

MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
PUBLIC AFFAIRS/MET OVERSIGHT COMMITTEE
March 21, 2005, 8:30 a.m.
MWDOC Conference Room 101

Committee:

Director Barbre, Chairman
Director Finnegan
Director Hinman

Staff: K. Hunt, K. Seckel, M. Stone, R. Bell
D. Cordero, K. Davanaugh, M. Tuchman

Ex Officio Member: Ed Royce, Sr.

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

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.)

ACTION ITEMS

1. PRIORITY LEGISLATION
2. CALIFORNIA WATER AWARENESS CAMPAIGN 2005

DISCUSSION ITEMS

3. POSTER/SLOGAN CONTEST RECOGNITION CEREMONIES
4. LEGISLATIVE ACTIVITIES
 - a. Staff Legislative Report
 - b. Report on State Legislative Activities by Townsend Public Affairs, Inc.
 - c. Report on Federal Legislative Activities by James Barker
 - d. Legislation Matrix
5. ESTABLISH TIME FOR REVIEW OF DSC SCHOOL PROGRAM AND BUDGET CONSIDERATIONS FOR FY 05/06 (Oral Report)

INFORMATION ITEMS

(The following items are for informational purposes only – background information is included in the packet. Discussion is not necessary unless a Director requests.)

6. UPDATE REGARDING ORANGE COUNTY REGISTER REQUEST FOR INFORMATION (Oral Report)
7. STATUS REPORT REGARDING WEB SITE (Oral Report)
8. PUBLIC AFFAIRS ACTIVITIES REPORT

OTHER ITEMS

9. REVIEW ISSUES RELATED TO LEGISLATION, OUTREACH, PUBLIC INFORMATION ISSUES, AND MET
10. GENERAL MANAGER'S / DIRECTORS' REPORT

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.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting):

SUMMARY

AB 1168 (Saldana) – Boron Standard

Summary: Requires that the Office of Environmental Health Hazard Assessment to perform a risk assessment and develop a public health goal for boron by January 1, 2007, and would require the department to adopt a primary drinking water standard for boron by January 1, 2008.

Notes:

Status: May be heard in committee March 26.

Recommended position: OPPOSE UNLESS AMENDED

AB 1234 (Salinas) – Local Agencies: Compensation & Ethics

Summary: Requires a local agency (city, county, city and county, charter city, and special district) to adopt a written policy establishing activities for which legislative body members may receive compensation, other than meetings of the legislative body or an advisory body or attendance at a conference. Also requires agencies to establish travel reimbursement policies and follow certain guidelines. Ethics training for local agency officials and designated staff through various means is also required.

Notes: This bill was developed with participation and feedback of local government.

Status: May be heard in committee March 26.

Recommended position: SUPPORT

AB 1354 (Baca) – Drinking Water: Perchlorate Levels

Summary: Requires the Department of Health Services to establish a maximum drinking water standard contaminant level for perchlorate of 6ppb, to be phased in over a period of 2 years commencing January 1, 2006.

Notes: Concern expressed within water community that water quality standards should be established through scientific process and not the legislative process.

Status: Referred to Asm Environmental Safety And Toxic Materials Committee

Recommended position: OPPOSE

SB 274 (Romero) – Incompatible Offices

Summary: Provides that service on a local appointed or elected governmental board, commission, committee, or other body shall be deemed to be inconsistent, incompatible, in conflict with, or inimical to the duties of services on another local elected or appointed governmental board, commission, committee, or other body, if either of the bodies may audit, overrule, remove members of, dismiss employees of, or exercise supervisory powers over the other in any circumstance.

Notes: This bill would appear to prevent board members of MWD member agencies and agency appointees from serving on the MWD Board of Directors. Would also appear to affect appointed members to the OCWD board of directors from the cities of Anaheim, Fullerton and Santa Ana.

Status: Hearing scheduled for April 6 in Senate Local Government Committee

Recommended position: OPPOSE

SB 393 (Ortiz) – Special Districts

Summary: This bill would require audits to be performed in accordance with government auditing standards for financial and compliance audits and would impose various other requirements on these audits, thus imposing a state-mandated local program. The bill would require the Controller to review the audits under specified procedures and would make an annual appropriation to the Controller from the General Fund of up to \$600,000 for that purpose.

The bill would also:

- Require the governing boards of special districts to conduct legal and ethics orientation sessions that governing board members would be required to attend, if they choose to receive compensation for their activities.
- Establish whistle-blower protections for members or employees who make protected disclosures of improper governmental activities, as specified.
- Define the meetings for which compensation may be paid to members of governing boards of special districts and would limit travel expenses, as specified.
- Require that for members who first take office on or after January 1, 2006, participation in group life insurance and health and welfare benefits shall be on a self-pay basis and provide that those members may not receive retirement benefits from the district.

Existing law provides that compensation of members of the governing board of any water district may not exceed \$100 per day for attendance at meetings subject to a 5% annual adjustment. This bill would repeal those provisions.

Notes: This bill is opposed by Metropolitan Water District of Southern California and Orange County Water District.

Status: Hearing scheduled for April 6 in Senate Local Government Committee

Recommended position: OPPOSE

SB 820 (Kuehl) – Water

Summary (Courtesy of ACWA):

- (1) This bill would require the Department of Water Resources, commencing in 2006, and every 2 years thereafter, to prepare and deliver to State Water Project contractors, city and county planning departments, and regional and metropolitan planning departments within the project service area a report that accurately sets forth, under a range of hydrologic conditions, the then existing overall delivery capability of the project facilities and the allocation of that capacity to each contractor.
- (2) Existing law requires the department and the State Water Resources Control Board to take all appropriate proceedings or actions before executive, legislative, or judicial agencies to prevent waste, unreasonable use, unreasonable method of

use, or unreasonable method of diversion of water in this state. Under this bill, on and after January 1, 2011, a rebuttable presumption of waste would arise whenever any person fails to implement cost-effective water conservation practices, as defined.

