

MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
PUBLIC AFFAIRS AND LEGISLATION COMMITTEE
March 21, 2011, 8:30 a.m.
Conference Room 101

Committee:

Director Hinman, Chairman
Director Clark
Director Dick

Staff: K. Hunt, K. Seckel, D. Cordero,
K. Davanaugh, D. Burke

Ex Officio Member: J. Finnegan

MWDOC Committee meetings are noticed and held as joint meetings of the Committee and the entire Board of Directors and all members of the Board of Directors may attend and participate in the discussion. Each Committee has designated Committee members, and other members of the Board are designated alternate committee members. If less than a quorum of the full Board is in attendance, the Board meeting will be adjourned for lack of a quorum and the meeting will proceed as a meeting of the Committee with those Committee members and alternate members in attendance acting as the Committee.

PUBLIC PARTICIPATION

Public comments on agenda items and items under the jurisdiction of the Committee should be made at this time.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - Determine there is a need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda. (Requires a unanimous vote of the Committee)

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING --
Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on the District's Internet Web site, accessible at <http://www.mwdoc.com>.

ACTION ITEMS

1. ESTABLISHMENT OF LEGISLATIVE POSITIONS
2. NOMINATIONS FOR CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA)
BOARD OF DIRECTORS REPRESENTING REGION 6 "SEAT C"

DISCUSSION ITEMS

- 3. GOVERNMENT REFORM EFFORTS IN SACRAMENTO
- 4. LEGISLATIVE ACTIVITIES
 - a. Washington Update (Barker)
 - b. State and Federal Political Update (Townsend)
 - c. Legislative Matrix
- 5. FOLLOW-UP REGARDING REGULATORY STREAMLINING WORKSHOP (Oral Report)

INFORMATION ITEMS - (THE FOLLOWING ITEMS ARE FOR INFORMATIONAL PURPOSES ONLY – BACKGROUND INFORMATION IS INCLUDED IN THE PACKET. DISCUSSION IS NOT NECESSARY UNLESS REQUESTED BY A DIRECTOR.)

- 6. ORANGE COUNTY WATER SUMMIT IV
- 7. PUBLIC AFFAIRS ACTIVITIES REPORT

OTHER ITEMS

- 8. REVIEW ISSUES RELATED TO LEGISLATION, OUTREACH, PUBLIC INFORMATION ISSUES, AND MET

ADJOURNMENT

NOTE: At the discretion of the Committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated, and may be subject to action by the Committee. On those items designated for Board action, the Committee reviews the items and makes a recommendation for final action to the full Board of Directors; final action will be taken by the Board of Directors. Agendas for Committee and Board meetings may be obtained from the District Secretary. Members of the public are advised that the Board consideration process includes consideration of each agenda item by one or more Committees indicated on the Board Action Sheet. Attendance at Committee meetings and the Board meeting considering an item consequently is advised.

Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Maribeth Goldsby, District Secretary, at (714) 963-3058, or writing to Municipal Water District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.



ACTION ITEM

March 21, 2011

TO: Board of Directors

FROM: **Public Affairs & Legislation Committee**
(Directors Hinman, Dick, Clark)

Kevin Hunt
General Manager

Staff Contact: David Cordero

SUBJECT: ESTABLISHMENT OF LEGISLATIVE POSITIONS

STAFF RECOMMENDATION

Staff recommends the Board of Directors adopt positions on the following legislative bills:

AB 83 (Jeffries)	Environment: CEQA exemption: recycled water pipeline	Support
AB 576 (Dickinson)	Delta Stewardship Council: Planning and Administration: Fee	Oppose unless Amended
AB 741 (Huffman)	Onsite wastewater disposal.	Support

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

AB 83 (Jeffries) – Environment: CEQA exemption: recycled water pipeline.

Summary: This bill would exempt new recycled water pipeline installation projects that are to be located under roadways or improved rights-of-way and are less than eight miles in length from having to prepare and submit certain environmental documentation under the California Environmental Quality Act (CEQA). Presently these types of projects are exempt only if they are less than one mile in length.

Budgeted (Y/N):	Budgeted amount:
Action item amount:	Line item:
Fiscal Impact (explain if unbudgeted):	

Analysis: The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA exempts projects for the installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline that are less than one mile in length and are within a public street or highway or any other public right-of-way.

AB 83 would expand the exemption to projects that are less than eight miles in length for the installation of a new recycled water pipeline within an improved public street, highway, or right-of-way.

According to the bill's author and its proponents, AB 83 would provide significant savings for agencies through decreased administrative costs on projects and increased efficiency in terms of project completion timelines. Potential administrative savings have been estimated to be anywhere from \$15,000 to \$30,000 per project and potential time savings of up to 15 weeks.

AB 83 is sponsored by the Elsinore Valley Municipal Water District, and is currently supported by the Association of California Water Agencies (ACWA), Eastern Municipal Water District, and Walnut Valley Water District. Similar legislation (AB 1704) was introduced by the author in 2010 but it lacked the support necessary to pass the Assembly Natural Resources Committee.

Status: This bill is scheduled to be heard in the Assembly Natural Resources Committee on March 21, 2011.

Recommended Position: *SUPPORT*

AB 576 (Dickinson) – Delta Stewardship Council: Planning and Administration: Fee

Summary: AB 576 would direct the Delta Stewardship Council (the Council) to adopt a fee for State Water Project (SWP) and federal Central Valley Project (CVP) water contractors to fund a portion of the planning and administrative costs of the Council.

Analysis: AB 576 would require the establishment of a fee to be borne exclusively by SWP and CVP water supply contractors to fund a portion of the planning and administrative costs of the Delta Stewardship Council. The bill neither identifies nor proposes any other funding sources to help cover these costs. This runs contrary to the principle of “beneficiaries pay” in which certain costs would be shared among Delta water users and others who benefit directly from the services or work being performed in the Delta watershed. The SWP and CVP fee would fund a “portion” of the Council’s costs but, since the water contractor fee is the only funding source identified, there is concern that it could be unnecessarily high and,

once initiated, it might prove difficult to include other beneficiaries in a long-term financing plan.

The Delta Stewardship Council was formed as part of the State Water Legislative Package that was signed into law in November 2009. The Council is responsible for developing, adopting and commencing implementation of a new Delta Plan that advances the co-equal goals of Delta ecosystem restoration and a reliable water supply. The legislation authorizing the formation of the Council, SB X7-1, did not establish a short-term or long-term financing mechanism for the Council. A combination of funding from the state General Fund, bonds, and/or federal reimbursements are currently providing the initial funding for the Council.

The Metropolitan Water District of Southern California recently adopted an “Oppose unless Amended” position on the bill. Metropolitan is requesting that the bill be amended to make it consistent with the beneficiaries pay approach and that the proposed fee be applied so the Council’s costs are distributed more broadly to all persons or groups that benefit from or cause impacts to the Delta watershed.

Status: This bill has been assigned to the Assembly Water, Parks and Wildlife Committee. A hearing has not yet been scheduled.

Recommended Position: *OPPOSE UNLESS AMENDED*

AB 741 (Huffman) – Onsite wastewater disposal.

Summary: This bill would authorize public wastewater agencies to offer voluntary liens to private property owners to finance the replacement of existing sewer lateral lines or the conversion of an onsite septic system for connection to the community sewer system.

Analysis: AB 741 would modify and expand existing law to allow private property owners to voluntarily enter into agreements with local wastewater agencies for the financing of onsite wastewater infrastructure improvements. It would facilitate conversions from septic systems to community sewer systems and the replacement of sewer lateral lines. In so doing, the bills helps to protect water quality as well as the environment and public health from contamination from leaking septic tanks, eroding pipes and other aging sewer infrastructure.

Existing law (Health & Safety Code, Sections 5460-5464) authorizes a property owner included within an assessment district to enter into an agreement with the local wastewater agency for the financing of sewer improvements to connect to a community sewer system when a regional water quality control board has issued a sewage disposal abatement order. AB 741 would expand this law so such a conversion could be financed without requiring a regional board abatement order. It would also allow this same financing arrangement to be used for the replacement of sewer lateral lines.

According to the bill’s author:

The California State Water Resources Control Board requires wastewater agencies to maintain the public sewer systems, and agencies invest hundreds of millions of dollars in repair and improvements to publicly owned sewer mains and treatment

facilities. However, the problem cannot be resolved solely by upgrading the community sewer system. Repair or replacement of sewer laterals is typically the responsibility of the homeowner, but there is no mandate requiring this maintenance. Private property owners must be given the tools to maintain private sewer laterals.

The costs of sewer lateral replacements for private property owners are high. A typical sewer lateral replacement can range from \$1,500 to \$4,000. Costs can increase significantly if there are obstructions such as landscaping, driveways, or structures built above the lateral.

Providing financing options to encourage private property owners to replace their damaged sewer laterals is essential to ensuring that public infrastructure, public health and the environment are protected.

Converting from a septic to sewer system protects water quality, the environment and public health by ensuring that wastewater is collected and conveyed to treatment and disposal facilities with minimal risk and increases water quality benefits.

The cost to convert a septic system to a sewer system can be expensive, including the clean up and removal or abandonment of the septic system as well as the costs of building the facilities needed to connect to the community sewer system. According to the Irvine Ranch Water District [the bill sponsor], the costs of conversion can range from \$2,000 to \$14,000 and if new or replacement pumps are needed, this can add an additional \$10,000.

Status: This bill has been assigned to the Assembly Local Government Committee. A hearing has not yet been scheduled. It also recently acquired two co-authors, Orange County Assemblymembers Don Wagner (AD 70) and Jeff Miller (AD 71).

Recommended Position: *SUPPORT*

Attachments:

- 1) AB 83 (Jeffries)
- 2) AB 576 (Dickinson)
- 3) AB 741 (Huffman)

ASSEMBLY BILL

No. 83

Introduced by Assembly Member Jeffries

January 5, 2011

An act to amend Section 21080.21 of the Public Resources Code, relating to the environment.

LEGISLATIVE COUNSEL'S DIGEST

AB 83, as introduced, Jeffries. Environment: CEQA exemption: recycled water pipeline.

(1) The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA exempts specified pipeline projects from the above requirements.

This bill would additionally exempt a project for the installation of a new pipeline, not exceeding a specified length, for the distribution of recycled water within an improved public street, highway, or right-of-way. Because a lead agency, which may include a local agency, is required to determine whether a project qualifies for those exemptions, this bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 21080.21 of the Public Resources Code
2 is amended to read:

3 21080.21. (a) This division does not apply to any project of
4 less than one mile in length within a public street ~~or highway or~~
5 ~~any other public, highway, or right-of-way~~ for the installation of
6 a new pipeline or the maintenance, repair, restoration,
7 reconditioning, relocation, replacement, removal, or demolition
8 of an existing pipeline. ~~For purposes of this section, "pipeline"~~
9 ~~includes subsurface facilities but does not include any surface~~
10 ~~facility related to the operation of the underground facility.~~

11 (b) *This division does not apply to a project of less than eight*
12 *miles in length for the installation of a new pipeline for the*
13 *distribution of recycled water, as defined in Section 13050 of the*
14 *Water Code, within a paved public street, highway, or right-of-way.*

15 (c) *For the purposes of this section, "pipeline" includes*
16 *subsurface facilities but does not include any surface facility*
17 *related to the operation of an underground facility.*

18 (d) *This section does not limit an obligation to conduct a study*
19 *for a pipeline project, including a traffic study, required pursuant*
20 *to other law.*

21 SEC. 2. No reimbursement is required by this act pursuant to
22 Section 6 of Article XIII B of the California Constitution because
23 a local agency or school district has the authority to levy service
24 charges, fees, or assessments sufficient to pay for the program or
25 level of service mandated by this act, within the meaning of Section
26 17556 of the Government Code.

O

ASSEMBLY BILL

No. 576

Introduced by Assembly Member Dickinson

February 16, 2011

An act to add Section 85215 to the Water Code, relating to the Sacramento-San Joaquin Delta.

LEGISLATIVE COUNSEL'S DIGEST

AB 576, as introduced, Dickinson. Delta Stewardship Council: planning and administration: fee.

The Sacramento-San Joaquin Delta Reform Act of 2009 establishes the Delta Stewardship Council, and requires the council, on or before January 1, 2012, to develop, adopt, and commence implementation of a comprehensive management plan for the Sacramento-San Joaquin Delta (Delta Plan), meeting specified requirements.

This bill would require the council, by March 31, 2012, to adopt a fee on water supply contractors of the State Water Project and the federal Central Valley Project to fund a portion of the planning and administrative costs of the council.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 85215 is added to the Water Code, to
2 read:
3 85215. On or before March 31, 2012, the council shall adopt
4 a fee on water supply contractors of the State Water Project and

- 1 the federal Central Valley Project to fund a portion of the planning
- 2 and administrative costs of the council.

O

AMENDED IN ASSEMBLY MARCH 14, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 741

Introduced by Assembly Member Huffman
(Coauthors: Assembly Members Miller and Wagner)

February 17, 2011

An act to add Section 5465 to the Health and Safety Code, relating to wastewater.

LEGISLATIVE COUNSEL'S DIGEST

AB 741, as amended, Huffman. Onsite wastewater disposal ~~conversion~~.

Existing law prohibits the discharge of sewage or other waste, or the effluent of treated sewage or other waste, in any manner ~~which~~ *that* will result in contamination, pollution, or a nuisance. Under existing law, when the State Department of Public Health or any local health officer finds that a contamination exists, the department or the officer is required to order the contamination abated, as provided.

Under existing law, an owner or reputed owner of property included within an assessment district for construction of a main trunkline or collector sewer lines may request the governing board to construct all necessary plumbing to connect his or her property to the adjoining public sewer system, the cost of ~~the~~ which constitutes a lien on the property.

This bill would authorize ~~specified~~ *defined* entities, ~~as defined~~, to use this provision for the purpose of converting properties from onsite septic systems and connecting them to the sewer system *and for replacing existing sewer laterals connecting pipes to a sewer system*.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5465 is added to the Health and Safety
2 Code, to read:
3 5465. (a) The procedures specified in this section may be used
4 by a public agency that is an entity, as defined in Section 5470.
5 ~~(b) An entity may use the procedures specified in Section 5464~~
6 ~~for the purpose of converting properties from onsite septic systems~~
7 ~~and connecting them to a sewer system, whether or not an order~~
8 ~~or other action shall have been issued or taken for an abatement~~
9 ~~of contamination created by sewage disposal. The conversion~~
10 ~~improvements and costs may include, but are not limited to, pipes,~~
11 ~~pumps and other equipment, septic system abandonment, and~~
12 ~~associated sewage treatment capacity.~~
13 *(b) An entity may use the procedures specified in Section 5464*
14 *for either of the following purposes, whether or not an order or*
15 *other action has been issued or taken for an abatement of*
16 *contamination created by sewage disposal:*
17 *(1) Converting properties from onsite septic systems and*
18 *connecting them to a sewer system. The conversion improvements*
19 *and costs may include, but are not limited to, pipes, pumps and*
20 *other equipment, septic system abandonment, and associated*
21 *sewage treatment capacity.*
22 *(2) Replacing existing sewer laterals connecting pipes to a sewer*
23 *system. The cost of the lateral replacement shall constitute the cost*
24 *of an improvement for connection to a sewer system.*
25 (c) For purposes of this section, and in addition to any other
26 power, an entity may exercise the powers specified in Article 4
27 (commencing with Section 5470).
28 (d) The authority granted by this section shall be in addition to,
29 shall not be in derogation of, and shall not affect, any authority
30 granted by other law relating to recovering the cost incurred by an
31 entity for connecting properties to the public sewer system, or the
32 entity's exercise of powers pursuant to any other law. This section
33 shall be deemed to provide a complete and supplemental method
34 for exercising the powers authorized by this section, and shall be

1 deemed supplemental to the powers conferred by other applicable
2 laws.

3 (e) For purposes of this section, the following definitions shall
4 apply:

5 (1) “Assessment district” as used in statutes referenced in this
6 section also means an improvement district or any other area served
7 by the entity’s sewer collection system.

8 (2) “Governing board” and “governing body” mean the
9 governing body of the entity.

10 (3) “Ordinance” as used in statutes referenced in this section
11 also means a resolution.

O



ACTION ITEM

March 21, 2011

TO: Board of Directors

FROM: **Public Affairs & Legislation Committee**
(Directors Hinman, Dick, Clark)

Kevin Hunt
General Manager

Staff Contact: David Cordero

SUBJECT: NOMINATIONS FOR CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF DIRECTORS REPRESENTING REGION 6 "SEAT C."

STAFF RECOMMENDATION

Staff recommends the directors determine whether any of them wishes to be nominated for the California Special Districts Association (CSDA) Board of Directors representing Region 6 "Seat C."

