

MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
PUBLIC AFFAIRS/MET OVERSIGHT COMMITTEE
September 19, 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
Deven Upadhyay

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 - CENTRAL VALLEY PROJECT REFORM ACT OF 2005 (NUNES)
2. MWDOC PARTICIPATION IN THE RIVERSIDE/ORANGE COUNTY JOINT POWERS AUTHORITY
3. MWDOC SUPPORT OF ACWA'S "NO TIME TO WASTE, A BLUEPRINT CALIFORNIA'S WATER"

DISCUSSION ITEMS

4. LEGISLATIVE ACTIVITIES
 - a. Report on State Legislative Activities by Townsend Public Affairs, Inc.
 - b. Report on Federal Legislative Activities by James Barker
 - c. Legislation Matrix

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.)

5. SCHOOL PROGRAM UPDATE
6. PUBLIC AFFAIRS ACTIVITIES REPORT
7. SCHEDULING OF FEDERAL FUNDING WORKSHOP

OTHER ITEMS

8. REVIEW ISSUES RELATED TO LEGISLATION, OUTREACH, PUBLIC INFORMATION ISSUES, AND MET
9. 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.

- Continues to reserve 800,000 acre-feet of CVP water for the environment, but clarifies how such water will be accounted for.
- Maintains current CVPIA obligation to provide firm water supplies to wildlife refuges and to increase supplies over 10 years.
- Maintains Restoration Fund and surcharges on CVP water and power customers.
- Maintains the current CVPIA obligation to reduce refuge supplies by no more than 25 percent due to drought or other conditions, but clarifies that refuge reductions shall be imposed whenever shortages are imposed on CVP contractors with in the same Division.
- Continues to target restoration efforts on salmon and steelhead species.
- Directs Department of the Interior to continue to facilitate transfers and clarifies that the CVPIA transfer provisions are not meant to impede beneficial water management practices including those that occurred before the CVPIA enactment.

Among the changes the bill seeks to enact includes:

- Prohibits the release of water from Friant Dam for purposes other than flood control or to meet contractual obligations.
- Requires that the proceeds of the Friant surcharge be used primarily for San Joaquin actions that contribute to the achievement of Bay/Delta obligations as appropriate.
- Provides for CVPIA payments to be credited against repayment of the CVP.
- Provides for the use of Restoration funds collected from Friant Division be used for water acquisition and facility construction.
- Replaces the CVP only obligation to double anadromous fish with a requirement of participation in the large state effort established by the Salmon, Steelhead, Trout and Anadromous Fisheries Program.

Status: The Central Valley Project Reform Act of 2005 was introduced on September 7 and staff representatives from MWD, Metropolitan, and the Association of California Water Agencies have not had the opportunity to fully analyze the bill and assess the extent of its impacts on water interests statewide. The bill places a number of significant water policy, legal and environmental issues on the table, and further review and discussion would be beneficial before the District considers taking a formal position.

Recommended position: WATCH



ACTION ITEM

September 21, 2005

TO: Board of Directors
FROM: **Planning & Operations**
(Directors Clark, Bakall, Dick)

Kevin Hunt
General Manager

SUBJECT: PROPOSED MWDOC PARTICIPATION IN THE RIVERSIDE/ORANGE COUNTY AUTHORITY (ROCA)

STAFF RECOMMENDATION

Staff recommends the Board of Directors supports participation in the ROCA in order to support Metropolitan and to ensure that allocated federal funds are used for geological studies of benefit to the Central Pool Augmentation Project (CPAP).

COMMITTEE RECOMMENDATION

Committee recommends (to be determined at Committee Meeting)

SUMMARY

A cornerstone of MWDOC's policy of improving the reliability of Orange County's water system has been support for the Central Pool Augmentation Project proposed by Metropolitan. The CPAP would take water from a new water treatment plant in Riverside County; transport it through a tunnel in the Santa Ana Mountains and delivering it into Metropolitan's system in Orange County to benefit the Central Pool service area (the Los Angeles/Orange County Metropolitan area).

Transportation entities have also been looking for ways to handle the ever increasing traffic on the 91 Freeway between Riverside and Orange Counties. One solution proposed is a transportation corridor consisting of multiple tunnels through the Santa Ana mountains to handle vehicular and rail traffic, and other utilities.

The technical decision on whether or not the two concepts (a water tunnel and a transportation tunnel) are compatible has not been made. Concerns have been raised

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

about the compatibility of elevations for the two users, and about safety concerns. Nonetheless, what is known is that additional geologic and hydrogeologic data is needed for both concepts, whether done independently or together.

The federal government has budgeted \$15.9 million for geologic studies of the proposed multi-use transportation tunnel. Metropolitan Water District has formed a Joint Powers Authority to administer the funds. It has requested transportation entities in both Riverside and Orange County join the JPA to enable the money to be appropriated and the geologic studies done. It would be beneficial if Western MWD and MWDOC also joined the JPA to support Metropolitan and to ensure the funds are used for the appropriate geologic studies. Cost to MWDOC would be nominal and staff time would be time spent normally in following CPAP progress.



ACTION ITEM

September 21, 2005

TO: Board of Directors

FROM: **Planning & Operations**
(Directors Clark, Bakall, Dick)

Kevin Hunt
General Manager

SUBJECT: SUPPORT OF ACWA'S "NO TIME TO WASTE, A BLUEPRINT FOR CALIFORNIA WATER"

STAFF RECOMMENDATION

Staff recommends the Board of Directors supports ACWA's "No Time to Waste, a Blueprint for California Water" and adopts a resolution in support of.

COMMITTEE RECOMMENDATION

Committee recommends (to be determined at Committee Meeting)

SUMMARY

The purpose of ACWA's "No Time to Waste: A Blueprint for California Water" is to provide the water communities vision for how California can meet its future water needs. The "Blueprint" is intended to serve as an action plan for policymakers, legislators, the Schwarzenegger administration and others, to address the many challenges confronting California water suppliers.

The "Blueprint" is the result of months of hard work by a statewide task force. It lays out twelve recommendations for a diverse mix of actions and investments to address short-term and long-term needs. Recommendations include investments in both infrastructure and programs to improve water supplies, water use efficiency, water quality and environmental health.

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

RESOLUTION NO. _____
BOARD OF DIRECTORS OF
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
IN SUPPORT OF

NO TIME TO WASTE: A BLUEPRINT FOR CALIFORNIA'S WATER

WHEREAS, after months of hard work, a statewide task force, with input from hundreds of public water agencies, has developed and the ACWA Board has approved, a comprehensive policy document, *No Time to Waste: a Blueprint for California Water (Blueprint)*; and

WHEREAS, the *Blueprint* will frame the discussion and decision-making required to provide all Californians with adequate supplies of high quality water, a health environment and a strong economy for decades to come; and

WHEREAS, ACWA members believed it was time for the water community to come forward with a bold policy statement and action plan for meeting California's future water needs. As the local agencies that deliver water to communities, businesses and farms on a daily basis, ACWA members saw a need to articulate the biggest challenges facing the state's water future and identify a set of actions to resolve them. They developed *Blueprint* to lay out those issues and provide a roadmap for state and federal officials to follow to ensure California has the water supply system it will need in the future; and

WHEREAS, a task force representing local public water agencies from throughout the state was formed in April 2004 to develop the *Blueprint*. The task force worked with a drafting committee to identify key issues and formulate specific recommendations. Extensive input was solicited from ACWA's 10 regions and its 440 public water agency members as well as other water-related organizations. A draft of the *Blueprint* was sent to all member agencies for comment in December. Several revisions followed to reflect member input, and the ACWA Board approved a final draft in March 2005; and

WHEREAS, the *Blueprint* is aimed at policy leaders and lawmakers at both state and federal levels. Its recommendations are geared toward state legislators, members of Congress, the Schwarzenegger Administration, the Bush Administration and all state and federal agencies involved in water supply and regulatory policy. The media, public and other organizations with an interest in resources issues are other key audiences.