- (3) Existing law authorizes the state board, following notice and hearing, to adopt a declaration that a stream system is fully appropriated. This bill would require the executive director of the board to establish, maintain, and publish a list of stream systems that are candidates for being declared fully appropriated, for information purposes only.
- (4) Existing law, with certain exceptions, requires a person who, after 1955, extracts groundwater in excess of 25 acre-feet in any year in the Counties of Riverside, San Bernardino, Los Angeles, and Ventura to file with the state board an annual notice of extraction. Existing law, with certain exceptions, provides that, after 1959, the failure to file a notice for any calendar year within 6 months after the close of that calendar year is equal to nonuse of the groundwater in those counties for that calendar year by each person failing to so file. This bill would impose parallel provisions on the balance of the counties in the state for extractions on and after January 1, 2006.
- (5) Existing law, except as specified, requires each person who, after December 31, 1965, diverts water to file with the state board, before July 1 of the succeeding year, a statement of diversion and use. Existing law excepts diversions that are covered by an application, or a permit or license to appropriate water on file with the state board. Existing law also excepts diversions reported by the department in its hydrologic data bulletins or included in the consumptive use data for the delta lowlands published by the department in its hydrologic data bulletins. Under existing law, the making of any willful misstatement regarding statements of diversion or use is a misdemeanor and any person who makes a material misstatement under these provisions may be civilly liable. Under existing law, statements filed pursuant to those provisions are for informational purposes only, and, except as specified, neither the failure to file a statement nor any error in the information filed have any legal consequences. This bill would, with regard to the covered diversions, modify that provision to except diversions covered by a permit or license to appropriate water or a registration of appropriation for small domestic or livestock pond uses that are on file with the state board. The bill would limit those other described exceptions to diversions that occurred before January 1, 2006. The bill would delete that informational purpose provision and expand the civil liability provision to apply to any person who fails to file a statements for a diversion or use that occurs on or after January 1, 2006. The bill would also make any person who fails to file a statement for a diversion or use that occurs on or after January 1, 2006, ineligible for funds made available pursuant to any program administered by the state board, the department, or the California Bay-Delta Authority.
- (6) Under existing law, a plan for the orderly and coordinated control, protection, conservation, development, and utilization of the water resources of the state is known as the California Water Plan. Existing law requires the department to update the plan every 5 years. This bill would require the plan to include a

discussion of the energy requirements of strategies that may be pursued to meet the future water needs of the state, and would require the department to release certain information regarding the energy required to provide current and projected water supplies.

- (7) Existing law requires every urban water supplier to prepare and adopt an urban water management plan, as prescribed, including a requirement that the urban water supplier coordinate the preparation of the plan with other appropriate agencies, to the extent practicable. This bill would include public utilities that provide electric or gas service in those coordinating agencies. The bill would require a plan to quantify the energy requirements of certain existing and planned water sources and, with regard to a cost-benefit analysis for water demand management measures, to include energy costs and benefits of conserved water. The bill would require an urban water supplier to submit a copy of its plan to additional entities, and to make the plan available for public review on its Internet Web site.
- (8) Existing law exempts the preparation and adoption of urban water management plans from the California Environmental Quality Act. This bill would make the preparation and adoption of urban water management plans subject to the California Environmental Quality Act.
- (9) Under existing law, if an urban water supplier fails to prepare, adopt, and submit an urban water management plan, it is ineligible for certain bond funds and drought assistance until it does so. Existing law, until January 1, 2006, also requires the department to take into consideration whether a plan has been submitted in determining eligibility for other program funds. This bill would delete those provisions, and would, instead, make an urban water supplier that fails to prepare, adopt, and submit an urban water management plan, ineligible for funds made available pursuant to any program administered by the state board, the department, or the California Bay-Delta Authority until it does so.
- (10) Existing law authorizes a local agency whose service area includes a groundwater basin that is not subject to groundwater management to adopt and implement a groundwater management plan pursuant to certain provisions of law. Existing law requires a groundwater management plan to include certain components to qualify as a plan for the purposes of those provisions, including a provision that establishes funding requirements for the construction of certain groundwater projects. This bill, except as specified, would require a local agency to update the plan on or before December 31, 2008, and every 5 years thereafter. The bill would require a local agency to file a copy of its plan with specified entities.
- (11) Existing law relating to agricultural water management planning, until January 1, 1993, and thereafter only as specified, provides for the preparation and adoption of water management plans. That existing law defines "agricultural water supplier" or "supplier" to mean a supplier, either publicly or privately owned, supplying more than 50,000 acre-feet of water annually for agricultural purposes. This bill would substantially revise existing law relating to agricultural water management planning to require every agricultural water supplier to

prepare and adopt an agricultural water management plan, as prescribed, on or before December 31, 2010. The bill would define "agricultural water supplier" or "supplier" to mean a supplier, either publicly or privately owned, supplying more than 2,000 acre-feet of water annually for agricultural purposes. The bill would require every person that becomes an agricultural water supplier to adopt an agricultural water management plan within one year after it has become an agricultural water supplier. The bill would require an agricultural water supplier to update the plan, file it, and make it available, as prescribed. The bill would make an agricultural water supplier that fails to prepare, adopt, and submit a plan ineligible for funds made available pursuant to any program administered by the state board, the department, or the California Bay-Delta Authority.

Notes: According to the author the bill is designed to a) strengthen water conservation policy, b) reduce uncertainty about the use and abundance of the state's water resources, and c) Increase the integrity and integration of water resources and planning.

Status: Assigned to Senate Natural Resources and Water Committee and Senate Rules Committee.

Recommended position: OPPOSE UNLESS AMENDED

SB 866 (Kehoe) – Water Use Measurement

Summary (Courtesy of ACWA): Existing law, with certain exceptions, requires each person who diverts water after December 31, 1965, to file with the State Water Resources Control Board a statement of diversion and use. Existing law requires other water users or suppliers to report other water use information to various state agencies. Existing law requires certain water suppliers to install water meters on specified service connections and to charge for water service each customer that has a service connection for which a water meter has been installed based on the actual volume of deliveries as measured by the water meter.