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

The California Special Districts Association (CSDA) is soliciting Independent Special District Board Members or their General Managers who are interested in serving on the CSDA Board of Directors for the 2011-2014 term. The leadership of CSDA is elected from its six geographic regions. Each of the six regions has three seats on the Board with staggered three-year terms.

Any regular member Independent Special District is eligible to nominate one person, a board member or managerial employee (as defined by that district's Board of Directors), for election to the CSDA Board of Directors. A copy of the member district's resolution or minute action must accompany the nomination. CSDA must receive nominations and supporting documentation by Wednesday, May 27, 2011.

Budgeted (Y/N):	Budgeted amount:
Action item amount:	Line item:
Fiscal Impact (explain if unbudgeted):	

Staff recommends that the directors determine whether any of them wishes to be nominated for the California Special Districts Association (CSDA) Board of Directors representing Region 6 "Seat C." Staff will then complete the necessary documentation and submit it to CSDA.

Attachments:

- 1) CSDA Board of Directors Call for Nominations "Seat C"
- 2) CSDA Board of Directors Nomination Form



California Special Districts Association
Districts Stronger Together

RECEIVED

MAR 10 2011

MWD OF OC

DATE: March 2, 2011

TO: CSDA Voting Member Presidents and General Managers

FROM: CSDA Elections and Bylaws Committee

**SUBJECT: CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS
SEAT C**

The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2011-2014 term.

The leadership of CSDA is elected from its six geographical regions. Each of the six regions has three seats on the Board with staggered 3-year terms. Candidates must be affiliated with an independent special district that is a CSDA regular member located within the geographic region that they seek to represent. (See attached Region Map)

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's member services, legislative advocacy, education and resources. The Board of Directors is crucial to the operation of the Association and to the representation of the common interests of all California's special districts before the Legislature and the State Administration.

Commitment: Serving on the Board requires one's interest in the issues confronting special districts statewide. A board member is expected to attend all board meetings held every other month, usually on the second Friday of the month, at CSDA's office in Sacramento. Besides serving on the Board, each Board Member is expected to participate on at least one committee, which usually meets 3-4 times a year in Sacramento. CSDA reimburses directors for their related expenses for Board and Committee meetings as outlined in Board Policy. In addition, all Board Members are expected to attend CSDA's two annual events: Special Districts Legislative Days (held in the spring) and the Annual Conference (held in the fall) as part of their obligation to the CSDA membership; expenses for these two events are not reimbursed by CSDA, even if a board meeting or committee meeting is held in conjunction with the event.

Nomination Procedures: Any regular member Independent Special District is eligible to nominate one person, a board member or managerial employee (as

defined by that district's Board of Directors), for election to the CSDA Board of Directors. **A copy of the member district's resolution or minute action must accompany the nomination. The deadline for receiving nominations is May 27, 2011.** Nominations and supporting documentation may be mailed or faxed.

Nominees will receive a Candidate's Packet in the mail. The packet will include campaign guidelines.

CSDA will mail ballots on June 10th. The ballots must be received by CSDA no later than 5:00 p.m. August 5, 2011 and must be the original ballot (no faxes or e-mails). The successful candidates will be notified no later than August 9th. All selected Board Members will be introduced at the Annual Conference in Monterey, CA in October.

Expiring Terms

(See enclosed map for regional breakdown)

Region 1	Seat C	Phil Schoefer, Western Shasta Resource Conservation District **
Region 2	Seat C	Pete Kampa, Tuolumne Utilities District **
Region 3	Seat C	Stanley Caldwell, Mt. View Sanitary District *
Region 4	Seat C	Tim Unruh, Kern County Cemetery District #1 **
Region 5	Seat C	Jim Acosta, Saticoy Sanitary District *
Region 6	Seat C	Dewey Ausmus, North County Cemetery District *

* = Incumbent is running for re-election

** = Incumbent may run again

If you have any questions, please contact Charlotte Lowe at 877-924-CSDA or charlottel@csda.net.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION
BOARD OF DIRECTORS

NOMINATION FORM

PLEASE BE SURE THE CANDIDATE'S PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE

Name of Candidate: _____

District: _____

Mailing
Address: _____

Region: _____ (see attached map)

Telephone: _____

Fax: _____

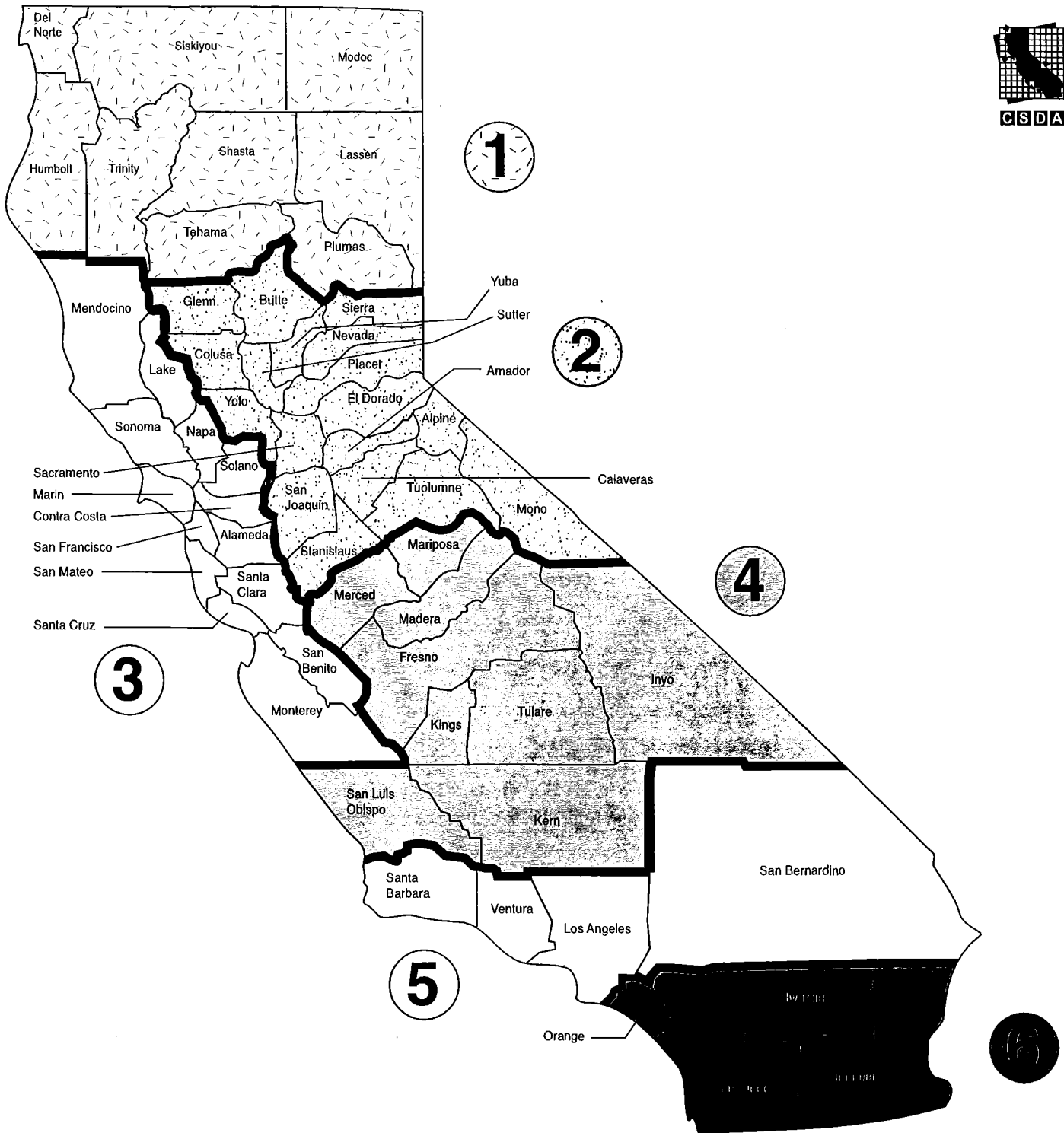
E-mail: _____

Nominated by (optional): _____

Return this **form and a Board resolution/minute action** supporting
the candidate by fax or mail to:

CSDA
Attn: Charlotte Lowe
1112 I Street, Suite 200
Sacramento, CA 95814
(916) 442-7887 (916) 442-7889 fax

DEADLINE FOR RECEIVING NOMINATIONS – May 27, 2011



2011 CSDA Board of Directors by Region

Region 1

Mark Bryant, *Garberville Sanitary District*
 Norman Shopay, *McKinleyville CSD*
 Phil Schoefer, *Western Shasta RCD*

Region 3

James Kohnen, *Alameda County Mosquito AD*
 Sherry Sterrett, *Pleasant Hill RPD*
 Stanley Caldwell, *Mt. View Sanitary District*

Region 5

Jack Curtis, *Ojai Valley Sanitary District*
 Kathy Tiegs, *Cucamonga Valley Water*
 Jim Acosta, *Saticoy Sanitary District*

Region 2

Noelle Mattock, *El Dorado Hills CSD*
 Ginger Root, *Tuxedo Country Club FPD*
 Pete Kampa, *Tuolumne Utilities District*

Region 4

Adrienne (Ann) Mathews, *Kern County Water Agency*
 Tim Ruiz, *East Niles CSD*
 Tim Unruh, *Kern County Cemetery District No. 1*

Region 6

Jo MacKenzie, *Vista Irrigation District*
 William Nelson, *Orange County Cemetery District*
 Dewey Ausmus, *North County Cemetery District*



DISCUSSION ITEM

March 21, 2011

TO: Public Affairs & Legislation Committee
(Directors Hinman, Dick, Clark)

FROM: Kevin Hunt
General Manager

Staff Contact: David Cordero

SUBJECT: GOVERNMENT REFORM EFFORTS IN SACRAMENTO

STAFF RECOMMENDATION

Staff recommends the Board of Directors discuss and provide direction as appropriate.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

Efforts to reform state and local government in California has been building momentum in recent weeks as the Assembly Committee on Accountability and Administrative Review (AAR) and California Forward look at the relationship between state and local government and consider reform proposals that will “improve” that relationship and how government serves the people.

The Assembly Committee on Accountability and Administrative Review (AAR), chaired by Assemblymember Roger Dickinson (D-Sacramento), is an oversight committee charged with looking for efficiencies in state government. It has also taken an interest in potential efficiencies and consolidations at the local government level. The chairman has made it clear that special district consolidations will be a major area of interest for the committee. Concern is mounting among special districts, however, as the proposals being discussed appear to focus less on consolidations to achieve efficiencies and better use of taxpayer and ratepayer dollars and more on consolidations for the sake of reducing the number of special districts in the state and reallocating their finances and the services they provide.

Budgeted (Y/N):	Budgeted amount:
Action item amount:	Line item:
Fiscal Impact (explain if unbudgeted):	

The AAR will next meet on Wednesday, March 23rd at 9:00am, at which time they intend to take up their recommendations.

Meanwhile, California Forward is advancing its own government reform agenda highlighted by the recent release of a draft report on state and local government realignment. California Forward was created in 2008 by the California Endowment and other prominent foundations to promote state and local government reforms via legislation and/or the initiative process. The draft report is the product of a 25-member local government advisory panel that did not include special district representatives. The report includes a number of recommendations, including: revising the property tax allocation formulas to take local funding control away from special districts; realigning local responsibilities to give cities and counties oversight of special districts within their boundaries; and promoting new forms of regional governance and problem solving through Councils of Government (COGs) and other vehicles that have no input or representation from special districts.

A copy of California Forward's draft report can be downloaded [here](#) and also follows this staff report. The group has been hosting "Speak Up California" events throughout the state in which they engage civic leaders, business groups, non-profit advocates, elected officials, and other interested Californians in a discussion of how to change the state's direction. The input received will likely be incorporated into a set of reform proposals that the group hopes to finalize this spring. The next "Speak Up California" event is on Thursday, March 24th at the San Diego Foundation, Hoffman Community Room, in San Diego from 8:30 – 11:00 am.

The California Special Districts Association (CSDA) has engaged both California Forward and the Assembly Committee on Accountability and Administrative Review in discussions of their respective reform proposals and provided special district feedback. CSDA has also formed a subcommittee of its Legislative Committee to provide staff with input and direction as they continue their advocacy and education efforts with the reform proponents. Serving on the subcommittee are staff representatives from MWDOC, OCWD and IRWD.

Locally, MWDOC recently solicited feedback on the reform proposals from its member agencies so that it may share with CSDA, ACWA, our state legislators, and others the perspective of the Orange County water and special district communities. The Water Advisory Committee of Orange County (WACO) and Independent Special Districts of Orange County (ISDOC) are also engaged in this issue. Finally, MWDOC has deployed Townsend Public Affairs to monitor this issue, share new information and insights that they may receive, and engage on the Districts' behalf as appropriate.

CSDA believes that policymakers need more information from the special districts they represent on the key role played by special districts in providing services to Californians. The association is recommending that policymakers need to be reminded of why voters form and support special districts.

Attached are letters from CSDA to California Forward and the Assembly Committee on Accountability and Administrative Review commenting on their respective reform efforts and proposals. Also attached is California Forward's "Restructuring: A Conceptual Framework" report and the draft recommendations for the consideration of the AAR Committee.

March 15, 2011

The Honorable Roger Dickinson
Chair, Assembly Committee on Accountability and Administrative Review
State Capitol
Sacramento, CA 95814

RE: Committee Recommendations Following Joint Hearing on Special Districts

Dear Assemblymember Dickinson:

On behalf of the California Special Districts Association (CSDA), I would like to thank you and your committee for the opportunity to testify at the March 2 joint hearing on special districts. Keeping in mind the testimony offered by the expert witnesses that day, we would like to comment on the potential recommendations staff has put forward to your committee.

At the conclusion of his testimony, the lead witness, Prof. Eric Zeemering of San Francisco State University, stated that he would, "encourage [members] to think of special district governments as tools for the delivery of local public goods and services." He went on to say that residents should have better access to information on how all their local public services are delivered—not just those delivered by special districts—and that technical help should be available to local managers and policymakers to develop a neutral and professional analysis of government consolidation proposals.

CSDA concurs with this conclusion and respectfully asks the committee to build off of this feedback in a manner that seeks comprehensive information related to the management of all government, state and local. In fact, your next committee hearing entitled, "State and Local Government Efficiencies: Improving Efforts to Cut Costs," may serve as an excellent continuation point for such a comprehensive dialogue on overall government efficiency in the delivery of core local services.

For this reason, CSDA respectfully asks the committee to reconsider putting forward 14 requests to the Legislative Analyst Office (LAO) for reports on special districts, and instead focus on a comprehensive investigation for information on overall service delivery following the hearing on "State and Local Government Efficiencies: Improving Efforts to Cut Costs". CSDA additionally asks the committee to reconsider, at this time, commissioning a private firm to conduct a costly public opinion survey specific to special districts, and instead consider alternative inputs that offer a more complete picture of service delivery, where special districts are one component or "tool".

This is not to say that special districts should not be scrutinized, or that information should not be gathered. CSDA's recommendation is intended to focus limited time and resources on the most central question to improve service delivery for all Californians in the midst of trying economic and budgetary times. Moreover, it is clear from the expert testimony at the March 2 joint hearing and from ongoing work in the Assembly Local Government Committee and Senate Governance and Finance Committee, that many efforts in this area are already underway:

1. LAFCO Efforts Underway

Prof. Zeemering testified that, "While incentives to consolidate might reduce the number of existing special districts, we should also be aware that government efficiency might come about by expanding the number of special districts in California." In fact, it is not the number of special

districts that is most relevant, but rather the most desirable local service delivery. And, CALAFCO, the experts on coordinating local service delivery and implementing the Cortese-Knox-Hertzberg Act, testified at the joint hearing that they are in the process of reviewing this issue and preparing recommendations for next spring. Given this effort, it may be premature to complicate their current process with a redundant effort by the LAO.

2. Transparency Efforts Underway

Over 30 pieces of legislation have been introduced this year and referred to either the Senate Governance and Finance Committee or the Assembly Local Government Committee, where all local government stakeholders are currently working together to improve upon an already robust set of government transparency laws. These myriad and voluminous efforts have many ramifications, which should all be examined together in a comprehensive manner that takes into account all levels of government to provide the taxpayer with transparency in a uniform and efficient manner. Additionally, the State Controller has undertaken a most significant compensation transparency effort which is ongoing through this summer. Some of the requirements that special districts currently operate under include: Statutorily Limited Board Compensation; Ralph M. Brown Act; Public Records Act; State Controller Local Government Compensation Report; Annual State Controller Financial Report; Annual Independent Audit.