WHEREAS, the *Blueprint* makes a number of common sense recommendations that will, when implemented, guarantee clean and safe drinking water, irrigation for our farmers, and protection for California's spectacular natural resources; and

WHEREAS, the *Blueprint* addresses several factors that could change both the availability of California's water supply and the most effective strategies for meeting water needs. The factors require longer-term study and action to ensure the state has the

water supply system it will need in the future. These include: risks to groundwater quality, climate change, and new drinking water issues; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Municipal Water District of Orange County hereby supports *No Time to Waste: A Blueprint for California Water*, and encourages all governing bodies to implement, without delay, all provisions contained therein.

Said Resolution was adopted, on roll call, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

I hereby certify the foregoing is a true and correct copy of Resolution No. _____ adopted by the Board of Directors of Municipal Water District of Orange County at its meeting held on _____, 2005.

ATTEST:

Maribeth Goldsby, Secretary
Municipal Water District of Orange County



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: September 19, 2005

Subject: Monthly Activity Report

Desal Sites/Facilities Protection

The resolution is being held in the Assembly Water, Parks & Wildlife Committee until session reconvenes next January. Assemblywoman Walters and her staff remain very much behind our effort, and has had a call from Assemblywoman Betty Karnette (D-Long Beach) who expressed an interest in being added as a co-author. This is a great sign that our outreach to our sister agencies is working well, as Karnette's interest is likely a direct result of the formal support adopted by the Long Beach Board of Water Commissioners.

Upon introduction of the resolution there was some concern among environmental advocacy groups about the intent of the measure. Our strategy has always been to get the resolution introduced and then conduct outreach to those groups, which we have now begun. On September 1st, Matt Stone and Sean Fitzgerald conducted an informal meeting with Jim Metropoulos of the Sierra Club and Conner Everts of the Southern California Watershed Alliance. This meeting helped build on MWDOC's existing relationships with the environmental community, and also provided some helpful feedback with regard to the resolution itself, including:

- The ongoing battle over coastal power plants is among the highest priority issues for environmental groups as a whole, and that dynamic impacts how this resolution may be perceived. Power plant operators may see the reso as newfound leverage to argue in favor of continued operation of certain facilities. While we clarified that it was not our intent to provide such leverage, or even to wade into that issue, this particular obstacle may persist.
- The relationship between water supply, consumer demand and conservation efforts always weighs heavy in discussions of water supply projects. We presented the resolution as narrowly tailored to simply ensure consideration of potential impacts, but these broader considerations were mentioned and by the end of the meeting resulted in the suggestion of an amendment that further extolled agencies considering desal to utilize conservation to the "maximum extent possible".

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Both representatives seemed genuinely pleased that we had made the effort to reach out to them and hear their concerns. Both also pledged to discuss the issue further within their own membership and forward additional feedback as appropriate, and also were interested in hearing more from us as things develop. Because this was the second to last week of the legislative session, there were a number of groups who could not find time to attend, but we will be following up separately with them as we continue this outreach.

ACWA State Legislative Meeting

At the recent ACWA State Legislative Meeting, ACR 84 (Walters) was discussed. While the ACWA Desalination Committee and the Board of Directors had both voted to support the resolution, concerns were raised by representatives of both East Bay MUD and San Diego CWA regarding the timing of the resolution and the reaction it may stir among environmental groups.

EBMUD seemed to think that the backlash from environmental groups they were dealing with would imperil the progress of their project. SDCWA's lobbyist expressed confusion over the intent of the resolution. MWDOC staff had done extensive work with SDCWA staff throughout the process of developing the resolution, and the issue of the disposition of the outfall at the San Onofre site was the genesis of the initial concept. As such, the comments of their lobbyist at the ACWA meeting were troubling. As a result, however, the concerns over timing and possible local backlash have moved to the foreground of our outreach efforts on ACR 84 prior to the reconvening of the Legislature in January.

End of Session Legislative Wrap-up

Session ended on September 8th (actually early morning of September 9th). A number of the bills that MWDOC was tracking were taken up toward the end of session:

- **SB 820 (Kuehl)** passed by a narrow vote and now moves to the Governor's desk.
- **AB 1234 (Salinas)** passed overwhelmingly and is expected to be signed by the Governor. This bill effectively puts an end to the two-year battle over special district governance issues.
- **SB 274 (Romero)** also passed. The bill was amended from its original version to simply clarify existing common law doctrine. The bill also states clearly that it does not apply in cases of employment nor in cases where existing law or local ordinance specifically authorizes the holding of two separate offices.

**Summary of ACR 84 (Walters)
Regarding Potential Development of Desalination Projects in California**

Background

California boasts a rich history of long-term water resource planning that looks well into the future to plan for our water needs in the most prudent, resource-efficient manner possible. From the grand vision of the Colorado River Aqueduct and the State Water Project to the technological advances that have drastically expanded water conservation, a proactive, long-term planning perspective is the best approach to meeting the water supply, quality and security needs of our residents, businesses, farmers and ecosystems.

Over the past few years, the process of desalination, both for brackish and ocean waters, has emerged as a potentially economically and environmentally appropriate part of our state's water portfolio. While there is certainly much to learn as work continues on a variety of potential ocean and brackish water desalination projects, it has become quite clear that desalination can play a role in our long-term water supply picture and that the technology presents unique opportunities not found in other water supply sources.

ACR 84, authored by Assemblywoman Mimi Walters, is intended to serve two purposes:

1. Memorialize the importance of desalination, where economically and environmentally appropriate, to California's long-term water supply portfolio, as previously expressed in legislation and a wide variety of official documents and reports.
2. Strongly encourage the development of state policy that ensures that state agencies having jurisdiction over potential desalination sites and facilities consider the impacts on desalination as they decide on the disposition of those resources.

This resolution:

- **Reaffirms the state's support for the development of desalination** where environmentally and economically appropriate.
- **Encourages the wisest possible use of existing resources** by ensuring full consideration of the impacts on future projects.
- **Seeks to limit potential environment impacts** from future project development by using existing facilities where appropriate.

This resolution does **NOT**:

- **Guarantee or even encourage particular outcomes for ANY state agency.** State agencies would maintain their jurisdiction in its entirety.
- **Circumvent ANY environmental protections or any other regulations.** As stated, all existing regulations would remain in place as they are today.
- **"Preserve" any potential desal sites or facilities.** The resolution only encourages state policy that would ensure CONSIDERATION of potential impacts; it would not seek to "set aside" any particular site, facility or resource.

In short, this resolution represents a positive step toward a resource planning process with regard to desalination that acknowledges the long-term planning horizon necessary

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to make desalination an economically and environmentally appropriate part of California's water resource portfolio.

**Talking Points for ACR 84 (Walters)
Regarding Potential Development of Desalination Projects in California**

- California boasts a rich history of long-term water resource planning that requires a planning horizon that does not align well with the “fix the current problem” approach taken by agencies considering issues related to these sites and facilities.
- During this long-term planning process, it is prudent to consider carefully the disposition of future sites and facilities on which desal might rely, **IF ONLY TO ENSURE THAT WE DO NOT ELIMINATE ANY POSSIBLE CHANCE FOR A NEW ECONOMICALLY AND ENVIRONMENTALLY APPROPRIATE WATER SOURCE!**
- Based on the developments in technology over the past few years, desal is now a MUCH more viable economic option as a water supply source than it was a few years ago.
- That said, there are certainly environmental hurdles to address and the water community is working hard to address them.
- The process of integrating desalination into the existing regulatory framework should proceed and we look forward to participating in an active, productive dialogue on issues of concern.
- In the meantime, we should not unwittingly limit our future opportunities for desal development, if possible.
- The two main points of the resolution are **POLICY** and **PROCESS**:
 - The policy portion memorializes the state’s support for desal
 - The process portion encourages the most efficient planning process possible.

This resolution:

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- **Seeks to limit potential environment impacts** from future project development by using existing facilities where appropriate.