As introduced, this bill would require the Department of Water Resources, not later than 2 years after the date on which the department completes each update of a specified water plan, to prepare and submit to the Legislature a report with regard to various matters concerning water use measurement information. The bill would require the department, in consultation with water suppliers and other state agencies, to develop and implement the use of a coordinated water use reporting database, along with standard forms for submitting information to be reflected in the database, to be made available through the Internet. The bill would require the authority to convene a group of technical staff and interested stakeholders to develop the scope and content of the database. The bill, not later than January 1, 2013, would require certain water users and suppliers required to report water use measurement information to the state to do so by using the standard forms developed for use in connection with the database. The bill would provide for the submission of other reports to the Legislature relating to the use of the database.

The bill, with certain exceptions and not later than January 1, 2010, would require agricultural water suppliers to report, each year, aggregated farm-gate delivery data to the department using the standard forms. The bill, with a certain exception, would condition eligibility for certain grants or loans to persons who divert surface water for agricultural use on compliance with this reporting requirement.

The bill, with certain exceptions and not later than January 1, 2010, would require persons diverting surface water to measure and report, at least annually, those diversions to the board using the standard forms.

Notes: This bill is supported by Metropolitan Water District of Southern California.

Status: May be acted upon after March 26.

Recommended position: **SUPPORT**

AB 194 (Dymally) – Brown Act Violations: remedy

Summary: This bill would remove the requirement that a legislative body be allowed to cure or correct an alleged violation of the Ralph M. Brown Act prior to commencement of a legal action and would remove provisions that preclude specified actions from being determined to be null and void.

Notes:

Status: Referred to Assembly Local Government Committee

Recommended position: **WATCH**

AB 214 (Richman) – Public Employees' Retirement: Final Compensation

Summary: This bill would define "final compensation" for any member of the Public Employees' Retirement System who retires or dies on and after January 1, 2006, as the average compensation during the last three years of employment immediately preceding the effective date of retirement, or last separation from state service if earlier.

Notes: California is the only state that bases its pensions on an employee's highest single year of pay, rather than averaging three or more years. The other 49 states use a three-to five-year average for rank-and-file workers.

Status: Referred to Assembly Public Employees, Retirement And Social Security Committee

Recommended position: **WATCH**

AB 340 (Parra) – Drinking Water: Arsenic Levels

Summary: Makes technical non-substantive changes to existing law requiring the Office of Environmental Health Hazard Assessment to place a priority on the development of a public health goal for arsenic, and requiring the department to revise the primary drinking water standard for arsenic.

Notes:

Status: May be heard in committee March 13

Recommended position: **WATCH**

AB 492 (Baca) – Perchlorate Reporting

Summary: Requires a business that handles or otherwise uses perchlorate in the course of its operations, including a generator otherwise exempt from the hazardous waste facilities permit requirements, to submit a report to the Department of Toxic Substances Control, detailing the manner in which the perchlorate waste is disposed.

Notes:

Status: Assigned to Assembly Environmental Safety And Toxic Materials Committee

Recommended position: **WATCH**

AB 511 (Richman) – Public Employees’ Retirement: Employer Contributions

Summary: This bill, on and after July 1, 2007, would prohibit public agency contributions to a defined contribution plan for employees covered by the federal Social Security Act from exceeding 6% of an employee's base salary, as defined, except that contributions of up to 9% would be permitted for sworn police officers and full-time firefighters. The bill would permit a public agency to contribute up to an additional 3% of base salary for employees who are not covered by social security. The bill would permit these limits to be exceeded with respect to local public agencies comprised of directly elected public officials upon a 2/3 vote of the electorate of that agency. The bill would require matching employee contributions for public agency contributions to a defined contribution plan in excess of 3%, or 4.5% for sworn police officers or full-time firefighters, as specified. The bill would condition its operation upon the approval of a specified constitutional amendment, which would permit new employees of public agencies, on and after July 1, 2007, to enroll only in defined contribution plans.

Notes:

Status: Referred to Assembly Public Employees, Retirement And Social Security Committee

Recommended position: WATCH

AB 514 (Richman) – Public Employees’ Retirement: Disability/Workers Compensation

Summary: This bill would limit the amount that a retired public employee who is receiving disability benefits may receive in connection with a workers' compensation claim.

Notes: This bill would limit the amount of workers' compensation and disability benefits to a total of 70% of the employee's final compensation. There would be no modifications for cost-of-living increases. According to staff in the Department of Personnel Administration (Sponsor), the bill is intended to prevent "double dipping" and would apply to all public employees.

Status: Referred to Assembly Public Employees, Retirement And Social Security Committee, and Insurance Committee

Recommended position: WATCH

AB 672 (Klehs) – Reservoirs: Water Supply

Summary: Excludes certain recreational activity from the prohibition against bodily contact with the water in a reservoir containing water intended for domestic use, including, but not limited to, fishing, kayaking and canoeing, and hiking and bike riding in areas adjacent to the reservoir.

Notes:

Status: Referred to Assembly Water, Parks and Wildlife Committee

Recommended position: WATCH

AB 1003 (Nava) – Water Conservation

Summary: Existing law authorizes a public water supplier to adopt a water conservation program, and, as a part of that program, to require the installation of water-saving devices for water delivered for nonagricultural uses. This bill would modify the definition of "Water Saving Devices" to include, but not be limited to, plumbing fixtures and appliances.

Notes:

Status: Referred to Assembly Water, Parks and Wildlife Committee

Recommended position: WATCH**AB 1033 (Daucher) – Property Tax Revenue Allocations**

Summary: This bill would, for the 2006-07 fiscal year and for each fiscal year thereafter, require the auditor of a qualified county, as defined, to increase the total amount of ad valorem property tax revenue otherwise required to be allocated to that county by the county equity amount, as defined, and to commensurately reduce the total amount of ad valorem property tax revenue otherwise required to be allocated to school entities in the county, as specified. This bill would establish a limit on the total sum of county equity amounts statewide. This bill would require that the qualified counties that were allocated the lowest percentage of the total amount of ad valorem property tax revenue collected in those counties for the 2002-03 fiscal year first receive as much of their county equity amount as can be satisfied without exceeding the total statewide limit on these amounts, as specified.

