

MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
PUBLIC AFFAIRS AND LEGISLATION COMMITTEE
September 18, 2017, 8:30 a.m.
Conference Room 101

Committee:

Director Tamaribuchi, Chairman
Director Dick
Director Yoo Schneider

Staff: R. Hunter, K. Seckel, J. Volzke,
P. Meszaros, H. Baez, D. Micalizzi,
T. Baca

Ex Officio Member: W. Osborne

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

PUBLIC PARTICIPATION

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

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

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING --

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

DISCUSSION ITEMS

1. LEGISLATIVE ACTIVITIES
 - a. Federal Legislative Report (Barker)
 - b. State Legislative Report (BBK)
 - c. County Legislative Report (Lewis)
 - d. Legal and Regulatory Report (Ackerman)
 - e. MWDOC Legislative Matrix
 - f. Metropolitan Legislative Matrix
2. MWDOC LEGISLATIVE POLICY PRINCIPLES ANNUAL UPDATE
3. UPDATE ON CALIFORNIA WATERFIX AND MET ACTIVITIES (oral report)
4. AB 1668 AND SB 606: MAKING WATER CONSERVATION A CALIFORNIA WAY OF LIFE (to be emailed separately)

ACTION ITEMS

5. AUTHORIZATION TO CONTRACT FOR SOCIAL MEDIA CONSULTING SERVICES

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

6. LITTLE HOOVER COMMISSION REPORT ON SPECIAL DISTRICTS
7. WYLAND MAYOR'S CHALLENGE POCKET PARK- PROJECT UPDATE
8. UPDATE ON 2018 OC WATER SUMMIT
9. UPDATE WATER POLICY DINNER (AUGUST 30, 2017)
10. PUBLIC AFFAIRS ACTIVITIES REPORT

OTHER ITEMS

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

ADJOURNMENT

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

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

JAMES C. BARKER, PC
ATTORNEY AND COUNSELOR AT LAW
FIFTH FLOOR
1050 THOMAS JEFFERSON STREET, NW
WASHINGTON, DC 20007
(202) 293-4064
jimbarker@jcbdc.com

Nicholas Crockett
Alia Cardwell

*Municipal Water District of Orange County, California
Washington Update
September 12, 2017*

Congress returned to Washington last week after a near month long August Recess period and immediately was able to pass a short term spending bill to keep the federal government running until December 8 with a stunning \$8 Billion Hurricane Relief Package for Texas and Florida. The Continuing Resolution also contained a provision which allows the federal government to continue to borrow money—which is called the Debt Limit Extension.

The back story--the spending agreement came together at the White House after President Trump stunned the participants in an oval office meeting by agreeing to the strategy laid out by Senator Schumer (D-NY) and Congressman Pelosi (D-Ca), the respective Democratic Congressional Leaders in the Senate and the House. This agreement came as a surprise to cabinet officials in the room as well as the Senate Majority Leader, Senator McConnell, and House Speaker Paul Ryan.

The Secretary of Treasury and the two Republican Congressional Leaders were hoping to pass a debt limit extension that would run until after the November 2018 elections but that prospect was taken off the table with President Trump's decision—and ultimately the debt limit extension was only extended for three months setting up potentially another brinksmanship moment for the potential closure of the Federal Government in Washington just before Christmas.

In the larger picture, the House is working on sending an Omnibus Package of Twelve Appropriations Bills to the Senate by later this week. The Senate in turn is significantly behind the House in their passage of Appropriations Bills off the Senate Floor. Important to mention here, the House and the Senate for the most part have rejected attempts by the Trump Administration to significantly reduce spending in various federal agencies.

Senior Staff and Members of Congress advise us that they believe we will see a negotiated appropriations package pass some time during the month of December. Everyone has their fingers crossed that a Debt Limit Extension can also pass without difficulty. Normally the deadline to pass the appropriations bills is September 30th of each year.

There is still no resolution to the Obama Health Care Insurance set of issues. The ability for the Senate to use the 51 vote majority procedure under a budget reconciliation procedure ends on September 30th and as a result there is another major effort underway to determine what if any kind of health insurance related bill can pass the Senate.

On the Trump Infrastructure front, there is still no detail available about what the Trump Administration plans to do about Infrastructure and it is significant that the references made to Infrastructure don't necessarily refer to water or sewer related issues. This is very troubling. We are tracking this closely and watching what the Administration is saying.

For the last several months the Trump Administration has been saying that it will turn to a more specific Infrastructure Program after the Congress has passed "Tax Reform".

There are efforts underway, particularly in the House, to move a Tax Reform Bill but given the complexities of the subject matter, most Members and Staff are not optimistic about seeing a "major bill pass this fall".

We are working with Leadership Offices on an IRS Fix for the Turf Removal Program. Key House Leadership staff have advised us that they intend to put language into the House Bill that would remedy the IRS glitch for home and property owners.

On the Senate side, Senator Feinstein introduced her IRS bill on this matter (discussed at some length in previous Reports) and the Senate Finance Committee has signaled that they would look seriously at her legislation—which at this point could pass in a package of other bills or as a free-standing bill.

On the Appropriations front for FY2018 to provide a glimpse of federal water related spending--below is a Table that reflects some of the major federal water accounts from the Bureau of Reclamation:

	Trump Budget Proposal	House Committee	Senate Committee	
Water Smart Grants	\$23.366M	\$24M	\$24M	
Water Conservation Field Program	\$4.038M	\$4.038M	\$4.038M	
Cooperative Watershed Basin Studies	\$1.75M	\$1.75M	\$2.250M	
Drought Response /Drought Plans	\$3.250M	\$3.250M	\$4M	
Title XVI Projects	\$21.5M	\$35M	\$34.406M	

A review from last month, the House Bill includes \$83 Million for water storage, desalination and water recycling and reuse projects authorized under the WIIN (WRDA) Act that passed seven months ago. The exact manner in which the \$83M will be dispersed will be determined after the bill is merged with the Senate Bill and is signed into law. We anticipate competitive grant programs to be developed to distribute these funds.

Again, with the Congress being gone from the middle of August until last week, there has not been movement on many water issues here. Among other issues, we are tracking the Water Fix Issue, WIFIA Funding, the IRS Turf Removal Fix, and the consideration of HR 23, the California Drought Relief Measure (Passed the House and is awaiting consideration in the Senate). HR 23 is sponsored Congressman Valadao of the Central Valley. We are also monitoring the implementation of the California Drought Relief bill which passed the Congress last December.

JCB 9/12/2017



Memorandum

To: Municipal Water District of Orange County
From: Syrus Devers, Best Best & Krieger
Date: September 18, 2017
Re: Monthly State Political Report

Permanent Conservation Regulations/Legislation

As of Tuesday, September 12th, when this report was prepared, the two remaining bills carrying the language to implement “Making Conservation a Way of Life,” AB 1668 (Friedman) and SB 606 (Skinner/Hertzberg), are being held up until procedural issues between the two houses are resolved. SB 606, which is in the Assembly, past out of the Appropriations Committee late in the day on the 11th, but was then parked in the Rules Committee instead of being sent to the Floor as is typical. One possible reason is that AB 1668 has not been set for a hearing in the Senate Appropriations Committee. Whatever the reason, the two bills are now joined together, which means that each bill must be enacted in order for either bill to take effect.

Both bills have been amended and are no longer identical. AB 1668 now contains the indoor and outdoor residential efficiency standards, the CII water use standards, and the recycled water credit. In other words, most of the controversial items. Session ends on Friday the 15th, so BB&K will update the PAL Committee on the final outcomes at the meeting.

Legislation

As of the 12th, AB 1668 and SB 606 are the only two live bills that MWDOC has a position on, but that may not be the whole picture. SB 623 (Monning-oppose) and AB 1000 (Friedman-oppose) are two-year bills, but rumors abound that one or both may be resurrected in some manner. SB 623 is the bill that would enact a public goods charge on water, and AB 1000 is specifically written to stop the Cadiz project in the Mojave. Some of the rumors seem rather farfetched, but BB&K will closely monitor both issues and report on the outcome at the PAL Committee.

Activity Report

Being the end of session, a total listing of all activity over the last thirty days is not feasible. BB&K has been in contact with each member of the Orange County delegation on behalf of MWDOC at least once, if not several times, since the Legislature reconvened on August 21st.

The County of Orange Report

September 12, 2017
by Lewis Consulting Group

Little Hoover Commission Releases Report on Special Districts

On August 30th, after a year long review, the California Little Hoover Commission, released it's findings and recommendations for Special Districts across California. The report was not the hostile treatise that many in the Special Districts community had feared months ago. In fact, the Commission found "no one size fits all answers".

Much of the Commission's report dealt with either California's 58 LAFCOs or recommendations dealing with taming California's predicted climate change.



In all, the Commission's issued 20 different recommendations and key ones are highlighted below:

Recommendation 1: The Legislature and the Governor should curtail a growing practice of enacting bills to override LAFCO deliberative processes and decide local issues regarding special district boundaries and operations.

"The Legislature and Governor have reason to be frustrated with slow and deliberative LAFCO processes. But these are local institutions of city, county and special district members often better attuned to local politics than those in the State Capitol. Exemptions where the Legislature gets involved should be few, and in special cases where the local governing elites are so intransigent or negligent – or so beholden to entrenched power structures – that some higher form of political authority is necessary."

Recommendation 2: The Legislature should provide onetime grant funding to pay for specified LAFCO activities, to incentivize LAFCOs or smaller special districts to develop and implement dissolution or consolidation plans with timelines for expected outcomes. Funding should be tied to process completion and results, including enforcement authority for corrective action and consolidation.

"The Commission rarely recommends additional funding as a solution. However, a small one-time infusion of \$1 million to \$3 million in grant funding potentially could save California taxpayers additional money if it leads to streamlined local government and improved efficiency in service delivery. This funding could provide

an incentive for LAFCOs or smaller districts to start a dissolution or consolidation process. Participants in the Commission's public process suggested the Strategic Growth Council or Department of Conservation could administer this one-time funding."

Recommendation 3: The Legislature should enact and the Governor should sign SB 448 (Wieckowski) which would provide LAFCOs the statutory authority to conduct reviews of inactive districts and to dissolve them without the action being subject to protest and a costly election process.

"There has been no formal review to determine the number of inactive special districts – those that hold no meetings and conduct no public business. Rough estimates gauge the number to be in the dozens. Simplifying the LAFCOs' legal dissolution process would represent a significant step toward trimming district rolls in California. The Commission supports SB 448 and encourages the Legislature to enact the measure and for the Governor to sign the bill."

Recommendation 5: The Legislature should adopt legislation to give LAFCO members fixed terms, to ease political pressures in controversial votes and enhance the independence of LAFCOs.

"The California Association of Local Agency Formation Commissions (CALAFCO) testified on August 25, 2016, that individual LAFCO members are expected to exercise their independent judgment on LAFCO issues rather than simply represent the interests of their appointing authority. But this is easier said than done when representatives serve on an at-will basis. The CALAFCO hearing witness said unpopular votes have resulted in LAFCO board members being removed from their positions. Fixed terms would allow voting members to more freely exercise the appropriate independence in decision-making."

Recommendation 7: The Legislature should require every special district to have a published policy for reserve funds, including the size and purpose of reserves and how they are invested.

"The Commission heard a great deal about the need for adequate reserves, particularly from special districts with large infrastructure investments. The Commission also heard concerns that reserves were too large. To better articulate the need for and the size of reserves, special districts should adopt policies for reserve funds and make these policies easily available to the public."

Recommendation 8: The State Controller's Office should standardize definitions of special district financial reserves for state reporting purposes.

"Presently, it is difficult to assess actual reserve levels held by districts that define their numbers one way and the State Controller's Office which defines them another way. The State Controller's Office is working to standardize numbers following a year-long consultation with a task force of cities, counties and special

districts. To improve transparency on reserves, a subject that still eludes effective public scrutiny, they should push this project to the finish line as a high priority.

Improving Transparency and Public Involvement

Because there are thousands of special districts in California, performing tasks as varied as managing water supply to managing rural cemeteries, the public has little practical ability to ascertain the functionality of special districts, including the scope of services these local districts provide, their funding sources, the use of such funds and their governance structure. Although publicly elected boards manage independent special districts, constituents lack adequate resources to identify their local districts much less the board members who collect and spend their money. The Commission saw a number of opportunities for special districts to do a better job communicating with the public, primarily through improvements to district websites and more clearly articulating financing policies, including adopting and making publicly available fund reserve policies. Existing law requires special districts with a website to post meeting agendas and to post or provide links to compensation reports and financial transaction reports that are required to be submitted to the State Controller's Office. The State Controller's Office – despite having a software platform from the late 1990s – attempts to make all the information it receives as accessible as possible. Many special districts already utilize their websites to effectively communicate with their constituents and voluntarily follow the nonprofit Special District Leadership Foundation's transparency guidelines and receive the foundation's District Transparency Certificate of Excellence. But often, these districts are the exception and not the rule. The Commission makes three recommendations to improve special district transparency and to better engage the public served by the districts."

Recommendation 9: The Legislature should require that every special district have a website.

Key components should include:

- **Name, location, contact information**
- **Services provided**
- **Governance structure of the district, including election information and the process for constituents to run for board positions**
- **Compensation details – total staff compensation, including salary, pensions and benefits, or a link to this information on the State Controller's website**
- **Budget (including annual revenues and the sources of such revenues, including without limitation, fees, property taxes and other assessments, bond debt, expenditures and reserve amounts)**
- **Reserve fund policy**
- **Geographic area served**
- **Most recent Municipal Service Review**
- **Most recent annual financial report provided to the State Controller's Office, or a link to this information on the State Controller's website**
- **Link to the Local Agency Formation Commission and any state agency providing oversight**

“Exemptions should be considered for districts that fall under a determined size based on revenue and/or number of employees. For districts in geographic locations without reliable Internet access, this same information should be available at the local library or other public building open and accessible to the public, until reliable Internet access becomes available statewide. Building on this recommendation, every LAFCO should have a website that includes a list and links to all of the public agencies within each county service area and a copy of all of the most current Municipal Service Reviews. Many LAFCOs currently provide this information and some go further by providing data on revenues from property taxes and user fees, debt service and fund balance changes for all the local governments within the service area. At a minimum, a link to each agency would enable the public to better understand the local oversight authority of LAFCOs and who to contact when a problem arises.”

Recommendation 15: The Legislature should place a requirement that special districts with infrastructure subject to the effects of climate change should formally consider long-term needs for adaptation in capital infrastructure plans, master plans and other relevant documents.

“Most special districts, especially the legions of small districts throughout California, have their hands full meeting their daily responsibilities. Many have few resources and little staff time to consider long-range issues, particularly those with the heavy uncertainty of climate change adaptation. Making climate change a consideration in developing capital infrastructure plans and other relevant planning documents would formally and legally elevate issues of adaptation and mitigation, especially for districts where immediate concerns make it too easy to disregard the future.”

Recommendation 16: The California Special Districts Association (CSDA), in conjunction with its member districts, should document and share climate adaptation experiences with the Integrated Climate Adaptation and Resilience Program’s adaptation information clearinghouse being established within the Governor’s Office of Planning and Research (OPR). Similarly, CSDA and member districts should step up engagement in the state’s current Fourth Assessment of climate threats, a state research project designed to support the implementation of local adaptation activities. The CSDA also should promote climate adaptation information sharing among its members to help districts with fewer resources plan for climate impacts and take actions.

“The OPR clearinghouse promises to be the definitive source of climate adaptation planning information for local governments throughout California. At the Commission’s October 27, 2016, hearing, an OPR representative invited more district participation in state climate adaptation processes. It is critical that special districts and their associations assume a larger participatory role – both within state government and among their memberships – to expand the knowledge base for local governments statewide.”

Recommendation 17: The state should conduct a study – by either a university or an appropriate state department – to assess the effect of

requiring real estate transactions to trigger an inspection of sewer lines on the property and require repairs if broken.

