the Authority met all U.S. Environmental Protection Agency and California State Water Resources Control Board drinking water health standards.



System Reliability

GOAL 2: ACHIEVE AN UNINTERRUPTED, LONG-TERM WATER SUPPLY THROUGH INVESTMENT, MAINTENANCE & INNOVATION



CORKY MCMILLIN / BEST OF SOUTH COUNTY AWARD

In September 2017, the Authority was presented The Corky McMillin/Best of South County Award by the South County Economic Development Council for the recent expansion of the Reynolds Groundwater Desalination Facility, which provides customers with a reliable, drought-proof and cost-effective local water source.

The award is presented to a local business that has a history of consistent excellence in service, customer satisfaction and overall performance, and is judged by colleagues and customers.

INFRASTRUCTURE INVESTMENTS SECURE SAFE & RELIABLE WATER FOR CUSTOMERS

In May 2017, the Authority kicked off the first of 77 projects identified in its five-year capital improvement plan, installing secondary mains in Bonita Valley to help limit service disruptions for businesses and residents during scheduled maintenance or in emergency situations. Over the next five years, the Authority will invest \$72 million in water system improvements, including a new 36-inch transmission main, and necessary safety work to the Sweetwater and Loveland Dams as part of its capital improvement plan. This plan reinforces the Authority's commitment to proactively invest in our water system to ensure a reliable and safe water future for its customers.



Financial Viability

GOAL 3: ENSURE LONG-TERM FINANCIAL VIABILITY OF THE AGENCY

BUDGET & FIVE-YEAR WATER RATE STUDY

In June 2018, the Board adopted the FY 2018-19 Budget and accepted and filed a Five-Year Water Rate study. Over the next five years, the Authority will invest \$72 million in capital improvements, which includes a new 36-inch transmission main pipeline, and necessary safety work to the Sweetwater and Loveland Dams. This investment displays the Authority's commitment to providing safe and reliable water service to the businesses and residents that depend on a consistent water supply.



Liam Thomas, Daly Academy, 6th Grade
Submission to the Authority's Elementary School Poster Contest



EXCELLENCE IN FINANCIAL REPORTING

In March 2018, the Authority was awarded with the Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report by the Government Finance Officers Association of the United States and Canada. The Certificate of Achievement is the highest form of recognition in the area of governmental and financial reporting.

RATE STABILIZATION: "RAINY DAY" FUND FOR DROUGHT YEARS

As part of its 2018-19 budget, the Board approved creation of a Rate Stabilization Fund. This fund will allow the Authority to put aside money during wet years when inexpensive local water resources are abundant. The funds would then be used to help control rate adjustments during dry years when the Authority's water purchase costs can increase by as much as 20 percent.

WATER RATES FUND MORE THAN JUST WATER...

The Authority receives no revenue from taxes and does not generate a profit. That means every dollar collected from water bills is invested back into the water system.



Customer Service



GOAL 4: PROVIDE HIGH-QUALITY CUSTOMER SERVICE



METER READS: ENSURING ACCURACY

The Authority has several measures in place to ensure that each bill is accurate. It starts at the meter, which is read manually by Authority staff and then entered into a device. The device automatically alerts the representative if the read is outside the typical range. The reads on the device are later reviewed multiple times by staff, supervisors and managers before being finalized in the billing system.

On average, a Field Representative will read approximately 200 water meters before noon. In FY 2017-18, the Authority's Customer Service team read over 200,000 meters.

FOCUSING ON TRANSPARENCY

The Authority has a long tradition of sharing comments from the public with the Board. This year, the Authority formalized that practice by publishing these comments under their own agenda item in each Board packet. This process increases transparency and allows the Board to closely monitor the Authority's strategic goal of high quality customer service.



In FY 2017-18, the Authority processed over 200,000 bill payments. Every dollar of those payments funds the system and resources that provide customers with safe, reliable water service.