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Draft Legislative Language
Dana Point Desal Feasibility Study Assistance

The Water Desalination Act of 1996 is amended by adding the following amendment:

Sec. _____; Dana Point Desalination Research and Feasibility Related Costs.

A maximum of \$2,500,000 (\$2.5 million) is authorized through the Department of Interior with an amount not to exceed a maximum of 25% of the total costs for research and development, environmental and feasibility studies, and preliminary engineering for the Municipal Water District of Orange County, California, Dana Point Desalination Project located at Dana Point, California.

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Rationale: The Dana Point Desal Project will focus on the demonstration of a viable below the ocean floor, subsurface intake system, to eliminate impacts on the ocean environment (in lieu of an ocean pipe bringing in water to the plant which would be opposed by the environmental community). The Municipal Water District of Orange County will study the effectiveness and environmental impacts of horizontal intake beach wells. This legislative provision would assist the Municipal Water District of Orange County, California with its research and development costs, environmental and feasibility studies and preliminary engineering costs at a 25% federal participation level, 75% local cost share requirement. Importantly, there is no authorization for the “construction” of the Dana Point Desalination Project contained in this section. The purpose of this authorization would be to assist the water district with its costs associated with the extensive work that must be done before the desal project enters into final design or construction—before a final decision can be made to proceed to the construction phase of a project.

Scope of ultimate project: The Dana Point Desal Plant, once operational would be a relatively small project, delivering some 15,000 to 20,000 acre feet of water per year. This legislative language does not authorize or fund in anyway the construction or operation and maintenance of such a facility. This legislative language is designed for the research and development costs, environmental and feasibility studies and preliminary engineering costs associated with such a project—costs which must be spent before the final viability of such a project can be ascertained.

(The appropriate funding account may be the US Department of the Interior, the Bureau of Reclamation Desalination Research Account).

ENVIRONMENTAL COMPLIANCE AND RESTORATION

Appropriations, 2005	\$17,000,000
Budget estimate, 2006	12,000,000
House allowance	12,000,000
Committee recommendation	12,000,000

The Environmental Compliance and Restoration account provides funds to address environmental problems at former and current Coast Guard units as required by applicable Federal, State, and local environmental laws and regulations. Planned expenditures for these funds include major upgrades to petroleum and regulated-substance storage tanks, restoration of contaminated ground water and soils, remediation efforts at hazardous substance disposal sites, and initial site surveys and actions necessary to bring Coast Guard shore facilities and vessels into compliance with environmental laws and regulations.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$12,000,000 for environmental compliance and restoration, as requested in the budget.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$2,694,300,000 for State and Local Programs. The funds provided for State and local grants are to be used for purposes consistent with each State's homeland security strategy, including training and exercises; equipment, including interoperable communications equipment; and technical assistance; and may not be used for construction activities.

State and local assistance is for strengthening `first responders'--police, fire, rescue, emergency and other personnel--who are first on scene in the event of a terrorist attack. For the purpose of eligibility for funds under this heading, a `local government' will continue to include any county, city, village, borough, parish, town, district, or other political subdivision of any State, and any Indian tribe, with jurisdiction over Indian country. Furthermore, any port authority, transit authority, water district, regional planning commission, or council of government may be considered a local government.

State and Local Assistance- The Committee provides \$1,518,000,000 for grants to States, urban areas, and regions, of which \$425,000,000 shall be allocated to States and territories in the same amount distributed in the State minimum for fiscal year 2005. All funds above the amount automatically allocated to States and territories shall be allocated at the discretion of the Secretary of Homeland Security based on risks, threats, vulnerabilities, unmet essential capabilities, and cooperation of multiple jurisdictions in preparing domestic preparedness plans. Grants may be made to single or multiple jurisdictions in the same urban area or region. Use of these funds for construction or renovation of facilities is prohibited, except for minor construction or renovation for necessary guard facilities, fencing, and related security needs, as determined by the Secretary.

The Committee has included bill language allowing up to 3 percent of the grant dollars to be used for administrative expenses; requiring the Government Accountability Office to review the validity of the threat and risk factors, and the application of those factors in the allocation of funds prior to the Department of Homeland Security making final determinations of discretionary grant allocations; and exempting the grants from Section 6053(a) of title 31 U.S.C.

The Committee expects the Department will work closely with the States on the implementation of Homeland Security Presidential Directive-8 (HSPD-8) to ensure that rigorous analysis is used in determining and assessing the unmet capabilities of State and local jurisdictions.

Of the funds provided, \$25,000,000, to remain available until expended, is for grants to tax exempt organizations determined by the Secretary to be at high risk of international terrorist attacks. Language is included in the bill to clarify that the determination of risk to a tax exempt organization is to be made solely by the Secretary and may not be delegated to another Federal, State, or local government official. Further, language is included requiring the Secretary to certify to the Committees on Appropriations the threat to each individual tax exempt organization three business days before the announcement of any grant award.

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
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<p align="center"><u>Congressional Session Status</u></p>	<p>There have been only <i>five legislative days</i> since Congress returned from their August Recess/District work period. The various issues associated with Hurricane Katrina have already brought about the passage of two urgent supplemental appropriations bills. The inability of local and state governments and the Federal Department of Homeland Security and its sub agency, FEMA, to quickly deal with the rescue of the Louisiana’s citizens is an issue that the Congress will be wrestling with for a period of time. There appears to be a mood building here that the federal government may need to reexamine different flood prone areas around the country and provide special assistance to those areas. The whole issue of “water reliability” now has real meaning to lawmakers in the aftermath of Hurricane Katrina. These are some of the issues that the Congress is beginning to sort through as they begin their fall session. There may be a second Energy Bill considered this session, with special emphasis on dealing with the rise in gasoline prices, the refining of oil, and water related issues.</p>
<p align="center"><u>CalFed</u></p>	<p>No change here. The Energy and Water Appropriations Bill is in a House/Senate Conference Committee where funding for the CalFed program resides. The House approved \$35 million in funding; while the Senate approved \$37 million.</p>
<p align="center"><u>Desal</u></p>	<p>1. <u>US Desal Coalition: One piece of new information here.</u> A House Committee Staffer has informed us that Chairman Pombo has committed to mark-up the Coalition bill this fall. An October Washington Conference is planned. 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. On the Senate Side, Senator Martinez (R-Florida) has introduced a companion bill. Senator Pete Domenici and the Senate Energy Committee staff are still reviewing the merits of the legislation and are trying to come to closure on a position for the Committee.</p>