“The responsibility to safeguard California and adequately adapt to climate change impacts falls on every resident of California. This begins at home with maintenance and upgrading of aging sewer laterals. Requiring inspections and repairs during individual property transactions is an optimum way to slowly rebuild a region’s collective wastewater infrastructure in the face of climate change. At the community level, repairs will help prevent excess stormwater during major climate events from overwhelming wastewater systems and triggering sewage spills into public waterways. The Oakland-based East Bay Municipal Utility District has instituted an ordinance that requires property owners to have their private sewer laterals inspected if they buy or sell a property, build or remodel or increase the size of their water meter. If the lateral is found to be leaking or damaged, it must be repaired or replaced. The state should consider implementing this policy statewide.”

Recommendation 18: State regulatory agencies should explore the beginnings of a new regulatory framework that incorporates adaptable baselines when defining a status quo as climate impacts mount.

“With climate change what has happened historically will often be of little help in guiding regulatory actions. State regulations designed to preserve geographical or natural conditions that are no longer possible or no longer exist already are creating problems for special districts. Wastewater agencies, for example, face conflicting regulations as they divert more wastewater flows to water recycling for human needs and less to streams historically home to wildlife that may or may not continue to live there as the climate changes. While it is not easy for regulators to work with moving targets or baselines, climate change is an entirely new kind of status quo that requires an entirely new approach to regulation.”

Recommendation 19: The California Special Districts Association, and special districts, as some of the closest to-the-ground local governments in California, should step up public engagement on climate adaptation, and inform and support people and businesses to take actions that increase their individual and community-wide defenses.

“Special districts are uniquely suited to communicate with and help prepare millions of Californians for the impacts of climate change. Nearly all have public affairs representatives increasingly skilled at reaching residents through newsletters, social media and public forums. District staff grapple constantly with new ways to increase their visibility. Many will find they can build powerful new levels of public trust by helping to prepare their communities for the uncertainty ahead.”

Recommendation 20: The California Special Districts Association and special districts should lead efforts to seek and form regional partnerships to maximize climate adaptation resources and benefits.

“Water, wastewater and flood control districts are already bringing numerous agencies to the table to pool money, brainpower and resources for big regional projects. The East Bay Municipal Utility District has arrangements with many Bay Area and Central Valley water agencies to identify and steer water to where it is most needed for routine demands and emergencies alike. The Metropolitan Water District and Sanitation Districts of Los Angeles County also increasingly pool their joint resources to steer more recycled water to groundwater recharge basins for dry years. Likewise, the Santa Clara Valley Water district and other state and federal agencies are collectively planning and funding 18 miles of levees to protect the region from sea level rise. These partnerships among special districts and other government agencies clearly hint at what will be increasingly necessary as climate impacts begin to mount.”

To review this report in it's entirety, go to the Commission's website www.lhc.ca.gov.



LAFCO goes dark in September, the next meeting will be held on Wednesday, October 11, 2017 @ 8:00A.

Survey Says Homeless Issue Dominates in Orange County

In late June, a survey of 300 voters in Orange County indicated that the homeless issue is the number one concern of county residents. Based on anecdotal evidence the numbers are probably higher now.

When asked “what would you say is the most important issue facing Orange County?” Here are the responses:

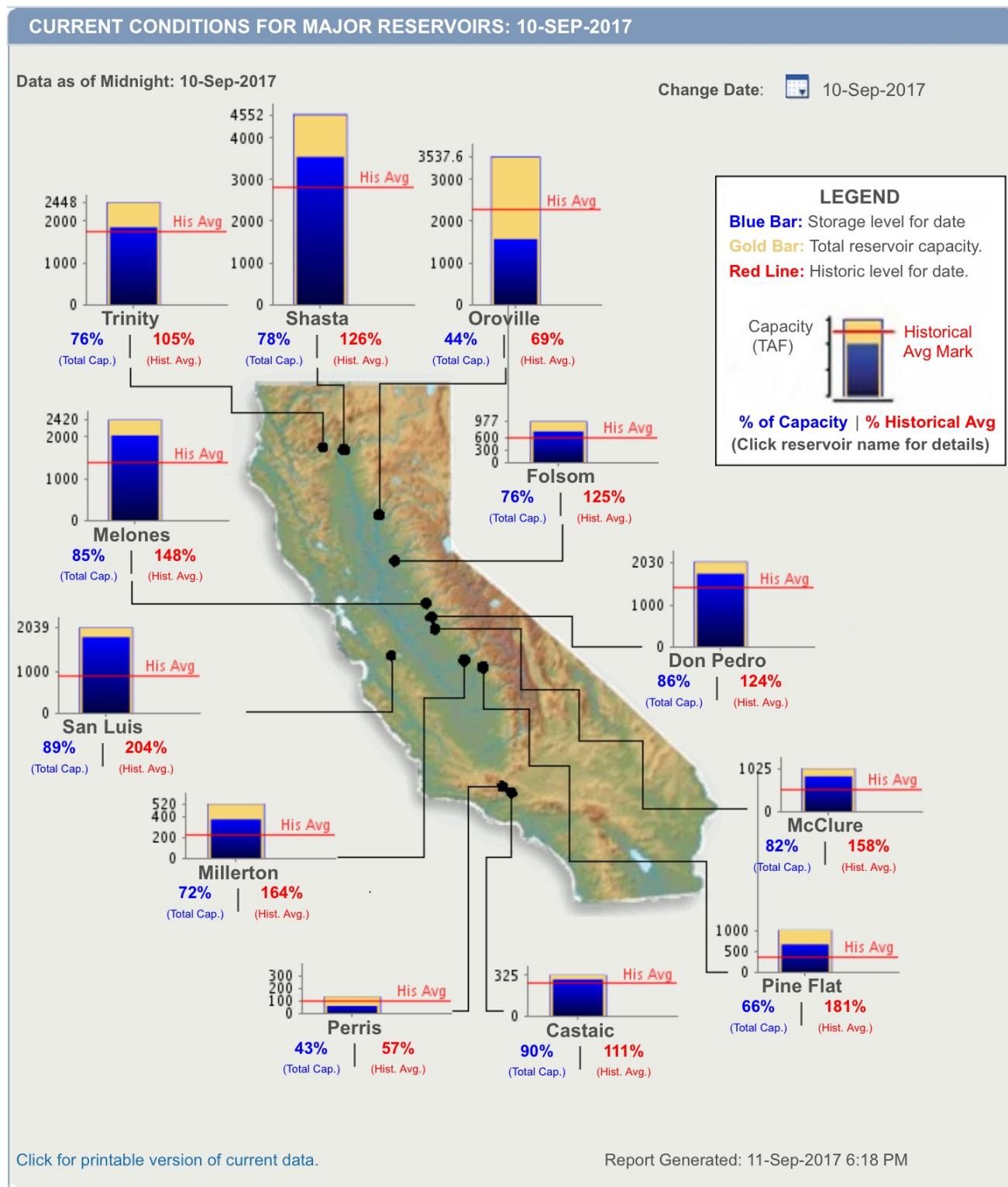
Affordable Housing/Living	18.7%
Homelessness/Poverty	18.7%
Transportation /Traffic/Roads	14.7%
Jobs/Economy	5.3%
Over Population/Controlling Growth/Development	5.0%
Public Safety/Drugs	5.0%
Environmental	4.0%
Government	3.3%
Health Care	3.0%
Moral issues	3.0%
Water/Drought	2.3%
Immigration/Illegal Immigration	1.7%
Education/Schools/Higher Education	1.3%
Don't know/Refused	11.0%
Other	2.3%
No issues	0.7%

Conducted by Probolsky Research from June10-12, a survey sample this size yields a margin of error +/- 5.8%.

Enjoying Last Year's Deluge

The September 10th major reservoir levels shows our state is still well above the historical average for this date. Only 2 of 12 reservoirs, Oroville and Perris, are below their historic average.

California Data Exchange Center - Reservoirs



ACKERMAN CONSULTING

Legal and Regulatory

September 18, 2017

1. **CEQA Reform??:** MWDOC had been working with the Public Works Coalition for a number of years trying to achieve some degree of CEQA reform or streamlining specifically for public works projects such as water storage, infrastructure and related projects. Thus far, we have had little success. At the same time, various sports stadiums have been granted CEQA exemptions and/or streamlining procedures. This legislative session is no different. SB 789 was introduced to fast track Olympic Games projects and the LA Clippers new arena. SB 699 was introduced to fast track two large developments projects for Facebook and NY based Millennium Partners. Based on past history, one could expect both to fly through the Legislature and be signed by the Governor. However, a funny thing happened on the way to whatever the rest of that saying is. Mayor Garcetti declared he did not need any help for the Olympics and the owners of two competing venues, AEG for Staples and Madison Square Garden for the Forum, opposed the bill because they did not want any more competition. SB 789 failed in an Assembly committee. The fate of SB 699 is still uncertain. It thus appears that use of the time honored special project exemption may be in doubt. Even the LA Times recently editorialized that CEQA still needs fixing. Yes, it does.
2. **Nestle Water-Round Two:** Nestle has a permit to bottle water in San Bernardino. There has been a legal battle for a number of years which was recently decided in Nestle's favor. That is being appealed by various environmental groups. A second action has just been filed based on the failure of the US Food and Drug Administration to furnish requested documents to these same environmental groups. They have filed numerous FOIA (Freedom of Information Act) requests asking for thousands of files. The Administration is working on it but has not timely complied with all requests due to the large volume of material asked for. Nestle is also being sued in a separate action for alleged mislabeling of product (Poland Spring) and not getting the water from a spring but from groundwater. The name allegation is fuzzy and the FDA definition of spring water allows it to come from underground sources. This suit has far reaching ramifications since bottled water sales have now surpassed carbonated sodas in sales for the first time in history. Bottled water sales grew last year by 10% and surpassed \$16 billion in sales.
3. **New Flood Protection Strategy:** The old method of controlling floods for the central valley was to build higher levees. That is changing. The success of the Yolo Bypass near Sacramento and improved science has changed the States flood control thinking. The current plan for heavy rain and flood incidents is to spread the water through use of flood plains, wetlands and bypasses. Slowing the water down allows more time for it to sink in and replenish underground aquifers. This strategy is beneficial to farmers, migratory birds, fish and people, a true win-win situation. The total cost for these projects in the Central Valley from Mount Shasta to Bakersfield is about \$20 billion. The State has advanced \$89 million to begin the planning. At this point all stakeholders are on board and ready to proceed.
4. **River Contamination:** The lower American River has been experiencing unsafe levels of E.coli. This river is used considerably for recreation and recently 17 of 25 test sites have recorded unsafe levels of this

pollutant. The cause is mostly likely coming from homeless settlements along the river as well as animals. The Central Valley Regional Water Quality Control Board is considering adding this bacteria to its list of pollutants which will trigger EPA ramifications. The homeless issue is becoming more severe around the river. It is also becoming a major political problem for the city and county of Sacramento. Sound familiar?? Check out our own Santa Ana River near Anaheim Stadium. That area is a primary percolation site for our groundwater aquifer. Hopefully our situation does not end up like the American River.

5. **Sacramento Limits Lawn Watering:** The City of Sacramento made permanent its twice a week lawn watering restrictions. Even though the drought restrictions have been lifted, the City wanted to make this particular conservation measure permanent. They are moving away from a fine mentality to education and assistance. They also exempt residents to have smart controllers or when temperatures maintain 100 degrees or more for two or more days. They also relaxed rules for car washing.
6. **Lead in School Water:** The incidence of unhealthy level of lead in school water systems is on the increase in California. Primarily due to aging pipes, both metal and plastic, more schools are being identified as having major problems. It is a state wide issue with bad water being discovered in schools from LA to Humboldt, San Diego, Alameda and even Orange County. Most are found in older schools and many in low income areas. The State has offered free testing to all schools but recent legislation may require all schools to test. 83 schools in OC have requested testing. The solution is some schools, such as LA Unified, has been daily flushing of water lines. This did not go over very well during the height of the drought, but safety of the children won out.
7. **Billionaire Steyer Water Advocate:** Billionaire and environmentalist, Tom Steyer, has been promoting safe drinking water particularly in the San Joaquin Valley. He has been raising awareness and debate regarding the contaminated water issues, accessibility and affordability around the State and focusing on the Valley and agricultural areas. He is arguing water as a human right and social justice issue and.....he may run for Governor.
8. **Los Vaqueros Gets Added Support:** Contra Costa Water District is planning to substantially increase the capacity of Los Vaqueros Reservoir at a cost of \$900 million. They recently picked up added support from the Nature Conservancy, Audubon, Planning and Conservation League, California Waterfowl, Defenders of Wildlife and Point Blue Conservation Science. These major environmental groups are all supporting the project because of the added protections to wetlands, fish and other wildlife that would be added. This project is another win-win for agriculture, fish and people.

MWDOC

PAL Committee

Prepared by Best Best & Krieger

9/18/2017

A. Priority Support/Oppose

AB 574

*(Quirk D) Potable reuse.**Current Text: Amended: 9/1/2017 [Text](#)**Current Analysis: 09/06/2017 [Assembly Floor Analysis \(text 9/1/2017\)](#)**Last Amend: 9/1/2017**Status: 9/11/2017-Senate amendments concurred in. To Engrossing and Enrolling.**Is Urgency: N*

Summary: Current law required the State Department of Public Health to, on or before December 31, 2013, adopt uniform water recycling criteria for indirect potable reuse for groundwater recharge. Current law also required the department to develop and adopt uniform water recycling criteria for surface water augmentation, as defined, by December 31, 2016, if a specified expert panel found that the criteria would adequately protect public health, and required the department to investigate the feasibility of developing uniform water recycling criteria for direct potable reuse and to provide a final report on that investigation to the Legislature by December 31, 2016. Current law defined the terms "direct potable reuse" and "surface water augmentation" for these purposes. This bill would specify that "direct potable reuse" includes "raw water augmentation" and "treated drinking water augmentation."

Laws: An act to amend Sections 13560 and 13561 of, to amend the heading of Chapter 7.3 (commencing with Section 13560) of Division 7 of, and to add Sections 13560.5 and 13561.2 to, the Water Code, relating to water.

<i>Position</i>	<i>Priority</i>
<i>Support</i>	<i>A. Priority Support/Oppose</i>

AB 1668

*(Friedman D) Water management planning.**Current Text: Amended: 9/8/2017 [Text](#)**Current Analysis: 08/30/2017 [Senate Natural Resources And Water \(text 8/29/2017\)](#)**Last Amend: 9/8/2017*

Status: 9/8/2017-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on APPR.

Is Urgency: N

Summary: Current law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. Current law requires each urban retail water supplier to develop urban water use targets and an interim urban water use target, as specified. This bill would require the State Water Resources Control Board, in coordination with the Department of Water Resources, to adopt long-term standards for the efficient use of water, as provided, and performance measures for commercial, industrial, and institutional water use on or before June 30, 2021.

Laws: An act to amend Sections 531.10, 1120, 10608.12, 10608.20, 10608.48, 10801, 10802, 10814, 10817, 10820, 10825, 10826, 10843, 10845, and 10910 of, to add Sections 1846.5 and 10826.2 to, and to add Chapter 9 (commencing with Section 10609) and Chapter 10 (commencing with Section 10609.40) to Part 2.55 of Division 6 of, the Water Code, relating to water.

<i>Position</i>	<i>Priority</i>
<i>Support</i>	<i>A. Priority Support/Oppose</i>

SB 606

*(Skinner D) Water management planning.**Current Text: Amended: 9/6/2017 [Text](#)*

Current Analysis: 09/08/2017 [Assembly Appropriations \(text 9/6/2017\)](#)

Last Amend: 9/6/2017

Status: 9/11/2017-Re-referred to Coms. on APPR. and RLS. pursuant to Assembly Rule 77.2. From committee: Do pass and re-refer to Com. on RLS. (Ayes 11. Noes 5.) (September 11). Re-referred to Com. on RLS.

Is Urgency: N

Summary: Current law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. Current law requires each urban retail water supplier to develop urban water use targets and an interim urban water use target, as specified. The bill would require an urban retail water supplier to calculate an urban water use objective no later than July 1, 2022, and by July 1 every year thereafter, and its actual urban water use by those same dates.