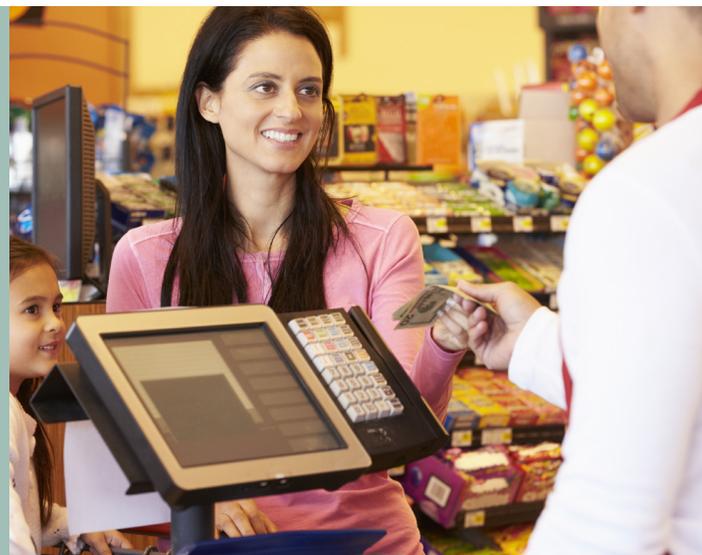
*Payment option launched December 2017

A NEW, CONVENIENT WAY TO PAY



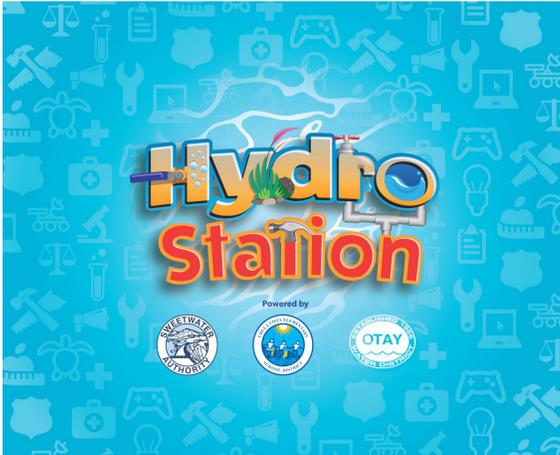
In 2017, the Authority partnered with PayNearMe to offer customers another easy way to pay their water bill. Customers can now pay their bill in cash at any CVS or 7-Eleven location at no extra charge. Instructions and more information are available at www.sweetwater.org/paynearme.

Available at **7-ELEVEN** & **CVS pharmacy**



Staff Development

GOAL 5: DEVELOP A HIGHLY-SKILLED, ADAPTABLE WORKFORCE & A SAFE, PROPERLY-EQUIPPED & EFFECTIVE WORK ENVIRONMENT



INSPIRING FUTURE WATER LEADERS

This past fiscal year, the Authority began exploring a partnership opportunity with the Chula Vista Elementary School District (CVESD) and Otay Water District to create a new education program that will help inspire creativity, innovation and future water leaders in the “Blue Economy.” Based on the CVESD’s already successful Innovation Lab concept, the Hydro Station Lab will allow for approximately 4,000 elementary students in the district to attend a one-day experience learning about careers and opportunities in the water industry.



EXEMPLARY OPERATIONS SUPERVISOR

The Authority is proud to have leaders in the water industry as part of our staff. In March 2018, Authority Distribution Manager Nate Golder was presented with the Exemplary Operations Supervisor Award by the American Water Works Association (AWWA). AWWA selected Nate to receive this prestigious award due to his commitment to his operating responsibilities and dedication to the delivery of safe, reliable water to Authority customers.

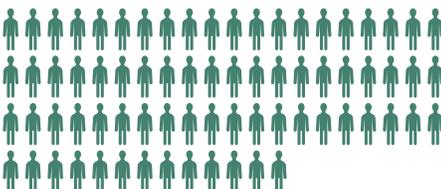
EXPANDING OUR RECRUITMENT EFFORTS

In November 2017, the Authority launched its new online jobs portal, powered by NeoGov. Accessible at www.sweetwater.org/jobs, the portal features full job descriptions and the ability to apply for open positions directly through the site. Job seekers can also complete a job interest card at www.sweetwater.org/JobInterestCards to receive notifications whenever a position matching their interests becomes available. The new portal streamlines the hiring process, meaning the Authority can more effectively find the best person for open job positions.

AUTHORITY EMPLOYEES: WATER EXPERTS

Authority employees are leaders in the water industry. The majority of the Authority’s approximately 130 employees hold at least one professional certification specific to the water industry and beyond.

73 Water Distribution Operators



38 Water Treatment Operators



Want to get certified for work in the water industry? The Center for Water Studies at Cuyamaca College offers excellent water industry training opportunities. Visit www.cawaterworks.org for more information.

Additional certifications include:

-  x6 Backflow Prevention Assembly Tester
-  x6 Cross-Connection Control Specialist
-  x6 Professional Engineer
-  x3 Water Use Efficiency Practitioner
-  x2 Information Systems Security Professional
-  x2 Certification in Public Information

Administrative Effectiveness

GOAL 6: PROVIDE EFFICIENT & EFFECTIVE ADMINISTRATIVE SYSTEMS & PROCEDURES IN ACCORDANCE WITH BEST MANAGEMENT PRACTICES



SAVINGS EARNED THROUGH SAFETY

In March 2018, members of the Association of California Water Agencies-Joint Powers Insurance Authority's (ACWA/JPIA) executive team presented an insurance refund check to the Authority's Board; the refund was earned through risk management and safe work practices.

GRANT ACCOUNTABILITY OFFICIALS TOUR FUNDED & EXPANDED FACILITY

In FY 2017-18, officials from the U.S. Government Accountability Office (GAO) visited the Reynolds Groundwater Desalination Facility to hear about how the Bureau of Reclamation's Title XVI grant helped fund the facility's recent expansion. The Authority secured over \$31 million in grant funding from the state and federal government for the \$42 million expansion project, which doubled the facility's production of local, drought-proof drinking water. Today, the facility can produce enough water for 18,000 families at a cost lower than buying imported water.