3. CSDA Efforts Underway

Perhaps the most noted recommendation repeated consistently throughout the joint hearing was the request for centralized online information and resources related to service delivery. It should be noted that CSDA is already in the process of developing just such a webpage for special districts, a draft form of which could be available within the next month. CSDA is also committed to undertaking the witness recommendation to poll all special districts in search of feedback from the practitioners on the ground as to what barriers and incentives exist to providing more effective and efficient core local services.

In conclusion, CSDA submits that, as testified to by the expert witnesses called before the joint hearing, much effort is underway in the area of examining and improving local services. CSDA respectfully requests that the committee further discuss and refine the draft recommendations after reviewing the results of existing efforts in this area, and that the committee consider focusing its continued attention on a comprehensive look at state and local government efficiencies.

Again, thank you for including CSDA as a stakeholder in these important deliberations. We look forward to the continued work ahead with you and your colleagues.

Respectfully,

Kyle Packham
Legislative Director

CC: Members, Assembly Committee on Accountability and Administrative Review
The Honorable Cameron Smyth, Chair, Assembly Local Government Committee
Ms. Nancy Chaires, Consultant, Committee on Accountability and Administrative Review
Mr. Daniel Ballon, Consultant, Assembly Republican Caucus
Ms. Katie Kolitsos, Chief Consultant, Local Government Committee
Mr. William Webber, Consultant Assembly Republican Caucus

AAR Updated Special District Recommendations

The Committee may wish to consider the following actions to develop information to inform future policy-making decisions:

1. Request that the Legislative Analyst make recommendations to the Committee on:
 - a. The desirability of special district reorganization including incentives for reorganization and consolidation, and
 - i. If desirable, recommendations to the Committee for approaches to implementation.
 - b. Whether the State should provide technical assistance to special districts and LAFCO's for analysis of potential consolidation.
 - c. The advantages and disadvantages of *functional* consolidation, as opposed to special district reorganization.
 - d. Whether the State should encourage direct election of special district boards even when seats are uncontested.
2. Request that the Legislative Analyst make recommendations to the Committee regarding the feasibility, arguments in favor and against reallocating property taxes from independent, enterprise special districts to cities and counties.
3. Request that the Legislative Analyst assess and report to the Committee:
 - a. The extent to which special districts are transparent and accountable to the public,
 - b. The extent to which special districts are efficient and cost effective, and
 - c. The extent to which compensation for special district employees is adequate, appropriate, reflective of responsibilities, and size of the jurisdiction.
 - d. The extent to which the Legislature can compel (either by incentive or requirement) special districts to hold regularly scheduled elections.
 - e. Whether there is evidence that special districts are being formed or continued in lieu of forming or joining general purpose governments.
 - f. What agency or agencies are responsible in the event that a special district cannot meet its financial obligations?

- i. Is there any oversight mechanism to monitor the extent to which special districts are at risk for failing to meet these obligations?
4. Request the Legislative Analyst assess the feasibility of requiring special districts to publish and annually update accountability report cards, similar to the School Accountability Report Card required of California's public, K-12 schools.
5. Request that a public policy organization conduct public opinion research to determine:
 - a. The extent to which Californians are aware of special districts,
 - b. Their attitudes regarding special districts,
 - c. Their attitudes toward continuation and consolidation of special districts, and
 - d. The information they want or need regarding special districts.
6. Request that a governmental association, such as the California Special Districts Association, conduct a survey of special districts to identify:
 - a. The advantages and disadvantages of reorganization and consolidation,
 - b. Any incentives or impediments for reorganization or consolidation, and
 - c. The desirability of special district reorganization or consolidation.



March 15, 2011

Mr. Jim Mayer
Executive Director, California Forward
1107 9th Street, Suite 650
Sacramento, CA 96814

RE: California Forward Draft Framework

Dear Mr. Mayer: *Jim*

On behalf of the Board of Directors of the California Special Districts Association (CSDA), I would like to thank you for the opportunity to offer a short presentation as part of your March 11 meeting concerning California Forward's draft framework, "Making California Work Again: Restructuring State-Local Relationships." As I mentioned at the meeting, we appreciate the chance to comment on the report and look forward to participating in the ongoing discussion regarding state-local reform.

One of the first impressions we had in going over the draft report was that it seemed there was a fundamental misunderstanding concerning the role of special districts as a provider of local government services. Special districts provide water and treat wastewater for more than 30 million people. We're the fire department for 11 million Californians. We're the ride to work for the millions of people who use mass transit every day to get to and from their jobs. If government can provide a service—trash collection, flood protection, mosquito and vector control, etc—the odds are it's being provided by a special district.

Special districts exist because voters have repeatedly said that they want it that way. They want a focused set of services performed well and without distractions. They want the ability to serve regions and neighborhoods without regard to arbitrary city or county boundaries. And they want urgently needed infrastructure that can be built and operated without straining city, state or county balance sheets.

The reality is, if we didn't have special districts, we would probably have to invent them.

To that end, I would like to offer some observations on major concerns that we have identified within the draft California Forward framework as I reviewed in-part last week:

PRINCIPLE #2

CSDA agrees with California Forward's principle that the level of government responsible for delivering services should have control of its funding and have it constitutionally guaranteed. In fact, special districts are the level of government responsible for delivering core services throughout much of California, and we believe that it is critical that they have control of the revenues that funds those services. For this reason, we propose that California Forward add special districts to the list of local agencies that should be granted control of funding, programming and decision-making for locally delivered services in draft Recommendation #2.

California Special Districts Association

1112 I Street, Suite 200
Sacramento, CA 95814
toll-free: 877.924.CSDA (2732)
t: 916.442.7887
f: 916.442.7889
www.csda.net

A proud California Special Districts Alliance partner

Special District Risk Management Authority
1112 I Street, Suite 300
Sacramento, CA 95814
toll-free: 800.537.7790
f: 916.231.4111

CSDA Finance Corporation
1112 I Street, Suite 200
Sacramento, CA 95814
toll-free: 877.924.CSDA (2732)
f: 916.442.7889

PRINCIPLE #3

CSDA believes in regional collaboration. One of the basic advantages special districts provide to their constituents is the fact that special districts are the only form of local government that can be organized regionally based on need and without regard to more arbitrary city or county boundaries. For this reason, we propose that California Forward consider an alternative to Recommendation #3, which currently relies upon Councils of Government (COGs) for regional collaboration. Not every region is represented by a COG, they do not typically include special districts, and they primarily focus on transportation issues and federal funding. Regardless of the form that a collaborative planning group of local government stakeholders within a region would take, it is essential that special districts have an equal role along with other local government partners.

PRINCIPLE #4

Consolidation has never been an issue feared by special districts—in fact, most consolidations are proposed by districts. Consolidations that promote the best use of taxpayer and ratepayer dollars, local choice, and a data-driven process are worth pursuing. However, consolidations just for the sake of arbitrarily reducing numbers don't help any of the people and families we serve. Similar to Recommendation #3, CSDA proposes that California Forward consider an alternative to Recommendation #4 that does not rely upon COGs as currently composed.

In addition to the suggestions above, CSDA would like to provide California Forward with a list of special district collaboration examples that can be added to pages four and five of the draft framework. We would also ask that the number of special districts on page 15 of the framework be adjusted to more accurately represent the government landscape. It would be more appropriate to list the number as 2,189 independent special districts, since the number currently listed, 3,294, includes almost 900 county service areas.

While this letter does not capture every agreement and disagreement that CSDA may have with California Forward's draft framework, we thought it would be beneficial to summarize some of the key issues that we have identified for your consideration. Primarily, CSDA seeks to inform this process and facilitate inclusion of special districts, where appropriate, as a valuable tool in local governance. CSDA is prepared to work with California Forward to make that happen.

California Forward should be commended for taking on state and local government reform. I thank you, once again, for your invitation to comment on California Forward's draft framework. Should you have any questions regarding this letter or my testimony, or should you wish to obtain any additional information from CSDA, please do not hesitate to contact me.

Best Regards,



Neil McCormick
Executive Director



**California Special
Districts Association**

Districts Stronger Together

Talking Points on California Forward

- California Forward should be commended for taking the on the issue of state and local government reform.
- After all, if it were easy, it would have taken place a long time ago.
- The latest draft of their report, however, is off the mark for how it treats special districts.
- Instead of seeing special districts for what they are, an equal arm of local government, the California Forward report recommends that cities and counties have oversight for special districts within their boundaries and then goes further, suggesting that property tax funding should be stripped from districts, even when they provide services such as fire protection, which is one of the reasons the property tax exists in the first place—to protect property.
- The report also ignores one of the most important qualities of special districts, our ability to organize across city and county boundaries. No other form of local government provides services on a regional basis, but the California Forward report specifically excludes special districts from their vision of regional governance.
- It also inflates the number of special districts by seemingly counting every lighting district and county service area as a special district, and then points to consolidation as a needed local government reform.
- There's nothing wrong with consolidation; districts themselves propose consolidations all the time. But district consolidations should take place to improve service or save taxpayers money, not to arbitrarily show fewer districts on a spreadsheet.
- This creates a serious flaw in their recommendations—but when it turns out that no one on their 25-member Local Government Task Force represented the special district community—it's at least understandable.
- California Forward needs to revise its report to reflect the proper role of special districts, and, along with CSDA, we're prepared to work with California Forward to make that happen.
- We build, manage and operate water systems for more than 30 million people and provide waste water management for a similar number.
- We provide fire protection for more than 11 million people.
- In LA County alone, we provide trash collection for over 3 million people
- We provide virtually all the irrigation water for California agriculture.
- We operate freeways, airports, harbors, subways and oversee tens of billions of dollars worth of infrastructure
- And we do it because voters have repeated said 'we want it that way.'

- They want a focused set of services performed well and without distractions.
- They want the ability to serve regions and neighborhoods without regard to arbitrary city or county boundaries.
- They want the ability to buy only the amount of government we want or can afford in ways only special districts can provide.
- They **want** urgently needed infrastructure that can be built and operated without straining city, state or county balance sheets.
- The fact is, if we didn't have special districts, we would have to invent them.



Making California Work Again: Restructuring State-Local Relationships

California may be struggling – but we can fix it. Our state can once again have a prosperous and environmentally sustainable economy that provides equal opportunities for all. We can remain a frontier for innovation, creativity, discovery, and enterprise in both the public and private sectors.

To get there, governments at the state and local levels must work together to provide cost-effective services. Today, this does not happen as much as it should. Most essential services in California are delivered by local governments like cities, counties, and school districts. But most of the rules regarding who gets funded and how the money is spent are dictated by a state government far from neighborhoods. Taxpayers have little sense of how tax dollars are being used, the goals for public programs, and who to hold accountable. This top-heavy, siloed system also is frustrating for the community-level governments across this sprawling state of more than 36 million people that are charged with responding to everything from underperforming schools to crumbling infrastructure.

To improve community services, the roles of state and local governments need to be restructured. The first order of business should be better use of existing resources –

and more reliable information about how they are being used. The state should establish statewide outcomes and support local efforts to improve results. Locally, counties should assume greater authority for public safety and social services. Local services must be integrated, and local governments also should work closely with other local governments to coordinate efforts and improve results. Studies show that if California could become as efficient and effective as other states in major programs like state corrections, public safety, welfare, and mental health, as much as \$9 billion each year could be saved and outcomes could be improved.

California Forward calls this *Smart Government*, and the Restructuring Framework that follows is built around this simple idea: California's three most significant areas of government spending – education, health and human services, and public safety – are fundamentally interrelated. Better education leads to better jobs, which leads to a healthier population, less crime, and, ultimately, less pressure on government budgets. All of our public programs must work together – with a renewed focus on cost-effectiveness and improving outcomes – to achieve safer communities, increased employment, reduced poverty, improved health, and educational success.



Restructuring: A Conceptual Framework

1. Introduction	1
2. Outcomes and Performance Measurement	3
3. Linking Authority, Responsibility and Resources	8
4. Regional Collaboration	13
5. Governmental Consolidation	15
6. Role of State Government	17
7. Implementation/Monitoring	19
8. Conclusion	20

The conceptual framework and draft recommendations in this document are intended to facilitate discussions regarding governance in California and inform future reform proposals.

1. Introduction

California Forward's goal is a state government that works. The pages that follow outline the important steps California will need to take to develop a new governance model that promotes a culture of performance and accountability.

This goal is shaped by the Three Es: At every level, government should be making simultaneous progress toward creating:

1. Prosperous **E**conomy
2. Quality **E**nvironment
3. Community **E**quity

Californians need to know what they are getting for their tax dollars and what government is achieving. This Framework offers a straightforward approach: It proposes five priorities, which together account for most of the state budget. The intention is to focus structural and fiscal governance reforms on these Big Five Outcomes, not just to balance the budget or close a shortfall – but to realign public programs at all levels to deliver these results:



The current state and local structure is failing on several levels: It makes it difficult for the state to ensure that statewide interests are met, while also complicating the efforts of local governments to hold down costs and provide effective services.

- Part of the reason for this is organizational: For decades, a plethora of state departments and scores of programs have been aimed at addressing one slice of a much larger set of social and economic issues. This has made it difficult to integrate these efforts.
- At the local level, hundreds of autonomous agencies make it hard to shift priorities, share resources, reduce costs, and collaborate on shared goals.

- Budget volatility and constraints on how money can be spent make it difficult for local leaders to integrate efforts to improve long-term results.

Three principles developed by *California Forward's* Local Government Task Force (see Acknowledgements section for description) inform this Framework for state/local restructuring:

- Public programs should work collaboratively, with a focus on outcomes. They should also be transparent, with regular accountability and public reporting.
- Funding flexibility is vital to the local development of integrated services, and it can help encourage innovation, collaboration, and economies of scale.
- Regional collaboration can make the delivery of many services more efficient, and allow local governments to mobilize their combined resources to meet large-scale challenges.

2. Outcomes and Performance Measurement as a Policy and Management Tool

Taxpayers must be able to determine whether public programs are achieving their goals. A comprehensive restructuring of the roles of state and local government must include a range of new measurement tools that will provide information about public progress – and give governments the ability to identify priorities and assess strategic choices. These tools will be especially important for the integrated services at the heart of restructuring, which will involve a range of new partnerships – both between public agencies and between public entities and the private sector. These tools also will be an essential part of creating a new paradigm that allows taxpayers to better engage with their government by creating more transparency and accountability.

The state may be able to set some basic standards for outcomes, but more detailed performance metrics may be best developed at the community level. Aligning state agency outcomes with larger statewide goals should follow the standard format already used in other states of broad, overarching Outcomes, targeted Indicators, and ongoing Performance Measures.

Outcomes: The state's long-term goals on a range of broad quality-of-life measures – how California is doing overall, in other words – should be more explicitly expressed in the state budget, though they are implicit in much current state spending on employment, education, health, and public safety.

Indicators of Success: To determine whether the state is getting results on its highest priorities, these outcomes should be tied to indicators like employment rates, graduation rates, obesity rates, and crime rates.

Performance Measures: To gauge whether state programs and services are producing the desired results, performance measures are needed to measure the effectiveness and efficiency of these programs.

The state should have an explicit strategy to improve results over time, and this strategy should be collaborative and evidence-based.

Developing outcomes-based programs and integrated services can be a challenge in California today, but even with the many limitations imposed by our current system, some communities have found ways to encourage their programs to focus on performance and collaboration. A few examples from around the state:

- **San Diego County** – In the ten years since the county began integrating the agencies responsible for public health, mental health, alcohol & drugs, and foster care, the restructured programs have generated a total of \$230 million in savings for the county that have been reinvested in performance-based front-line services. Restructuring has helped the county streamline administrative costs, as well: Overhead for these agencies was 21 percent of their budgets when integration began; today it is less than 12 percent.
- **Santa Clara County** – The county’s new Center for Leadership and Transformation was created in 2010 to deploy elements of the Toyota management system – world-renowned for its elimination of waste – on the challenge of tying local government programs to performance. The teams’ early forays into restructuring have identified millions of dollars in savings in programs ranging from county IT systems to its hiring practices.
- **Contra Costa County** – The county’s Service Integration Teams bring together workers from public assistance, employment services, child welfare, probation, alcohol and drug abuse, mental health, and public health into a single collaborative service delivery model.
- **Los Angeles County** – In the 1990s, the county adopted a multi-department set of “Principles of Family Support Practice,” after a study found that a substantial number of children and families were receiving services from more than one county department – and more than 1.3 million children alone were relying on services provided by county government. These ‘Principles’ have encouraged health programs and social services to integrate their work, and it has helped prevent many children and families from falling through cracks in the safety net.
- **San Mateo County** – To encourage county agencies to work together to mitigate the health issues of the county’s most vulnerable groups, San Mateo has pooled the

“We did this with all of the challenges of siloes, and all of the minutiae we have to deal with locally. In spite of all that, we were able to make change happen. Just think of what we could do if we had the flexibility we need.”