Notes:

Status: Referred to Assembly Local Government Committee

Recommended position: WATCH

AB 1423 (Bogh) – MWD’s Utilization of Budgets

Summary: Declares Legislature’s intent to enact legislation relating to the purposes for which the budgets of metropolitan water districts, formed under the MWD Act, may be utilized.

Notes:

Status: May be heard in committee March 25

Recommended position: WATCH

AB 1453 (Daucher) – Venue: Production of Groundwater (A.K.A. Water Courts)

Summary: Provides that only certain superior courts shall have venue in an action involving the right to produce groundwater, and would provide for the transfer of groundwater actions to those courts. The superior court in a specified list that is closest to the parcel of land at issue having the largest parcel groundwater basin would have venue. The presiding judge would be required to assign those actions to a judge having extensive experience in adjudicating the right to produce groundwater. The bill would also require the Judicial Council to promulgate special rules governing such actions, in consultation with the presiding judges of the specified courts, the Department of Water Resources, and the State Water Resources Control Board.

Notes:

Status: May be heard in committee March 25

Recommended position: WATCH

SB 8 (Soto) – Political Reform Act of 1974: conflicts of interest.

Summary: This bill would prohibit, a former local elected official, chief administrative officer of a county, city manager or administrator, or general manager or chief administrator of a special district, for a period of one year after leaving that office or employment, from acting as an agent or attorney for, or otherwise representing, for compensation, any other person, by appearing before, or communicating with, that local government agency, or any committee, subcommittee, or present member of that local government agency, or any officer or employee of the local government agency, if the appearance or communication is

made for the purpose of influencing administrative or legislative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property.

Notes:

Status: Scheduled for hearing on March 16 in Senate Elections, Reapportionment and Constitutional Amendments Committee

Recommended position: WATCH

SB 153 (Chesbro) – Parks and Water Bond

Summary: This bill would enact the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2006, which, if adopted, would authorize, for the purpose of financing a program for the acquisition, development, and preservation of park, recreational, water, coastal, agricultural land, air, cultural, and historical resources, as specified, the issuance, pursuant to the State General Obligation Bond Law, of bonds in the amount of \$3 billion.

Notes:

Status: Scheduled for hearing on March 29 in Senate Natural Resources and Water Committee

Recommended position: WATCH

SB 554 (Alarcon) – Local Agency Financing

Summary: Would express the intent of Legislature to enact legislation that would provide a clearer definition of the term "surplus" with respect to local government financing and budgets.

Notes:

Status: Assigned to Senate Rules Committee

Recommended position: WATCH

SB 1067 (Kehoe) – Drinking Water: Arsenic

Summary: Relates to existing law that requires the Office of Environmental Health Hazard Assessment to adopt a public health goal for arsenic within a prescribed timeframe.

Notes:

Status: May be acted on or after March 27.

Recommended position: WATCH



ACTION ITEM

April 20, 2005

TO: Board of Directors

FROM: Public Affairs/MET Oversight Committee

Kevin P. Hunt, General Manager

Staff Contact: David Cordero

SUBJECT: CALIFORNIA WATER AWARENESS CAMPAIGN 2005

RECOMMENDATION

Staff recommends the Board of Directors: review, discuss, and take action as appropriate.

COMMITTEE RECOMMENDATION

To be determined by the Committee.

SUMMARY

On March 17, 2004, the Board elected to not renew membership in the California Water Awareness Campaign and to not participate in the Flex Your Power/California Water Awareness Campaign 2004.

The 2005 dues payment was presented to the Administration & Finance Committee on March 9, and presented to the Board on March 16th. The Board referred this issue to the PAMO Committee for further discussion.

The requested dues amount is \$908.00



DISCUSSION ITEM

March 21, 2005

TO: Board of Directors

FROM: **Public Affairs/MET Oversight Committee**
(Directors Barbre, Finnegan, Hinman)

Kevin Hunt
General Manager

Staff Contact: Michelle Tuchman

SUBJECT: Poster/Slogan Contest Recognition Ceremonies

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive and file the report.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

The Poster/Slogan Contest has been a longstanding tradition at MWDOC, helping to raise awareness of water issues and the importance of using water wisely among elementary school students. In light of our partnership with Discovery Science Center and the transfer of the School Program to DSC, no funds were earmarked in MWDOC's Fiscal Year 05 budget to underwrite the Poster/Slogan Contest, the accompanying calendar and any awards presentations.

The Poster/Slogan Contest calendars printed and distributed last year announce the 2005 competition, and, without any additional marketing efforts, entries from around the County have been submitted to MWDOC during the past few months. As a result, staff was tasked with exploring new, low/no-cost ways to publicize the contest, showcase the winning entries and recognize the winning students.

Staff has identified a venue to display the winning Poster/Slogan Contest entries at no cost to the District and would like to apprise the Board of our efforts.

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

DETAILED REPORT

Entries from throughout the County for the 2005 Poster/Slogan Contest began arriving in December 2004, yet no marketing or publicity for the Contest had occurred. Staff was subsequently tasked with investigating low/no-cost ways to continue the program.

Staff identified the Youth Expo at the Orange County Fairgrounds as an outstanding venue to display the winning entries. The Expo, which is geared for school children and their families, will be held April 29, 30 and May 1. The theme is *"Environment, Ecology and Avocados – It's Easy Being Green."* There is no charge to display the winning posters. Hard costs for mounting the posters and developing a MWDOC information board will be minimal and will come from the current Public Affairs budget.

After our participation at the Youth Expo was secured, letters reminding schools of the contest deadline were sent to elementary school principals throughout the County using an e-mail list provided by the Discovery Science Center. Deadline for contest entries is Friday, April 1.