\$423,770

**INSURANCE REFUND
ISSUED FOR**



**SAFE WORK
PRACTICES**



DISTRICT TRANSPARENCY CERTIFICATE OF EXCELLENCE

In May 2018, the Authority received the District Transparency Certificate of Excellence from the Special District Leadership Foundation in recognition of its outstanding efforts to promote transparency and good governance. The Authority first received the award back in 2014, and completes the process to re-certify bi-annually. The award is given to special districts that demonstrate completion of essential governance requirements, including conducting open and public meetings, providing readily available information to the public on and offline, and a commitment to engaging ratepayers through outreach.



ACHIEVEMENT IN INFO TECHNOLOGY

The Authority's Information Systems team maintains the sophisticated technology systems that support the agency's ability to provide safe, reliable water service to our customers. In December 2017, the Authority was honored with the Municipal Information Systems Association of California (MISAC) Achievement in Information Technology Practices award for outstanding governance and operation practices.

Environmental Stewardship

GOAL 7: PROVIDE CORE SERVICES WHILE MAINTAINING A BALANCED APPROACH TO HUMAN & ENVIRONMENTAL NEEDS

WATER EFFICIENCY RESOURCES FOR ALL CUSTOMERS

REBATES

The Authority works to ensure all customers have the tools and incentives they need to be wise water users. To encourage water efficiency, the Authority offers a variety of rebates for both residential and business customers, along with free property water audits.

 Visit www.sweetwater.org/rebates for more information

GRANTS

Along with funding rebates and water audits, the Authority offers grant funding as part of its commitment to water efficiency. The Water Efficiency Education Program (WEEP) grant is designed to encourage water users in the Authority's service area to implement educational displays, programs, lectures or instructional media to teach the importance and relevance of water resource efficiency and education. In FY 2017-18, the Authority awarded the Living Coast Discovery Center a WEEP grant, which helped fund a series of three events highlighting both organizations' mutual goal of educating the public about water conservation.

The Authority also offers the Savings Through Efficiency Program (STEP) grant, which encourages water users to implement equipment retrofits or innovative projects/devices to maximize the efficient use of water.



\$276K GRANT FUNDING FROM CENTER FOR SUSTAINABLE ENERGY

In October 2017, the Board received a \$276,060 check for the first half of the grant funding from the Center for Sustainable Energy for the hydroelectric generation project at the Authority's Perdue Water Treatment Plant. This payment is the first installment of the grant; additional annual payments over the next five years, for a total grant amount that could reach \$552,120 will be received based on the amount of power generated. Developed with NLine Energy, this clean energy project helps offset electrical costs associated with water treatment, reduces grid demand, and offers a renewable and sustainable source of power.



Marion G. Davis of Chula Vista
Winner of the 2018 WaterSmart Landscape Contest

AWARDING EFFICIENCY: WATERSMART LANDSCAPES

The Authority encourages wise outdoor water use by holding a yearly WaterSmart Landscape Contest. By hosting landscape classes and providing resources and awards, the Authority helps customers implement their low-water-use landscapes projects.

Resources & More

CONTACT US

-  **Administrative Office**
505 Garrett Avenue, Chula Vista, CA 91910
Office Hours: Monday - Friday 8 a.m. - 5 p.m.
-  **Mailing Address**
P.O. Box 2328, Chula Vista, CA 91912
-  **Customer Service** 619-420-1413
Water Efficiency 619-409-6779
Water Quality Information 619-409-6780
Construction Info 619-409-6850
-  **Website** www.sweetwater.org
Facebook @SWAWater
Twitter @SweetwaterAuth

CONVENIENT WAYS TO PAY

-  Log on to sweetwater.org and click on "Pay My Bill" to make a one-time payment or sign up for automatic payments.
-  Call 866-419-9408 to pay by phone with a credit card or electronic check.
-  Mail in payment and bill payment stub to Sweetwater Authority, P.O. Box 2328, Chula Vista, CA 91912.
-  Have payments deducted automatically from a checking account. Call Customer Service at 619-420-1413 to set up auto-pay.
-  Pay in cash at any CVS or 7-Eleven location with PayNearMe barcode.
-  Pay in person with cash or credit card at the Authority's Administrative Office.



FAST FACTS: WATER RESOURCES

The Authority is considered to have the most reliable water resources of any district in the San Diego region.



IMPORTED
RAW
WATER



IMPORTED
TREATED
WATER



4
FRESHWATER
WELLS



17
PUMP
STATIONS



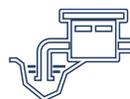
2
DAMS



25
STORAGE
TANKS



GROUNDWATER
DESALINATION
FACILITY



WATER
TREATMENT
FACILITY

400
MILES
OF PIPELINE





LEARN MORE ABOUT HOW SWEETWATER AUTHORITY IS WORKING FOR YOUR WATER



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