- **Nick Macchione**, director of the San Diego County Health and Human Services Agency

Testimony before the Senate Committee on Governance and Finance, January 26, 2011

available resources of three large agencies – human services, juvenile probation, and mental health services. These newly integrated groups meet once a week to make joint decisions about what they now acknowledge are their shared clients. Over the last ten years, restructuring has resulted in a 50 percent reduction in the number of children being placed out of home, while also reducing levels of incarceration, homelessness, and hospitalization.

- **Alameda County** – Using the Joint Powers Authority, the county has institutionalized an integrated service plan that allows programs from the county, the city of Oakland, and the Oakland Unified School District to work together to keep kids in school, lower Oakland’s high school suspension rates, and reduce crime. The program has thrived for over a decade, through six superintendents and four mayors. “When we put our staff into the schools, these kids become our kids,” says Dave Kears, special assistant to the county administrator. “It doesn’t matter who signs the paychecks. What we discovered was, ‘We can’t do this by ourselves.’”

Lessons learned: There is an emerging consensus among members of the *California Forward Stakeholder Roundtable* about how the lessons learned from these local efforts can be applied to statewide restructuring, especially in the three most significant areas of government spending – Education, Health & Human Services, and Public Safety. (Details about the ongoing Stakeholder Roundtable dialogues can be found at CAFWD.org/stakeholders.)

- **Education:** There is support for integration both within education programs and between schools and other programs. These efforts will be vital to improving student performance and addressing goals like closing the achievement gap. This would involve two steps:
 - The school system itself requires integration. The state has separate early childhood, K-12, and higher education programs, many of which do not communicate as much as they should.
 - Health, welfare, and public safety programs should be integrated with schools, in order to create more community schools, full-service schools, and joint-use schools.
- **Health & Human Services:** There is support for integration and information-sharing in the areas of juvenile justice, child welfare, child mental health, and behavioral health programs. Improved results in these areas have the potential for huge savings across the safety net, including:
 - Reduced Medi-Cal expenses
 - Reduced incarceration rates
 - Reduced employee health costs
 - Increased tax revenues from a more economically productive population
- **Public Safety:** There is support for program integration in the criminal justice system, and stakeholders and experts alike agree this system should be viewed as a

continuum, not just a string of individual programs. The state needs to do a better job of linking objectives in the law enforcement, judicial, and corrections systems to produce improved outcomes. One possible approach could involve refocusing training programs for police and corrections officers on the value of evidence-based integrated services – and the track record of these services in other states of reducing recidivism.

Local experimentation will be a critical part of this process. Even if some temporary failures occur, a new statewide focus on integrating public services to improve outcomes will help drive a culture change in California's public sector from risk-aversion to one of innovation and excellence.

PRINCIPLE #1

A standardized element of the new structure needs to be a performance approach to decision-making that pressures the system to find and implement better solutions, with ultimate accountability to the people.

DRAFT RECOMMENDATION #1

Aligning program outcomes with larger statewide goals should follow the standard format already used in other states of broad, overarching outcomes, targeted indicators, and ongoing performance measures.

- Outcomes:
 - The state budget should be aligned to at least Five Big Outcomes - Increased Employment, Improved Education, Increased Health, Decreased Poverty, and Decreased Crime.
- Indicators of Success:
 - At least three Indicators of Success in each of these outcome areas should be in line with national standards and approved by legislators.
 - Counties and schools should provide a one-year and five-year evidence-based strategy for achieving these Indicators of Success, and present these strategies to their regional Council of Governments annually.
- Performance Measures:
 - Counties' and schools' progress toward achieving these Indicators should be reviewed annually during the state budget process, and quarterly at the state departmental level.
 - This county performance information should be published on the state website and should be used to make programmatic and fiscal decisions at the state and county levels.

POTENTIAL MODELS (see these and more online at CAFWD.org/bestpractices)

- State of Maryland StateStat: Modeled after the CitiStat performance-measurement and management tool that has been successfully implemented in Baltimore, StateStat uses a data-based management approach to make public programs more efficient and accountable by continually evaluating state performance. Key public safety, health, and social services agencies are already involved, from the Department of Juvenile Services to the Department of Housing and Community Development.
- Washington State Priorities of Government: This budget approach creates a strategic framework for public investment decisions, prioritizing activities that guide the Governor's budget proposal to the Legislature – and helping communicate that budget to the public. As part of the Priorities of Government plan, every agency in Washington has been asked to answer eight questions related to whether their activities are essential to state government and whether they are being delivered in the most cost-effective manner.
- Virginia Performs: A performance leadership and accountability system within state government, Virginia Performs aligns specific state agency outcomes with larger statewide goals. Outlining a vision for Virginia's future – including responsible economic growth, an enviable quality of life, good government, and a well-educated citizenry – the state has defined key metrics like obesity in adults, graduation rates, and acres of land preserved to gauge whether it is getting results on its highest priorities.

3. Linking Authority, Responsibility and Resources

Empowering communities will require giving local governments the authority they need – both over program operations and their funding – to improve outcomes. The goal of restructuring is not to move all functions from the state to local governments, but to ensure the most appropriate alignment of programs at each level of government to get the job done. The state should maintain some responsibility where appropriate – in the case of MediCal, for example.

2011 Realignment: Governor Brown has proposed taking a substantial step toward restructuring, starting an essential conversation and ultimately a negotiation among elected officials at the state and local levels. The Governor suggests realigning responsibility for community-based corrections, mental health services, foster care, child welfare, and substance abuse. His plan shifts a total of \$5.9 billion in programs and proposes a five-year extension of \$5.9 billion in taxes (1 percent sales tax and 0.5 percent Vehicle License Fee) to fund the realignment. The state would be constitutionally obligated to fund this tax burden after the five-year extension expires. The proposal expresses intent to give maximum flexibility to local governments to administer these programs.

If enacted, the 2011 Realignment will serve as a cornerstone for the comprehensive restructuring proposal that is outlined in this document. Its strengths include a community-based focus, aligned programmatic responsibility and fiscal authority, and a predictable and stable funding source accompanied with a constitutional guarantee. However, a comprehensive restructuring also must link statewide objectives with improved outcomes and encourage interagency collaboration with the goal of client-based, integrated service delivery. Other value-added components might include incentives for local agencies to consolidate when jurisdictional scale is sub-optimal, pension reform to ensure local fiscal integrity, and a mechanism to facilitate regional economic development so that communities are able to invest in the future.

Any realignment of program authority and revenue should be accompanied by an outcomes-oriented vision: A good education leads to a better job, which in turn leads to better health, less poverty, and less crime. This vision, implemented at the local level, must be connected to a strategy for regional prosperity.

Program authority: Improving local outcomes should be the responsibility of communities. Local governments can do this most effectively if they have more control over the way they provide programs. Counties, for example, should have primary authority over most public safety, self-sufficiency, social services, and behavioral health programs.

- To achieve positive outcomes, local governments need the following authority:

1. The ability to set priorities within the outcome framework, including which problems, issues, or opportunities are most important.
 2. The ability to develop strategies, partnerships, and programs to respond to those priorities.
- Barriers:
 1. Federal requirements
 2. State constitution, statutes, and administrative regulation
 - Cities, counties and school districts have always enjoyed different degrees of autonomy in California. Some of these distinctions should continue in the exercise of discretionary authority.

Fiscal authority: In addition to program authority, improving the outcomes of communities' public programs will require giving local government more discretion over revenues. The state will need to consider how this will affect its own needs, while also providing local governments with fiscal incentives to encourage development of the most cost-effective programs.

- Long-term fiscal principles for Restructuring:
 1. Ensure stable funding for local government's priority functions.
 2. Align revenue with responsibility.
 3. Dedicate and guarantee local management of realigned revenue in the constitution.
 4. Delegate responsibility for raising future revenues to the level of government with program responsibility.
 5. Provide greater flexibility at the local and regional level for allocation and the sharing of tax bases.
- Current barriers to integration:
 1. **Categorical funding:** The three largest line items in the state budget – Education, Health and Human Services, and Public Safety – are largely implemented at the local level. But because of the constraints of categorical funding, they often do not share facilities, equipment, and client information. This system often is ineffective and inefficient.
 2. **Current state oversight practices:** Under categorical funding, programs are required to complete extensive reporting requirements that don't give them enough local flexibility. Since each program often has its own reporting processes, this system also discourages programs from working together.
 3. **Risk aversion at the local level:** Because the current categorical funding system denies local governments both fiscal and program authority, locals focus on failure-avoidance to avoid penalties instead of developing innovative solutions to meet local needs.

- 4. **Organizational limitations:** Some local agencies may lack sufficient capacity to effectively collaborate around integrated funding streams.
- Characteristics of successful fiscal and program integration models:
 1. Evidence-based and outcome-driven
 2. Measures success over the long-term
 3. Offers ability to leverage new funding sources
 4. Allows local agencies to retain cost savings as a fiscal incentive
 5. Enhanced program flexibility
- Fiscal incentives, in particular, are some of the most effective tools the state can use to encourage integration. Most of the state’s largest programs – including education, health and human services, and public safety – are fundamentally interrelated. These programs should work together, be held accountable for outcomes, and **be rewarded for successes that reduce pressure on the state budget.** This will involve:
 1. Aligning incentives with program responsibility
 2. Encouraging interagency cooperation/collaboration
 3. Sharing savings: Studies show that if local governments can integrate services in areas like CalWORKs, public safety, and mental health – even just by bringing programs to the same levels of effectiveness and efficiency as other states – **California could save billions of dollars each year.**
- Many of the state’s current funding formulas for realigned programs may need to be revised, including some of the following metrics:
 1. Caseload/workload
 2. Negotiated rates
 3. Average daily attendance
 4. Population

A FOCUS ON OUTCOMES AND COLLABORATION CAN IMPROVE PERFORMANCE – AND SAVE MONEY

In Arizona, counties are rewarded with 40 cents on every dollar the state saves by not having to lock up county-managed probation violators. The counties, in turn, are able to use those funds to strengthen offender supervision and victim services – but they continue to receive those dollars only if crime by probationers falls or holds steady. This tightly drawn fiscal incentive is strongly supported by both counties and voters, providing a reduction in the number of prisoners and giving local government more flexibility to fund other high-priority programs. When successfully implemented, studies show this collaborative approach to corrections reduces prison reentry by as much as 20 percent, while also directly improving the state’s bottom line.

5. Need/adequacy
 6. Combination of the above
- Providing locals with more fiscal authority might also involve changes to the state's revenue structure:
 1. Reassignment of revenue streams
 2. Realignment of local vote thresholds

PRINCIPLE #2

Transforming the performance of public programs will require systematic change, not just shifts in responsibilities and resources. The new structure needs to be supported by a restructured fiscal system that constitutionally guarantees control of revenue to the level of government responsible for delivering services. In addition, aligning authority and responsibility with those resources is essential to encourage the integration needed to improve results.

DRAFT RECOMMENDATION #2

The state should grant control of funding and programming for locally delivered services to cities, counties and schools. In exchange, cities, counties and schools should agree to:

- Coordinate the pursuit of an evidence-based, interagency approach toward local improvement across the Big Five Outcomes.
- Hold themselves accountable to these Outcomes by tracking Indicators of Success, and provide an ongoing public review mechanism.
- Share program resources to create economies of scale and maximize taxpayer investments.
- Be transparent and efficient regarding administrative overhead costs, including pension costs.
- Use fiscal incentives, including local savings as well as state savings resulting from local successes, to invest in and expand approaches that are working.
- Ensure that local government has more flexibility to contract with non-profit organizations targeted at improvements toward the Big Five Outcomes.

Realigning Resources

A workgroup is developing revenue realignment options to help identify the best financing structure to support a comprehensive restructuring of governance and the corresponding allocation mechanisms. We will infuse this work into the discussions upon completion of that work.

POTENTIAL MODELS (see these and more online at **CAFWD.org/bestpractices**)

- **JUGAR – Joint Use Generating Activity and Recreation:** As part of the Los Angeles County Department of Public Health's RENEW (Renewing Environments for Nutrition, Exercise and Wellness) Initiative, groups like the Alliance for a Better Community are partnering with the Los Angeles Unified School District to combat the obesity epidemic by working to improve the process and coordination for accessing school sites during after school and weekend hours.
- **Baltimore CitiStat:** A small performance-management group responsible for continually improving the quality of services provided to the citizens of Baltimore City, CitiStat evaluates policies and procedures practiced by city departments for delivering all manner of urban services, from criminal investigation to pothole repair. After staff analysts examine the data, city agencies must be prepared to answer any question raised by the Mayor or Cabinet at a bi-monthly CitiStat session.

4. Regional Collaboration

Many of the challenges facing California's communities – land-use and environmental issues, for example – can be most effectively handled not just by one or two counties, but by regions. Local governments, particularly schools, should be encouraged to work together as regions to develop the workforce and infrastructure they need to attract private investment and generate jobs. The state should do this not by adding another layer of bureaucracy, but by providing the right fiscal and regulatory incentives to encourage public agencies and private entities to coordinate their efforts and integrate activities. This will help local entities find innovative ways to achieve the state's goals for a healthy environment, adequate housing, and better mobility.

Examples of the evolution toward regional solutions and their benefits often revolve around land-use and transportation:

- Metropolitan Planning Organizations, for example, were created in the 1960s to coordinate distribution of state and federal transportation funds. They serve as venues for representatives of both local government and state transportation authorities to come together to make long-term transportation plans for different regions. Over the years, these groups have often proved to be effective collaborative models – taking into account available funds, the region's goals, and the needs of the region's voters.
- The California Inter-regional Blueprint is a current example of a plan to link statewide transportation goals and regional transportation and land-use goals to produce a unified transportation strategy.

Barriers to further regional partnerships are due mostly to the fact that regional entities are not part of the funding structure, relying on the goodwill of cities and counties to coordinate their efforts.

Local strategies for infrastructure investments and workforce connectivity are already coordinated by existing regional agencies and structures that can be linked to outcomes-based plans for schools, cities, and counties. These include:

- Metropolitan Planning Organizations
- Councils of Government
- Joint Powers Authorities
- Multi-county special districts (the East Bay Regional Parks District, for example, or the Bay Area Rapid Transit Authority)

PRINCIPLE #3

The new structure needs to provide regulatory, fiscal and other incentives to encourage cooperation among local governments to efficiently and effectively meet regional needs.

DRAFT RECOMMENDATION #3

Regional Councils of Government should host annual strategic planning forums to review city, county and school strategies for achieving the Big Five Outcomes, and to review progress toward achievement of Indicators of Success. A priority should be for the schools, cities and counties to develop a robust pipeline between the educational system and the workforce needs of the regional economy.

POTENTIAL MODELS (see these and more online at CAFWD.org/bestpractices)

- Senate Bill 375 (Chapter 728, Statutes of 2008): SB 375 directs the Air Resources Board to set regional targets for the reduction of greenhouse gas emissions. Aligning these regional plans is intended to help California achieve GHG reduction goals for cars and light trucks under AB 32, the state's landmark climate change legislation.
- California Partnership for the San Joaquin Valley: The California Partnership for the San Joaquin Valley is an unprecedented public-private partnership sharply focused on improving the region's economic vitality and quality of life for the 3.9 million residents who call the San Joaquin Valley home. The Partnership is addressing the challenges of the region by implementing measurable actions on six major initiatives to help the San Joaquin Valley emerge as California's 21st Century Opportunity.
- California Stewardship Network: The California Stewardship Network is composed of eleven diverse regions across California who came together to develop innovative regional solutions to the state's most pressing economic, environmental, and community challenges.
- California Regional Economies Project: Through a regional perspective, the California Regional Economies Project improves understanding of how the economy is changing, where changes are concentrated, and what catalysts and conditions are causing those changes. In addition, the Project assesses how change in one region affects other regions and the state as a whole.
- Several outcomes-focused, reported metrics might be used regionally:
 - California Regional Progress Report (California Strategic Growth Council)
 - Re-Imagining California, A Sustainable Future for the Golden State (Women's Environmental Leadership League "WELL" Network)

5. Governmental Consolidation

As California has grown, the number of cities has increased, often as a way for communities to ensure local control. At the same time, some units of government – school and special districts, in particular – have remained, even as their populations have expanded far beyond historic geographic boundaries. New opportunities now exist to consolidate some areas of government to develop more efficient and effective service delivery.