Laws: An act to amend Sections 350, 377, 1058.5, 1120, 10608.12, 10608.20, 10610.2, 10610.4, 10620, 10621, 10630, 10631, 10631.2, 10635, 10640, 10641, 10642, 10644, 10645, 10650, 10651, 10653, 10654, and 10656 of, to amend, renumber, and add Section 10612 of, to add Sections 10608.35, 10609.20, 10609.22, 10609.24, 10609.26, 10609.28, 10609.30, 10609.32, 10609.34, 10609.36, 10617.5, 10618, 10630.5, 10632.1, 10632.2, 10632.3, and 10657 to, to repeal Section 10631.7 of, and to repeal and add Section 10632 of, the Water Code, relating to water.

Position	Priority
Support	A. Priority
	Support/Oppose

B. Watch

[AB 196](#)

(Bigelow R) Greenhouse Gas Reduction Fund: water supply and wastewater systems.

Current Text: Amended: 3/6/2017 [Text](#)

Current Analysis: 07/17/2017 [Senate Appropriations \(text 3/6/2017\)](#)

Last Amend: 3/6/2017

Status: 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 7/17/2017)(May be acted upon Jan 2018)

Is Urgency: N

Summary: Current law requires moneys from the Greenhouse Gas Reduction Fund to be allocated for the purpose of reducing greenhouse gas emissions in this state and satisfying other purposes. Current law authorizes specified investments, including water use and supply, if the investment furthers the regulatory purposes of the California Global Warming Solutions Act of 2006 and is consistent with law. This bill would authorize the use of the moneys in the fund for electric pump efficiency, water and wastewater systems, pump and pump motor efficiency improvements, and drinking water transmission and distribution systems' water loss if the investment furthers the regulatory purposes of the act and is consistent with law.

Laws: An act to amend Section 39712 of the Health and Safety Code, relating to greenhouse gases.

Position	Priority
Watch	B. Watch

[AB 277](#)

(Mathis R) Water and Wastewater Loan and Grant Program.

Current Text: Amended: 3/27/2017 [Text](#)

Current Analysis: 09/03/2017 [Senate Floor Analyses \(text 3/27/2017\)](#)

Last Amend: 3/27/2017

Status: 9/5/2017-Read second time. Ordered to third reading.

Is Urgency: N

Summary: Would, to the extent funding is made available, authorize the State Water Resources Control Board to establish the Water and Wastewater Loan and Grant Program to provide funding to eligible applicants for specified purposes relating to drinking water and wastewater treatment. This bill would authorize a county or qualified nonprofit organization to apply to the board for a grant to award loans or grants, or both, to an eligible applicant. The bill would authorize the board to use a funding source that is authorized for and consistent with the purposes of the program.

Laws: An act to add Chapter 6.6 (commencing with Section 13486) to Division 7 of the Water Code, relating to water.

<i>Position</i>	<i>Priority</i>
<i>Watch</i>	<i>B. Watch</i>

[AB 313](#)[\(Gray D\)](#) *Water.**Current Text: Amended: 7/18/2017* [Text](#)*Current Analysis: 07/10/2017* [Senate Judiciary \(text 7/3/2017\)](#)*Last Amend: 7/18/2017**Status: 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. on 7/11/2017)(May be acted upon Jan 2018)**Is Urgency: N**Summary: Current law authorizes the State Water Resources Control Board to adopt an order setting administrative civil liability based on the allegations set forth in the complaint without a hearing, unless a written request for a hearing signed by, or on behalf of, the party served with the complaint is delivered to or received by mail by the board within 20 days after receipt of the complaint. This bill, commencing July 1, 2018, would establish a Water Rights Division within the Office of Administrative Hearings, as prescribed.**Laws: An act to add Article 2.5 (commencing with Section 11375) to Chapter 4 of Part 1 of Division 3 of Title 2 of the Government Code, and to amend Section 1825 of, to amend, repeal, and add Sections 1055, 1552, and 1845 of, to add Section 1837 to, and to repeal and add Article 2 (commencing with Section 1831) of Chapter 12 of Part 2 of Division 2 of, the Water Code, relating to water.*

<i>Position</i>	<i>Priority</i>
<i>Watch</i>	<i>B. Watch</i>

Notes 1: BB&K will continue to monitor.[AB 464](#)[\(Gallagher R\)](#) *Local government reorganization.**Current Text: Chaptered: 7/10/2017* [Text](#)*Current Analysis: 06/16/2017* [Senate Floor Analyses \(text 3/14/2017\)](#)*Last Amend: 3/14/2017**Status: 7/10/2017-Approved by the Governor. Chaptered by Secretary of State - Chapter 43, Statutes of 2017.**Is Urgency: N**Summary: Under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, current law requires that an applicant seeking a change of organization or reorganization submit a plan for providing services within the affected territory that includes, among other requirements, an enumeration and description of the services to be extended to the affected territory and an indication of when those services can feasibly be extended. This bill would specify that the plan is required to also include specific information regarding services currently provided to the affected territory, as applicable, and make related changes.**Laws: An act to amend Sections 56653 and 56857 of the Government Code, relating to local government.*

<i>Position</i>	<i>Priority</i>
<i>Watch</i>	<i>B. Watch</i>

[AB 474](#)[\(Garcia, Eduardo D\)](#) *Hazardous waste: spent brine solutions.**Current Text: Amended: 8/21/2017* [Text](#)*Current Analysis: 09/06/2017* [Assembly Floor Analysis \(text 8/21/2017\)](#)*Last Amend: 8/21/2017**Status: 9/11/2017-Senate amendments concurred in. To Engrossing and Enrolling.**Is Urgency: N**Summary: Current law exempts from certain requirements of the Hazardous Waste Control Law wastes from the extraction, beneficiation, or processing of ores and minerals that are not subject to regulation under the federal Resource Conservation and Recovery Act of 1976, including spent brine solutions used to produce geothermal energy that meet specified requirements. This bill would exempt spent brine solutions that are byproducts of the treatment of groundwater to meet California drinking water standards from those same requirements if certain conditions are met, including that the spent brine solutions are transferred for dewatering via a closed piping system to lined surface impoundments regulated by the California regional water quality control boards.**Laws: An act to add Section 25143.6 to the Health and Safety Code, relating to hazardous waste.*

<i>Position</i>	<i>Priority</i>
	<i>B. Watch</i>

AB 732**(Frazier D)** Delta levee maintenance.Current Text: Amended: 5/30/2017 [Text](#)Current Analysis: 07/10/2017 [Senate Appropriations \(text 5/30/2017\)](#)

Last Amend: 5/30/2017

Status: 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 7/10/2017)(May be acted upon Jan 2018)

Is Urgency: N

Summary: Current law establishes a delta levee maintenance program pursuant to which a local agency may request reimbursement for costs incurred in connection with the maintenance or improvement of project or nonproject levees in the Sacramento-San Joaquin Delta. Current law declares legislative intent to reimburse eligible local agencies under this program, until July 1, 2018, in an amount not to exceed 75% of those costs that are incurred in excess of \$1,000 per mile of levee. Current law, until July 1, 2018, authorizes the board to provide funds to an eligible local agency under this program in the form of an advance in an amount that does not exceed 75% of the estimated state share. This bill would extend until July 1, 2020, the operation of that declaration of legislative intent and the authorization to advance funds.

Laws: An act to amend Sections 12986 and 12987.5 of the Water Code, relating to water.

Position	Priority
Watch	B. Watch

AB 885**(Rubio D)** Pupil health: drinking water: lead.Current Text: Amended: 4/27/2017 [Text](#)Current Analysis: 05/15/2017 [Assembly Appropriations \(text 4/27/2017\)](#)

Last Amend: 4/27/2017

Status: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/17/2017)(May be acted upon Jan 2018)

Is Urgency: N

Summary: Would require a community water system, as defined, to test, on or before July 1, 2019, and every year thereafter, for the presence of lead at a sample of water outlets used for drinking or cooking at each school, defined to include a public elementary school, a public secondary school, a public preschool located on public school property, and a public day care facility located on public school property, constructed before January 1, 1993, within the boundaries of the community water system.

Laws: An act to add Section 32247 to the Education Code, relating to pupil health.

Position	Priority
Watch	B. Watch

SB 5**(De León D)** California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018.Current Text: Amended: 9/10/2017 [Text](#)Current Analysis: 09/11/2017 [Assembly Appropriations \(text 9/10/2017\)](#)

Last Amend: 9/10/2017

Status: 9/11/2017-Joint Rule 62(a) suspended. September 11 hearing postponed by committee.

Is Urgency: Y

Summary: Would enact the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$4,000,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program. The bill, upon voter approval, would reallocate \$100,000,000 of the unissued bonds authorized for the purposes of Propositions 1, 40, and 84 to finance the purposes of a drought, water, parks, climate, coastal protection, and outdoor access for all program.

Laws: An act to add Sections 5096.611 and 75089.5 to, and to add Division 45 (commencing with Section 80000) to, the Public Resources Code, and to add Section 79772.5 to the Water Code, relating to a drought, water, parks, climate, coastal protection, and outdoor access for all program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

Position	Priority
Watch	B. Watch

[SB 80](#)

([Wieckowski D](#)) California Environmental Quality Act: notices.

Current Text: Amended: 6/21/2017 [Text](#)

Current Analysis: 09/08/2017 [Senate Floor Analyses \(text 6/21/2017\)](#)

Last Amend: 6/21/2017

Status: 9/11/2017-Assembly amendments concurred in. (Ayes 29. Noes 7.) Ordered to engrossing and enrolling.

Is Urgency: N

Summary: The California Environmental Quality Act requires the lead agency to mail certain notices to persons who have filed a written request for notices. The act provides that if the agency offers to provide the notices by email, upon filing a written request for notices, a person may request that the notices be provided to him or her by email. This bill would require the lead agency to post those notices on the agency's Internet Web site. The bill would require the agency to offer to provide those notices by email. Because this bill would increase the level of service provided by a local agency, this bill would impose a state-mandated local program.

Laws: An act to amend Sections 21092.2, 21092.3, 21108, and 21152 of the Public Resources Code, relating to environmental quality.

Position	Priority
Watch	B. Watch

[SB 146](#)

([Wilk R](#)) Water resources: permit to appropriate: protected species.

Current Text: Amended: 3/20/2017 [Text](#)

Current Analysis: 03/23/2017 [Senate Natural Resources And Water \(text 2/17/2017\)](#)

Last Amend: 3/20/2017

Status: 4/28/2017-Failed Deadline pursuant to Rule 61(a)(2). (Last location was N.R. & W. on 1/26/2017)(May be acted upon Jan 2018)

Is Urgency: N

Summary: Under current law, the State Water Resources Control Board administers a water rights program pursuant to which the board grants permits and licenses to appropriate water. Current law prohibits the taking or possession of a fully protected fish, except as provided, and designates the unarmored threespine stickleback as a fully protected fish. This bill would prohibit the board from issuing on or after January 1, 2018, a new permit to appropriate water from any river or stream that has, or is reasonably expected to have, a population of unarmored threespine stickleback.

Laws: An act to add Section 1257.7 to the Water Code, relating to water resources.

Position	Priority
Watch	B. Watch

[SB 224](#)

([Jackson D](#)) Personal rights: sexual harassment.

Current Text: Amended: 8/21/2017 [Text](#)

Current Analysis: 05/01/2017 [Senate Appropriations \(text 4/5/2017\)](#)

Last Amend: 8/21/2017

Status: 8/21/2017-From committee with author's amendments. Read second time and amended. Re-referred to Com. on APPR. Withdrawn from committee. Re-referred to Com. on RLS.

Is Urgency: N

Summary: Current law establishes liability for sexual harassment when the plaintiff proves specified elements, including, among other things, that there is a business, service, or professional relationship between the plaintiff and defendant. Current law states that a relationship may exist between a plaintiff and certain persons, including an attorney, holder of a master's degree in social work, real estate agent, and real estate appraiser. This bill would include an investor among those listed persons who may be liable to a plaintiff for sexual harassment.

Laws: An act to amend Section 51.9 of the Civil Code, relating to personal rights.

Position	Priority
	B. Watch

[SB 231](#)

([Hertzberg D](#)) Local government: fees and charges.

Current Text: Enrolled: 9/1/2017 [Text](#)

Current Analysis: 06/16/2017 [Assembly Floor Analysis \(text 4/19/2017\)](#)

Last Amend: 4/19/2017

Status: 9/6/2017-Enrolled and presented to the Governor at 3 p.m.

Is Urgency: N

Summary: Articles XIII C and XIII D of the California Constitution generally require that assessments, fees, and charges be submitted to property owners for approval or rejection after the provision of written notice and the holding of a public hearing. Current law, the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with Articles XIII C and XIII D of the California Constitution and defines terms for these purposes. This bill would define the term “sewer” for these purposes. The bill would also make findings and declarations relating to the definition of the term “sewer” for these purposes.

Laws: An act to amend Section 53750 of, and to add Section 53751 to, the Government Code, relating to local government finance.

<i>Position</i>	<i>Priority</i>
<i>Watch</i>	<i>B. Watch</i>

SB 252

(Dodd D) Water wells.

Current Text: Amended: 9/1/2017 [Text](#)

Current Analysis: 09/11/2017 [Senate Floor Analyses \(text 9/1/2017\)](#)

Last Amend: 9/1/2017

Status: 9/11/2017-Read third time. Passed. Ordered to the Senate. In Senate. Concurrence in Assembly amendments pending.

Is Urgency: N

Summary: Would, until January 30, 2020, would require a city or county overlying a critically overdrafted basin, as defined, to request estimates of certain information from an applicant for a new well located within a critically overdrafted basin as part of an application for a well permit. The bill would require a city or county that receives an application for a well permit in a critically overdrafted basin to make the information about the new well included in the application for a well permit available to both the public and to groundwater sustainability agencies and easily accessible. The bill would authorize a city or county to issue a new well permit within a critically overdrafted basin when these requirements have been met.

Laws: An act to add and repeal Article 5 (commencing with Section 13807) of Chapter 10 of Division 7 of the Water Code, relating to groundwater.

<i>Position</i>	<i>Priority</i>
<i>Watch</i>	<i>B. Watch</i>

SB 740

(Wiener D) Onsite treated water.

Current Text: Amended: 4/26/2017 [Text](#)

Current Analysis: 05/15/2017 [Senate Appropriations \(text 4/26/2017\)](#)

Last Amend: 4/26/2017

Status: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/25/2017)(May be acted upon Jan 2018)

Is Urgency: N

Summary: Would, on or before December 1, 2018, require the State Water Resources Control Board, in consultation with other state agencies, to adopt regulations, consistent with federal and state law in effect on January 1, 2018, to provide comprehensive risk-based standards for local jurisdictions permitting programs for onsite recycling of water in multifamily residential, commercial, and mixed-use buildings for nonpotable use. The bill would require the regulations to address specified issues and practices relating to the management, monitoring, and treatment of recycled water for nonpotable use.

Laws: An act to add Article 8 (commencing with Section 13558) to Chapter 7 of Division 7 of the Water Code, relating to water quality.

<i>Position</i>	<i>Priority</i>
	<i>B. Watch</i>

Total Measures: 17

Total Tracking Forms: 17

**Metropolitan Water District of Southern California
State Legislation Matrix 9/11/2017**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 18 E. Garcia (D) Sponsor: Author	Amended 8/30/17 Senate Appropriations Committee	California Clean Water, Climate, Coastal Protection and Outdoor Access for All Act of 2018: Enacts the California Clean Water, Climate, Coastal Protection and Outdoor Access for All Act of 2018, which places a general obligation bond of \$3.470 billion before voters at the June 5, 2018, statewide primary election.	SUPPORT AND SEEK AMENDMENTS based upon Board- adopted policy principles dated June 2003	Recognizes the need for additional state funding for water infrastructure at time when significant water investments are acutely necessary. Requested amendments include: state support for voluntary settlements with upstream water users, both for habitat improvement and flow enhancements; additional funding for development of local water supplies; increased funding for new water treatment systems, extensions of service or consolidations for non-compliant water systems located in disadvantaged communities; flood protection; and Salton Sea restoration, consistent with CNRA Salton Sea Management Plan.
AB 472 Frazier (D) Sponsor: Author	Amended 9/7/17 Senate Rules Committee	Employer Liability: Prior amendment would have required the Department of Water Resources (DWR) to allow cover crops to remain on fallowed land, unless DWR met certain conditions. Bill now pertains to enforcement for non-serious violations by small business or microbusinesses.	NO LONGER OF INTEREST (9/7/17)	Amended bill is no longer of interest to Metropolitan.