We anticipate selecting two winners – one poster, one slogan – from each of the seven MWDOC divisions, and two first place winners, one representing each category, from the entire service area. In total, there will be 16 award recipients. Each winner will receive a certificate signed by the Director representing that division. Presentations can be made during the board meeting of the member agency serving the area in which the award recipient resides. Press releases will be sent to the appropriate community newspapers. Winning entries will also be displayed on the MWDOC Website. We will not be printing a calendar as was done in prior years.

Displaying the winning entries at the Youth Expo meets our goal of furthering the mission of the Poster/Slogan Contest with little cost to the District. There will be staff time involved in judging and preparing the winning entries for display, generating the certificates and writing and distributing press releases.

planned ocean water desalination study work by MWDOC in Dana Point, discuss issues related to Proposition 50, and gauge his support for a potential gubernatorial executive order that would help preserve potential ocean water desalination sites along the California Coast.

MWDOC Member Agency Legislative Coordination

The MWDOC member agency legislative coordination meeting was held on March 15 and attended by representatives from Anaheim, Garden Grove, Orange and Tustin, Moulton Niguel Water District, Orange County Sanitation District, Orange County Water District, Yorba Linda Water District and Southern California Water Company.

Bills addressing the following topics were discussed at the meeting:

- Local government transparency / Special district reform
- Property tax revenue allocations
- Public retirement system / Pension reform
- Water quality (Arsenic, boron, perchlorate)
- Water management (recycling, supply, reporting, groundwater recharge, etc.)
- Invasive plant species remediation
- Establishment of water courts
- Ocean water desalination site preservation

MWDOC Water Policy Forum

Staff continues working with Townsend Public Affairs to secure Senator Dianne Feinstein as the keynote speaker for the next MWDOC Water Policy Forum. While the goal is to have the senator speak at a dinner event in May, staff recommends flexibility with her schedule and making the event a breakfast or luncheon if those are the only available options. Staff will provide additional information as it becomes available.

Orange County Business Council

The Orange County Business Council is scheduled to meet on Friday, March 18 – after the production deadline for this packet. The meeting speaker is Supervisor Chris Norby. Staff will present an oral report to the PAMO Committee highlighting the issues discussed at the OCBC meeting.

The OCBC Business Leaders Trip to Sacramento on Tuesday & Wednesday, April 26 & 27 is sold out. Director Dick was interested in participating on the trip if possible. MWDOC is presently on the waiting list, in case there are any cancellations.

Southern California Water Dialogue

The Southern California Water Dialogue met at MWD headquarters on March 2 to discuss new state legislation and hear three presentations focused on the topic of Financing Water Infrastructure in California.

Patrick Wright (Director of the CALFED Bay-Delta Authority) provided an overview of the progress that has been made in the Delta since CALFEDs inception and the areas where continued attention will be placed in the future. He discussed how existing funds for

CALFED will be expended by 2006, provided an overview of the CALFED finance plan recent adopted by the Bay-Delta Authority, and some political/economic realities related to the future of the program (i.e. California can't continue depending on state bonds to fund water programs). He also emphasized that CALFED is not planning to prioritize certain types of projects or program elements over others, if the necessary funding identified in the CALFED finance plan falls short, because a balanced implementation of projects is necessary to be consistent with the ROD.

Steve Macaulay (Executive Director of the California Urban Water Agencies) spoke about CUWA's concerns with broad based user fees and making sure the fees are funding the appropriate projects. He also discussed equity issues related to how much money water users will have to pay into the program before they see some direct benefits (i.e. how much longer will water users have to pay for environmental programs before pumping is allowed to increase?). In addition, Mr. Macaulay asserted that CALFED project prioritization must occur if there is a funding shortfall, and that the most critical elements must be funded.

Finally, Randall Neudeck expressed concern with an unofficial CALFED funding concept in which a state surcharge would be applied on water bills, similar to surcharges on energy bills, to help generate additional funding for the program. Mr. Neudeck said that this concept would likely be a "non-starter" for Metropolitan, ACWA and other water agencies, and that such an approach really amounts to a tax.

The next meeting on Wednesday, March 23 will focus on the following topics:

- **"Rewatering the San Joaquin"** - Jared W. Huffman, Senior Attorney and San Joaquin River Restoration Project Manager, Natural Resources Defense Council, and Greg Wilkinson, attorney with Best, Best & Krieger, representing the Friant Water Users, will speak and dialogue on "Rewatering the San Joaquin." They will discuss the recent US District Court decision that requires the Bureau of Reclamation, operator of the Friant Dam, to release additional water to provide a healthy aquatic life for salmon runs. The Water Dialogue will explore the history of this dispute, why previous efforts to broker out-of-court agreements fell apart, and what is needed to reshape water use on the San Joaquin River.
- **"Focus on Key Water Legislation"** - Legislative representatives will discuss the key water quality, water resource, and environmental legislation before the 2006 California Legislature. Kathy Cole, Legislative Representative for MWD, will provide an update on other legislative news.



M E M O R A N D U M

**To: Public Affairs/ Met Oversight Committee
Municipal Water District of Orange County**

**From: Christopher Townsend, President
Sean Fitzgerald, Client Manager**

Date: March 21, 2005

Subject: Monthly Activity Report

SB 153 (Chesbro)/Possible Future Resources Bond

Christopher Townsend met with Bob Fredenburg, who heads up resources issues on behalf of Sen. Wes Chesbro and is the staff point of contact on this legislation. Bob confirmed that Proposition 40 does provide the backbone for the initial version of the bill, though changes are anticipated. He further confirmed that there has been no formal contact with the Administration, which has been adamant in their opposition to further bonds, as we had reported last month. Fredenburg did indicate that they would be reaching out to the Governor's office, as well as to a wider swath of the Legislature.

As we had reported last month, there is also a movement afoot for a voter initiative more closely resembling Proposition 50. Though initial reports had positioned this effort as a "backup" in the event that the legislative bond (SB 153 or some other vehicle) did not succeed, that level of coordination does not appear to be present. TPA will remain actively engaged on both fronts to ensure that MWDOC's interests are well-represented regardless of what vehicle(s) are utilized.