California's local governments:

- Counties: 58
- Cities: 481
- School districts: 1,043
- Community college districts: 72
- Special districts: 3,294

Options for encouraging organizational and functional consolidation:

- More authority could be given to counties and cities to consolidate special districts solely within their jurisdictions.
- Reduce thresholds/barriers to consolidation.
- More authority could be given to Local Agency Formation Commissions, countywide groups that ensure the orderly formation of local government agencies in every California county.
- Public release of data and analysis, including cost and performance comparisons. The state could provide fiscal incentives, including one-time matches for documented cost savings.

Functional integration:

- Smaller units of government could be given technical assistance for sharing administrative, maintenance, technology, and other functions, while still being able to maintain political autonomy and accountability.

PRINCIPLE #4

Local agencies need the incentives and the analysis to make organizational or functional consolidations to reduce costs and improve service.

DRAFT RECOMMENDATION #4

LAFCOs in each region – which are currently tasked with “encouraging the orderly formation and development of local agencies based upon local conditions and circumstances,” along with

contributing “to the logical and reasonable development of local agencies in each county...[in an] efficient and accountable manner” – should establish a process with their Regional Councils of Government to present standardized data on the quantity, cost, and effectiveness of local governments in the region.

POTENTIAL MODELS (see these and more online at CAFWD.org/bestpractices)

- Commission on Local Governance in the 21st Century: Former Speaker of the Assembly Robert Hertzberg created the Commission on Local Governance for the 21st Century. The Commission’s 2000 report recommends revisions to the laws that govern city, county, and special district boundary changes.
- San Mateo Regional Fire Services: This memo estimates that the cost of fire protection in San Mateo County could be reduced by nearly \$20 million if five cities and the county jointly contracted with a single entity rather than using five separate fire departments.
- Sacramento City-County Functional Consolidation: A 2010 report identified annual savings upward of \$5 million if the City of Sacramento leveraged functional consolidation opportunities between with the County of Sacramento. This savings would be achieved if the City and County consolidated: emergency dispatch communication (\$2.2 million); major crimes investigation (\$750,000); police property and evidence management (\$290,000); police special teams units (\$840,000); police air support (\$200,000-\$500,000); and, animal care services (\$308,000).
- California School District Unification: In 1964, to encourage voters to form unified school districts, AB 145 (Unruh) stipulated that the funding level for qualified unified school districts be increased by \$15 per ADA. In addition to increasing support for unified school districts, for each elementary school district that voted in favor of unification, even if the whole proposition failed, the funding level of that district would be increased by \$15 per ADA.
- A New NY: A Blueprint to Reform Government: In 2008, The New N.Y. Government Reorganization and Citizen Empowerment Act was enacted into law to reduce New York’s 10,521 overlapping governments. In his 2011 State of the State speech, Gov. Andrew Cuomo proposed a set of grants at up to \$100,000 each for local communities to conduct dissolution and consolidation studies.

6. Role of State Government: Leadership, Quality Assurance and Continuous Improvement

There are vast social, economic, and geographic differences in California. The state must balance the need for achieving statewide goals and continuous improvement across California with the need to distribute fiscal and policy authority – as well as responsibility – to the level that can best meet public needs. The state's role after restructuring would include the following:

- a. Establishing statewide performance objectives:
 1. Defining the state's desired outcomes at the local level – that is, establishing what it is the state is trying to achieve – as well as establishing statewide performance standards.
 2. Ensuring data are collected and publicly available. Cost, performance and other data are an essential tool for state and local officials, as well as the public.
 3. Recognizing that local governments across the state may have different priorities and approaches to providing services.
- b. Tying statewide objectives to performance-based budgeting: To be effective, performance data must not only be collected, it must be tied to state objectives and used to make decisions.
- c. Assisting local governments to meet outcomes:
 1. **Technical assistance:** sharing analyses, best practices, and expertise from other parts of the state.
 2. **Fiscal incentives** to encourage improvements in strategy and execution.
 3. **Performance mechanisms** to encourage continuous improvement (publishing performance data, for example). This will help refocus local governments on pursuing success instead of avoiding failure.
- d. Intervening when local governments fail to meet statewide objectives. This might include:
 1. Full-fledged state intervention in the form of a temporary state (or state-coordinated) takeover of local administration.
 2. Smaller-scale intervention in the form of sanctions.
- e. Reconsidering the role of state agencies, given their new roles, to eliminate overlapping functions or pursue consolidation opportunities.

PRINCIPLE #5

In the new structure the state has an essential role of establishing statewide outcomes reflecting statewide goals and values, ensuring that data is available to measure effort and performance, and facilitate learning and best practices to encourage continuous improvement.

DRAFT RECOMMENDATION #5

In addition to the recommendations above, the state agrees that its role is to:

- Establish the Big Five Outcomes for state programs, and measure Indicators of Success annually.
- Mandate the collaboration of local programs based on evidence-based practices.
- Quantify savings to the state based on positive outcomes (i.e. reducing the number of people sent to prison can be directly tied to a reduction in state prison operating costs).
- Allow cities, counties and schools to retain local savings.

POTENTIAL MODELS (see these and more online at CAFWD.org/bestpractices)

- Washington State Priorities of Government: This zero-based budget approach creates a strategic framework for public investment decisions, prioritizing activities that guide the Governor's budget proposal to the Legislature – and helping communicate that budget to the public. As part of the Priorities of Government plan, every agency in Washington has been asked to answer eight questions related to whether their activities are essential to state government and whether they are being delivered in the most cost-effective manner.
- Council on Virginia's Future: The Council on Virginia's Future was established in 2003 to develop a vision and long-term goals for Virginia's future. It also was tasked with developing a performance leadership and accountability system for state government that aligns with and supports achieving the vision.
- The Commission for a New Georgia: The Commission for A New Georgia was established in 2003 by Governor Sonny Perdue to launch a management turnaround that would make Georgia the best-managed state in America.
- The Prime Minister's Delivery Unit: The Prime Minister's Delivery Unit was established in June 2001 by former British Prime Minister Tony Blair to monitor progress on and strengthen the British Government's capacity to deliver its key priorities across education, health, crime and transport.
- Substance Abuse Mental Health Services Administration (SAMHSA): SAMHSA is a federal program that allocates funding to the states for substance abuse services and requires recipient agencies to document performance and report information as a condition of receiving funding.

7. Implementation/Monitoring

- a. Most of the benefits from a restructured governance model will come by smartly implementing the new structure to develop informed strategies that faithfully deploy evidence-based practices. While most of the initial thinking will go into what the new structure will look like, even more attention needs to be put into implementation.
- b. An effective implementation strategy will sequence shifts in responsibility and authority with the capacity of local governments to take on a new or expanded role.
- c. State and local agencies need to anticipate inevitable, unanticipated problems, and develop a mechanism for identifying and addressing common challenges.
- d. The Administration and the Legislature – as policymakers – could develop their own mechanism for jointly monitoring progress and changing statutes or regulations that impede progress.

8. Conclusion

California's state and local governments must work better together for everyone. If Californians can come together to restructure the relationships between state and local governments, the experience of other states indicates that in five to seven years, we will begin to see the benefits of better governance and renewed private investment.

Continuous improvement in the performance of education and social programs will allow the state to shift resources from prisons back to universities. Efficiencies and innovation in regulation will allow businesses to pay higher wages, while still remaining competitive. Growing middle-income jobs will reduce demand for public services and increase tax revenue.

Restructuring California's government, in other words, can be the beginning of a virtuous cycle – improved education, more workforce participation, better health outcomes, and less crime – that can lead to the best possible outcome: A government that achieves positive social gains in a financially sustainable way.

PRINCIPLE #1

A standardized element of the new structure needs to be a performance approach to decision-making that pressures the system to find and implement better solutions, with ultimate accountability to the people.

DRAFT RECOMMENDATION #1

Aligning program outcomes with larger statewide goals should follow the standard format already used in other states of broad, overarching Outcomes, targeted Indicators, and ongoing Performance Measures.

- Outcomes:
 - The state budget should be aligned to at least Five Big Outcomes - Increased Employment, Improved Education, Increased Health, Decreased Poverty, and Decreased Crime.
- Indicators of Success:
 - At least three Indicators of Success in each of these outcome areas should be in line with national standards and approved by legislators.
 - Counties and schools should provide a one-year and five-year evidence-based strategy for achieving these Indicators of Success, and present these strategies to their regional Council of Governments annually.
- Performance Measures:

- Counties' and schools' progress toward achieving these Indicators should be reviewed annually during the state budget process, and quarterly at the state departmental level.
- This county performance information should be published on the state website and should be used to make programmatic and fiscal decisions at the state and county levels.

PRINCIPLE #2

Transforming the performance of public programs will require systematic change, not just shifts in responsibilities and resources. The new structure needs to be supported by a restructured fiscal system that constitutionally guarantees control of revenue to the level of government responsible for delivering services. In addition, aligning authority and responsibility with those resources is essential to encourage the integration needed to improve results.

DRAFT RECOMMENDATION #2

The state should grant control of funding and programming for locally delivered services to cities, counties and schools (realignment). In exchange, cities, counties and schools should agree to:

- Coordinate the pursuit of an evidence-based, interagency approach toward local improvement across the Big Five Outcomes.
- Hold themselves accountable to these Outcomes by tracking Indicators of Success, and provide an ongoing public review mechanism.
- Share program resources to create economies of scale and maximize taxpayer investments.
- Be transparent and efficient regarding administrative overhead costs, including pension costs.
- Use fiscal incentives, including local savings as well as state savings resulting from local successes, to invest in and expand approaches that are working.
- Ensure that local government has more flexibility to contract with non-profit organizations targeted at improvements toward the Big Five Outcomes.
- The current property tax allocation system (AB 8) should be replaced with a different model that provides greater local control over distribution of the property tax.

PRINCIPLE #3

The new structure needs to provide regulatory, fiscal and other incentives to encourage cooperation among local governments to efficiently and effectively meet regional needs.

DRAFT RECOMMENDATION #3

Regional Councils of Government should host annual strategic planning forums to review city, county and school strategies for achieving the Big Five Outcomes, and to review progress toward achievement of Indicators of Success. A priority should be for the schools, cities and counties to develop a robust pipeline between the educational system and the workforce needs of the regional economy.

PRINCIPLE #4

Local agencies need the incentives and the analysis to make organizational or functional consolidations to reduce costs and improve service.

DRAFT RECOMMENDATION #4

LAFCOs in each region – which are currently tasked with “encouraging the orderly formation and development of local agencies based upon local conditions and circumstances,” along with contributing “to the logical and reasonable development of local agencies in each county...[in an] efficient and accountable manner” – should establish a process with their Regional Councils of Government to present standardized data on the quantity, cost, and effectiveness of local governments in the region.

PRINCIPLE #5

In the new structure the state has an essential role of establishing statewide outcomes reflecting statewide goals and values, ensuring that data is available to measure effort and performance, and facilitate learning and best practices to encourage continuous improvement.

DRAFT RECOMMENDATION #5

In addition to the recommendations above, the state agrees that its role is to:

- Establish the Big Five Outcomes for state programs, and measure Indicators of Success annually.
- Mandate the collaboration of local programs based on evidence-based practices.
- Quantify savings to the state based on positive outcomes (i.e. reducing the number of people sent to prison can be directly tied to a reduction in state prison operating costs).
- Allow cities, counties and schools to retain local savings.

CAFWD:

CALIFORNIA FORWARD

California Forward's mission is to work with Californians to help create a "smart" government – one that's small enough to listen, big enough to tackle real problems, smart enough to spend our money wisely in good times and bad, and honest enough to be held accountable for results.

Tell us what you think:
fwd@cafwd.org

CAFWD.ORG

Sacramento

1107 9th Street, Suite 650
Sacramento, CA 95814
Phone: 916-491-0022
Fax: 916-491-0001

San Francisco

300 Montgomery Street, Suite 638
San Francisco, CA 94104
Phone: 415-362-9650
Fax: 415-362-9656

Los Angeles

448 South Hill Street, Suite 1018
Los Angeles, CA 90013
Phone: 213-488-9054
Fax: 213-488-9377

Municipal Water District of Orange County, California Washington Update

March 16, 2011

The Budget Crisis in Washington is now reaching historic levels. The House of Representatives passed its sixth “Continuing Resolution” (CR) for the current FY2011 fiscal year last night and the US Senate is expected to follow suit later today. This new CR will keep the federal government running until April 8, 2011, now roughly half way through the government’s fiscal year.

Conservatives in the House of Representatives have started to express concerns that they may be no longer able to pass new “short term funding bills” while they wait for a House Senate Compromise to come forward. Last week, the Senate failed in its attempt to reach any consensus on FY2011 spending.

At the heart of the matter is the desire by House Conservatives to cut more than \$50 Billion in spending over and above what Senate Democrats or the Obama Administration have expressed a willingness to accept. And in addition, House Conservatives want to bar the use of funds in the current funding bill to implement the Obama Health Care Law passed last year. At the present time neither side has been willing to compromise.

What is the relevance of this debate to water agencies like MWDOC?

For the purposes of receiving any discretionary funds from the Department of Agriculture’s NRCS Program, or the Environmental Protection Agency’s STAG Program or from a Bureau of Reclamation Grant Program, it is very difficult for these agencies to budget such funds if they don’t know what their budgets will be for the balance of the FY2011 fiscal year (until September 30, 2011). As a result, such decision making by these agencies is essentially on hold until these funding issues have been worked out. This is particularly true this year because with the temporary earmark moratorium, agencies have been slated to have some discretionary funds available for competitive grants. However, if the agencies don’t know what funds they have available for such grants, then the agencies can’t announce grant programs.

Meanwhile, because the Congress hasn’t finished its FY2011 business, this only further complicates the consideration of various budgetary and program issues for the funding bills the Congress should be working on for the next fiscal year (FY2012).

Among other news from the last month, the Municipal Water District of Orange County in conjunction with the Orange County Water District, held a very successful lunch on March 2, 2011. All of the House Congressional Offices were represented. And five of the six House Members spent significant time at the luncheon learning about our issues (Calvert, Miller, Sanchez, Royce and Rohrabacher were present).

FEDERAL FUNDING REQUESTS

<i>Potential Source of Funding</i>	<i>Description</i>	<i>Amount Requested</i>	<i>Status</i>
Natural Resources Conservation Service (NRCS) U.S. Dept of Agriculture	SmarTimer Irrigation Controller Installations	\$0.5M in FY2011	Depending upon how much discretionary money is left in the NRCS Account after the FY2011 Budget battle is resolved, MWDOC may be able to apply for funds from this account during this fiscal year.
South Orange Coastal Ocean Water Desalination Project	Federal Appropriations and an Authorization for Federal Funds for the Desalination Project	\$1.3M in FY2011	<p>Appropriations: There was an \$875,000 appropriation for this project through the Environmental Protection Agency (STAG Grant) in FY2010. Again, we are waiting to see if the FY2011 EPA budget will allow for competitive grants for projects such as ours.</p> <p>Authorizations: Senator Boxer has announced that she is seeking projects for a Water Resources Development Act Bill (also known as the WRDA Bill). MWDOC is planning on submitting an \$18 Million authorization request for this legislation. MWDOC is in the process of meeting with senior Senator Boxer Committee and Personal Staff on this matter.</p>

GENERAL CONGRESSIONAL UPDATES

Congressional Session Status	See the opening discussion in this report for a commentary on the budget debate in Congress.
-------------------------------------	--



M E M O R A N D U M

To: MWDOC Public Affairs and Legislative Committee

**From: Christopher Townsend, President
Heather Stratman, Senior Director
Dana DeBeaumont, Federal Legislative Director
Casey Elliott, Senior Legislative Director**

Date: March 21, 2011

Subject: Monthly Report

State Political Highlights

As the Legislature and Governor Brown enter into the third month of the 2011 legislative session, the Governor's proposal to resolve the \$26.6 billion budget deficit continues to be the center of debate. The Governor is pushing for his budget plan to be adopted by the end of March to allow for his proposed tax extension measure to be placed on the June Special Election. To do so, his budget plan will require at least two Republican votes in each house. Governor Brown and a small group of Republicans, known as the "GOP 5," recently resumed negotiations regarding the Governor's tax proposal and the Republicans' demands for pension, regulatory, and other governmental reforms.

The Governor's proposed five-year tax extensions would generate \$12 billion each fiscal year. Without the tax extensions passing, the Governor and the Legislature would need to find an additional \$12 billion over the \$12.5 billion he has already proposed in cuts to close the budget deficit. Furthermore, under the rules of a special session, bills introduced do not need to be in print for 30-days before being heard, but still do require a two-thirds vote for any fiscal and fee related measures.

On March 3rd, the Budget Conference committee met to work out the final remaining issues between the two houses. One of the major issues remaining was the Governor's proposal to eliminate redevelopment agencies. While there was significant discussion on the item, the committee eventually voted to adopt the Governor's proposal, as well as adopt placeholder language to deal with the transition issues that will emerge with the successor agencies. The committee approved the item on a straight party line vote with all Democrats in support and all Republicans in opposition.