**Metropolitan Water District of Southern California
State Legislation Matrix 9/11/2017**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 574 Quirk (D) Sponsor: WateReuse California and California Coastkeeper Alliance	Amended 7/12/17 Assembly Floor for Concurrence	Potable Reuse: Promotes water recycling by categorizing potable reuse alternatives and by establishing a clear regulatory pathway and time frame for raw water augmentation.	SUPPORT (3/14/17)	By advancing regulatory criteria that are protective of public health, AB 574 may accelerate the deployment of recycled water projects throughout California.
AB 732 Frazier (D) Sponsor: Author	Amended 5/30/17 Senate Appropriations Committee Two-Year Bill	Delta Levee Maintenance: Delta levee maintenance program was established for reimbursement of costs incurred in connection with maintenance or improvement of projects or non-project levees in the Sacramento-San Joaquin Delta. AB 732 extends the current 75% state reimbursement rate for Delta levee maintenance costs in excess of \$1,000 per mile, until July 1, 2020.	WATCH based upon prior position on SB 554 (Wolk) from 2016	Metropolitan dropped its opposition to AB 732 after the Delta Stewardship Council directed staff to enter into a Memorandum of Understanding with the Central Valley Flood Protection Board (CVFPB) and DWR to develop and recommend a new set of guidelines, including a methodology and local agency requirements for evaluating a local agency's ability to pay for cost of levee maintenance or improvements under the Delta Levee Subventions Program.

**Metropolitan Water District of Southern California
State Legislation Matrix 9/11/2017**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 791 Frazier (D) Sponsor: Author	Amended 3/21/17 Assembly Appropriations Committee Two-Year Bill	New Conveyance Facility: Would impose new and unnecessary requirements on “lead agency” (presumably DWR) to provide certain information about costs and benefits of new water delivery system improvements on a water-contractor-by-water-contractor basis <i>before</i> any water contractor could enter any contracts to fund design, construction and mitigation.	OPPOSE based upon June 2007 Board-adopted Delta Action Plan	Could delay construction of California WaterFix, with no added benefit to the public process or environment.
AB 792 Frazier (D) Sponsor: Author	Amended 3/28/17 Assembly Water, Parks and Wildlife Committee Two-Year Bill	Delta Plan: Would take unprecedented and unnecessary step of requiring Delta Stewardship Council to affirmatively “grant” a certification of consistency with the Delta Plan before construction of California WaterFix could begin. Council could not “grant” the certification until <u>after</u> State Water Resources Control Board adopts update to 2006 Bay-Delta Water Quality Control Plan.	OPPOSE based upon June 2007 Board-adopted Delta Action Plan	Delta Reform Act of 2009 recognized need for new Delta conveyance to address declines in water supply reliability and the Delta ecosystem. Likewise, the Governor’s California Water Action Plan calls for new Delta conveyance, among a suite of other measures, to further the coequal goals, and to restore water supply reliability to millions of Californians. AB 792 is at odds with both.

**Metropolitan Water District of Southern California
State Legislation Matrix 9/11/2017**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 793 Frazier (D) Sponsor: Author	Amended 3/27/17 Assembly Water, Parks and Wildlife Committee Two-Year Bill	Sacramento-San Joaquin Delta – Financing: Would declare it state policy that the <u>existing</u> Sacramento-San Joaquin Delta be recognized and defined as an integral component of California's water infrastructure. Would state also that the maintenance and repair of Delta are eligible for same forms of financing as other water collection and treatment infrastructure and specifies that eligible maintenance and repair activities be limited to certain cleanup-and-abatement-related restoration and conservation activities.	OPPOSE based upon June 2007 Board-adopted Delta Action Plan	Ignores the fact that the Delta, in its <u>current</u> state, has not been developed as a “water collection or treatment facility.” The current configuration of levees was largely completed in the early 20th century to reclaim swamp and overflow land for farming or other uses. Thus, the declaration of intent is contrary to reality and is not a sound basis for infrastructure financing.
AB 869 Rubio (D) Sponsor: Author	Amended 8/24/17 Senate Natural Resources and Water Committee Two-Year Bill	Recycled Water: Would require long-term standards for urban water use conservation and water use to include credit for recycled water, as specified. Would state that water conservation does not include curtailment of use of recycled water. Would prohibit urban retail water supplier from being required to reduce amount of recycled water it produces, sells or distributes for beneficial potable or nonpotable uses during period when water conservation measures are in effect.	SUPPORT IF AMENDED based upon Board-adopted legislative policy priorities dated 5/8/17	AB 869 is consistent with provisions found in SB 606 (Skinner/Hertzberg) and AB 1668 (Friedman) Metropolitan, with a few distinctions. Recognizes that recycled water is an efficient use and should be treated as such in any new water use efficiency targets, although expands credit specified in SB 606 and AB 1668 to include nonpotable recycled water. Attempts to override authority extended to Governor under Emergency Services Act regarding curtailment of potable and nonpotable recycled water.

Metropolitan Water District of Southern California
State Legislation Matrix 9/11/2017

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 968 Rubio (D) Sponsor: Regional Water Authority and Irvine Ranch Water District	Amended 4/17/17 Assembly Appropriations Committee Two-Year Bill	Water Use Efficiency Targets: Defines “water efficiency target” as a target developed by an urban retail water supplier for 2025 water efficiency in its 2020 urban water management plan. Requires each urban retail water supplier to adopt one of three methods for determining water efficiency targets. Maintains the existing exclusion of recycled water from the calculation of base daily per capita water use. Requires Dept. of Water Resources, in consultation with the State Water Resources Control Board, to, by July 1, 2018, convene a task force for the purposes of recommending appropriate performance measures for the commercial, industrial and institutional sectors.	<p style="text-align: center;">SUPPORT</p> based upon Board-adopted legislative policy priorities dated 5/8/17	Preserves the legislative process for setting water-use efficiency goals and recognizes the role of state agencies to implement a detailed framework consistent with the goals. Supports multiple compliance methods that includes a water-budget based target-setting approach in addition to other methods that could be customized to unique local conditions and could be equally effective in reducing water use.
AB 1270 Gallagher (R) Sponsor: Author	Amended 9/8/17 Senate Appropriations Committee	Dams and Reservoirs – Inspections and Reporting: Completely rewritten to require inspection of dams, reservoirs and critical appurtenant structures within jurisdiction of Division of Safety of Dams (DSOD) once per fiscal year, except for low hazard dams that would require inspections at least every two fiscal years. Dam inspection reports would be subject to California Public Records Act. Also requires DSOD, in consultation with independent, national dam safety and dam safety risk management organizations to, on or before January 1, 2019, and every ten years thereafter propose amendments to existing dam safety regulations to incorporate updated best practices.	<p style="text-align: center;">WATCH</p> (9/8/17)	Bill was recently amended. Still contains language to address concerns regarding the posting and protection of sensitive information.

**Metropolitan Water District of Southern California
State Legislation Matrix 9/11/2017**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 1323 Weber (D) Sponsor: San Diego County Water Authority	Amended 5/30/17 Senate Appropriations Committee Two-Year Bill	Water Efficiency Targets: Provides that if a statute is not chaptered during 2017-18 legislative session to establish water conservation targets and long-term drought contingency planning, DWR shall convene stakeholder workgroup by February 1, 2019, to develop, evaluate and recommend proposals for establishing new water use targets for urban retail water suppliers.	SUPPORT based upon Board-adopted legislative policy priorities dated 5/8/17	Metropolitan supports state agency implementation of a framework consistent with the water use efficiency goals set by the Legislature by working through a stakeholder process to ensure the goals are met in a way that recognizes the unique challenges of agencies throughout California.
AB 1427 Eggman (D) Sponsor: Stockton-East Water District	Amended 3/21/17 Assembly Appropriations Committee Two-Year Bill	Water – Underground Storage: Amends Water Code Section 1242 to declare that storing water underground, including diverting surface water for storage, for purposes including, but not limited to, protection of water quality or recovery of groundwater levels, are beneficial uses. Also states that existing forfeiture provisions for non-use of water for a period of longer than five years would not apply.	OPPOSE UNLESS AMENDED based upon prior opposition to AB 647 (Eggman) from 2015	Must include safeguards to ensure that permanent underground storage is implemented in reasonable manner. SWRCB must confirm that flows are not already otherwise appropriated or diverted at times when federal Central Valley Project and State Water Project are required to release supplemental project water to meet water quality objectives in Delta watershed. Additional amendments are necessary to ensure alignment with Groundwater Management Sustainability Act of 2014.

Metropolitan Water District of Southern California
State Legislation Matrix 9/11/2017

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 1654 Rubio (D) Sponsor: Regional Water Authority and Irvine Ranch Water District	Amended 7/12/17 Senate Rules Committee	Drought Contingency Planning: As a step towards developing a single legislative proposal, the bill was amended in the Senate Natural Resources and Water Committee to state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.	WATCH based upon Board-adopted legislative policy priorities dated 5/8/17	Author declined to incorporate work product stemming from legislative negotiations during summer recess [see summary of SB 606 (Skinner/Hertzberg) and AB 1668 (Friedman)].
AB 1667 Friedman (D) Sponsor: Author	Amended 7/3/17 Senate Natural Resources and Water Committee Two-Year Bill	Water Management Planning: Reflects the Brown Administration's June 2017 proposal to implement Executive Order B-37-16 and the framework contained in the report Making Water Conservation a California Way of Life for urban and agricultural water usage and drought planning.	SUPPORT IF AMENDED based upon Board-adopted legislative policy priorities dated 5/8/17	AB 1667 is consistent, in part, with the policy priorities adopted by Metropolitan's board. There are specific provisions, however, that require revisions to merit full support.

Metropolitan Water District of Southern California
State Legislation Matrix 9/11/2017

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 1668 Friedman (D) Sponsor: Author	Amended 9/8/17 Senate Appropriations Committee	Water Management Planning: Proposes targets for indoor residential water use and performance measures for CII water. References the Model Water Efficient Landscape Ordinance for outdoor water use. Also clarifies SWRCB enforcement authority for non-compliance; updates agricultural water use efficient requirements; and provides for countywide and small system drought planning.	SUPPORT based upon Board-adopted legislative policy priorities dated 5/8/17	AB 1668 recognizes the Legislature's critical role in providing appropriate oversight to implementation of water conservation efforts by the Department of Water Resources and the State Water Resources Control Board, while preserving local decision making. Bill includes a water-budget based target-setting approach that could be customized to unique location conditions and could be equally effective in reducing water use.
AB 1669 Friedman (D) Sponsor: Author	Amended 4/18/17 Assembly Appropriations Committee Two-Year Bill	Water Use Efficiency Targets: Requires the State Water Resources Control Board (SWRCB), in consultation with the Department of Water Resources (DWR), to adopt long-term standards for urban water conservation and water use by May 20, 2021. Specifically, this bill requires the long-term standard to include indoor residential water use, outdoor irrigation water use, as specified, and industrial, institutional and commercial water use. Allows the SWRCB, in consultation with DWR, to adopt and update interim standards for urban water conservation and water use.	OPPOSE UNLESS AMENDED based upon Board-adopted legislative policy priorities dated 5/8/17	AB 1669, in many areas, conflicts with the policy priorities adopted by Metropolitan's board. The bill grants authority to a state agency to issue interim standards through emergency regulations outside of a Governor-declared emergency. The bill does not protect existing water rights; provides for only one compliance path; fails to recognize recycled water as an efficient use of water; and proposes water use reduction targets for the commercial, industrial and institutional sector rather than pursuing a performance-based approach.

Metropolitan Water District of Southern California
State Legislation Matrix 9/11/2017

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
SB 5 DeLeon (D) Sponsor: Author	Amended 9/5/17 Assembly Appropriations Committee Date of Hearing: 9/11/17	California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018: Enacts the Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018, which places a general obligation bond of \$3.997 billion before voters at the June 5, 2018, statewide primary election.	SUPPORT AND SEEK AMENDMENTS based upon Board- adopted policy principles dated June 2003	Recognizes the need for additional state funding for water infrastructure at time when significant water investments are acutely necessary. Requested amendments include: state support for voluntary settlements with upstream water users, both for habitat improvement and flow enhancements; additional funding for development of local water supplies; increased funding for new water treatment systems, extensions of service or consolidations for non-compliant water systems located in disadvantaged communities; flood protection; and Salton Sea restoration, consistent with CNRA Salton Sea Management Plan.
SB 80 Wickowski (D) Sponsor: Author	Amended 6/21/17 Senate Floor for Concurrence	California Environmental Quality Act: Would require the preparation, filing and posting on the internet of Notices of Exemption that the California Natural Resources Agency has categorically exempted from CEQA because said actions have no significant adverse impact.	OPPOSE UNLESS AMENDED based upon January 2017 Board-adopted State Legislative Priorities	Would require public agencies to prepare, file and post on the internet dozens, if not hundreds, of additional Notices of Exemption every month for every discretionary action that would cause any change in the physical environment, regardless how insignificant.

**Metropolitan Water District of Southern California
State Legislation Matrix 9/11/2017**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
SB 92 Senate Budget and Fiscal Review Committee Budget Trailer Bill	Chapter 26, Statutes of 2017 Signed by Governor on 6/27/17	Resources Trailer Bill: Sections 60-61, 64, 84-94 and 102 provide the Department of Water Resources (DWR) with new authorities that are in alignment with recommended best practices for dams and appurtenant structures from the Federal Emergency Management Agency and the Association of State Dam Safety Officials.	SUPPORT (6/13/17)	SB 92 strengthens DWR's regulatory powers and oversight. Further, the requirement for regularly updated inundation maps and emergency action plans will improve emergency planning for neighboring communities.
SB 224 Jackson (D) Sponsor: Author	Amended 8/21/17 Senate Rules Committee Two-Year Bill	Personal Rights: Sexual Harassment: Completely rewritten. Prior amendment would have required the Office of Planning and Research to prepare, and Secretary of CA Natural Resources Agency to adopt, CEQA guidelines to make exceptions to general rule that environmental review should focus on each project's impacts on the existing physical environment. Bill now would include an investor among those listed persons who may be liable to a plaintiff for sexual harassment.	NO LONGER OF INTEREST (8/21/17)	Amended bill is no longer of interest to Metropolitan.

**Metropolitan Water District of Southern California
State Legislation Matrix 9/11/2017**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
SB 231 Hertzberg (D) Sponsor: Water Foundation	Amended 4/19/17 To Governor	Local Government - Fees and Charges: Provides a definition of "sewer" that predates Proposition 218 and treats fees for stormwater like all other water and sewer fees. Seeks to clarify where stormwater and flood control systems may overlap with water and sewer systems for which Proposition 218 requires a lower approval threshold. SB 231 does not change the CA Constitution's mandate for rigorous oversight of water and sewer fees, including reports, hearings and protest votes.	<p style="text-align: center;">SUPPORT (4/11/17)</p>	Stormwater is an important source of local water supply and careful management is necessary to reduce pollution. Currently, property-related fees to fund stormwater and flood control programs, not associated with water supply, require a higher approval standard than property-related fees for other water services.
SB 606 Skinner (D) and Hertzberg (D) Sponsor: Authors	Amended 9/6/17 Assembly Appropriations Committee Date of Hearing: 9/11/17	Water Management Planning: Provides for the calculation of water use objectives by urban retail water supplies. Specifies SWRCB enforcement tools and timelines. Contains revisions to UWMP reporting and filing requirements. Provides for preparation of Water Shortage Contingency Plans and annual water supply and demand assessment by urban wholesale and retailer water suppliers. Measure also recognizes that recycled water is an efficient use and should be treated as such in the calculation for new water-use efficiency targets.	<p style="text-align: center;">SUPPORT based upon Board-adopted legislative policy priorities dated 5/8/17</p>	Preserves the legislative process for setting water-use efficiency goals yet recognizes the role of state agencies to implement a detailed framework consistent with those goals. Bill contains numerous opportunities for stakeholder engagement to ensure requirements of the measure are met in a way that recognizes the unique challenges of water agencies throughout California. SB 606 preserves local and regional decision-making and control in determining actions to avoid shortage or mitigate shortage impacts.