ACWA State Legislative Committee Meeting

Sean Fitzgerald and David Cordero attended the ACWA State Legislative Committee on Friday, March 11th in Sacramento. Extensive time was spent on discussing newly introduced legislation, which has been incorporated into the recommended legislative positions and the legislative matrix.

Sacramento Trip March 28 & 29, 2005

In an effort to maximize the trip being taken by Directors Barbre and Dick for the ACWA Legislative Symposium, TPA has begun confirming meetings with targeted officials. We will provide a more specific update on the itinerary during our verbal report at the PAMO meeting, but in the meantime we are working on the following:

- Dinner on Monday, March 28th – We are looking to confirm a key member of the Governor's Cabinet for this dinner and/or an Orange County legislator.
- Meeting with Resources Secretary Mike Chrisman – The purpose will be to brief Secretary Chrisman on MWDOC's desal efforts, as well as our

specific efforts with Asm. Walters and the Administration to preserve potential desal sites and facilities.

- Meetings with OC Delegation Capitol Staff – Building on the briefings held in the district, these meetings will focus on MWDOC's established positions on key legislation, seeking support for MWDOC's pending grant applications and building support for the desal sites/facilities protection issue.

Desalination Site/Facilities Protection

TPA has secured the commitment of Assemblywoman Mimi Walters to carry the resolution designed to assist in the protection of potential desalination sites and facilities throughout the state. A recent briefing with Asm. Walters and her Chief of Staff provided an excellent opportunity to cement this commitment and begin strategizing on our mutual pursuit of this effort.

Briefings for New Legislators

In-district briefing sessions have now been held with Assemblymembers Bob Huff, Mimi Walters, Tom Umberg and Chuck DeVore. These sessions have focused on providing these new members a basic understanding of MWDOC's role, as well as a specific understanding of current priority initiatives.

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
WASHINGTON REPORT
March 16, 2005**

<p><u>Congressional Session Status</u></p>	<p>The Congressional activity for the year is in full swing with budget hearings, appropriations hearings and authorizations committees holding regular meetings. Note that the Senate Energy Committee is holding a half day Water Conference on April 5, 2005 and has asked water districts to submit topics for presentations. MWDOC has made a submission and at printing time, we are waiting to hear back from the committee.</p>
<p><u>CalFed</u></p>	<p>Funding is in the President's Budget. The Appropriations Committees are reviewing the funding requests and this issue this will continue to be something that Senator Feinstein will follow very closely.</p>
<p><u>Desal</u></p>	<ol style="list-style-type: none"> 1. <u>US Desal Coalition:</u> Representative Jim Davis (D-Florida) and Jim Gibbons (New Mexico-Republican), a member of the House Resources Committee, have agreed to sponsor the US Desal Coalition Bill. The Coalition is out trying to obtain other cosponsors. 2. <u>MWDOC Desal Project:</u> Congressman Chris Cox has agreed to sponsor MWDOC's Title 16 Ocean Water Desal Research and Demonstration Project. The goal will be to have this bill prepared for introduction as soon as possible (recognizing that MWDOC's Appropriation requests must take priority due to the calendar deadlines during the next 60 days). <ol style="list-style-type: none"> A. The Senate Energy Committee is also drafting a water technology bill which may contain a water desal provision within it. MWDOC staff is evaluating the merits of pursuing this strategy in addition to, or in lieu of, the Title 16 strategy. 3. <u>Camp Pendleton Desal Project:</u> No real change here. There was a significant meeting held on Feb. 3, 2005 at the Marine Base. See Karl Sechel memo of Feb. 20, 2005. Importantly, the Base Command appears to be engaged in a positive way on desal issue. The SDCWA is taking the lead on the Camp Pendleton Desal facility.

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
WASHINGTON REPORT
March 16, 2005**

<p style="text-align: center;"><u>Federal Funds for MWDOC</u></p>	<p>MWDOC is seeking two separate earmarks this year:</p> <ol style="list-style-type: none"> 1) <i>Agriculture Appropriations:</i> MWDOC will seek \$1 million from the Natural Resources Conservation Service (NRCS), U.S. Department of Agriculture. Congressman Gary Miller will submit the request on the House side and Senator Feinstein will submit the request on the Senate side. 2) <i>EPA Appropriations:</i> MWDOC will seek a \$1.9 million appropriation for an Emergency Ground Water Service System out of the State and Tribal Assistance Grant Program (STAG program). Congressman Ed Royce has agreed to submit the request on the House side. Senator Feinstein has agreed to submit the request on the Senate side. The approximate cost of this program is \$15 million over a multi-year period. <p><i>Appropriation Notes:</i></p> <ol style="list-style-type: none"> i. We are no longer a “new start” in the NRCS account and this means we are more likely to have success this year. Last year we were one of only four “new starts” that were approved out of thousands, which were submitted. ii. Last year we received federal funds for study money out of the STAG account. This year we are seeking “project money”. Though this year promises to be another tight budget year, we are hopeful that we can begin a multi-year funding process to obtain funds from this account, a part of the EPA. We will be considered a “New Start” for this EPA account.
<p style="text-align: center;"><u>Administration’s Request to increase public power rates</u></p>	<p>Metropolitan and the American Public Power Association have urged congressional committees to reject these budget/revenue proposals. The specific proposals are: 1) The Administration’s proposal to increase PMA rates; 2) the Joint Committee on Taxation (JCT) proposal to eliminate advance refunding of tax exempt bonds; and, 3) the Congressional Budget office and JCT proposal to tax the revenues of public power systems.</p>

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
WASHINGTON REPORT
March 16, 2005