During the discussion on the item, it was clear that the Democrats view the adoption of the Governor's proposal as a necessary step in order to reform the manner in which economic development is carried out by local governments. Nearly all of the Democrats indicated a desire to work on reforms for redevelopment during this legislative session that could ideally be in place should the Governor's proposal takes effect on July 1st.

The Republican members of the conference committee all acknowledged that redevelopment has its flaws (most cited eminent domain), but that overall it was a positive tool that has benefited communities. The Republicans offered an alternative motion which would have allowed the state to collect the \$1.7B in the 2011-12 budget from redevelopment, but work on the actual implementation language over the coming days (modeling off either the Big Cities or other proposals that are floating around). That motion was defeated on a party line vote.

The Governor and leaders of the four legislative caucuses are currently conducting a series of meetings to resolve the major issues that still remain. These discussions will not be public and will likely center around what proposals must be adopted/modified/eliminated in order to get Republicans to support the Governor's proposal to place tax extensions before the voters at a special election in June. The "GOP 5" has centered their priorities on a long term cap on state spending and overhauling public pensions. Senate President Pro Tem Darrell Steinberg has signaled that Democrats are willing to consider a temporary spending limit for the same five-year period as the tax extensions on sales, income and vehicles. On the issue of pension reform, there continues to be an impasse between the two parties.

In addition, the Assembly Committee on Accountability and Administrative Review and the Assembly Committee on Local Government held a joint hearing on the role of Special Districts in California on March 2nd. The purpose of the hearing was to investigate the status and role of special districts in a period of particular public interest in transparency and accountability.

The discussion provided an overview of special districts, including their development and services as well as efforts centered on consolidation, improving public participation, and maximizing costs. According to the State Controller's report, there are currently 4,776 special districts in California of various sizes and structures. Approximately 85% of those special districts provide a single service to their residents. On one hand, members of the Committee questioned whether consolidation efforts should be pursued in light of perceived duplication and inefficiency as well as the lack of public participation and knowledge of special districts. On the other hand, the testimony and discussion acknowledged that special districts represent an outgrowth of the public desire for a level of service that meets their particular needs. In addition, there was recognition of the increasing creation of special districts for parks and recreation and fire service due to fiscal realities and the need for better coordination. The experts and committee

members also acknowledged that consolidation efforts require thoughtful consideration and may not make sense across the board, but rather require local participation.

There was common agreement among the experts for more transparency and possible reforms to the election process for Special Districts. In the aftermath of the City of Bell, the Committee members and experts discussed the reporting requirements of special districts. Kyle Packham of CSDA noted the requirement of submitting annual financial audits as well as the compensation disclosure efforts undertaken by the State Controller. In general, there was common agreement on the need for greater access to the latest information on special districts, without a detailed discussion as to how to pay and disclose this information.

The experts and committee agreed that elections represent a key opportunity for citizens to learn about special districts and the services that these Districts provide to the community. Assemblymember Chris Norby (R-72) sought a breakdown of those special districts that are elected versus appointed, and he even specifically mentioned the Orange County Water District's board structure. Assemblymember Steven Bradford (D-51) expressed concern about the concept of "perpetual succession" evident in some Special Districts in which a candidate, either originally appointed or elected, is not listed on the ballot due to being unopposed.

In closing the hearing, Assemblyman Dickinson noted that any discussion of Special Districts' reserves and property tax funding was largely absent from the discussion. The only mention of this issue was by Assemblymember Martin Garrick (R-74), who argued that increased financial disclosure requirements must be coupled with recognition that these reserves are inherently owned by the residents of the special districts, not by the State. The Committee on Accountability and Administrative Review will be discussing these issues more broadly at their next hearing, tentatively scheduled for March 23rd. TPA will be sure to report back on the Committee's discussion.

Specific Activities for the Month:

- TPA continues to monitor legislation of interest to MWDOC and its member agencies, including but not limited to budget and fiscal issues, special district organization, local government transparency, and water related legislation.
- TPA is working with MWDOC on the upcoming Regulatory Streamlining Workshop scheduled for March 19, and is prepared to present on state and federal regulatory updates.
- TPA attended the ACWA Legislative Committee Meeting on March 11, a summary of the meeting is provided below.
- TPA participated in the ACWA D.C. conference with MWDOC.
- TPA participated in a Corps of Engineers Meeting at the LA District office.

Recap of ACWA Legislative Committee Meeting

- I. Welcome
 - a. Self-Introductions
- II. 2010 Little Hoover Commission Report Workgroup Update
 - Attached is a document containing the recommendations put together by the workgroup.
 - These recommendations were put together so that they could be reviewed by the legislative committee.
 - The legislative committee will put this item on next month's agenda so everyone has a chance to review the report.
- III. Executive Director's Report
 - a. Federal Affairs Update
 - ACWA had a successful trip to Washington DC two weeks ago. Were able to meet with a number of members of the California delegation. Significant differences in the thoughts and concerns within the Congressional delegation.
 - Everything in Washington DC is budget related right now.
 - Congress is trying to work on a solution that is more than another two-week continuing resolution
 - Currently, it looks like the Army Corps of Engineers' budget will be relatively unharmed, but the Environmental Protection Agency's budget is going to be significantly cut.
 - b. New State Legislative Director – Cindy Tuck
 - Will start work on March 28th
- IV. Legislative Symposium: Wednesday, March 16th
- V. Hot Topics
 - a. Local Government Issue: Special District Consolidation
 - The Legislature appears to have taken an interest in the area of special district consolidation.
 - The last time the Legislature was active in this area was 1996.
 - There was a joint hearing conducted last week on the topic of special districts. At the hearing a lot of people seemed interested in the topic of consolidation.
 - Several groups, including California Forward, have brought up this idea.
 - This issue has caught people's attention and is unlikely to go away for the remainder of the legislative session.
 - b. State Budget
 - The Governor is currently negotiating with five Republican Senators on items that may secure their votes on the budget (and placing the tax extensions on the ballot).
 - c. Government reform, transparency, and fiscal responsibility

- ACWA has put together a packet of governmental reform and fiscal accountability measures (attached).
- ACWA will continue to monitor these measures for impacts on members.
- There will be a panel on this topic at the ACWA Legislative Symposium

VI. Review of Bill Packets #1 and #2

- The committee adopted the staff recommended positions contained in the bill packet, except for:
 1. AB 392 (Alejo) – Staff recommended a watch position; however, the committee chose to adopt an oppose position. Several members of the committee indicated that this bill would be problematic and could possibly result in delays on agenda items and potential vulnerability to lawsuits.
 2. SB 200 (Wolk) – Staff did not provide a recommendation. The committee was split on this measure as Delta area agencies indicated that Wolk plans to significantly amend the measure and that ACWA should work with her office. Agencies, primarily located in Central and Southern California, indicated that they had no desire to work with Wolk and that a strong message should be sent that ACWA does not want the Legislature to become involved in the approval process for conveyance facilities. Eventually the committee opted to take a “Not Favor unless Amended” position on a 20-17 roll call vote.
 3. AB 938 (M. Perez) – Staff did not provide a recommendation on this measure. This measure is a reintroduction of a bill that was being pursued at the end of session last year. ACWA members had issues with this measure, but ACWA did not take an official position. ACWA would normally be opposed to this measure, but the author agreed to table the bill last year in order to work with interested parties to find an agreeable solution. Due to that agreement, the legislative committee opted to take an “Oppose Unless Amended” position.
 4. AB 954 (Calderon) and SB 701 (Calderon) – There was significant debate on these two measures which affect West and Central Basin Water Replenishment Districts. There were two schools of thought in the committee on these bills: 1) ACWA should not take a position because they have member agencies on both sides of the issue and because these bills affect pending litigation; and 2) ACWA should oppose these measures because they would be precedent setting and go against ACWA’s principal of opposing efforts for the State to get involved in local rate setting. Ultimately, the committee voted for “Not Favor” positions on both measures.
 5. AB 963 (Valadao) – Staff did not provide a recommendation. The committee voted for a “Watch” position.

December 2010

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1	2	3	4
5	6	7	8	9 Briefing w/ Sup. Bates Attended by: Directors Hinman & Thomas, David Cordero, and Heather Stratman	10	11
12	13 Briefing w/ Assemblyman Silva Attended by: Directors Finnegan & Royce, David Cordero, and Heather Stratman	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

January 2011

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
2	3	4	5	6	7 Briefing w/ Assemblyman Harkey Attended by: Directors Hinman, David Cordero, and Heather Stratman	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

February 2011

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

March 2011

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1	2	3	4	5
6	7	8	9	10	11 Briefing w/ Assemblymen Mansoor & Wagner: Director Barbre, David Cordero, and Heather Stratman	12
13	14	15	16	17	18	19
20	21	22	23	24	25 Targeting Briefing w/ Senator Walters	26
27	28	29	30	31		



Municipal Water District of Orange County Priority Legislation

BILL	SUMMARY	LATEST ACTION	MWDOC POSITION	OTHER POSITIONS
AB 19 Fong (D)	Building Standards: Water Meters: Multiunit Structures Requires a water purveyor that provides water service to a multiunit residential structure or mixed-use residential and commercial structure to require the installation of a water meter or a submeter. Requires the Department of Housing and Community Development to develop and submit to the commission building standards that require the installation of water meters or submeters in individual dwelling units within a newly constructed multiunit residential structure.	1/24/2011 To ASSEMBLY Committees on WATER, PARKS AND WILDLIFE and HOUSING AND COMMUNITY DEVELOPMENT. Hearing: 3/22/11		
AB 49 Gatto (D)	Development: Expedited Permit Review Relates to permit streamlining and development projects. Requires the Office of Permit Assistance to provide information to developers explaining the permit approval process and to assist them in meeting statutory environmental quality requirements, to assist state and local agencies in streamlining the permit approval process and applicants to identify needed permits, to develop related guidelines providing local permit process technical assistance, and to develop a consolidated project information form.	1/24/2011 To ASSEMBLY Committees on LOCAL GOVERNMENT and NATURAL RESOURCES. Hearing: 3/23/11		
AB 54 Solorio (D)	Drinking Water Allows the Department of Public Health to issue a letter of no prejudice to a public water system that is a lead applicant for a project that may be funded by the Safe Drinking Water Revolving Fund; makes expenditures related to the project reimbursable in specified circumstances. Authorizes a local agency formation commission to review and approve or disapprove the consolidation of territory within a mutual water company into the jurisdiction of a city as a special district that operates a water system.	1/24/2011 To ASSEMBLY Committees on LOCAL GOVERNMENT and ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.		



Municipal Water District of Orange County Priority Legislation

BILL	SUMMARY	LATEST ACTION	MWDOC POSITION	OTHER POSITIONS
AB 71 Huber (D)	Political Reform Act of 1974: Lobbyists Amends the Political Reform Act of 1974 by requiring that the online directory maintained by the Secretary of State also contain information regarding lobbying interests. Requires that periodic reports filed by lobbyist employers and other persons contain the bill numbers of any legislation lobbied for or against during the reporting period. Requires the Secretary of State to display on his or her Internet Web site a list of the lobbying interests containing a specific reference to a bill number.	1/27/2011 To ASSEMBLY Committee on ELECTIONS AND REDISTRICTING.		
AB 83 Jeffries (R)	Environment: CEQA Exemption: Recycled Water Pipeline Amends existing law regarding California Environmental Quality Act environmental impact reports. Exempts a project for the installation of a new pipeline for the distribution of recycled water within an improved public street, highway, or right-of-way.	1/27/2011 To ASSEMBLY Committee on NATURAL RESOURCES.		
AB 89 Hill (D)	Retirement: Public Employees Specifies that, for the purposes of determining a retirement benefit paid to a person who first becomes a member of a public retirement system on or after a specified date, the maximum salary, compensation, or payrate upon which retirement benefits shall be based shall not exceed an amount set forth in a specified provision of the Internal Revenue Code.	1/27/2011 To ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.		
AB 134 Dickinson (D)	Sacramento Regional County Sanitation District Authorizes the Sacramento Regional County Sanitation District to file an application for a permit to appropriate a specified amount of water that is based on the volume of treated wastewater that the district discharges into the Sacramento River and recovers for reuse. Requires the State Water Resources Control Board to grant a permit to appropriate that treated wastewater upon terms and conditions determined by the board.	2/3/2011 To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE		



Municipal Water District of Orange County Priority Legislation

BILL	SUMMARY	LATEST ACTION	MWDOC POSITION	OTHER POSITIONS
AB 148 Smythe (R)	Local Government: Ethics Training: Disclosure Defines the term ethics laws, for purposes of training for officers and employees of a local government, to include compensation setting guidelines as established by specified organizations. Requires the local agency to post the ethics training record on the local agency's Internet Web site, if any, and to submit a copy of the record to the Attorney General. Requires a local agency that has adopted a written attendance compensation policy to post the policy on the local agency's Web site.	3/2/2011 In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT. Hearing: 4/27/11		
AB 157 Jeffries (R)	Safe, Clean and Reliable Drinking Water Supply Act Reduces the total amount of bonds authorized to be issued pursuant to the Safe, Clean and Reliable Drinking Water Supply Act of 2012. Makes conforming reductions to amounts specified to be allocated from these bond funds for certain purposes.	2/24/2011 To ASSEMBLY Committees on WATER, PARKS AND WILDLIFE and ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.		
AB 182 Davis (D)	Political Reform Act of 1974 Amends the Political Reform Act of 1974. Permits a pilot program to continue until December 31, 2012. Permanently permits the filing of officers of all government agencies to accept the electronic filing of statements of economic interests by all public officials required to file those statements.	2/3/2011 To ASSEMBLY Committee on ELECTIONS AND REDISTRICTING.		
AB 262 Harkey (R)	California Regional Water Quality Control Boards Revises the description of the boundaries of the Santa Ana Regional Water Quality Control Board and the San Diego Regional Water Quality Control Board.	2/18/2011 To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.		



Municipal Water District of Orange County Priority Legislation

BILL	SUMMARY	LATEST ACTION	MWDOC POSITION	OTHER POSITIONS
AB 192 Logue (R)	Local Public Safety and Protection Account Amends the Vehicle License Fee Law that imposes an additional tax on the market value of specified vehicles to the vehicle license fee, to be deposited in the General Fund and transferred to the Local Safety and Protection Account. Transfers a specified amount of funds from the General Fund to the account over 5 years.	2/22/2011 In ASSEMBLY. Read second time and amended. Re-referred to Committee on REVENUE AND TAXATION. Hearing: 4/4/11		
AB 246 Wieckowski [D]	Water Quality: Enforcement Authorizes a regional water quality control board to delegate to its executive officer the authority to apply for judicial enforcement to the Attorney General, a district attorney, a city attorney of a city with a population that exceeds 750,000, or a city attorney for a city and county. Authorizes a district attorney, a city attorney of a city with a population that exceeds 750,000, or a city attorney for a city and county, to bring civil actions under the Porter Cologne Water Quality Act.	3/3/2011 To ASSEMBLY Committees on JUDICIARY and ENVIRONMENTAL SAFETY AND TOXIC MATERIALS. Hearing: 3/22/11		
AB 262 Harkey (R)	California Regional Water Quality Control Boards Revises the description of the boundaries of the Santa Ana Regional Water Quality Control Board and the San Diego Regional Water Quality Control Board.	2/18/2011 To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.		



Municipal Water District of Orange County Priority Legislation

BILL	SUMMARY	LATEST ACTION	MWDOC POSITION	OTHER POSITIONS
AB 275	Rainwater Capture Act of 2011	3/14/2011		
Solorio (D)	Enacts the Rainwater Capture Act of 2011; authorizes landowners to install, maintain, and operate rain barrel systems and rainwater capture systems for specified purposes, provided that the systems comply with specified requirements; authorizes a landscape contractor to enter into a prime contract for the construction of a rainwater capture system if the system is used for landscape irrigation.	In ASSEMBLY. Read second time and amended. Re-referred to Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION. Hearing: 3/22/11		
AB 328	Inverse Condemnation: Comparative Fault	2/24/2011		
Smythe (R)	Amends an existing law that prohibits the taking of private property without the payment of just compensation and permits a person to maintain an action in the inverse condemnation for the purpose of obtaining compensation for a taking. Applies the doctrine of comparative fault to inverse condemnation actions. Requires a court or arbitrator to reduce the compensation paid to a plaintiff in direct proportion to his or her percentage of fault in the damaging of property that constitutes a taking.	To ASSEMBLY Committee on JUDICIARY.		
AB 358	Hazardous Substances: Underground Storage Tanks	2/24/2011		
Smythe (R)	Commends the existing law that regulates the storage of hazardous substances in underground storage tanks, including requiring underground storage tanks that are used to store hazardous substances to meet certain requirements and requires the State Water Resources Control, in consultation with the former State Department of Health Services, to develop guidelines for the investigation and cleanup of methyl tertiary-butyl ether in groundwater. Requires consultation with the State Department of Public Health.	To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.		