**Metropolitan Water District of Southern California
State Legislation Matrix 9/11/2017**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
SB 623 Monning (D) Sponsor: Community Water Center and Western Growers Association	Amended 8/21/17 Assembly Rules Committee	Safe and Affordable Drinking Water Fund: Would establish the Safe and Affordable Drinking Water Fund to assist communities and individual domestic well owners who lack access to safe drinking water, particularly those in small, rural disadvantaged communities. Fund may pay for replacement water; domestic well testing and investigations; planning, construction, operation and maintenance costs for system improvements; and outreach to eligible communities. Revenue for the Fund would come from an agricultural fee on fertilizer sales and dairy operations and a permanent tax on ratepayers of urban retail water systems.	<p style="text-align: center;">OPPOSE UNLESS AMENDED based upon January 2017 Board-adopted State Legislative Priorities</p>	Potential revenue sources identified for the Fund include fees on agricultural operations in recognition of nitrate contamination in agricultural areas. While it may be appropriate to include a broader source of funding beyond agriculture, the nexus between urban retail water customers and the factors contributing to the lack of safe water in small, rural disadvantaged communities has not been demonstrated. Providing clean, safe water is a shared concern for all of California. In meeting this challenge, however, we must ensure that the proposed solution does not inappropriately shift burdens from one area to another but instead find the most equitable solution that truly addresses the underlying problems facing rural water systems.

**DISCUSSION ITEM**

September 18, 2017

TO: Board of Directors**FROM:** **Public Affairs & Legislation Committee**
(Directors Tamaribuchi, Dick and Yoo Schneider)Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: MWDOC Legislative Policy Principles Annual Update**STAFF RECOMMENDATION**

Staff recommends the Board of Directors discuss the policy principles and provide feedback to staff on any requested updates.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

At last month's Public Affairs and Legislation (PAL) meeting, the Committee discussed MWDOC's federal advocacy program goals. It was recommended by the Committee that staff return with MWDOC's Legislative and Regulatory Policy Principles for review and update in order to refine the policy principles which will help the overall development of the program goals. At the request of the Committee Chair, the policy principles were emailed to all directors for review and feedback prior to this meeting on August 21.

In addition, staff has begun soliciting input from the member agencies through the general managers and their legislative staff. MWDOC staff will coordinate feedback from the Board and any input received from the member agencies, as well as MWDOC Department Managers, and bring the proposed Policy Principles to the Board for consideration of approval and adoption at the PAL committee meeting. This is step two of the process and

Budgeted (Y/N): n/a	Budgeted amount: n/a	Core x	Choice __
Fiscal Impact (explain if unbudgeted): None			

will enable the committee to discuss and adopt more narrow legislative priorities and implementation efforts (steps three and four) for 2018 before the end of the calendar year.

The focus of this month's discussion is for staff to receive input from the Committee and update the policy principles to advance the Board's objective of establishing goals and priorities for both our federal and state legislative programs.

MWDOC maintains a set of legislative and regulatory policy principles that serve as guidelines for staff and our legislative advocates on issues that are of importance to the District. The policy principles attached are the District's *currently adopted* policy principles.

Municipal Water District of Orange County **Legislative and Regulatory Policy Principles**

IMPORTED WATER SUPPLY

It is MWDOC's policy to support legislation and regulation that:

- 1) Ensures the implementation of a state water plan that balances California's competing water needs and results in a reliable supply of high- quality water for Orange County.
- 2) Facilitates the implementation of the California WaterFix and EcoRestore, the co- equal goals of reliable water supply and ecosystem restoration, and related policies that provide long term, comprehensive solutions for the San Francisco Bay/Sacramento-San Joaquin River Delta that:
 - a) Provides reliable water supplies to meet California's short- and long- term needs;
 - b) Improves the ability to transport water across the Delta either for, or in supplement to, State Water Project deliveries;
 - c) Improves the quality of water delivered from the Delta;
 - d) Enhances the Bay-Delta's ecological health in a balanced manner that takes into account all factors that have contributed to its degradation;
 - e) Employs sound scientific research and evaluation to advance the co-equal goals of improved water supply and ecosystem sustainability.
- 3) Funds a comprehensive Bay-Delta solution in a manner that equitably apportions costs to all beneficiaries.
- 4) Seeks to expedite the California WaterFix and EcoRestore to improve water reliability and security.
- 5) Provides funding for Colorado River water quality and supply management efforts.
- 6) Provides conveyance and storage facilities that are cost-effective for MWDOC and its member agencies, while improving the reliability and quality of the water supply.
- 7) Authorizes and appropriates the federal share of funding for the California WaterFix and EcoRestore.
- 8) Authorizes and appropriates the ongoing state share of funding for the California WaterFix and EcoRestore.

It is MWDOC's policy to oppose legislation or regulation that:

- 1) Would make urban water supplies less reliable, or would substantially increase the cost of imported water without also improving the reliability and/ or quality of such water.
- 2) Imposes water user fees to fund non-water supply improvements in the Delta region or user fees that are not proportional to the benefits received from a Delta region water supply improvement.
- 3) Delays implementation of the California WaterFix.
- 4) Would impose conservation mandates that do not account for the unique local water-supply circumstances of each water district.

LOCAL WATER RESOURCES

It is MWDOC's policy to support legislation and regulation that:

- 1) Supports the development of, provides funding for, and authorizes and/or facilitates the expanded use of, water recycling, potable reuse, conservation, groundwater recovery and recharge, storage, brackish and ocean water desalination and surface water development projects where the beneficiaries of the project pay for the portions of the project not funded by state or federal funds.
- 2) Recognizes that recycled water is a valuable resource that should be evaluated for economic justification, permitted and managed as such.
- 3) Reduces and/or streamlines regulatory burdens on water recycling projects and brackish and ocean water desalination projects, and provides protections for the use of these supplies during water supply shortages by exempting them from state mandated reductions.
- 4) Supports ecosystem restoration, increased stormwater capture and sediment management activities that are cost-effective and enhance the quality or reliability of water supplies important to Orange County.
- 5) Authorizes, promotes, and/or provides incentives for indirect and direct potable reuse projects and provides protections for the use of local supply projects during water shortages by exempting them from state mandated reductions.
- 6) Recognizes that the reliability of supplies to the end user is the primary goal of water suppliers.
- 7) Ensures that decision-making with regard to stormwater management and recapture is kept at the local or regional level through local water agencies, stormwater districts, cities, counties, and regional water management groups.
- 8) Recognizes that stormwater management and recapture are important tools in a diversified water portfolio that can help to achieve improved water quality in local surface

and groundwater supplies, and augment surface and groundwater supplies for local water agencies.

9) Reduces or removes regulatory hurdles that hinder the use of stormwater.

10) Provides incentives for the local or regional use of stormwater management and recapture.

11) Support changes that allow local water agencies to request and require federal agencies to evaluate the reoperation of reservoirs to provide an enhancement in water supplies.

12) Support changes in the Water Reform and Development Act (WRDA) to include environmental infrastructure projects as projects the Army Corps of Engineers must consider in its Report to Congress.

13) Allows Investor Owned Utilities to invest in redundancy and reliability projects.

It is MWDOC's policy to oppose legislation or regulation that:

1) Restricts a local governmental agency's ability to develop their local resources in a manner that is cost-effective, environmentally sensitive, and protective of public health.

2) Imposes barriers to the safe application of recycled water and continues to define recycled water as a waste.

3) Would make urban water supplies less reliable, or would substantially increase the cost of imported water without also improving the reliability and/ or quality of such water.

4) Restricts or limits a local governmental agency's ability to establish local priorities for water resources planning decisions.

5) Reduces a local agency's ability to fully benefit from local investments in drought-proof or emergency water supplies during water shortages.

WATER USE EFFICIENCY

It is MWDOC's policy to support legislation and regulation that:

1) Furthers the statewide goal of a 20% reduction in per capita water use by 2020 as set forth in SBx7-7, enacted in November 2009.

2) Would allow flexibility and options for compliance in achieving statewide water reduction goals.

3) Seeks to cost-effectively improve water efficiency standards for water-using devices.

- 4) Provides loans and grants to fund incentives for water conserving devices or practices.
- 5) Advances and ensures accurate reporting of the implementation of water efficiency measures of the Best Management Practices (BMPs) for the California Urban Water Conservation Council's Memorandum of Understanding.
- 6) Reasonably improves landscape water use efficiency and Commercial, Institutional and Industrial (CII) water use efficiency programs while preserving community choice and the local economy.
- 7) Encourages stakeholders to investigate and develop regionally appropriate statewide landscape water conservation standards and regulations that incorporate local land use and climate factors.
- 8) Provides incentives, funding, and other assistance where needed to facilitate market transformation and gain wider implementation of water-efficient indoor and outdoor technologies and practices.
- 9) Provides incentives, funding, and other assistance where needed to facilitate water use efficiency partnerships with the energy efficiency sector.
- 10) Recognizes past investments in water use efficiency measures, especially from the demand hardening perspective.

It is MWDOC's policy to oppose legislation or regulations that:

- 1) Fails to ensure balance in the implementation of water efficiency practices and requirements for both urban and agricultural use.
- 2) Would repeal cost-effective efficiency standards for water-using devices.
- 3) Diminishes local agency control or flexibility in implementing water efficiency practices or standards.
- 4) Places unreasonable conservation measures on commercial, industrial and institutional customers that would negatively impact or limit the potential for economic growth.
- 5) Fails to recognize the importance of both water use efficiency and water supply development.

WATER QUALITY

It is MWDOC's policy to support:

- 1) Legislation that protects the quality of surface water and groundwater including the reduction of salt loading to groundwater basins.
- 2) Funding that helps agencies meet state and federal water quality standards.

3) The establishment and/ or implementation of standards for water-borne contaminants based on sound science and with consideration for cost-effectiveness.

It is MWDOC's policy to oppose:

- 1) Legislation that could compromise the quality of surface water and groundwater supplies.
- 2) Legislation that establishes and/ or implements standards for water-borne contaminants without regard for sound science or consideration for cost effectiveness.
- 3) Projects that negatively impact the water quality of existing local supplies.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

It is MWDOC's policy to oppose legislation that:

- 1) Compromises the existing governance structure and the representation of member agencies on the Metropolitan Water District Board of Directors.
- 2) Would restrict MET's rate-making ability.

WATER TRANSFERS

It is MWDOC's policy to support legislation and regulation that:

- 1) Encourages and facilitates voluntary water transfers.
- 2) Provides appropriate protection or mitigation for impacts on the environment, aquifers, water-rights holders and third-parties to the transfer including those with interests in the facilities being used.
- 3) Legislation that encourages transfers which augment existing water supplies, especially in dry years.

It is MWDOC's policy to oppose legislation or regulation that:

- 1) Undermines the operations and maintenance of the conveyance system conveying the water.
- 2) Interferes with the financial integrity of a water utility and compromises water quality.
- 3) Increases regulatory or procedural barriers to water transfers at the local or state level.

WATER INFRASTRUCTURE FINANCING

It is MWDOC's policy to support legislation and regulation that:

- 1) Employs a "beneficiary pays" principle that establishes a clear nexus between the cost paid to the direct benefit received. Likewise, those who do not benefit from a particular project or program should not be required to pay for them.
- 2) Establishes grants or other funding opportunities for local and regional water infrastructure projects.
- 3) Considers local investments made in infrastructure, programs, mitigation and restoration in determining appropriate cost shares for water infrastructure investments.
- 4) Would reduce the cost of financing water infrastructure planning and construction, such as tax-credit financing, tax-exempt municipal bonds, Water Resources Development Act (WRDA), Water Infrastructure Finance Innovation Act (WIFIA), the Environmental Infrastructure Accounts and other funding mechanisms.

It is MWDOC's policy to oppose legislation or regulation that:

- 1) Establishes a fee or tax that does not result in a clear benefit to the District, its member agencies, and their customers.
- 2) Would reduce the total available water infrastructure financing measures such as WIFIA, state-revolving funds, and others.

ENERGY

It is MWDOC's policy to support legislation or regulation that:

- 1) Facilitates the development and expansion of clean, renewable energy in California, including hydropower.
- 2) Supports water supply reliability as the primary focus of water agencies and energy intensity of water supplies as a secondary factor.
- 3) Recognizes the role and value of the water industry investment in water use efficiency and therefore recognizes WUE efforts towards greenhouse gas reduction, including funding such activities.
- 4) Recognizes hydroelectric power as a clean, renewable energy source and that its generation and use meets the greenhouse gas emission reduction compliance requirements called for in the Global Warming Solutions Act of 2006 (AB 32).
- 5) Facilitates voluntary and cost effective local investments in renewable energy, energy management and storage, and energy efficiency which improve the water-energy nexus and reduce local agency costs.

FISCAL POLICY

It is MWDOC's policy to support legislation or regulation that:

1) Requires the federal and state governments to provide a subvention to reimburse local governments for all mandated costs or regulatory actions.

It is MWDOC's policy to oppose legislation or regulation that:

- 1) Is inconsistent with the District's current investment policies and practices.
- 2) Pre-emptes the District's ability to impose or change water rates, fees, or assessments.
- 3) Impairs the District's ability to maintain levels of reserve funds that it deems necessary and appropriate.
- 4) Impairs the District's ability to provide services to its member agencies and ensure full cost recovery.
- 5) Makes any unilateral reallocation of District revenues, or those of its member agencies, by the state unless the state takes compensatory measures to restore those funds.
- 6) Would impose mandated costs or regulatory constraints on the District or its member agencies without reimbursement.
- 7) Mandates a specific rate structure for retail water agencies.
- 8) Imposes a "public goods charge" or "water tax" on public water agencies or their ratepayers.

GOVERNANCE

It is MWDOC's policy to support legislation or regulation that:

1) Advances good government practices and public transparency measures in a manner that does not take a "one-size fits all" approach, respects local government control, and facilitates technological efficiencies to meet state reporting and disclosure requirements.

It is MWDOC's policy to oppose legislation or regulation that:

- 1) Advances local government reform measures by imposing unnecessarily broad burdens upon all local governments, particularly when there is no demonstration of rampant and wide-spread violations of the public trust.
- 2) Shifts state programs, responsibilities and costs to local governments without first considering funding to support the shift.

- 3) Seeks to limit or rescind local control.
- 4) Reduces or diminishes the authority of the District to govern its affairs.
- 5) Imposes new costs on the District and the ratepayers absent a clear and necessary benefit.
- 6) Resolves state budget shortfalls through shifts in the allocation of property tax revenue or through fees for which there is no direct nexus to benefits received.

PUBLIC EMPLOYEE PENSION REFORM

It is MWDOC's policy to support legislation that:

- 1) Seeks to contain or reform public employee pension and other post-employment benefit (OPEB) cost obligations that are borne by public agencies via taxpayers and ratepayers.



ACTION ITEM
September 20, 2017

TO: Board of Directors

FROM: **Public Affairs & Legislation Committee**
(Directors Tamaribuchi, Dick & Yoo Schneider)

Robert Hunter
General Manager

Staff Contact: Damon Micalizzi

SUBJECT: Authorization to Contract for Social Media Consulting Services

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize entering into a contract with HashtagPinpoint Corporation to provide Social Media Consulting Services for the Municipal Water District of Orange County's (MWDOC) strategic outreach initiatives for FY 17/18.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

On July 13, 2017, MWDOC issued a RFP requesting proposals from experienced vendors to provide strategic guidance and technical support in MWDOC's Social Media efforts.