<p style="text-align: center;"><u>Perchlorate/Department of Defense</u></p>	<p>Senator Feinstein intends to introduce a Perchlorate clean up bill, which would be national in its scope. Senator Feinstein's staff is still working on the draft and her staff, as of last week, has begun circulating the bill for co-sponsors.</p>
<p style="text-align: center;"><u>Army Corps of Engineers</u></p>	<p>The Water Resources Development Act (WRDA) legislation will be under consideration again this year. This legislation contains authorizations for the Army Corps of Engineers.</p>

Jim Barker
3/15/05

MWDOC Priority Legislation Matrix

Bill # (Author)	Title	Status	Analysis/Notes	Position
AB 1234 (Salinas)	Local agencies: Compensation and Ethics	May be heard in Asm. LG Committee 3/26	So-called "sunshine" bill defers largely to policies adopted by local special districts, but does include parameters for districts that do not have specific policies on key issues.	Support (Recommended)
AB 1354 (Baca)	Drinking Water : Perchlorate Levels	Referred to Assembly Environmental Safety And Toxic Materials	Would establish, through legislation, a maximum contaminant level for perchlorate at 6 ppb. This would circumvent the DHS process for setting such standards.	Oppose (Recommended) OCWD - Oppose
SB 274 (Romero)	Incompatible Offices: elected and appointed positions	Sen. Local Government Committee - hearing 4/6	This bill was introduced by Sen. Romero in response to a situation in her district in which a local school board member also holds a water board seat, which are seen by many as incompatible. According to the author, the bill merely attempts to "codify Common Law doctrine", but many districts are concerned with its far-reaching impacts.	Oppose (Recommended)
AB 1168 (Saldana)	Boron Standard	Introduced	Would set a legislative deadline for the adoption of a Public Health Goal (PHG) for boron. Setting such deadlines for the completion of a scientific inquiry can lead to results that do not necessarily reflect "good science".	Oppose unless amended (Recommended)
SB 393 (Ortiz)	Special districts.	Sen. Local government hearing 4/6/05	Re-introduction of SB 1272 from last year, with some changes; per meeting compensation now capped at \$150 per meeting, savings resulting from "reforms" now directed to pay state costs for auditing controls.	Oppose (Recommended)
SB 820 (Kuehl)	Water	Introduced	Comprehensive water legislation seeking to set definition of "cost-effective conservation", as well as institute a rebuttable presumption of waste for any water source not managed in accordance with that definition. Also deletes CEQA exemption for UWMP's and sets forth several new reporting requirements.	Oppose unless amended (Recommended)
SB 866 (Kehoe)	Water Use measurement information	Introduced		Support (Recommended)

MWDOC Priority Legislation Matrix

AB 194 (Dymally)	Brown act violation	Asm. Local Government Committee	Bill intended by the author to resolve ongoing concerns with use of closed session and other actions by the LA County Board of Supervisors that the author feels are in violation of the Brown Act.	Watch
AB 214 (Richman)	Retirement: Final Compensation	Introduced	47 other states utilize either 3 or 5 year averages to determine "final compensation" for PERS benefit determination. This bill would change CA's system from 6-12 months to a 3-year average.	Watch
AB 340 (Parra)	Drinking Water: arsenic levels	Introduced	Spot bill. Asm. Parra has established a Select Committee that will hold hearings on the naturally occurring arsenic issue present in a groundwater source within her district. Those hearings will provide the eventual substance of this bill.	Watch
AB 492 (Baca)	Hazardous waste: perchlorate: report	Asm. Environmental Safety & Toxic Materials		Watch
AB 511 (Richman)	Public employees retirement	Asm. Public Employees, retirement and social security		Watch
AB 514 (Richman)	Public employees: benefits	Introduced		Watch
AB 672 (Klehs)	Reservoirs with water intended for domestic use: recreational use.	Introduced		Watch
AB 1003 (Nava)	Water Conservation	Introduced		Watch
AB 1033 (Daucher)	Property Tax Revenue Allocations	Introduced	This bill would help address the "county equity" formulas that account for Orange County recouping among the smallest portions of property tax of any county in the state.	Watch
AB 1423 (Bogh)	MWDs Utilization of Budgets	Introduced		Watch
AB 1453 (Daucher)	Venue: Production of Groundwater - Water Courts	Introduced	Would establish specialized judges to hear cases involving groundwater management, acknowledging the depth of the issues involved and the intricacies that are often not understood in typical legal proceedings.	Watch

MWDOC Priority Legislation Matrix

SB 8 (Soto)	Political Reform Act of 1974: conflicts of interest			Watch
SB 153 (Chesbro)	California Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2006	Sen. Natural Resources & Water	Legislative vehicle that may provide the basis for a future "resources" bond to include funding for parks, coastal preservation, clean air and clean water. Current language closely resembles Proposition 40.	Watch
SB 554 (Alarcon)	Local Agency Financing	Introduced		Watch
SB 1067 (Kehoe)	Drinking Water: arsenic levels	Introduced		Watch

**Public Affairs Activities Report
February 18 – March 16, 2005**

<p>Media Relations</p>	<p>Coverage of hydrogeology and water quality testing at Doheny State Beach included:</p> <ul style="list-style-type: none"> • <i>Orange County Register</i>, Feb. 17 edition • <i>Dana Point News</i>, Feb. 24 edition • KPCC, the local National Public Radio affiliate – reporter is working on a larger story about nationwide desalination projects. No airdate has been scheduled. <p>Coverage on the Diemer Filtration Plant shutdown included:</p> <ul style="list-style-type: none"> • <i>Orange County Register</i>, Feb. 24, Local section • Articles also ran in South County community newspapers, including <i>Dana Point News</i>, <i>San Clemente Sun Post</i> • KSBK, a South County radio station • <i>Orange County Register</i>, March 5, Home & Garden section • KOCE Monday, March 7 • OC News, Wednesday, March 9 • <i>San Clemente Sun Post</i>, March 10 <p><i>A packet of news articles from the past month and the transcript from the March 7 KOCE broadcast will be distributed at the March 21 PAMO meeting.</i></p>
<p>Member Agency Relations</p>	<p><u>Solar Cup Check Presentation</u></p> <p>Director Finnegan and Matt Stone represented MWDOC at Mesa Consolidated Water District's Feb. 22 Board meeting for a check presentation to the Costa Mesa High School team participating in this year's MWD Solar Cup boat race competition. MWDOC and Mesa jointly sponsored the cost of materials and supplies for construction of the high school's boat. Six members of Costa Mesa High School's engineering team and their faculty advisor, Steve Nelson, accepted the check and reported on progress in building their solar powered boat. The Solar Cup event will be held May 13 through 15 at Lake Skinner.</p> <p>David will be speaking to Mesa Consolidated Water District's Water Issues Study Group Thursday, March 17. The 30-minute presentation will focus on imported water issues and Orange County water history.</p>