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	<p>2. <u>MWDOC Desal Project:</u> New information here:</p> <ol style="list-style-type: none">1. Kiel Weaver, the Staff Director for the House Water and Power Subcommittee, the subcommittee with jurisdiction over passing our legislation toured the Dana Point Desal site in August and indicated support for the project. This past week in Washington during a meeting with Director Barbre and staff, Weaver indicated that he was trying to schedule a hearing in the next month or so that will ultimately lead to the Committee moving our bill to the House Floor.2. Congressman Ken Calvert is waiting to receive a bill from the legislative drafting service in the US House of Representatives. He has offered to introduce our \$2.5 million Desal Feasibility Assistance language bill. (See attachment for description of legislation) Our legislation calls for federal funding assistance for Dana Point desal research and development, environmental studies, feasibility studies and preliminary design work. Chairman Pombo of the House Resources Committee has introduced legislation to reauthorize the Water Desalination Act of 1996. Since our July report, Congressman Calvert's office has determined that our bill meets the <u>uniqueness test</u> and is having the legislative drafting office in the Capitol review and write the legislation (based upon our initial legislative language). As previously mentioned in August, Congressman Calvert received a letter from local water officials including Dana Point requesting the legislation. This letter is significant because it provides the political rationale for Congressman Calvert's involvement and his office has now pledged to introduce this legislation and in addition, seek to amend the Chairman's reauthorization of the Desalination program. On the Senate side, the Energy Committee has not determined how it will handle desal issues. They are working on a technology bill. The Congressional Committee staff from both the House and the Senate, continue to express their concerns about passing any additional Title 16 BOR bills.<ol style="list-style-type: none">A. An additional note: Jason Gagnon, Rep. Calvert's Legislative Assistant handling the desal legislation, will receive a briefing – tour of
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	<p>our proposed Dana Point project on September 15th.</p> <p>B. It is expected based upon MWDOC Washington meetings the week of Sept. 12th, the Orange County Congressional Delegation will cosponsor this legislation.</p> <p>3. <u>Camp Pendleton Desal Project:</u> See Karl Seckel memo of Feb. 20, 2005. The SDCWA is taking the lead on the Camp Pendleton Desal facility. To my knowledge, there is no change here.</p>
<p align="center"><u>Federal Funds for MWDOC</u></p>	<p><i>MWDOC is seeking two separate earmarks this year:</i></p> <p>1) <i>Agriculture Appropriations:</i> MWDOC has received a \$200,000 earmark in the Senate Agriculture Appropriations Committee this past month. The House Agriculture Appropriations Committee did not include a MWDOC earmark. MWDOC should receive significant funding out of a House Senate Conference Committee.</p> <p>2) <i>EPA Appropriations:</i> Nationally, the STAG Program received a substantial cut in funding this year and <i>MWDOC did not receive any STAG funds in the FY06 funding cycle.</i> Congressman Ed Royce had submitted the request on the House side. Senator Feinstein submitted the request on the Senate side. For the first time in many years, this STAG Program was cut back in federal funding by a substantial amount at the urging of conservative Republican Members of Congress.</p> <p>3) <i>Bottom line:</i> We will receive at or near \$200,000 from the Agriculture Appropriations Committee for our Irrigation Controller program when this bill passes this year.</p> <p><i>Appropriation Notes:</i></p> <p>i. Based upon recent patterns in the appropriations process, we should receive some “credit” or an improved place in line for a STAG request next year due to the fact that our request was denied this year.</p> <p><i>Other important Notes:</i> In the Senate FY06 Homeland Security Appropriations Bill, Water related programs, there</p>

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	<p>is \$2.7 Billion for grants for state and local governments, <i>including water districts</i>, for homeland security related activities, and another \$1.5 Billion set aside for similar grants to assist local units of government, <i>including water districts</i>, to prepare “<i>domestic preparedness plans</i>”. See <i>attachment</i>.</p>
<p><u>Administration’s Request to increase public power rates</u></p>	<p>We have talked with the leading public power association regarding the Bush Administration’s requests and have received some clarifying information on this issue.</p> <p>The American Public Power Association is advising us that it has continued to urge leaders of the House and Senate Committees to reject three proposals that would raise electricity costs or impinge on the availability of tax-exempt financing for construction of essential utility infrastructure. In March 8 letters, APPA President & CEO Alan Richardson called on the Budget Committee leaders to take no action on three specific proposals:</p> <ul style="list-style-type: none"> - the administration’s plan to raise the rates charged by the federal power marketing administrations; - the recommendation in a Jan. 27 report of the Joint Committee on Taxation to eliminate the ability to advance refund tax-exempt bonds; and - the Congressional Budget Office suggestion (in "Budget Options for February 2005") to tax the "income" earned by public power utilities. <p>Each of these proposals would result in an unwarranted increase in electricity rates for millions of consumers and, taken collectively, would have a disastrous economic impact on hundreds of cities and towns that are already struggling under negative economic conditions, and each of these ideas has been advanced in the past and has been soundly and appropriately rejected by Congress.</p> <p>The House and Senate Budget committees reported out budget resolutions last week that did not explicitly include the PMA rate increase proposal. However, the budget resolutions did</p>

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
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	<p>direct the congressional authorizing committees with coming up with savings without specifying where the money is to come from.</p> <p>The ability to advance-refund tax-exempt bonds has saved public power customers millions of dollars over the past few years by allowing public power utilities to take advantage of lower interest rates. Elimination of this ability would result in significant new costs for public power systems, costs that would have to be recovered in rates. As to taxing the "income" of public power utilities, they operate on a not-for-profit basis; therefore, there is no income to be taxed. The CBO (using material from the Joint Committee on Taxation) justified its proposal in part by citing the tax treatment of investor-owned utilities, but this is a false comparison since private utilities pay income taxes only on their profits, not on their gross revenues.</p> <p>Richardson rebutted the assertion by CBO and the Joint Committee on Taxation that the major argument for public power utilities paying "income" taxes is its recognition that the changes that have occurred in the electricity market cast doubt on the benefits that society receives from the public sector's involvement in providing electricity.</p> <p>According to senior lobbyists at APPA, the premiere public power trade group, there has been little to no success for these Administration proposals this year, but, due to the August recess, we have been unable to confirm this independently with key congressional staff at printing time.</p>
<p align="center"><u>Perchlorate/Department of Defense</u></p>	<p>No change here. There were federal funds provided in the appropriations process for perchlorate clean up/research related activities. Senator Feinstein is trying to recruit cosponsors for her clean up bill which is national in its scope.</p>
<p align="center"><u>Army Corps of Engineers</u></p>	<p>The House passed it version of the Water Resources Development Act (WRDA) legislation in July and the Senate has yet to consider it at the Senate Floor stage. This legislation contains authorizations for the Army Corps of Engineers.</p>

MWDOC Priority Legislation Matrix

Bill # (Author)	Title	Status	Analysis/Notes	MWDOC Position	Other Agencies Positions
AB 672 (Klehs)	Reservoirs with water intended for domestic use: recreational use and environmental management activities.	In Senate. Read first time. To Com. on RLS. for assignment. (06/10/05); Referred to Sen EQ Comm (06/28/05); From committee chair, with author's amendments: Amend, and re-refer to committee (06/23/05). Read second time, amended, and re-referred to Sen EQ. From committee: Do pass as amended, and re-refer to the Com on APPR. (Ayes: 7. Noes 0); (06/27/05); Read second time, amended, and re APPR. (08/15/05); Senate amendments concurred in. To enrollment. (09/08/05)	Expands recreational opportunities at government-owned, domestic use reservoirs and adjacent lands..... AB 672 requires a public agency, by January 1, 2010, to adopt a watershed management plan with an additional section addressing recreation, or a watershed or recreation master plan, or an equivalent planning document. The plan must address certain matters, various public participation requirements are specified, and certain exemptions are provided. This bill also provides that, notwithstanding any other provision of law, bodily contact restrictions do not prohibit trail access, shoreline fishing, or the use of nonmotorized boats as determined by the public agency as part of policy determinations made in adopting the plan.	Oppose (5/18/05)	OCWD: No Position MWD: Oppose Unless Amended ACWA: Not Favor
AB 1003 (Nava)	Water Conservation	Read third time, passed Senate, back to Assembly (07/11/05); Vetoed by Governor. VETOED (08/15/05)	This bill authorizes the Ventura County Watershed Protection District to levy a fee on taxable real property both districtwide and by zone.	Watch (3/05)	OCWD: No Position MWD: No Position ACWA: Watch

MWDOC Priority Legislation Matrix

<p>AB 1168 (Saldana)</p>	<p>Drinking water standards.</p>	<p>In Asm. APPR Committee: Set, first hearing. Referred to APPR. suspense file. In committee: Set, first hearing. Referred to APPR. suspense file. (05/26/05); From committee: Do pass, and re-refer to Com. on E.Q. Re-referred. (Ayes 7. Noes 3.). (06/16/05); In Senate Environmental Quality; From committee: Do pass and re-refer to Sen APPR Comm. (Ayes 5. Noes 2.). (06/28/05); From committee chair, with author and re-refer to committee. Read second time, amended, and re-referred to Com. on APPR. (08/16/05); Senate amendments concurred in. To enrollment. (Ayes 53. Noes 25. Page 3315.) (09/08/05)</p>	<p>This bill specifically directs DHS to evaluate potential contaminants and constituents for intake water sources at desalination plants, and to ensure that such evaluations are fully considered as part of the application for a water system operating permit for a ground water or ocean water desalination project. Requires DHS to 1) identify potential sources of contamination, including specified sources (e.g., waste discharges, runoff) for water desalination projects; 2) Identify contaminants that may pose a potential health risk, including specified constituents (e.g., viruses, endocrine disruptors); 3) Evaluate proposed treatment processes to ensure that specific contaminants will be removed to safe levels; 4) Evaluate the proposed means to ensure the reliability and security of treatment processes; 6) Include in any public water system operating permit, measures that will ensure the reliability and security of the treatment processes; and 7) Authorizes DHS to adopt necessary regulations for the implementation of this act.</p>	<p>Oppose unless amended (3/05)</p>	<p>OCWD: Oppose MWD: No Position ACWA: Oppose</p>
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MWDOC Priority Legislation Matrix