Two firms were interviewed on September 11. Based on these interviews, and following meetings with a review panel comprised of MWDOC staff and an outside industry expert, staff recommends that the District retain the services of HashtagPinpoint Corporation.

DETAILED REPORT

On July 13, 2017, MWDOC issued an RFP requesting proposals from experienced vendors who have demonstrated proficiency in successful social media marketing and strategic digital outreach. The RFP closing was extended and several respected firms were invited to submit. In all, six proposals were received. Those proposals were evaluated by a review

Budgeted (Y/N): Yes	Budgeted amount: \$100,000	Core X	Choice __
Action item amount: \$95,000	Line item: 32-7040		
Fiscal Impact (explain if unbudgeted):			

panel of MWDOC Public Affairs staff, grading each proposal using the following specific criteria:

- Technical Expertise
- Subject Matter Experience
- Examples of Work
- Client List
- Customer Service/Accessibility
- Cost

Based on the scores, the top two consulting firms and the two lowest bidders, HashtagPinpoint Corporation and Circlepoint, were invited for interviews.

The interview panel included four MWDOC representatives from Public Affairs and an outside expert who manages social media for a MWDOC Member Agency.

The Project

As reported last month, the District recently concluded a successful three month pilot with HashtagPinpoint, Corporation during which MWDOC's Facebook following and level of engagement was amplified exponentially. While this trial was specifically tailored to Facebook, the current RFP expands the scope to all of the District's Social Media and digital endeavors. The recommended consultant also demonstrated proficiency in all of the other Social Media Channels (Twitter, Instagram, YouTube, Snapchat, etc.), in addition to offering other tools and services that none of the other proposals presented.

Recommendation

Based on interviews conducted with top two final vendors, multiple discussions with the interview panel, a thorough comparison of proposal components, and the consultant's previously demonstrated success, staff recommends that the Board of Directors authorize entering into a contract with the lowest bidder, HashtagPinpoint Corporation to provide Social Media Consulting Services for FY 2017/18.

A project schedule, and proposed scope of work has been attached for review.

HashtagPinpoint®

#P™ BACKGROUND

HashtagPinpoint® was founded by Pasquale Talarico and Kevin Perkins in 2014 providing social media services to political campaigns and other publicly accountable entities. Since then, **#P™** has developed an array of strategic communication services and tools that allow its clients to deliver the right message, to the right person, at the right time:

- **Advocacy Network** – Specialized network of advocacy pages bringing together engaged and ravenous followers of a given topic, idea, or cause
- **Social Automation** – Automation tools to capture, review, post and a variety of other actions with the vast amounts of content on the internet
- **Sentiment Analysis** – Listening tools to help understand what's happening with your—or your competitor's—brand or products
- **Political Campaigns** – Election ops for Political Action Committees, Independent Expenditures, and candidates
- **Trend Forecasting** – Experienced team of social media analysts to help make sense of data and assumptions
- **Online Voter Registration** – Secure website registration for State voter systems
- **Media Buying** – Advanced media procurement by social media professionals
- **Online Fundraising** – Fundraising emails, forms, collections & reporting
- **Content Production** – Video production for 15-30-45-60 sec, long-form content

MWDOC OBJECTIVES

MWDOC's interest in driving awareness about water management is challenging and complex. There are many issues at hand: water rights, transport, infrastructure, billing, quality, ecological impact, politics, outreach and conservation.

MWDOC seeks to drive awareness in the following ways:

1. **Elevate** – Raise public's awareness about water issues in Orange County
2. **Advance** – Educate the public on MWDOC's role in bringing reliable and sustainable water to Orange County
3. **Attain** – Make MWDOC the definitive water voice in Orange County
4. **Discuss** – Enter into constructive conversations about water and its use
5. **Increase** – Profess the efficient use of water throughout Orange County
6. **Educate** – Simplify the challenges and complexities of delivering reliable water to Southern California so that all demographics understand
7. **Refer** – Curate interesting information from other water related resources
8. **Engage** – Develop dialog to listen, discuss, and share feedback to the community

HashtagPinpoint®

TASK #1 – REVIEW AND REPORT ON EXISTING SOCIAL MEDIA

The Consultant will conduct a thorough review of MWDOC's existing social media channels to assess current engagement, including the number of "likes," "followers," and other social media metrics. Through the course of this review, opportunities and best practices will be surfaced.

WHAT #P WILL DO

After reviewing the current state of MWDOC's social media, #P will:

- Generate an impact report showing MWDOC followers, reach and engagement
- Develop an empirical return on investment recommendation for which platforms to use/not use

Here is a sample of the analysis #P has provided to its clients:



The following is the estimated breakdown of hours, due date, and personnel involved with completing Task #1:

TASK 1 BREAKDOWN	
Estimated Hours:	40 hours
Completed Date:	October 15, 2017
Performed By:	Kevin Perkins*

** See "Principals" section for team bios*

TASK #2 – CREATE SOCIAL MEDIA POLICIES AND CONTENT GUIDE

The Consultant will work with MWDOC staff to review any existing social media policies, and produce new policies and content guidelines for all social media platforms. This shall include post types, writing styles, frequency, and public commentary policy on MWDOC platforms.

WHAT #P WILL DO

After reviewing any existing social media policies with MWDOC staff, #P will generate a content guide that will:

- Show best practices in addressing the variety of MWDOC audiences
- List examples that can be used as a template for future posts
- Utilize a professional social media scheduling tool, and what frequency to generate posts for maximum impact
- Illustrate the use of organic outreach and explain the importance of connecting within—and outside of—the industry
- Work with staff to coordinate important industry events with its social outreach

HashtagPinpoint[®]

Following are examples of the best practices mentioned above:



HashtagPinpoint[®]

The following is the estimated breakdown of hours, due date, and personnel involved with completing Task #2:

TASK 2 BREAKDOWN	
Estimated Hours:	80 hours
Completed Date:	November 1, 2017
Performed By:	Kevin Perkins

TASK #3 – SET REALISTIC GOALS FOR INCREASED ONLINE PRESENCE

The Consultant will use the content guide and policy framework it creates to increase MWDOC's social presence. Working with staff, an acceptable increase in activity (new followers, shares, and other measures) will be determined.

WHAT #P WILL DO

Once realistic goals (percentage or numerical increase) have been established for each social media platform, #P will set reasonable milestones to achieve.

Here is an example of a three-month trial:



HashtagPinpoint®

The following is the estimated breakdown of hours, due date, and personnel involved with completing Task #3:

TASK 3 BREAKDOWN	
Estimated Hours:	40 hours
Completed Date:	November 15, 2017
Performed By:	Kevin Perkins

TASK #4 – PRODUCE CONTENT TO GROW SOCIAL MEDIA PRESENCE

The Consultant will generate content that achieves the goals that get established by staff in TASK 3. The exact number of posts will be determined; but a minimum of 150 posts on each of the identified social media platforms is contemplated.

WHAT #P WILL DO

HashtagPinpoint will produce and curate content that supports the objectives MWDOC seeks to accomplish. As an example, #P would grow MWDOC's user base and create more engagement with the following topics:

- California WaterFix, EcoRestore
- Conservation information
- Community outreach & education programs
- Rate information
- Preventative maintenance
- Industry partner posts
- Rebate information
- Whiteboard/learning videos
- Gardening tips
- Contests
- Events
- Spanish & Vietnamese posts
- and more

HashtagPinpoint®

The following are #P examples of a recent water industry client:



HashtagPinpoint®

The following is the estimated breakdown of hours, due date, and personnel involved with completing Task #4:

TASK 4 BREAKDOWN	
Estimated Hours:	800 hours
Completed Date:	June 30, 2018
Performed By:	Kevin Perkins, Pasquale Talarico & Tim Kearns

TASK #5 – REPORTING ON PROJECT PROGRESS

The Consultant will provide monthly reports indicating the project's progress. The Consultant will also attend MWDOC Board of Director meetings quarterly, making themselves available for questions from MWDOC staff and leadership. Consultant will include a summary of current social media trends with the monthly reporting.

WHAT #P WILL DO

MWDOC will be assigned a dedicated #P account manager (AM) to execute the day-to-day aspects of this project, and provide a constant line of communication. In addition, MWDOC will be able to contact/leave a message with its AM at any time via #P's instant messaging tool ("Slack"). Someone from #P will respond within an hour during normal business hours.

MWDOC may also choose to receive more frequent updates than monthly. These updates would be similar in content to the examples listed in Task #2, and emailed daily, weekly, or monthly—directly to each subscriber's inbox.

The following is the estimated breakdown of hours, due date, and personnel involved with completing Task #5:

TASK 5 BREAKDOWN	
Estimated Hours:	40 hours
Completed Date:	Ongoing
Performed By:	Kevin Perkins, Pasquale Talarico & Tim Kearns

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SUMMARY

Item	Description	Estimated Hours	Completed Date	Performed By:
TASK #1	REVIEW AND REPORT ON EXISTING SOCIAL MEDIA	40	October 15, 2017	Kevin Perkins
TASK #2	CREATE SOCIAL MEDIA POLICIES AND CONTENT GUIDE	80	November 1, 2017	Kevin Perkins
TASK #3	SET REALISTIC GOALS FOR INCREASED ONLINE PRESENCE	40	November 15, 2017	Kevin Perkins
TASK #4	PRODUCE CONTENT TO GROW SOCIAL MEDIA PRESENCE	800	June 30, 2018	Kevin Perkins, Pasquale Talarico & Tim Kearns
TASK #5	REPORTING ON PROJECT PROGRESS	40	Ongoing	Kevin Perkins, Pasquale Talarico & Tim Kearns
TOTAL:		1000		

Based on the Summary of tasks, 1,000 hours are contemplated with a blended rate (Partner, Account Manager, creative AND scheduled media buys) of \$95/hour, or \$95,000. If there are change orders or special circumstances that require heavy ad spend or additional labor, #P estimates an additional 20% would be needed for exigencies.

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TEAM – PRINCIPALS



Kevin Perkins

*Founding Partner
Advocacy, Water*

Kevin Perkins has been a technology entrepreneur since the early 1990s. Since that time, he has built a variety of applications for many industries: insurance, content management, banking/finance, sports, ecommerce, waste management, medical, advertising, mobile and more. He is a key figure in (5) software patent processes.

In 2017, Kevin helped build the CA Drought Monitor, CA Agg Monitor & other ravenous communities to evangelize the ways water affects everyone in California.

Bio: <http://hashtagpinpoint.com/employees/kevin-perkins/>



Pasquale Talarico

*Founding Partner
Advocacy, Politics*

Pasquale Talarico has been active in Orange County public affairs for the last 10 years. He's considered an expert in social messaging, strategy and execution. Talarico has also lead numerous local and State political campaigns. He is a sought-after speaker and thought leader around extending Facebook well beyond how the average person uses the platform for promotion.

Pasquale is a trusted advisor to government, churches and not-for-profit organizations at the local, state and national levels. Pasquale has a Bachelor of Arts from California State University, Fullerton.

Bio: <http://hashtagpinpoint.com/employees/pasquale-talarico/>

**INFORMATION ITEM**

September 18, 2017

TO: Board of Directors**FROM:** **Public Affairs and Legislation Committee**
(Directors Tamaribuchi, Dick and Yoo Schneider)Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: LITTLE HOOVER COMMISSION REPORT ON SPECIAL DISTRICTS**STAFF RECOMMENDATION**

Staff recommends the Board of Directors receive and file report.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

As previously reported to this Committee, the Little Hoover Commission has been conducting a study on special districts for the last year. They held a number of public hearings and advisory committee meetings in both 2016 and 2017. These hearings provided an overview of special districts and their role in the state; focused on special districts' climate change adaptation efforts; and on how healthcare districts are rethinking their roles and relevance in an era that has favored preventative care over traditional hospital care –the original reason for the existence of California healthcare districts.

The findings of the study on special districts and final published report was expected to be published in spring 2017. At the February 2017 meeting, (now former) Commissioner Scott Barnett suggested special districts should have a sunset date and should be required to hold an election every 10 years to reauthorize their existence. Following discussion by Commissioners, staff was directed to table the report and consider holding additional hearings on special districts before issuing a final report.

Budgeted (Y/N): n/a	Budgeted amount: n/a	Core X	Choice
Action item amount: None	Line item:		
Fiscal Impact (explain if unbudgeted):			

At its August 24 business meeting, the Little Hoover Commission unanimously voted to approve its final report on special districts, adopting 20 formal recommendations. These recommendations largely address the concerns the California Special Districts Association (CSDA) shared in its July 13 letter, submitted following the Commission's June 22 advisory committee meeting. The full Little Hoover Commission report is divided into four sections:

- Appropriate State Oversight
- Improving Transparency
- What Role for Healthcare Districts?
- Readying California for Climate Change

Each section of the report includes a narrative and excerpts from the written and oral testimony offered by witnesses throughout the Commission's review. In his cover letter to the report, Little Hoover Commission Chair Pedro Nava, states, "During its study process, the Commission discussed some rather extreme solutions that generated intense interest. Through a very robust public process, however, the Commission ultimately concluded that local institutions are best served by local decision-making."

Nava also notes in his cover letter that, "The Commission found some progress but also saw a missed opportunity for special districts – many have a great story to tell. Very rarely are taxpayer dollars so closely tied to services provided in the community. And still people do not seem to know much about these local governments and their locally-elected boards."

Later in his letter, Nava affirms, "The Commission found significant improvements since its last review in the way that districts communicate their activities and finances with their constituents although not every district has a website."

The full report can be found [here](#).

Also attached for your review:

- Little Hoover Commission Report, Executive Summary
- CSDA July 13 letter to Little Hoover Commission

EXECUTIVE SUMMARY

Special districts, the workhorses of public service delivery created by the California Legislature during the earliest days of statehood, represent the most common form of local government. They have prevailed through endless upheaval as California morphed from a state of rural open spaces into one of the world's most powerful economic engines and home to nearly 40 million people. Today special districts generate some \$21 billion in annual revenues and employ more than 90,000 local government workers.ⁱ

In 2016 and 2017, the Little Hoover Commission reviewed and analyzed California's 2,071 independent special districts and the State of California's role and responsibility in overseeing them.ⁱⁱ The Legislature not only created special districts and enacted the practice acts by which they are governed, but it retained the power to create new districts and also to dissolve them. In the early 1960s, the Legislature had the foresight to develop a local oversight mechanism, Local Agency Formation Commissions (LAFCOs) tasked with bringing more rational planning practices and reining in inappropriate growth by considering local government boundary decisions. LAFCOs have the authority to initiate dissolutions and consolidations of special districts, although ultimately local voters have the final say. The process is slow -- intentionally slow according to some --and occasionally frustrated parties attempt to bypass the local process by taking issues directly to the Legislature. This tension, in part, prompted the Commission to update its 2000 review of special districts to consider whether the local oversight process works as intended or whether a different process or a greater role for the Legislature would be more effective.

The Commission's review broke new ground, but also revisited issues first identified in its May 2000 report, *Special Districts: Relics of the Past or Resources for the Future?* The 2000 report declared that California's expansive special district sector often amounted to a poorly overseen and largely invisible governing sector serving residents who know little about who runs them or what they pay in taxes to sustain them. The Commission nearly two decades ago questioned the soundness of special districts' financial management and asked if their numbers might be pared back through consolidations.

Yet Commissioners also acknowledged in their 2000 analysis that special districts provide Californians valuable services and are "physically closest to their communities." The Commission concluded that despite its range of criticisms, special districts should remain, in the end, local institutions best served by local decision-making.

In its newest review the Commission heard from some who still contend that special districts are ripe for consolidation and represent convoluted, dispersed, under-the-radar government. Frustrated with the local oversight process, various local special district issues percolated up into bills in the 2015-16 legislative session as the Commission began its study, potentially signifying that the current system of oversight fails to work as well as intended.