	<p>The El Toro Water District requested assistance in preparing the narrative for their entry in the 2002 ACWA Clair A. Hill Award, and Michelle was happy to provide that support.</p> <p>David and Lorraine coordinated the 2004 Consumer Confidence Report kickoff meeting for the member agencies and had technical consultant Ken Reich (McGuire Environmental Consulting) and graphic designer Tim Hogan discuss issues related to reporting requirements, content management, layout and timelines for the production of this year's report. Lorraine is now scheduling individual meetings between the agencies and Ken Reich to review the agency's water quality data tables and related information for their reports.</p>
Public Outreach	<p>Director Hinman, Matt, Michelle and David attended on March 8 the Orange County Business Council Infrastructure Committee meeting, which focused on the Orange County Infrastructure Report Card for 2005. Matt made a presentation on the drinking water section of the report and the issues that will be addressed in the report, scheduled for release this fall.</p>
Special Projects	<p>Developing and executing the public awareness and media relations action plan for the 2005 Orange County Infrastructure Report Card is the primary responsibility of the Public Relations Committee, which is chaired by Michelle. The committee met on March 9 to refine the target audiences and further define the communications vehicles.</p> <p>The Web site is being finalized for review by our Directors. We anticipate requesting that review the week of March 21. We are scheduled to go "live" the end of March.</p>
Legislative Affairs	<p>Directors Barbre and Dick, Kevin, Matt and David met with Assemblyman Bob Huff at his office in City of Industry. The meeting provided an opportunity for MWDOC to educate the assemblyman about the District, the roles it plays at the county and regional levels, its water reliability efforts in Orange County, and the projects for which it is seeking Prop 50 money and for which it will be seeking a letter of support from the assemblyman at the appropriate time.</p> <p>Directors Dick and Royce, and David attended at Supervisor Bill Campbell's "State of the County" presentation to the</p>

Orange County Public Affairs Association. Supervisor Campbell presently serves as Chairman of both the Orange County Board of Supervisors and the Orange County Transportation Authority (OCTA). He spoke on county issues such as the budget, law enforcement, and the pension situation, as well as on transportation issues such as the future of Measure M, CenterLine, addressing the challenges between Orange and Riverside Counties, and study work being done to evaluate potential transportation improvement projects in the county.

Directors Hinman and Royce, David, Matt and Tripp Mizell attended the Community Leaders Water Forum co-sponsored by Santa Margarita Water District and the Southern California Water Committee. The topic of the event was urban and stormwater runoff management, and serving on the discussion panel were Mike Chrisman (Secretary of the California Resources Agency), John Robertus (Executive Officer of the San Diego Regional Water Quality Control Board), and Jerry Silva (Member of the State Water Resources Control Board). Matt's attendance at the event resulted in him meeting with two local landscape contractors, a property management company representative, a member of a local homeowner association, and an executive from Simon Malls, all of whom are interested in the weather-based landscape irrigation timer program. David also had an opportunity to speak with Sandy Cooney (Deputy Secretary for Communications of the California Resources Agency) about scheduling a meeting with Secretary Chrisman in Sacramento to discuss the District's desalination site preservation resolution and its proposal for a gubernatorial executive order.

Staff continues to provide administrative and management support to WACO and ISDOC, including the recent planning and coordination of a dinner for the WACO Planning Committee with DWR Chief Deputy Director Joe Grindstaff, the night before his presentation at the March WACO meeting. Upcoming WACO speakers include SAWPA General Manager Daniel Cozad and OCWD Assistant General Manager Mike Markus on April 1. OCWD General Manager Virginia Grebbien will be the speaker at the ISDOC quarterly luncheon on March 31.

Staff continues to participate in the Legislative Conference Calls hosted by Metropolitan and the Southern California

Water Committee. Bills are finally showing up in print and the conference calls, so far, have allowed the participants to discuss the new bills and share preliminary information. Most of the new bills will start being heard in their policy committees in April, at which time additional information will become available.

David attended the Southern California Water Dialogue meeting and heard three speakers on Financing Water Infrastructure in California. Patrick Wright (Director of the CALFED Bay-Delta Authority) provided an overview of the progress that has been made in the Delta since CALFED's inception and the areas where continued attention will be placed in the future. He discussed how existing funds for CALFED will be expended by 2006 and addressed various funding issues and economic realities related to the future of the program. He also emphasized that CALFED is not planning to prioritize certain types of projects or program elements over others, if the necessary funding identified in the CALFED finance plan falls short, because a balanced implementation of projects is necessary to be consistent with the ROD. Steve Macaulay (Executive Director of the California Urban Water Agencies) spoke about CUWA's concerns with broad based user fees and making sure the fees are funding the appropriate projects. He also discussed equity issues related to how much money water users will have to pay into the program before they see some direct benefits (i.e. how much longer will water users have to pay for environmental programs before pumping is allowed to increase?). In addition, Mr. Macaulay asserted that CALFED project prioritization must occur if there is a funding shortfall, and that the most critical elements must be funded. Finally, Randall Neudeck expressed concern with an unofficial CALFED funding concept in which a state surcharge would be applied on water bills, similar to surcharges on energy bills, to help generate additional funding for the program. Mr. Neudeck said that this concept would likely be a "non-starter" for Metropolitan, ACWA and other water agencies, and that such an approach really amounts to a tax.