<p>AB 1234 (Salinas)</p>	<p>Local agencies: Compensation and Ethics</p>	<p>Passed Assembly (04/21/05). In Senate. Assigned to Sen. L Govt. Committee (05/05/05). From committee: Amend, do pass as amended, and re-refer to Com. on APPR. (Ayes 9. Noes 0.) (06/20/05). Assembly Second Reading and re-referred to Sen. APPR Comm. (06/21/05). From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on APPR. (06/29/05). From committee: Be placed on second reading file pursuant to Senate Rule 28.8 and be amended. (07/11/05).;Read third time, amended. To second reading. (08/15/05);Enrolled and to the Governor at 3:30 p.m. (09/08/05)</p>	<p>This bill would require a local agency that provides reimbursement for expenses to members of its legislative body to adopt a written policy on the duties for which legislative body members may receive compensation. The bill would also require adoption of a written policy on what qualifies a member to receive travel, meal, and lodging reimbursement along with adherence to specified procedures. Ethics training would also be required for local agency officials whose agency provides them with any type of compensation, salary, stipend, or reimburses of expenses. This bill will be taken up early in Janaury of 2006.</p>	<p>Support (3/05) -- Letters sent 4/8/05, 4/19/05</p>	<p>OCWD:Support MWD: Support ACWA:Support if Amended</p>
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*Bills shaded in gray are dead/inactive or two-year bills.

MWDOC Priority Legislation Matrix

<p>SB 8 (Soto)</p>	<p>Political Reform Act of 1974: conflicts of interest</p>	<p>Passed Senate (05/31/05). In Assembly. Assigned to Asm. E. & R. Committee (06/13/05). From committee: Do pass as amended, but first amend, and re-refer to Com. on APPR. (Ayes 4. Noes 1.) (07/11/05). Read second time. Amended. Re-referred to Com. on APPR. (07/12/05);From committee with author time. Amended. Re-referred to committee. (08/15/05);Senate concurs in Assembly amendments. (Ayes 27. Noes 6.) To enrollment. (09/12/05)</p>	<p>Prohibits an elected official of a county, city, or district, a chief administrative officer of a county, a city manager or administrator, or a general manager or chief administrator of a special district from lobbying the local government agency with which he or she was employed, for a period of one year after leaving that position.</p>	<p>Watch (3/05)</p>	<p>OCWD: No Position MWD: No Position ACWA: Watch</p>
<p>SB 153 (Chesbro)</p>	<p>California Clean Water, Safe Neighborhood Parks, and Coastal Protection Act of 2006.6</p>	<p>Passed Senate (06/02/05). In Assembly. Assigned to Asm. Committees on NAT. RES., E.S. & T.M., and APPR., (06/20/05). From committee with author's amendments. Read second time. Amended. Re-referred to committee. (06/27/05); From committee: Do pass as amended, but first amend, and re-refer to Com. on APPR. (Ayes 7. Noes 2.) (07/07/05). Read second time. Amended. Re-referred to Asm APPR Comm. (07/11/05);Read second time. Amended. Re APPR. (08/15/05);From committee with author's amendments. Read second time. Amended. Re-referred to committee. (09/09/05)</p>	<p>This bill enacts the California Clean Water, Safe Neighborhoods and Coastal Protection Act of 2006 (Act), which would provide for the sale of bonds for air and water quality, coastal protection and parks programs.</p>	<p>Watch (3/05)</p>	<p>OCWD: Watch MWD: No Position ACWA: Watch</p>

*Bills shaded in gray are dead/inactive or two-year bills.

MWDOC Priority Legislation Matrix

<p>SB 274 (Romero)</p>	<p>Incompatible Offices: elected and appointed positions</p>	<p>Passed Senate (04/21/05). In Assembly. Assigned to Asm. Committees on L Govt. and Jud (06/20/05); From committee with author's amendments. Read second time. Amended. Re-referred to committee. (06/20/05); From L Govt. Committee: Do pass, but first be re-referred to Jud Comm. (Ayes 7. Noes 0.); Re-referred to Com. on JUD. (06/30/05); From Jud Comm: Do pass as amended. (Ayes 8. Noes 0.) (07/11/05); Read second time. Amended. To second reading. (07/12/05); Read second time. To third reading. (08/15/05); Enrolled. To Governor at 9 a.m. (09/01/05)</p>	<p>The bill attempts to "codify Common Law doctrine" regarding the prohibition of public officers holding incompatible offices. 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 is viewed as incompatible.</p>	<p>Watch (4/05)</p>	<p>OCWD: Oppose Unless Amended MWD: Watch ACWA: Watch</p>
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MWDOC Priority Legislation Matrix

<p>SB 543 (Margett)</p>	<p>State Water Project: Rights of Way</p>	<p>Passed Senate (05/31/05). In Assembly. Assigned to Asm. Committees on WP&W and Jud (06/20/05). From committee: Do pass, but first be re-referred to Com. on JUD. (Ayes 13. Noes 0.) (06/28/05); From Jud committee: Do pass as amended, but first amend, and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (AYES 9. NOES 0.) (07/07/05); Read second time. Amended. Re-referred to Com. on APPR. (07/11/05); From committee with author time. Amended. Re-referred to committee. (08/16/05); Enrolled. To Governor at 9 a.m. (09/07/05)</p>	<p>Provides the Department of Water Resources (DWR) with enforcement mechanisms to protect State Water Project (SWP) facilities and rights-of-way.</p>	<p>Support (4/05)</p>	<p>OCWD: No Position MWD: Support if Amended ACWA: Support if Amended</p>
<p>SB 568 (Kehoe)</p>	<p>Property Tax Revenue Allocations: Enterprise special districts</p>	<p>Passed Senate (06/02/05). In Assembly. Assigned to Asm. Committee on L. GOV. (06/13/05); From committee: Do pass, but first be re-referred to Asm APPR Com. (Ayes 7. Noes 0.). (06/29/05). Re-referred to Com. on APPR. Referred to APPR Suspense File (07/13/05); Placed on APPR. suspense file. (08/01/05); Enrolled. To Governor at 9 a.m. (09/07/05)</p>	<p>This bill exempts non-enterprise healthcare districts from the shift of property tax revenues to the Educational Revenue Augmentation Fund (ERAF) in each county for the 2005-06 fiscal year.</p>	<p>Watch (4/05)</p>	<p>OCWD: Watch MWD: No Position ACWA: Watch</p>

MWDOC Priority Legislation Matrix

<p>SB 820 (Kuehl)</p>	<p>Water</p>	<p>Passed Senate (05/31/05). In Assembly. Assigned to Asm. Committee on W.,P. & W. (06/13/05); From committee with author's amendments. Read second time. Amended. Re-referred to committee. (06/21/05); From committee: Do pass, but first be re-referred to Com. on APPR. (Ayes 8. Noes 2.) Re-referred to Com. on APPR. (06/28/05);From committee with author time. Amended. Re-referred to committee. (08/15/05);Senate concurs in Assembly amendments. (Ayes 21. Noes 16.) To enrollment. (09/12/05)</p>	<p>This bill 1) Codifies settlement provision arising out of 1994 "Monterey Agreement" litigation requiring the Department of Water Resources (DWR) to estimate then-existing overall State Water Project (SWP) delivery capability under a range of hydrologic conditions, and deliver such estimates to various local agencies; 2) Expands the application of groundwater reporting requirements, including penalties, from four counties in Southern California (Riverside, San Bernardino, Los Angeles and Ventura) to all defined groundwater basins or subbasins, effective January 1, 2007; 3) Establishes consequences for failing to file statements of annual diversion or use for any surface water diversion or use occurring on or after January 1, 2006; 4) Adds requirements for already-required urban water management plans; and 5) Requires agricultural water suppliers to prepare agricultural water management plans.</p>	<p>Support if Amended (4/05) -- Letter Sent 6/27/05</p>	<p>OCWD: Support if Amended MWD: Support(6/21/2005) ACWA: Oppose unless Amended</p>
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MWDOC Priority Legislation Matrix