In this review, the Commission found special districts themselves could do a better job of telling their own story to overcome the stigma that they function as hidden government. During an advisory

committee meeting, Chair Pedro Nava encouraged special districts to “tell your story.” There are very few government entities in a position to let people know that they work directly for the public and that the taxes and fees they collect fund local services, he said.

In testimony, the Commission also learned that despite the perception that special districts continue to proliferate in California, the number of special districts has declined 5 percent since 1997, while the number nationally increased by 10 percent.ⁱⁱⁱ Thirty-three states have more special districts per capita than California. Despite frequent calls for dissolving or consolidating these local governments, special districts seem to have pluses that render them tolerable to those they govern and able to forestall movements to purge them or fold their work into city and county governments.

The Commission’s 2016-2017 review delved into four primary arenas concerning special districts:

- Oversight of special districts, specifically, opportunities to bolster the effectiveness of Local Agency Formation Commissions (LAFCOs).
- The continued need for districts to improve transparency and public engagement.
- The frequently-controversial evolution of California’s healthcare special districts, which in the 1940s and 1950s built a far-ranging system of hospitals that are mostly now gone due to a tremendous transformation in healthcare from hospitalization to preventive care.
- The urgency of climate change adaptation in California and the front-line roles that special districts, particularly water, wastewater treatment and flood control districts, play in preparing their communities and defending them from harm.

Toward Higher-Quality Local Control

As in 2000, the Commission held fast to the concept that special districts are essentially local institutions. Whether their individual endeavors are praised or panned, special districts seemingly reflect the wishes of local voters. They also reflect the politics of LAFCOs, unique oversight bodies in each county with authority to judge their performances and recommend whether they should continue to exist. The Commission again determined that LAFCOs should be the leading voice on the status of special districts in California – and that they need more tools to do the job well.

Commissioners perplexed by the seemingly slow progress in dissolutions and consolidations at one point during the study asked if a lack of money prevented LAFCOs and special districts from initiating consolidations or conducting the mandated Municipal Service Reviews that can identify opportunities for improved efficiency in service delivery. A chorus of stakeholders suggested a small, one-time infusion of grant funding, tied to specified outcomes to ultimately improve efficiency and save taxpayer dollars, was indeed warranted. They also called for various statutory changes that could bolster the effectiveness of LAFCOs.

Clearly, special districts can be improved. Given the routine front-line services they provide, the historic climate challenges these districts face in keeping California stable, as well as the need to provide the best possible healthcare to millions of residents, LAFCOs and the state have obligations to see that they succeed. To that end, the Commission offers 20 recommendations to guide the Legislature and

Governor going forward. The first eight of those recommendations address the basic structure and governing issues revolving around special districts:

Recommendation 1: The Legislature and the Governor should curtail a growing practice of enacting bills to override LAFCO deliberative processes and decide local issues regarding special district boundaries and operations.

The Legislature and Governor have reason to be frustrated with slow and deliberative LAFCO processes. But these are local institutions of city, county and special district members often better attuned to local politics than those in the State Capitol. Exemptions where the Legislature gets involved should be few, and in special cases where the local governing elites are so intransigent or negligent – or so beholden to entrenched power structures – that some higher form of political authority is necessary.

Recommendation 2: The Legislature should provide one-time grant funding to pay for specified LAFCO activities, to incentivize LAFCOs or smaller special districts to develop and implement dissolution or consolidation plans with timelines for expected outcomes. Funding should be tied to process completion and results, including enforcement authority for corrective action and consolidation.

The Commission rarely recommends additional funding as a solution. However, a small one-time infusion of \$1 million to \$3 million in grant funding potentially could save California taxpayers additional money if it leads to streamlined local government and improved efficiency in service delivery. This funding could provide an incentive for LAFCOs or smaller districts to start a dissolution or consolidation process. Participants in the Commission's public process suggested the Strategic Growth Council or Department of Conservation could administer this one-time funding.

Recommendation 3: The Legislature should enact and/or the Governor should sign SB 448 (Wieckowski) which would provide LAFCOs the statutory authority to conduct reviews of inactive districts and to dissolve them without the action being subject to protest and a costly election process. (Bill is in Assembly Appropriations as of 8-1-17)

There has been no formal review to determine the number of inactive special districts – those that hold no meetings and conduct no public business. Rough estimates gauge the number to be in the dozens. Simplifying the LAFCOs' legal dissolution process would represent a significant step toward trimming district rolls in California. The Commission supports SB 448 and encourages the Legislature to enact the measure and for the Governor to sign the bill.

Recommendation 4: The Legislature should enact and/or the Governor should sign AB 979 (Lackey), co-sponsored by the California Special Districts Association and the California Association of Local Agency Formation Commissions. The bill would strengthen LAFCOs by easing a process to add special district representatives to the 28 county LAFCOs where districts have no voice. (Bill is on Assembly Floor as of 8-1-17)

The Cortese-Knox-Hertzberg Reorganization Act of 2000 (AB 2838, Hertzberg) provided the option to add two special district members to county LAFCOs to broaden local governing perspectives. Nearly two decades later, 30 counties have special district representatives on their LAFCOs alongside city council members and county supervisors. This change provides LAFCOs a more diverse decision-making foundation and stronger finances. But 28 counties, mostly in rural California have not added special district representatives to their LAFCO governing boards, citing scarce resources. Presently, a majority of a county's special districts must pass individual resolutions within one year supporting a change. This has repeatedly proved itself a formidable obstacle to broadening the outlook of local LAFCOs. AB 979 (Lackey) would allow a simple one-time election process where districts could easily – and simultaneously – decide the question.

Recommendation 5: The Legislature should adopt legislation to give LAFCO members fixed terms, to ease political pressures in controversial votes and enhance the independence of LAFCOs.

The California Association of Local Agency Formation Commissions testified on August 25, 2016, that individual LAFCO members are expected to exercise their independent judgment on LAFCO issues rather than simply represent the interests of their appointing authority. But this is easier said than done when representatives serve on an at-will basis. The CALAFCO hearing witness said unpopular votes have resulted in LAFCO board members being removed from their positions. Fixed terms would allow voting members to more freely exercise the appropriate independence in decision-making.

Recommendation 6: The Legislature should convene an advisory committee to review the protest process for consolidations and dissolutions of special districts and to develop legislation to simplify and create consistency in the process.

Complicated and inconsistent processes potentially impact a LAFCO's ability to initiate a dissolution or consolidation of a district. If 10 percent of district constituents protest a LAFCO's proposed special district consolidation, a public vote is required. If a special district initiates the consolidation, then a public vote is required if 25 percent of the affected constituents protest. Additionally, the LAFCO must pay for all costs for studies and elections if it initiates a consolidation proposal, whereas the district pays these costs if it proposes or requests the consolidation. Various participants in the Commission's public process cautioned against setting yet another arbitrary threshold and advised the issue warranted further study before proposing legislative changes. They called for more consistency in the process.

Recommendation 7: The Legislature should require every special district to have a published policy for reserve funds, including the size and purpose of reserves and how they are invested.

The Commission heard a great deal about the need for adequate reserves, particularly from special districts with large infrastructure investments. The Commission also heard concerns that reserves were too large. To better articulate the need for and the size of reserves, special districts should adopt policies for reserve funds and make these policies easily available to the public.

Recommendation 8: The State Controller's Office should standardize definitions of special district financial reserves for state reporting purposes.

Presently, it is difficult to assess actual reserve levels held by districts that define their numbers one way and the State Controller's Office which defines them another way. The State Controller's Office is working to standardize numbers following a year-long consultation with a task force of cities, counties and special districts. To improve transparency on reserves, a subject that still eludes effective public scrutiny, they should push this project to the finish line as a high priority.

Improving Transparency and Public Involvement

Because there are thousands of special districts in California, performing tasks as varied as managing water supply to managing rural cemeteries, the public has little practical ability to ascertain the functionality of special districts, including the scope of services these local districts provide, their funding sources, the use of such funds and their governance structure. Although publicly elected boards manage independent special districts, constituents lack adequate resources to identify their local districts much less the board members who collect and spend their money.

The Commission saw a number of opportunities for special districts to do a better job communicating with the public, primarily through improvements to district websites and more clearly articulating financing policies, including adopting and making publicly available fund reserve policies. Existing law requires special districts with a website to post meeting agendas and to post or provide links to compensation reports and financial transaction reports that are required to be submitted to the State Controller's Office. The State Controller's Office – despite having a software platform from the late 1990s – attempts to make all the information it receives as accessible as possible.

Many special districts already utilize their websites to effectively communicate with their constituents and voluntarily follow the nonprofit Special District Leadership Foundation's transparency guidelines and receive the foundation's District Transparency Certificate of Excellence. But often, these districts are the exception and not the rule. The Commission makes three recommendations to improve special district transparency and to better engage the public served by the districts:

Recommendation 9: The legislature should require that every special district have a website.

Key components should include:

- ✓ ***Name, location, contact information***
- ✓ ***Services provided***
- ✓ ***Governance structure of the district, including election information and the process for constituents to run for board positions***
- ✓ ***Compensation details – total staff compensation, including salary, pensions and benefits, or a link to this information on the State Controller's website***

- ✓ ***Budget (including annual revenues and the sources of such revenues, including without limitation, fees, property taxes and other assessments, bond debt, expenditures and reserve amounts)***
- ✓ ***Reserve fund policy***
- ✓ ***Geographic area served***
- ✓ ***Most recent Municipal Service Review***
- ✓ ***Most recent annual financial report provided to the State Controller's Office, or a link to this information on the State Controller's website***
- ✓ ***Link to the Local Agency Formation Commission and any state agency providing oversight***

Exemptions should be considered for districts that fall under a determined size based on revenue and/or number of employees. For districts in geographic locations without reliable Internet access, this same information should be available at the local library or other public building open and accessible to the public, until reliable Internet access becomes available statewide.

Building on this recommendation, every LAFCO should have a website that includes a list and links to all of the public agencies within each county service area and a copy of all of the most current Municipal Service Reviews. Many LAFCOs currently provide this information and some go further by providing data on revenues from property taxes and user fees, debt service and fund balance changes for all the local governments within the service area. At a minimum, a link to each agency would enable the public to better understand the local oversight authority of LAFCOs and who to contact when a problem arises.

Recommendation 10: The State Controller's Office should disaggregate information provided by independent special districts from dependent districts, nonprofits and joint powers authorities.

Over the course of this study, the Commission utilized data available on the State Controller's website to attempt to draw general conclusions about independent special districts, such as overall revenues, number of employees and employee compensation. Presently, it is difficult to do this without assistance as information for independent districts is mixed with various other entities.

Recommendation 11: The California Special Districts Association, working with experts in public outreach and engagement, should develop best practices for independent special district outreach to the public on opportunities to serve on boards.

The Commission heard anecdotally that the public does not understand special district governance, does not often participate or attend special district board meetings and often does not know enough about candidates running to fill board positions. Often, the public fails to cast a vote for down-ballot races. Two county registrars provided the Commission information that showed in many instances those who voted for federal or statewide offices did not vote for local government officials at the same rate, whether they were city council positions, special district positions or local school or community college district positions.

What is the Role for Healthcare Districts?

The Commission found in its review that special districts were as diverse as the services provided and the millions of Californians served. To gain deeper insight on one type of local government service provider, the Commission took a closer look at an often-controversial group: healthcare districts that no longer operate hospitals. These entities struggle to explain their relevance within the rapidly evolving healthcare industry, which emphasizes preventative care over hospitalization. Amid uncertainty about the future of the Affordable Care Act, many of these districts claim they are carving out new roles in preventative care. Yet the Legislature, local grand juries, LAFCOs and healthcare analysts continue to question their relevance and need to exist. Presently, just 38 of 79 California healthcare districts operate 39 hospitals, mostly in rural areas with few competitors or other alternatives – and few suggest the need to dissolve those districts.

Controversy tends to afflict districts in former rural areas that became suburbanized in recent decades and grew into competitive healthcare markets. The 2015-16 legislative session included a rash of legislation that considered whether to force district dissolutions or modify district boundaries – even though those decisions are the responsibility of LAFCOs. Nonetheless, most healthcare districts officials continue to maintain they are more flexible than counties in defining priorities and are pioneering a new era of preventative care under the umbrella of “wellness.” Officials say their districts are misunderstood by critics who lack understanding about how much the healthcare landscape is changing. They also say that local voters generally support their local missions and how they allocate their share of property taxes in the community.

As part of its special districts review, the Commission convened a two-hour advisory committee with experts to shed light on healthcare districts. During the course of the Commission’s study, the Association of Healthcare Districts convened a workgroup to develop recommendations, in part, in response to legislative scrutiny. These recommendations were considered and discussed during the November advisory committee meeting. Participants analyzed whether counties or healthcare districts are best positioned as local and regional healthcare providers and discussed the role of LAFCOs in consolidating, dissolving or steering healthcare districts toward more relevant roles. During the meeting Commissioners also pushed districts to share and adopt best practices and define better metrics to measure what they are accomplishing with their shares of local property taxes. Three Commission recommendations arose from the discussion as well as numerous interviews with experts during the study:

Recommendation 12: The Legislature should update the 1945 legislative “practice acts” that enabled voters to create local hospital districts, renamed healthcare districts in the early 1990s.

Experts widely agree that statutory language in the acts no longer reflects the evolution of healthcare during the past seventy years, particularly the shift from hospital-based healthcare to modern preventive care models.

Recommendation 13: The Legislature, which has been increasingly inclined to override local LAFCO processes and authority to press changes on healthcare districts, should defer these decisions to LAFCOs.

LAFCOs have shown successes in shaping the healthcare district landscape and should be the primary driver of change. Given the controversies over healthcare districts, the California Association of Local Agency Formation Commissions and LAFCOs should be at the forefront of studying the relevance of healthcare districts, potential consolidations and dissolutions of districts. To repeat a theme of Recommendation 1, the Legislature should retain its authority to dissolve healthcare districts or modify boundaries, but this authority should be limited to cases in which local political elites are so intransigent or negligent – or so beholden to local power structures – that some form of higher political authority is deemed necessary.

Recommendation 14: The Association of California Healthcare Districts and its member districts should step up efforts to define and share best practices among themselves.

A Commission advisory committee meeting discussion clearly showed that not enough thought or interest has been assigned to sharing what works best in rural, suburban and urban areas among members. The association should formally survey its members and collectively define their leading best practices and models for healthcare, as well as guidelines to improve the impacts of grantmaking in communities.

Front-line Roles for Climate Change Adaptation

At the Commission's August 25, 2016, hearing, Chair Pedro Nava asked a simple question of special district attendees vigorously defending their need for robust reserve funds: How are they assessing future climate change impacts when amassing reserves for long-range infrastructure spending? That question, rooted in the Commission's 2014 climate adaptation report *Governing California Through Climate Change*, became the genesis of a deeper exploration of awareness of and preparations for climate change among special districts. In an October 27, 2016, hearing focused on special districts efforts to adapt to climate change, the Commission learned that:

- Special districts, even while vastly outnumbering cities and counties in California, have generally not participated at the levels of cities and counties in the state's emerging climate adaptation information gathering and strategizing. Often that is because they lack land-use authority. Nonetheless, it is critical that their experienced voices be at the table.
- Many larger infrastructure-intensive water, wastewater and flood control districts stand at the forefront nationally in preparing for the varying, changing precipitation patterns – too much or too little water – at the heart of anticipated climate change impacts.

The Commission found it encouraging that many special districts are reducing need for imported water by diversifying supplies and producing vastly more recycled water. Districts also are steering more

stormwater runoff in wet years into groundwater recharge basins for use in dry years. The actions that all agencies must eventually take are already being done by some. The Commission agreed that these leading-edge actions and infrastructure spending strategies represent models for other districts to follow. Accordingly, the Commission makes six recommendations focused on climate change adaptation:

Recommendation 15: The Legislature should place a requirement that special districts with infrastructure subject to the effects of climate change should formally consider long-term needs for adaptation in capital infrastructure plans, master plans and other relevant documents.