Municipal Water District of Orange County Priority Legislation

BILL	SUMMARY	LATEST ACTION	MWDOC POSITION	OTHER POSITIONS
AB 403 Campos (D)	Public Drinking Water Standards: Hexavalent Chromium Requires the Department of Public Health to establish a primary drinking water standard for hexavalent chromium on or before a specified date. Provides that if a standard is not adopted by that date, the public health goal set by the Office of Environmental Health Hazard Assessment shall be the applicable standard.	2/24/2011 To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.		
AB 442 Silva (R)	Public Lands: Classification Makes technical, nonsubstantive changes to existing law that authorizes the State Lands Commission to classify any or all state land for its different possible uses and authorizes the commission, to require various government entities, including the Department of Parks and Recreation, to make the classification.	2/14/2011 INTRODUCED		
AB 550 Huber (D)	Sacramento-San Joaquin Delta: Peripheral Canal Prohibits the construction of a peripheral canal that conveys water from a diversion point in the Sacramento River to a location south of the Sacramento-San Joaquin Delta, unless expressly authorized by the Legislature. Requires the Legislative Analyst's Office to complete an economic feasibility analysis prior to the enactment of a statute authorizing the construction of a peripheral canal. Prohibits the construction and operation of a peripheral canal from diminishing water quality.	2/16/2011 INTRODUCED		
AB 555 Norby (R)	Local Agency Formation Makes a technical, nonsubstantive change to the procedures for the formation, change of organization, and reorganization of cities and special districts.	2/16/2011 INTRODUCED		
AB 576 Dickinson (D)	Delta Stewardship Council: Planning and Administration Requires the Delta Stewardship Council to adopt a fee on water supply contractors of the State Water Project and the federal Central Valley Project to fund a portion of the planning and administrative costs of the council.	3/3/2011 To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.		MWD - Oppose unless Amended (3/8/11)



Municipal Water District of Orange County Priority Legislation

BILL	SUMMARY	LATEST ACTION	MWDOC POSITION	OTHER POSITIONS
AB 685 Eng (D)	State Water Policy Declares that it is the established policy of the state that every human being has the right to clean, affordable, and accessible water for human consumption, cooking, and sanitary purposes, that is adequate for the health and well-being of the individual and family. Requires all relevant state agencies to employ all reasonable means to implement this state policy.	3/3/2011 To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.		
AB 738 Hagman (R)	Public Employees' Retirement: Elected Officials Prohibits a person who is publicly elected to an office of any kind on and after January 1, 2012, from becoming a member of a retirement system by virtue of that service or acquiring any retirement right or benefit for serving in that elective office. Applies these prohibitions to a person who is appointed to fill the term of a person so elected	3/7/2011 To ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.		
AB 741 Huffman (D)	Onsite Wastewater Disposal Amends an existing law authorizing an owner of property included within an assessment district for construction of a main trunkline or collector sewer lines to request the governing board to construct plumbing to connect his or her property to the adjoining public sewer system. Authorize specified entities, to use this provision for the purpose of converting properties from onsite septic systems and connecting them to the sewer system.	3/14/2011 In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.		IRWD: Sponsor
AB 745 Valadao (R)	California Water Plan Makes technical, substantive changes to existing law requiring the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development and use of water resources of the state, which is known as the California Water Plan.	2/17/2011 INTRODUCED		



Municipal Water District of Orange County Priority Legislation

BILL	SUMMARY	LATEST ACTION	MWDOC POSITION	OTHER POSITIONS
AB 779	Water Transfers: Public Notice	2/17/2011		
Fletcher (R)	Requires a public water agency to provide public notice to its customers prior to approving a transfer of water to the agency.	INTRODUCED.		
AB 849	Water: Use Efficiency	2/17/2011		
Gatto (D)	States the intent of the Legislature to enact legislation to encourage the installation and implementation of residential and commercial water use efficiency measures, including, but not limited to, graywater and storm retention systems, to reduce or eliminate regulatory barriers for water use and efficiency, and if feasible to provide incentives to increase investment in and use of graywater systems.	INTRODUCED		
AB 903	Sacramento-San Joaquin Delta	2/17/2011		
Berryhill, B. (R)	Makes technical, nonsubstantive changes to legislative findings and declarations that state, among other things, that the water problems of the Sacramento-San Joaquin Delta are unique within the state and that a general law cannot be made applicable to the Delta.	INTRODUCED		
AB 912	Local Government: Organizations	2/17/2011		
Gordon (D)	Authorizes a local agency formation commission, where the commission is considering a change of organization that consists of the dissolution of a district with zero sphere of influence, to immediately order the dissolution if the dissolution was initiated by the district board, or to hold at least one noticed public hearing in certain circumstances.	INTRODUCED		



Municipal Water District of Orange County Priority Legislation

BILL	SUMMARY	LATEST ACTION	MWDOC POSITION	OTHER POSITIONS
AB 954	Water Replenishment Districts	2/18/2011		
Calderon, C (D)	Requires information in certain engineering surveys and reports and in related determinations, to pertain to the groundwater in each basin within the water replenishment district. Provides that the board of directors of a water replenishment district, would be required, to impose an assessment in an amount that is calculated to pay for costs that include the actual cost of replenishing the groundwater basin, removing contaminants from the groundwater basin, and the administrative costs of the district.	INTRODUCED		
AB 964	Environmental Protection: Contamination	2/18/2011		
Huffman (D)	Requires the State Department of Public Health to adopt and implement a 10-year plan for sewer upgrades, including, but not limited to, onsite septic and sewer lateral upgrades. Relates to contractual assessments to finance onsite sewer and septic improvements. Permits onsite septic and sewer improvements to be installed to convert residential, commercial, industrial, agricultural, or other real property from an onsite septic system to community sewer collection service.	INTRODUCED		
AB 977	Water	2/18/2011		
Harkey (R)	Amends an existing law that requires there to be incorporated in the planning and construction of certain structures to provide for the conservation, storage, regulation, transportation, or use of water, specified features, including additional storage capacity that the Department of Water Resources determines necessary for the preservation of fish and wildlife. Makes technical nonsubstantive changes.	INTRODUCED		
AB 1048	Water Quality: Recycled Water and Wastewater: Fluoride	2/18/2011		
Harkey (R)	Requires the State Water Resources Control Board to adopt a statewide policy establishing standards for levels of fluoride in recycled water and wastewater.	INTRODUCED		



Municipal Water District of Orange County Priority Legislation

BILL	SUMMARY	LATEST ACTION	MWDOC POSITION	OTHER POSITIONS
AB 1180	Water: Coastal Powerplants	2/18/2011		
Bradford (D)	Requires the State Water Resources Control Board to provide a report to the Legislature on the economic impacts to utility ratepayers because of the implementation of the Statewide Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling.	INTRODUCED		
AB 1283	Safe, Clean, and Reliable Drinking Water Supply Act	2/18/2011		
Berryhill, B. (R)	Declares the intent of the Legislature to enact legislation relating to the Safe, Clean, and Reliable Drinking Water Supply Act of 2012.	INTRODUCED		
ACA 4	Local Government Financing: Voter Approval	12/6/2010		
Blumenfeld (D)	Proposes an amendment to the Constitution to create an additional exception to the 1% limit for a tax rate imposed by a city, county, city and county, or special district to service bonded indebtedness incurred to fund specified public improvements and facilities, or buildings used primarily to provide sheriff, police, or fire protection services, that is approved by 55% of the voters of the city, county, city and county, or special district.	Introduced		
SB 16	Energy: Renewable Energy and Transmission Projects	2/24/2011		
Rubio (D)	Enacts legislation to establish a new program to ease and expedite the state permitting process for renewable energy and transmission projects within the date.	Re-referred to SENATE Committee on NATURAL RESOURCES AND WATER. Hearing: 3/22/11		



Municipal Water District of Orange County Priority Legislation

BILL	SUMMARY	LATEST ACTION	MWDOC POSITION	OTHER POSITIONS
SB 27 Simitian (D)	Public Retirement: Final Compensation: Computation Provides for public employee and teacher retirement. Provides that member and employer contributions credited to the Defined Benefit Supplemental Program would include remuneration earnable within a 5-year period in excess of 125% of that member's compensation earnable in the year prior to that 5-year period.	3/3/2011 In SENATE. Read second time and amended. Re-referred to Committee on PUBLIC EMPLOYMENT AND RETIREMENT. Hearing: 3/21/11		
SB 31 Correa (D)	Local Government: Lobbyist Registration States the intent of the legislature to enact legislation that will require each local government to create a lobbyist registration program as a condition of the local government being eligible to apply for any discretionary grant from any state agency or department.	1/20/2011 To SENATE Committee on RULES.		
SB 34 Simitian (D)	Water Infrastructure Projects: Fees Declares the intent of the Legislature to enact legislation to develop a fee-based system to pay for costs associated with updating and modernizing water infrastructure projects. Expresses legislative intent with respect to the imposition of the fees and use of the fee revenues.	1/20/2011 To SENATE Committee on RULES.		
SB 46 Correa (D)	Local Government: Compensation Disclosure Requires local government filers to annually file a compensation disclosure form. Requires the Secretary of State to develop the form. Requires a county, city, city and county, school district, special district, or joint powers agency that maintains an internet web site to post the information contained on the filed form on that web site. Authorizes a district attorney or any interested person to commence an action by mandamus to enforce these provisions.	3/7/2011 In SENATE. Read second time and amended. Re-referred to Committee on GOVERNANCE AND FINANCE. Hearing: 3/16/11		



Municipal Water District of Orange County Priority Legislation

BILL	SUMMARY	LATEST ACTION	MWDOC POSITION	OTHER POSITIONS
SB 50	Conflicts of Interest: Disqualification	1/20/2011		
Correa (D)	Amends the Political Reform Act of 1974. Adds members of the High-Speed Rail Authority to those specified officers who must publicly identify a financial interest giving rise to a conflict of interest or potential conflict of interest, and recuse themselves accordingly.	To SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS.		
SB 52	Water Quality: Sacramento Regional Sanitation District	1/20/2011		
Steinberg (D)	Appropriates funds to the Department of Water Resources from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 to provide financial assistance to the Sacramento Regional County Sanitation District to offset rate increases associated with the costs of capital improvements to the district's regional sewage treatment plant.	To SENATE Committee on ENVIRONMENTAL QUALITY.		
SB 115	Public Employees: Pensions: Forfeiture	2/10/2011		
Strickland (R)	Requires a public officer or employee who is convicted of any felony for conduct arising directly out of his or her official duties to forfeit all rights and benefits under, and membership in, any public retirement system in which he or she is a member, effective on the date of final conviction. Requires any contributions made by that public officer or employee to the public retirement system that arose directly from his or her forfeited service would be returned to the officer or employee without interest.	To SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT.		
SB 160	Local Government: Reorganization	2/10/2011		
Huff (R)	Makes a technical, nonsubstantive change to the Cortese Knox Hertzberg Local Government Reorganization Act, which provides the authority and procedure for the initiation and completion of changes of organization for cities and districts.	INTRODUCED To SENATE Committee on RULES.		



Municipal Water District of Orange County Priority Legislation

BILL	SUMMARY	LATEST ACTION	MWDOC POSITION	OTHER POSITIONS
SB 186	The Controller	3/10/2011		
Kehoe (D)	Authorizes the Controller to exercise discretionary authority to perform an audit or investigation of any county, city, special district, joint powers authority, or redevelopment agency to ensure compliance with state law, grant agreements, local ordinances, and to determine fiscal viability. Requires the Controller to prepare a report of the results of the audit or investigation and to file a copy with the local legislative body. Provides the Controller special costs shall be borne by the entity.	In SENATE. Read second time and amended. Re-referred to Committee on GOVERNANCE AND FINANCE. Hearing: 3/16/11		
SB 200	Sacramento-San Joaquin Delta: Delta Conveyance Facility	2/17/2011		
Wolk (D)	Prohibits the construction of a new Delta conveyance facility unless specified conditions are met. Prohibits the transportation of water for the federal Central Valley Project through state project facilities, with specified exceptions. Requires the Department of Water Resources to enter into contracts with specified Delta agencies for purposes of recognizing the right of users to make use of the waters of the Delta and establishes criteria for minimum water quality in the Delta.	To SENATE Committees on NATURAL RESOURCES AND WATER and ENVIRONMENTAL QUALITY.		
SB 215	Invasive Aquatic Species: Mussels	2/17/2011		
Huff (R)	Deletes that repeal of existing law that generally prohibits a person from possessing, importing, shipping, or transporting in the state, or from placing, planting, or causing to be placed or planted in any water within the state, dreissenid mussels, and authorizes the Director of Fish and Game or his or her designee to engage in various enforcement activities. Provides that a person who violates or resists, delays, obstructs, or interferes with the implementation of these provision is subject to a penalty.	To SENATE Committee on NATURAL RESOURCES AND WATER.		



Municipal Water District of Orange County Priority Legislation

BILL	SUMMARY	LATEST ACTION	MWDOC POSITION	OTHER POSITIONS
SB 235	Water and Flood Districts: Reorganization	3/14/2011		
Negrete-McLeod (D)	Authorizes the governing board of a special district to reorganize the district to reduce the total membership of the governing board by a resolution adopted by a majority vote of the board, including procedures for the reapportionment of division boundaries within the district.	In SENATE. Read second time and amended. Re-referred to Committee on GOVERNANCE AND FINANCE.		
SB 434	Water: Delivery and Storage	2/24/2011		
Anderson (R)	States the intent of the Legislature to enact legislation to enhance delivery of public water resources and storage.	To SENATE Committee on RULES.		
SB 475	Infrastructure Financing	3/3/2011		
Wright (D)	Authorizes a local governmental agency to enter into an agreement with a private entity for financing for specified types of revenue generating infrastructure projects. Requires an agreement to include adequate financial resources to perform the agreement. Permits the agreements to lease or license to, or provide other permitted uses by, the private entity for a term of up to 50 years.	To SENATE Committee on GOVERNANCE AND FINANCE. Hearing: 4/6/11		
SB 571	Water Commission: Financing and Developing Resources	3/3/2011		
Wolk (D)	Requires the Water Commission to develop a master plan for financing and developing water resources in the state, including specified assessments and recommendations. Requires the commission to annually review and audit the award of state funds for water resources projects and programs and to develop a prioritized list of projects and programs related to water supply, water quality, water conservation, water use efficiency, and ecosystem and watershed restoration.	To SENATE Committee on NATURAL RESOURCES AND WATER.		



Municipal Water District of Orange County Priority Legislation

BILL	SUMMARY	LATEST ACTION	MWDOC POSITION	OTHER POSITIONS
SB 597	Water Companies	3/3/2011		
	Makes technical, nonsubstantive changes to provisions making every person, firm, or corporation, their lessees, trustees, receivers, or trustees appointed by any court, owning, controlling, operating or managing any water system within the state subject to the jurisdiction, control and regulation of the Public Utilities Commission.	To SENATE Committee on Rules.		
SB 607	Water Resources Board: Brackish Groundwater Sources	3/3/2011		
Walters (R)	Requires the Water Resources Control Board on a specified date after consultation and collaboration with the Department of Water Resources, to submit a report to the Legislature on impediments to the development of potable water from local brackish groundwater sources.	To SENATE Committee on RULES.		
SB 701	Central Basin Municipal Water District: Report	3/3/2011		
Calderon, R. (D)	Requires the Central Basin Municipal Water District to submit a report on the status of the Central Groundwater Basin and seawater barrier operations. Requires the municipal water district to provide an annual update of that report. Requires the Department of Water Resources and the Water Replenishment District of Southern California to cooperate with the municipal water district in providing information necessary for the completion of the report.	To SENATE Committee on RULES.		
SB 710	State Water Project	3/3/2011		
LaMalfa (R)	States the intent of the Legislature to enact legislation that would address cost to local governments caused by State Water Project operators.	To SENATE Committee on RULES.		