<p>SB 1067 (Kehoe)</p>	<p>Drinking Water</p>	<p>Passed Senate (05/31/05). In Assembly. Assigned to Asm. Committee on Environmental Safety and Toxic Materials (06/09/05); From committee with author's amendments. Read second time. Amended. Re-referred to committee (06/20/05); From committee: Do pass, but first be re-referred to Com. on APPR. (Ayes 5. Noes 1.) Re-referred to Com. on APPR. (06/29/05); From committee with author's amendments. Read second time. Amended. Re-referred to committee. (07/05/05). Passed Committee (Ayes: 13, Noes: 5) (07/13/05).;From committee: Do pass. (08/15/05);Enrolled. To Governor at 9 a.m. (09/07/05)</p>	<p>This bill 1) requires the Office of Environmental Health Hazard Assessment (OEHHA) to adopt, by a specific date, a public health goal (PHG) for total trihalomethanes (TTHMs) and total haloacetic acids (HAA5) as contaminants in drinking water; 2) requires the Department of Health Services (DHS), by a specific date, to adopt regulations governing when a public water system must notify its customers of public health risks posed by these contaminants; and 3) Requires a public water system that has at least two detections of these contaminants at a peak, rather than average, level above the maximum contaminant level (MCL) to include a notice in its next consumer confidence report on associated health risks of long-term consumption of water contaminated with these compounds.</p>	<p>Oppose unless Amended (5/18/05)</p>	<p>OCWD: Support MWD: Oppose ACWA: Watch</p>
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*Bills shaded in gray are dead/inactive or two-year bills.

MWDOC Priority Legislation Matrix

<p>SB 1087 (Florez)</p>	<p>Housing elements: services.</p>	<p>Passed Senate (06/02/05). In Assembly. Assigned to Asm. W,P & W and H & CD Committees (06/20/05). From committee with author's amendments. Read second time. Amended. Re-referred to committee (06/23/05); From committee: Do pass, but first be re-referred to Com. on H. & C.D. (Ayes 9. Noes 4.) Re-referred to Com. on H. & C.D (06/28/05); From committee with author's amendments. Read second time. Amended. Re-referred to committee. (07/01/05); From committee: Do pass as amended, but first amend, and re-refer to Com. on APPR. (Ayes 6. Noes 0.) (07/11/05). Read second time. Amended. Re-referred to Com. on APPR. (07/12/05). Senate concurs in Assembly amendments. (Ayes 24. Noes 15.) To enrollment.</p>	<p>This bill would require that adopted housing element and any amendments be delivered immediately to all public agencies or private entities that provide water services or connections at retail or sewer services or connections, as specified, would apply these provisions to proposed developments that include housing units affordable to lower income households, and would require, on or before July 1, 2006, that these public agencies or private entities adopt a written policy with specific objective standards for the allocation of these services in conformance with these provisions if these public agencies or private entities operate under a policy or legislative action that limits the amount of services or connections available in any given period.</p> <p>This bill would also provide that a provider of water or sewer services or connections may not deny or condition the approval of an application for services or connections, or reduce the amount of the services or connections applied for, if the proposed development includes housing affordable to lower income households.</p>	<p>Oppose (6/20/05) -- Letter sent 6/27/05</p>	<p>OCWD: No Position MWD: No Position ACWA: Oppose</p>
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MWDOC Priority Legislation Matrix

AB 1466 (Laird)	Colorado River: Tamarisk plant control	In Senate. Read first time. To Com. on RLS. for assignment (06/02/05); Referred to Com. on N.R. & W. (06/09/05); From committee: Amend, do pass as amended, and re-refer to Com. on APPR.(Ayes 8. Noes 3.) (06/27/05); Read second time, amended, and re-referred to Com. on APPR. (06/28/05); Senate amendments concurred in. To enrollment. (Ayes 78. Noes 0. Page 3316.) (9/6)	Would establish a tamarisk control program in the Department of Water Resources (DWR) for the Colorado River watershed. As the lead agency, DWR would work with the Department of Food and Agriculture, Department of Fish and Game, and the Colorado River Board in developing the eradication program. The program would also focus on the reestablishment of native vegetation in the watershed.	Support (5/18/05)	OCWD: MWD: Support if Amended ACWA:
H.R. 1071 (Davis)	Desalination Water Supply Shortage Prevention Act of 2005	In House Resources Committee: Referred to Subcommittee on Water and Power. Subcommittee hearing held on 05/24/05.	Desalination Drought Protection Act of 2005 - Requires the Secretary of Energy to: (1) make specified incentive payments to the owners or operators of qualified desalination facilities (facilities first used to produce desalinated water after enactment of this Act) for up to ten years to partially offset the cost of electrical energy required to operate such facilities; and (2) support research and development of promising novel technology approaches for the cost-effective desalination of water.	Support (5/18/05)	
			<u>Inactive / 2 year Bills</u>		
AB 194 (Dymally)	Brown act violation	In Asm LG Committee: Set, first hearing. Hearing canceled at the request of author. (05/05/05)	Permits a district attorney or any interested person to commence an action to obtain a judicial determination that an action taken by a local legislative body is in violation of the Ralph M. Brown Act (Brown Act) and reduces the time period that the district attorney or interested person has to make a written demand for cure or correction.	Oppose (5/18/05)	OCWD: No position MWD: No position ACWA: Oppose

MWDOC Priority Legislation Matrix

AB 214 (Richman)	Retirement: Final Compensation	Referred to Asm. P.E.,R. & S.S. Committee on 2/15/05 (04/20/05); In committee: Set, first hearing. Failed passage. (06/09/05)From committee without further action pursuant to Joint Rule 62(a). (06/21/05)	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 (3/05)	OCWD: Support MWD: No position ACWA: Watch
AB 340 (Parra)	Drinking Water: arsenic levels	In Asm ES/TM Committee: Hearing postponed by committee. (04/26/05)	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 (3/05)	OCWD: No Position MWD: No position ACWA: Watch
AB 511 (Richman)	Public employees retirement	In Asm. P.E.,R. & S.S Committee: Set, first hearing. Hearing canceled at the request of author. (04/20/05); In committee: Set, first hearing. Hearing canceled at the request of author. (06/08/05)	Places limits on public agency contributions to employees' defined contribution plan. Limits could 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. Would specify required matching employee contributions. 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.	Watch (3/05)	OCWD: No Position MWD: No Position ACWA: Watch
AB 514 (Richman)	Public employees: benefits	Referred to Coms. on INS. and P.E.,R. & S.S. (04/13/05); Assembly Insurance	Limits the amount that a retired public employee who is receiving disability retirement benefits may receive in connection with a workers' compensation claim.	Watch (3/05)	OCWD: No Position MWD: No Position ACWA: Favor

MWDOC Priority Legislation Matrix

AB 1033 (Daucher)	Property Tax Revenue Allocations	In committee: Set, first hearing. Referred to APPR. suspense file. (05/26/05)	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 (3/05)	OCWD: No Position MWD: No Position ACWA: Watch
AB 1244 (Wolk)	CALFED Bay-Delta Program	In Asm. APPR Committee. (05/11/05)From committee: Do pass. (Ayes 13. Noes 5.) (May 25). (05/26/05); To inactive file on motion of Assembly Member Wolk. (06/13/05); To inactive file on motion of Assembly Member Wolk. (08/15/05)	Conforms authorizing statute for California Bay-Delta Authority (CBDA) with federal statute enacted in 2004.	Watch (4/05)	OCWD: No Position MWD: Watch ACWA: Watch
AB 1259 (Daucher)	Property Tax Revenue Allocation	Asm LG Committee: Set, first hearing. Hearing canceled at the request of author. In committee: Hearing postponed. (04/18/05)	Would reward cities and counties that exceed 80% of their Regional Housing Need Assessment (RHNA) goals over a 5-year period, with an increased share of the annual tax increment that is allocated among local agencies in a county.	Watch (4/05)	OCWD: Oppose MWD: No Position ACWA: Oppose
AB 1354 (Baca)	Drinking Water : Perchlorate Levels	In Asm. ES/TM Committee: Hearing postponed by committee. (04/26/05)	Would establish, through legislation, a maximum contaminant level for perchlorate at 6 ppb. This would circumvent the DHS process for setting such standards.	Oppose (3/05) -- Letter sent 4/20/05	OCWD: Oppose MWD: Oppose ACWA: Oppose
AB 1423 (Bogh)	MWDs Utilization of Budgets	From printer. May be heard in committee March 25. (02/23/05)	Would declare the intent of the Legislature to enact legislation relating to the purposes for which the budgets of metropolitan water districts, formed under the Metropolitan Water District Act, may be utilized.	Watch (3/05)	OCWD: No Position MWD: No Position ACWA: Watch

MWDOC Priority Legislation Matrix

AB 1453 (Daucher)	Superior courts: adjudication of rights to produce groundwater.	In Asm. Judiciary Committee: Set, first hearing. Hearing canceled at the request of author. (04/27/05);	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.	Support (5/18/05)	OCWD: No Position MWD: Support ACWA: Watch
SB 393 (Ortiz)	Special districts.	In Sen. APPR. Committee. ; Senate Appropriations; Set, first hearing. Held in committee and under submission. (05/31/05)	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 unless Amended (4/05) -- Letters Sent 3/30/05, 5/19/05	OCWD: Oppose MWD: Oppose ACWA: Oppose unless amended
SB 554 (Aларcon)	Local Agency Financing	In. Sen. RLS. Committee (03/14/05);	Would state the intent of the Legislature to enact legislation that would provide a clearer definition of the term "surplus" with respect to local government financing and budgets.	Watch (3/05)	OCWD: No Position MWD: No Position ACWA: Watch
SB 866 (Kehoe)	Water Use measurement information	In Sen. NR&W Committee. Set, second hearing. Hearing canceled at the request of author. (04/26/05)	Requires DWR to develop & implement the use of a coordinated water use database through a standardized reporting system; agricultural water suppliers to report aggregated farm-gate delivery data through a standardized system; reporting of any diversion of surface water through a standardized system.	Support (3/05)	OCWD: No Position MWD: Support ACWA: Watch
AB 492 (Baca)	Hazardous waste: perchlorate: business plans	In Senate. Assigned to Senate EQ Committee (6/9/05); From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 5. Noes 2.). In Sen APPR Comm. From committee: Be placed on second reading file pursuant to Senate Rule 28.8. (07/11/05).; To inactive file on motion of Senator Soto. (08/15/05)	Requires any business to include, as part of its business plan and any updates to that business plan, information detailing the manner in which perchlorate waste generated onsite is disposed or otherwise handled.	Watch (3/05)	OCWD: No Position MWD: Watch ACWA: Watch

MWDOC Priority Legislation Matrix

AB 1245 (Wolk)	CALFED Bay-Delta Program	Passed Assembly (05/31/05). In Senate. Assigned to Sen. N.R. & W Committee (06/09/05). Hearing Postponed (06/14/05).	Creates the Environmental Water Account fund in the State Treasury, for management of EWA funds.	Support if Amended (4/05)	OCWD: No Position MWD: Support if Amended ACWA: Watch
			<u>Federal Legislation</u>		
H.R. 1071 (Davis)	Desalination Water Supply Shortage Prevention Act of 2005	In House Resources Committee: Referred to Subcommittee on Water and Power. Subcommittee hearing held on 05/24/05.	Desalination Drought Protection Act of 2005 - Requires the Secretary of Energy to: (1) make specified incentive payments to the owners or operators of qualified desalination facilities (facilities first used to produce desalinated water after enactment of this Act) for up to ten years to partially offset the cost of electrical energy required to operate such facilities; and (2) support research and development of promising novel technology approaches for the cost-effective desalination of water.	Support (5/18/05)	
S. 1016 (Martinez)	Desalination Water Supply Shortage Prevention Act of 2005	In Senate. Read twice and referred to the Committee on Energy and Natural Resources (05/15/05).	Desalination Drought Protection Act of 2005 - Requires the Secretary of Energy to: (1) make specified incentive payments to the owners or operators of qualified desalination facilities (facilities first used to produce desalinated water after enactment of this Act) for up to ten years to partially offset the cost of electrical energy required to operate such facilities; and (2) support research and development of promising novel technology approaches for the cost-effective desalination of water.	Support (5/18/05)	

*Bills shaded in gray are dead/inactive or two-year bills.



INFORMATION ITEM

September 19, 2005

TO: Board of Directors

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

Kevin Hunt
General Manager

Staff Contact: Michelle Tuchman

SUBJECT: SCHOOL EDUCATION PROGRAM UPDATE

STAFF RECOMMENDATION

Staff recommends the Committee receive and file the update.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

The following are highlights from the 2005-06 academic year kick-off meeting held September 6 at the Discovery Science Center:

- More than 32,000 students have already been confirmed for water assemblies during the academic year. This number was confirmed prior to the distribution of the Education Programs brochures. (The 2005-06 goal is 80,000 students served.)
- More than 30,000 Education Programs brochures, which include information about our water education programs, are currently being mailed to the Orange County Department of Education, area teachers and principals.
- Four new Ricki the Raindrop booklets (K-3) have been produced. (Copies will be distributed at the Committee meeting.)
- Discovery Science Center has produced new teacher education packets for distribution to classrooms prior to assembly programs. For added convenience, the packets will also be posted on the MWDOC website.
 - Teacher packets include in-class projects that rely on low/no-cost materials, which should increase the probability of their use in the classroom.

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

- MWDOC member agencies, via the Public Affairs Workgroup, have been invited to submit 3-4 message points that will be incorporated into the curriculum taught at schools in their service areas. The goal is to customize the presentations for schools in our member agencies' service areas.
- The Educators Evening of Science will be held on Tuesday, September 27, at Discovery Science Center. More information will be sent to Directors and our member agencies, who are invited to attend.
 - MWDOC's two teachers will staff a District information table at the event. Public Affairs is working with the teachers to develop a table top display and handout materials.
- Public Affairs will work closely with Discovery Science Center staff to keep MWDOC Directors and member agencies apprised of School Program developments and the number of students served.
 - Public Affairs is also working with Janet Yamaguchi, DSC, to better utilize the MWDOC website as a marketing tool/resource site for teachers and students.