Municipal Water District of Orange County Priority Legislation

BILL	SUMMARY	LATEST ACTION	MWDOC POSITION	OTHER POSITIONS
SB 744	Water Submeters: Testing	3/3/2011		
Wyland (R)	Provides that any water submeter tested by a test bench that is regularly calibrated by a cross-check measure shall be deemed to be sealed and approved for commercial use, provided that the submeter satisfies certain criteria, including that the submeter is otherwise a type approved by the Division of Management Standards.	To SENATE Committee on BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT.		
SB 775	Bonds	2/18/2011		
Walters (R)	Incorporates a requirement into the State General Obligation Bond Law that would require a committee created by a bond act to periodically prepare a report on the amount of bonds that the committee has issued in the past five years and the likelihood that the committee will issue any additional bonds in the future. Authorizes house committees to recommend to the Legislature that the amount of bonds authorized by the act should be reduced under certain conditions.	Introduced		
SB 834	Integrated Regional Water Management Plans: Contents	2/18/2011		
Wolk (D)	Requires an integrated regional water management plan to demonstrate the manner in which the plan complies with a specified state policy concerning reducing reliance on the Sacramento-San Joaquin Delta for water supply and improving regional self-reliance for water.	Introduced		
SCA 7	Public Bodies: Meetings	1/20/2011		
Yee (D)	Proposes an amendment to the Constitution to include in the Constitution the requirement that each public body provide public notice of its meetings and disclose any action taken.	To SENATE Committees on JUDICIARY and ELECTIONS AND CONSTITUTIONAL AMENDMENTS.		



Municipal Water District of Orange County Priority Legislation

BILL	SUMMARY	LATEST ACTION	MWDOC POSITION	OTHER POSITIONS
H.R. 570	The Hoover Power Allocation Act of 2011	2/4/2011		
Heck (NV 3)	A bill to further allocate and expand the availability of hydroelectric power generated at Hoover Dam.	Referred to the Subcommittee on Water and Power.	MWDOC: Support 3/2/11	MWD - Support
S. 519	The Hoover Power Allocation Act of 2011	3/9/2011		
Reid (NV)	A bill to further allocate and expand the availability of hydroelectric power generated at Hoover Dam, and for other purposes.	Read twice and referred to the Committee on Energy and Natural Resources.		MWD - Support

Extreme Makeover.” Disney staff has developed a “Save The Date” piece which was distributed electronically to over 9,000 people including past attendees. A copy of the flyer is attached for review.

Efforts are now focused on securing sponsorships and registrations. Registration is again available on-line and updates to the program and sponsors can be found on the website as well. The title sponsorship has been sold to Siemens for \$10,000. Other sponsorships are being finalized including one with Poseidon.

Based on input from MWDOC’s PAL committee and from the Summit Committee, the draft agenda is as follows:

Grand California Hotel, Disneyland Resort
Anaheim, California

Friday, May 20, 2011

7:30 a.m. – 1:30 p.m.

Program*

7:30 a.m. – 8:00 a.m. Registration & Continental Breakfast

8:00 a.m. – 9:30 a.m. Welcome

Why Isn’t Water Valued As An Invaluable Resource?

Ed Means (Confirmed)

Vice President, Malcolm Pirnie

Government Investment in Infrastructure - Not Business as Usual

The Honorable Tom McClintock (Confirmed)

U.S. House of Representatives, California – 4th District &

Chair of the Natural Resources Subcommittee on Water Power

9:30 a.m. – 9:45 a.m. Break

10:00 a.m. – 11:35 a.m. Is the Sacramento–San Joaquin River Delta (the Delta) Another Katrina Waiting to Happen? Or is it all Hype?

More confirmed speakers to be announced

Curt Schmutte, P.E. (Confirmed)

Principal Engineer, Metropolitan Water District of Southern California

11:35 a.m. – 11:55 a.m. Break

12:00 p.m. – 1:30 p.m. Lunch Program

Streamlining the Regulatory Process: Outcome of MWDOC Regulatory Workshop

Dick Ackerman, Former California State Senator

How Were Some of the Greatest Infrastructure Projects in U.S. History Completed During the Great Depression and How Do We Get Projects Built Now During These Hard Economic Times?

Michael Hiltzik (Confirmed)

Pulitzer Prize-winning journalist and author of *Colossus: Hoover Dam and the Making of the American Century* (June 2010)

The Honorable Gerald Edmund Brown, Jr. (Invited)
Governor of California

1:30 p.m. Closing Remarks***Program subject to change -**

In addition to the program, a preliminary budget has also been developed. This year's budget features a number of considerations from last year's budget and include cost saving efforts since as a reduction in printing, the elimination of any large mailings, and décor will be provided by Disney Resorts including pipe and drape. Also, sponsorship levels have been revisited and revised. A new sponsorship for audio visual has been added which will enable the event to have filming and webcasting capabilities. The proposed budget is as follows:

Proposed 2011 O.C. Water Summit Budget	2010 Actuals	2011 Projections
Draft 12-30-10		
Income:		
*Registration:	\$ 33,200	\$ 31,050
Pre-Registration (2010- 260@\$125; 2011- 270@\$115)		
On-Site Registration (2010 -5)		
Speakers (2010- 29; 2011 - ~11)		
Sponsor Guests (2010 -123; 2011 ~102)		
MWDOC/OCWD Directors (2010 -18; 2011 --16)		
Elected Officials/Staffers (2010-17; 2011--18)		
Other/Media Comps (2010 -24; 2011 - ~10)		
Staff/Volunteers (2010 -39; 2011 ~20)		
**Total Registrations (2010 - 491; 2011 --447 (eliminated many comps)		
Sponsorships	\$ 51,400	\$ 56,100
Title (1)	\$ 10,000	\$ 10,000
Luncheon	\$ 5,000	\$ 7,500
AV Sponsor	N/A	\$ 7,500
Program Sponsor	\$ 3,500	\$ 5,000
Program Session	\$ 12,000	\$ 6,000
Table Sponsor	\$ 8,400	\$ 7,500
Breakfast	\$ 1,000	\$ 2,000
Associate (\$1,000 in 2010; \$1,200 in 2011)	\$ 8,000	\$ 9,600
Conservation Signage	\$ 2,000	N/A

Supporter	\$ 1,500	\$ 1,000
Pen & Notepad	\$ -	N/A
***Shuttle	In-Kind	In-Kind
Total Income	\$ 84,600	\$ 87,150
Expenses:		
Food & Beverage (cost for 490 guests)	\$ 37,351	\$ 42,000
Facilities & Parking (cost for 490 guests)	\$ 5,924	\$ 6,000
Audio Visual & Equipment Rental	\$ 18,970	\$ 20,000
Printing & Postage	\$ 27,037	\$ 10,000
PayPal Fees	\$ 563	\$ 1,200
Speaker Travel/ Fees/Pre-Conference Dinner	\$ 6,701	\$ 9,000
Advertising	\$ 7,500	\$ 3,500
Additional Sponsor Signs		\$ 1,000
Emergency/Misc/supplies/name tags		\$ 2,000
Décor, Graphics & Signs - Disney	In-Kind	In-Kind
Total Expenses	\$ 104,046	\$94,700
Total expenses shared by OCWD & MWDOC	\$ 19,446	\$ 7,550
OCWD and MWDOC's individual agency costs	\$ 9,723	\$ 3,775

*Projected Cost of Ticket \$115 (270 @ \$115 = \$31,050)

*270 indiv; 92 sponsor guests; 75 speaker/electeds/other = 437 attendees (2011)

**447 guests- Cost pp \$212; Minus Ticket Price of \$115 the Shortfall needed in sponsorships is \$97 pp

***Shuttle could be \$5,000 without in-kind donation

A full planning committee meeting is scheduled for March 17th, 2011. Updated information will be provided to the Board at the April Public Affairs and Legislation Committee meeting.



YOU'RE AT THE EPICENTER OF CALIFORNIA'S MOST IMPORTANT FAULT LINE

FRIDAY, MAY 20, 2011
7:30 A.M. - 1:30 P.M.

Grand Californian Hotel at the
Disneyland Resort, Anaheim

To learn more, please visit
www.OCWaterSummit.com

or contact:

Eleanor Torres 714-378-3268 - etorres@ocwd.com
Darcy Burke at 714-593-5014 - dburke@mwdoc.com

Media and Sponsorship Inquiries
Gina DePinto 714-378-3228 - gdepinto@ocwd.com



CALIFORNIA'S EXTREME WATER MAKEOVER

Many people think of the "Big One" as an earthquake, but one of California's most fragile fault lines is its main water delivery system that moves water from Northern California to parts of the Central Valley, the Bay area and Southern California. We can't always pump all the water we need because of court-mandated restrictions to protect habitat. One major earthquake or heavy storm could cause levees along the delivery system to break and contaminate water supplies or cut the delivery of water to many parts of California.

For decades, blueprints have been drafted, redrafted and debated over and over again on how to fix California's lifeline.

Join more than 500 business professionals, international, national and state water stakeholders, elected officials, environmentalists, scientists and community leaders and help take this important project from design to construction.

LEAD
ARCHITECTS



Disneyland
RESORT



TITLE
SPONSOR **SIEMENS**

Public Affairs Activities Report
February 15, 2011 – March 20, 2011

<p>Client Agency Relations</p>	<p>Darcy accompanied Director Barbre on a State Water inspection trip with Central Basin Water District on February 25th and 26th. In addition, Darcy and Tiffany continue to coordinate with Metropolitan staff on the upcoming inspection trips, a Colorado River Aqueduct/Salton Sea trip hosted by Director Ackerman, a one day inspection trip to Diamond Valley Lake hosted by Chairman Foley, and a Colorado River Aqueduct trip hosted by Director Barbre. Next year's inspection trip requested forms have been distributed and are due back to Metropolitan by March 31, 2011.</p> <p>Darcy continues to work with John Arena from Metropolitan regarding outreach and coordination of messaging to businesses throughout Orange County. John is assisting with outreach to businesses throughout the region for the upcoming Regulatory Workshop and the OC Water Summit.</p> <p>Darcy presented to Mesa Consolidated Water District's Water Issues Study Group on February 16th.</p> <p>Darcy attended Metropolitan's PIO meeting on February 10 at Union Station. The meeting focused on developing regional messaging moving forward.</p> <p>Jessica coordinated the Public Affairs Workgroup meeting on February 15. The meeting included a presentation on the implementation of the 2011-12 School Program, an update on the regional messaging program and strategic partnerships, a discussion on how to keep water awareness in the minds of our customers, and the recent Metropolitan shutdown.</p>
<p>Community Relations</p>	<p>Darcy continues to participate in Southern California Water Committee's Public Education Task Force. The committee meets via conference call every other Wednesday.</p> <p>Darcy and California Nevada, AWWA staff met with Leah Walker, the new Chief of the California Department of Public Health Division of Drinking Water has begun her tenure as Assistant Certification Director at California Nevada, AWWA and is focusing efforts on Backflow, CDPHS and Nevada Bureau of Health Services Operator Certification issues.</p> <p>Darcy and Tiffany Bui participated in an open house for the SOCOD project on Friday, February 18 for legislative staffers, recently elected officials, and other interested parties, over fifty people attended the event.</p>

	<p>Tiffany Bui, PA Intern and Janice Lee, Administrative Assistant, hosted a MWDOC booth at Rancho Santiago College's Community Science event on March 4, 2011. Over 330 people visited the booth that evening.</p>
School Program	<p>To date, Discovery Science Center has booked 67,084 students in the water assembly program. The target for the 2010-11 school year is 69,528 students, which includes 12,044 additional students that are being funded by the member agencies. So far this school year, 35,393 students have been taught.</p>
Media Relations	<p><u>Orange County Register</u>, reporter Brittany Levine interviewed Richard Bell on March 7th in regards to the smell on Doheny Beach after the December storms. A copy of the article will be included in the Public Affairs report for the Public Affairs and Legislation committee on March 21st.</p>
Special Projects	<p>Darcy continues to monitor and update the Strategic Review. A presentation and update will be presented at the March 16th Board of Directors meeting. An online report is in development and will summarize the mission and goals of the District.</p> <p>Darcy is working with an internal organizational assessment committee. The committee has finished their efforts and will be presenting options to the senior management team.</p> <p>Darcy continues to work with Director Thomas and Orange County Water District in regards to preliminary OC Water Summit planning. Director Thomas and Darcy attended an Chairman's update meeting on March 8th, 2011. The next committee meeting is planned for Thursday, March 17th. A written report will be provided to the Public Affairs and Legislation Committee on March 21, 2011.</p> <p>Jessica completed the 60th Anniversary Poster design and had them printed. Copies were distributed to the legislative offices during the ACWA Washington D.C. event. Framing for some of the posters is in process.</p> <p>Jessica, Tiffany and David coordinated the Water Policy Dinner, which was held February 24 at the Westin South Coast Plaza. Our keynote speaker for the event will be Chairman Foley. Prior to the dinner, a reception will be held in his honor. Over 180 people registered for the event.</p> <p>Planning is underway for the fall Water Policy Dinner which will also include a reception honoring the District's 60th anniversary.</p> <p>Darcy provided staff support at the WACO meeting on March 4. The</p>

	<p>meeting featured guest speakers Ron Davis of Cal Desal and Paul Schoenberg from Mesa Consolidated water District.</p>
<p>Water Use Efficiency Marketing</p>	<p>Darcy and Joe met with Rob Steiner of WaterSmart Software, an online water-use efficiency consumer management tool. WaterSmart is beginning a pilot project with South Coast Water District.</p>
<p>Legislative Affairs</p>	<p>David served as master of ceremonies and MWDOC's presenter at the Orange County Water Issues Congressional Briefing & Luncheon in Washington, D.C. on Wednesday, March 2nd. The event was co-hosted by MWDOC and OCWD with participation and presentations by Irvine Ranch Water District, Mesa Consolidated Water District, Santa Margarita Water District, Metropolitan Water District of Southern California, and the County of Orange. The briefing was attended by five-out-of-six members of the Orange County Congressional Delegation and by staff representatives from all six of the members' offices. Also attending were representatives from Western Municipal Water District and Eastern Municipal Water District, and Metropolitan Director Linda Ackerman.</p> <p>David attended the California Special Districts Association (CSDA) Legislative Committee meeting, which included a review and recommendation of positions on newly introduced state legislation, a discussion of issues related to local government transparency, the state budget and the proposed realignment of services from the state to local government, and the status of government reform proposals being developed by California Forward and within the Legislature. David has also been participating in conference call meetings of the CSDA Budget Realignment and Government Reform subcommittees.</p> <p>David also continues his participation on the Metropolitan Member Agency Legislative Coordinators' conference calls, which feature updates and discussion on state and federal legislation, the state budget, the evolving issue of federal funding for water infrastructure projects, government reform efforts, etc.</p> <p>Staff has been preparing for the Regulatory Streamlining Board Workshop which will be held in the Board Room on Saturday, March 19 from 8:30am – 12:00pm. Kevin, David and Director Clark participated in a planning meeting with the speakers and panelists in which the program and format of the event was discussed. A "Save the Date" notice has been distributed and the workshop agenda is being finalized. Sen. Dick Ackerman (Ret.) will serve as the workshop facilitator.</p> <p>David has been involved in the drafting of bylaws for the Special District Selection Committee. These bylaws will establish new rules of procedure by which Orange County independent special</p>

districts select their representatives to the Orange County Local Agency Formation Commission (LAFCO). A working group comprised of David Cordero (MWDOC), Robert Ennis (OCWD), Patty Quilizapa (McCormick, Kidman & Behrens), John Schatz (SMWD), Joyce Crosthwaite (LAFCO), and Scott Smith (Best Best & Krieger) developed the bylaws which has been presented to the ISDOC Executive Committee for review and further direction. The special district selection committee will ultimately have to ratify the final draft of the bylaws before it takes effect.

David conducted a member agency legislative coordination meeting which was attended by representatives from Irvine Ranch Water District, City of Huntington Beach, and City of Tustin, Heather Stratman (Townsend Public Affairs) was also in attendance and provided a state budget update. Kathy Cole (Metropolitan) participated via teleconference and provided a bill introduction report and an overview of Metropolitan's legislative priorities.

David prepared for Karl Seckel the MWDOC / Orange County Water 101 PowerPoint presentation for New Councilmember Orientation hosted by the Association of California Cities – Orange County (ACC-OC).

David continues to coordinate with Townsend Public Affairs in the scheduling of briefings with Orange County legislators. Presently scheduled are briefings with Assemblymembers Allan Mansoor and Donald Wagner on Friday, March 11th and with Senator Mimi Walters on Friday, March 18th. Additional briefings are being set up as legislators' schedules permit.

David continues providing staff support to the Independent Special Districts of Orange County (ISDOC) and the Water Advisory Committee of Orange County (WACO). The next ISDOC quarterly meeting is on Thursday, March 31st and will feature Red County political blog editor and contributor Matthew Cunningham. Mr. Cunningham will discuss the evolving and ever important role that blogs and social media play in covering local government activities. The next WACO meeting is on April 1st and will feature ACWA Executive Director Tim Quinn.