Public Affairs Activities Report
August 12 – September 14, 2005

<p>Media Relations</p>	<p><i>O.C. Register</i> – In light of hurricane Katrina, the <i>Register</i> is working on a story re Orange County’s emergency preparedness. Kelly Hubbard, WEROC coordinator, was interviewed on Sept. 8 re the water community’s readiness. No publication date was given.</p> <p>National Public Radio – An interview with Kevin was included in a Sept. 6 report on desalination efforts in Southern California. Specifically, Kevin was asked for his thoughts on the proposed plant in Huntington Beach and desal’s future importance in Orange County. The news report also included our feasibility studies in Dana Point. (This was the same reporter who conducted an on-site interview with Richard Bell and Michelle in March.)</p> <p><i>Huntington Beach Wave (O.C. Register)</i> – A lengthy article in the Sept. 1 edition of the <i>Wave</i> on the proposed Poseidon desal plant in Huntington Beach included a quote from Kevin. Copies of the article will be distributed at the PAMO meeting.</p> <p><i>O.C. Metro</i> – Kevin was interviewed on Aug. 12 re ocean water desalination and the role it will play as a future source of water for Orange County. No publication date was given.</p>
<p>Special Projects</p>	<p>Karl, Matt, I-Wen and Michelle met on Aug. 30 with Joe Geever, Surfrider Foundation, to discuss Phase 2 desal feasibility studies in Dana Point, progress on the Urban Water Management Plan, and ACR 84, the desal resolution.</p> <p>Some 18 people, representing the environmental community, residents, businesses, cities and our member agencies, attended the second Community Information meeting on the progress of our Urban Water Management Plan. Following Kevin’s welcome, Matt gave an overview of the planning process and I-Wen presented the information update. During the question-and-answer session, moderated by Michelle, members of the environmental community and area residents praised the District for the breadth of information presented and its efforts to keep the public apprised on progress of the Plan. Among those in attendance were Directors Hinman and Royce. Director Sandra Jacobs of Santa Margarita Water District also attended. A public hearing on the plan will be held in October.</p>

Item 6

Member Agency Relations	<p>The August Public Affairs Workgroup meeting was hosted by Orange County Sanitation District. Sonia Morgan, OCSD principal public information specialist, spoke on the agency's media relations policy and how they responded to recent media inquiries.</p> <p>Reminders were sent to member agencies that commitment forms for Solar Cup 2006 are due Friday, Sept. 16. The forms state that an agency wants to participate in the event; schools do not have to be named until mid October.</p>
Community Relations	<p>Hundreds of information sheets on our SmarTimer rebate program and the low-flow toilet rebate program were distributed Sunday, Sept. 11 at the city of Anaheim's Family Fun Eco-Fair. Public Affairs and Water Use Efficiency staff worked with Cindy Montepagano, NRCS, who is based at MWDOC and who staffed the information table.</p> <p>Michelle has been asked to speak on message development, community outreach and media relations at the Southern California Wetlands Recovery Project meeting in Los Angeles on Sept. 29.</p> <p>David provided staff support to Director Hinman on Aug. 18 when she gave a presentation about the District to the San Clemente Noontime Rotary Club. She provided a history of water in Orange County, the role of MWDOC and Metropolitan, an overview of the sources of imported water supply, and an update on ocean desalination in South Orange County.</p> <p>Director Royce, Matt and Michelle attended the Aug. 22 Huntington Beach City Council study session on the proposed Poseidon desal plant to hear public comments and the questions asked of staff by council members. Two of the six residents who spoke referenced MWDOC and the Urban Water Management Plan Community Information meeting held the prior week.</p>
Legislative Affairs	<p>Staff worked with Townsend Public Affairs (TPA) to begin an outreach effort to the environmental community on ACR 84 (Walters). Matt Stone, Sean Fitzgerald (TPA) and Pilar Onate (Metropolitan) met with representatives from the Sierra Club, California Coastkeeper Alliance, and Natural Resources Defense Council in Sacramento to discuss the resolution and what it is seeking to achieve. The dialogue helped staff better understand the concerns of the environmental community and the types of amendments that would be needed to minimize opposition. Additional outreach will continue this fall with the</p>

environmental community as well as with water agencies that also have concerns about the timing and nature of the resolution. Staff will then evaluate how best to address concerns.

As a result of strong water community opposition to AB 1421 (Laird) and a request that it be made a two-year bill so further input can be provided and amendments made, the author chose to hold the bill over until the Legislature reconvenes in January. AB 1421 would give Regional Water Quality Control Boards the authority to require replacement water for groundwater or surface water where water quality has been degraded or otherwise impacted above background water quality conditions, in the event of a cleanup and abatement order. At its August meeting, the Public Affairs/Met Oversight Committee took an "Oppose Unless Amended" position on the bill.

Karl and David participated in an ocean desalination briefing for Congressman Deven Nunes (R-Visalia) that was hosted at Metropolitan. Each of the five Met member agencies working on ocean desalination presented updates on their respective efforts and answered questions from the congressman on desalination costs, technical issues, water management, regulatory and environmental challenges, legal issues, energy issues, etc.

Staff participated with Directors Barbre and Dick in an ocean desalination briefing and site tour for Kiel Weaver, chief staff member of the House Resources Sub-Committee on Water and Power. The briefing and tour began at South Coast Water District and moved to Doheny State Beach, where staff showed Mr. Weaver the location of the monitoring wells that were drilled along the shoreline last winter. Staff provided background on the location, technical issues, next steps, and challenges confronting the District as it looks to continue its investigations into building an ocean desalination plant in Dana Point. Staff then brought Mr. Weaver to the South Coast Water District property where the potential desalination plant could be built. Mr. Weaver seemed impressed with the work that has been done thus far and believes the MWDOC effort is a unique concept that the sub-committee may be inclined to support. Staff will be providing Jason Gagnon, Congressman Calvert's point person on ocean desalination, with the same tour on Friday, September 16. Congressman Calvert will be carrying a bill that would provide MWDOC with up to \$2.5 million in funding to continue its investigative work

	<p>on ocean desalination for South Orange County.</p> <p>MWDOC continues to host planning conference calls for the ACWA Region 10 representatives appointed to the ACWA State Legislative Committee. It was decided during the last conference call that future calls would be held on Wednesday mornings at 10 a.m. the week of the committee meetings. The purpose of the calls is to facilitate coordination among the committee representatives before the meetings and to ensure that the participating agencies can share their views and concerns with the committee members. The next conference is scheduled for Wednesday, October 19.</p> <p>David worked closely with OCWD staff on the logistics for bringing Congressman Gary Miller to WACO as the keynote speaker in September, as well as coordinating a follow-up briefing and tour for the Congressman by MWDOC and OCWD. Representing MWDOC at the briefing was Director Larry Dick, Karl Seckel and Michelle Tuchman.</p> <p>As the administrative support staff to ISDOC, David has been working on securing a program speaker for the next ISDOC Quarterly Meeting on Friday, October 28. At the direction of the Executive Committee, invitations were extended to both Governor Arnold Schwarzenegger and former State Senator Jim Brulte. The Governor's Office was not yet scheduling events for late October when the invitation was received, but said they would get back to ISDOC as the date drew nearer. Staff has since invited Senator Brulte to speak on the topic of "leadership" and about the leadership class he is presently involved with teaching at UCLA. The senator responded to the invitation and said he would check his schedule when he returns to the country after September 21 and let ISDOC know.</p>
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INFORMATION ITEM

September 21, 2005

TO: Board of Directors
FROM: **Planning & Operations**
(Directors Clark, Bakall, Dick)

Kevin Hunt
General Manager

SUBJECT: SCHEDULING OF A FEDERAL FUNDING WORKSHOP

STAFF RECOMMENDATION

Staff recommends the Board of Directors supports participation in the ROCA in order to support Metropolitan and to ensure that allocated federal funds are used for geological studies of benefit to the Central Pool Augmentation Project (CPAP).

COMMITTEE RECOMMENDATION

Committee recommends (to be determined at Committee Meeting)

SUMMARY

MWDOC will be engaging Waggoner Engineering of Jackson, Mississippi to perform a study of federal funding concepts to further our South Orange County reliability efforts. A key part of this study is a federal funding workshop to be held with a group of South Orange County agencies to educate the consultants in the various water reliability projects (including research, desalination planning pipelines), and for the consultants to discuss the various strategies to be pursued and the appropriate aggregate of projects. Due to the impact of Hurricane Katrina in Jackson, we have put this off until either the second or fourth week of October. We will invite our Washington lobbyist, Jim Barker, to attend, and our local lobbyist, Chris Townsend and Sean Fitzgerald, Townsend Public Affairs. When the date is set, we will forward a notice and an agenda.

Budgeted (Y/N): N	Budgeted amount:
Action item amount:	Line item:
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