Most special districts, especially the legions of small districts throughout California, have their hands full meeting their daily responsibilities. Many have few resources and little staff time to consider long-range issues, particularly those with the heavy uncertainty of climate change adaptation. Making climate change a consideration in developing capital infrastructure plans and other relevant planning documents would formally and legally elevate issues of adaptation and mitigation, especially for districts where immediate concerns make it too easy to disregard the future.

Recommendation 16: The California Special Districts Association (CSDA), in conjunction with its member districts, should document and share climate adaptation experiences with the Integrated Climate Adaptation and Resilience Program's adaptation information clearinghouse being established within the Governor's Office of Planning and Research (OPR). Similarly, CSDA and member districts should step up engagement in the state's current Fourth Assessment of climate threats, a state research project designed to support the implementation of local adaptation activities. The CSDA also should promote climate adaptation information sharing among its members to help districts with fewer resources plan for climate impacts and take actions.

The OPR clearinghouse promises to be the definitive source of climate adaptation planning information for local governments throughout California. At the Commission's October 27, 2016, hearing, an OPR representative invited more district participation in state climate adaptation processes. It is critical that special districts and their associations assume a larger participatory role – both within state government and among their memberships – to expand the knowledge base for local governments statewide.

Recommendation 17: The state should conduct a study – by either a university or an appropriate state department – to assess the effect of requiring real estate transactions to trigger an inspection of sewer lines on the property and require repairs if broken.

The responsibility to safeguard California and adequately adapt to climate change impacts falls on every resident of California. This begins at home with maintenance and upgrading of aging sewer laterals. Requiring inspections and repairs during individual property transactions is an optimum way to slowly rebuild a region's collective wastewater infrastructure in the face of climate change. At the community level, repairs will help prevent excess stormwater during major climate events from overwhelming wastewater systems and triggering sewage spills into public waterways. The Oakland-based East Bay

Municipal Utility District has instituted an ordinance that requires property owners to have their private sewer laterals inspected if they buy or sell a property, build or remodel or increase the size of their water meter. If the lateral is found to be leaking or damaged, it must be repaired or replaced. The state should consider implementing this policy statewide.

Recommendation 18: State regulatory agencies should explore the beginnings of a new regulatory framework that incorporates adaptable baselines when defining a status quo as climate impacts mount.

With climate change what has happened historically will often be of little help in guiding regulatory actions. State regulations designed to preserve geographical or natural conditions that are no longer possible or no longer exist already are creating problems for special districts. Wastewater agencies, for example, face conflicting regulations as they divert more wastewater flows to water recycling for human needs and less to streams historically home to wildlife that may or may not continue to live there as the climate changes. While it is not easy for regulators to work with moving targets or baselines, climate change is an entirely new kind of status quo that requires an entirely new approach to regulation.

Recommendation 19: The California Special Districts Association, and special districts, as some of the closest-to-the-ground local governments in California, should step up public engagement on climate adaptation, and inform and support people and businesses to take actions that increase their individual and community-wide defenses.

Special districts are uniquely suited to communicate with and help prepare millions of Californians for the impacts of climate change. Nearly all have public affairs representatives increasingly skilled at reaching residents through newsletters, social media and public forums. District staff grapple constantly with new ways to increase their visibility. Many will find they can build powerful new levels of public trust by helping to prepare their communities for the uncertainty ahead.

Recommendation 20: The California Special Districts Association and special districts should lead efforts to seek and form regional partnerships to maximize climate adaptation resources and benefits.

Water, wastewater and flood control districts are already bringing numerous agencies to the table to pool money, brainpower and resources for big regional projects. The East Bay Municipal Utility District has arrangements with many Bay Area and Central Valley water agencies to identify and steer water to where it is most needed for routine demands and emergencies alike. The Metropolitan Water District and Sanitation Districts of Los Angeles County also increasingly pool their joint resources to steer more recycled water to groundwater recharge basins for dry years. Likewise, the Santa Clara Valley Water district and other state and federal agencies are collectively planning and funding 18 miles of levees to protect the region from sea level rise. These partnerships among special districts and other government agencies clearly hint at what will be increasingly necessary as climate impacts begin to mount.

ⁱ Jill Kanemasu, Acting Division Chief, Local Government Programs & Services Division, Office of the State Controller Betty T. Yee. May 24, 2017. Written communication.

ⁱⁱ Kyle Packham. Advocacy and Public Affairs Director. California Special Districts Association. Sacramento, CA. July 20, 2017. Written communication.

ⁱⁱⁱ Kyle Packham. Advocacy and Public Affairs Director. California Special Districts Association. Sacramento, CA. August 25, 2016. Written testimony to the Commission.



**California Special
Districts Association**

Districts Stronger Together

July 13, 2017

The Honorable Pedro Nava
Little Hoover Commission
925 L Street, Suite 805
Sacramento, CA 95814

RE: June 22 Roundtable Discussion on Special Districts

Chair Nava:

This letter is intended to follow-up on the potential recommendations discussed at the Little Hoover Commission's (Commission) June 22 roundtable. First and foremost, we would like to once again thank you and your staff for inviting us to participate in the roundtable. We appreciate the open dialogue you and your staff have facilitated throughout your review.

Our feedback is intended to assist in your consideration as to whether the recommendations, as the preamble to the Commission's attached potential recommendations states, "...are helpful, can be implemented or might have unintended consequences." For brevity, this letter primarily focuses on those recommendations for which we would like to reiterate or supplement feedback provided by participants during the roundtable. We have numbered the bullets for reference.

GOVERNANCE

1. Stop overriding LAFCOs

We agree that the Local Agency Formation Commission (LAFCO) process, not the legislative process, is most appropriate for addressing local agency boundaries and organization in a thorough, democratic, and effective manner.

2. One-time grant funding for specified LAFCO activities

One-time grant funding through the State General Fund would offer the most cost-effective means of addressing areas of interest. It would allow for the measurement and analysis of such investments without encumbering taxpayers and ratepayers with ongoing, permanent funding obligations.

3. Divert local property tax to fund LAFCO

The one-time grant funding approach under Potential Recommendation 2 is a more prudent approach. CSDA strongly opposes the diversion of property taxes away from the essential local services for which they were originally approved. A few of the reasons include:

- Not all the agencies overseen by LAFCOs receive property tax revenues. Therefore, the cost or "hit" would be disproportionately borne by certain agencies to fund the review of other agencies. The existing structure by which the LAFCO sets

California Special Districts Association

1112 I Street, Suite 200
Sacramento, CA 95814
toll-free: 877.924.2732
t: 916.442.7887
f: 916.442.7889
www.csda.net

A proud California Special Districts Alliance partner

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

CSDA Finance Corporation
1112 I Street, Suite 200
Sacramento, CA 95814
toll-free: 877.924.2732
f: 916.442.7889

its budget and then charges dues based on each local agency's total revenue is the most fair and equitable way for charging agencies.

- Diverting property taxes would result in an immediate and permanent hit to local services, and/or increases in other local taxes and fees to replace those revenues.
- If the State wants to help local agencies, before contemplating the further diversion of local property taxes, it should restore the billions of dollars in local property tax dollars it has diverted from local agencies via ERAF (educational revenue augmentation fund). Since ERAF was first imposed in 1992, local agencies have lost over \$100 billion to back-fill State General Fund payments for education. In Fiscal-Year 2012-13 alone, cities, counties, and special districts lost \$6.8 billion. Local agencies cannot sustain further erosion of the foundational local revenue base that property taxes provide.

4. Reduce the voice of local residents on LAFCO actions

Ultimately, the residents receiving a local service and paying for the service should choose the service. CSDA respects and values the role of the public in self-determining the local government entities they fund to deliver the services they rely on. Making it more difficult for residents to engage and affect the decisions related to their local services is not a winning democratic solution.

An analysis of the outcomes of the existing protest threshold structure should come before an arbitrary call to simply increase the threshold across the board.

5. Require districts to hold public hearings on completed MSRs

This could increase access to the Municipal Service Review (MSR) process, so long as the language is flexible in allowing the district to place the item on the meeting agenda that makes the most sense for that district to avoid unnecessary costs and constraints.

Based on feedback from our membership, it may be beneficial to add to this recommendation by also requiring LAFCOs to provide affected local agencies with a draft MSR and offering a 45-day comment period prior to the LAFCO approving the final MSR. This would afford affected agencies and the public the opportunity to review the draft and, if appropriate, provide input to the LAFCO before or during its hearing to approve the final MSR. We understand that some LAFCOs undertake this practice as a matter of local policy. However, it is not universally adopted and not required by law.

6. Streamline dissolution of inactive districts and SB 448

CSDA formally adopted a support position on SB 448 (Wieckowski) as amended July 3, 2017, and we support this potential recommendation.

7. Simplify the process for adding special district representation to LAFCO—AB 979

Per our ongoing discussions with the Commission, CSDA and CALAFCO are co-sponsoring AB 979 (Lackey) to accomplish this purpose. It would be helpful to this effort for the Commission to explicitly recommend enactment of AB 979 as part of this recommendation.

8. Require fixed terms for LAFCO commissioners

Based on feedback from our membership, we would advise the fixed-term be worded flexible enough to allow for a mid-term "promotion" from the "alternate" LAFCO commission seat to the regular seat.

TRANSPARENCY

1. LAFCO website requirement

It would seem that the most efficient way of accomplishing this recommendation would be to interconnect the proposed website component with the existing State Controller and State Treasurer reports mandated by state law related to financial transactions and debt, which are already posted to these State websites. If the State is already collecting this information and would like it displayed elsewhere, it should facilitate that effort by simply allowing other entities to link to the existing State websites. This is currently the case for local agency website mandates related to the annual compensation reports and financial transaction reports filed with the State Controller.

2. Reserve fund policy requirement

We agree with this potential recommendation, so long as it is written in a manner that allows for local flexibility in the writing of local policies.

3. Special district website requirement

If the Commission chooses to recommend a statutory website requirement for special districts, we would strongly encourage the Commission write the recommendation to meet the following principles:

- Equal Application – Requirements are applied equitably to all levels and types of local and state government, with modifications only to reflect pertinent differences in specific governance structures.
- Efficiency – Government agencies should be able to carry out transparency efforts with minimal cost impacts to residents, property owners, or taxpayers that could diminish core service delivery. In addition, policies should not create redundant or duplicative transparency efforts. For example, linking to an established authority or clearinghouse on a particular matter is superior to posting a duplicative, stagnant report.
- Presence Above Prescription – The more prescriptive website requirements are, the fewer public agencies will be able to afford compliance. Groups like the Special District Leadership Foundation (SDLF) can establish best practices and continue to encourage districts to do better.
- Size Threshold – There are public agencies that meet a real need for a community yet, given their small budget, small staff, and/or small population, the soft costs associated with maintaining a website simply do not pencil out for the taxpayers and ratepayers from a cost-benefit standpoint. For the same reason, the Legislature established a \$150,000 threshold for annual audit requirements (special districts with annual revenues under \$150,000 are able to utilize cheaper and less frequent accountability alternatives). Perhaps districts under such a threshold could simply be listed on the LAFCO or other county or state website with their name, address, and

phone number. CSDA already does this at www.csda.net through our interactive map of all special districts.

- Access Threshold – Most of us don't think about it, but much of California still lacks dependable internet access. In fact, there are communities served by special districts where there is little-to-zero reliable internet access. Clearly, in these areas, it would be impossible for a district to regularly update a website with the mandates under existing law, let alone the growing number of website mandates. Moreover, even if these districts found a way to comply, the vast majority of their constituents would never be able to benefit from it because they do not personally have internet access. Therefore, agencies headquartered within areas listed by the Public Utilities Commission as unserved should be exempted from any website requirement.
- Delayed Implementation – There should be at least a one-year delayed implementation. It can take up to a year to conduct a proper discovery and implementation process for designing and publishing a website, and agencies will need time to identify the resources, staffing, policies, and systems to adequately update and maintain websites. Not to mention, agencies will need to plan ahead for budgeting, bidding, and contracting purposes.

In early 2017 CSDA's Legislative Committee established a working group to propose proactive policy steps to promote the successful adoption of websites for special districts. At its most recent meeting, the working group supported a statewide website requirement that meets the above conditions.

If the Commission decides to proceed with a recommendation for a statewide website requirement, CSDA strongly encourages the Commission to avoid a top-down, one-size-fits-all approach to mandating the specific content of local agency websites in statute. Instead, the Commission should encourage organizations like SDLF to set guidelines and best practices. This is for a few reasons:

- Evolution of Technology – Websites, and technology in general, evolve much faster than State law, making statute a poor place to micromanage websites. Once a "transparency" law is enacted, it is difficult to amend and nearly impossible to repeal due to the political optics of doing so—even if it is no longer the best public policy.
- Soft Costs Outweigh Hard Costs – Even when small agencies can afford the "hard" costs associated with a website, it is the "soft" personnel costs required to maintain the information on the website that are expensive. Some agencies do not have a single full time staff member, making it impossible to both comply with mounting State mandates *and* do what the residents created the district to do in the first place.
- Know Your Audience – When you design a website, the very first thing you do is choose your audience. The needs and wants of local residents vary significantly from the needs and wants of the State, or various other entities. These needs also vary based on the types of service (water, power, parks and recreation, etc.) residents receive from an agency. Local agencies should have the flexibility to design their sites to fit the needs of their residents. With web-design, *less* is often *more* and cleaner sites result in more use.
 - In looking at the State mandated enterprise catalog (mandated by SB 272 of 2015) on one district's website over the last two months (from April 2017 to June 2017) the district had 16 unique page views on that link, compared to the

289,133 unique page views to their homepage over that exact time-period. Thousands of public agencies have dedicated legal staff, IT, and other senior level staff to compose, update, and maintain their mandated enterprise catalogs. And, at least for this district, the link has received less than 0.01% of their page views.

We want to highlight that there are already four requirements in law for any local agency with a website, and many small special districts are struggling to comply with the existing four requirements. These requirements include:

- Meeting Agendas – Must be posted 72 hours prior to a meeting occurring (beginning in 2019, a direct link to an agency's agenda must be posted on the homepage, in an open data format).
- Annual Compensation Reports – The annual report, or a link to the State Controller's website that contains the report, must be posted on agency websites.
- Financial Transaction Reports – The annual report, or a link to the State Controller's website that contains the report, must be posted on agency websites.
- Enterprise System Catalogs – Must be posted on every public agency website (SB 272).

A fifth potential statutory requirement for websites is contained in SB 80 (Wieckowski), currently moving through the Legislature. It would require local agencies to post certain CEQA notices on their website.

Within the Commission's list of potential recommendations was a list of 14 potential website mandates. We would be happy to speak to each of these individual mandates in detail. However, in general, we strongly encourage the Commission to refrain from this level of prescription. Instead, the Commission may wish to recommend SDLF and/or other such organizations promote website transparency through programs such as the District Transparency Certificate of Excellence.

Similar to the Potential Recommendation 1 under Governance, which encourages the Legislature to avoid overriding LAFCO, we additionally ask the Commission to consider encouraging the Legislature to avoid mandating the content of local agency websites.

4. CSDA development of best practices for public outreach and public service on local boards; and, election results and voter participation data

We support and will continue our commitment to public outreach as an association. We will also continue to support the Institute for Local Government's (ILG) efforts to establish and promote best practices for public engagement. We would support and welcome an opportunity to work with the Secretary of State, County Registrars of Voters, League of California Cities, CSAC, the California School Boards Association, and ILG to promote public service on local boards.

Election results and voter participation data is an over-arching national, state, and all-local agency issue that we would be interested in collaborating on. However, it would likely be better addressed by the Commission's current review on Voter Participation.

5. State Controller disaggregation of online data

For the past two years, we have worked with the State Controller to better clarify the types of entities providing data for the By the Numbers and Public Pay websites. A small, but important, change was already made to the By the Numbers website to list out the entities included in the special districts category, which contains a number of different types of entities in addition to independent special districts. We plan to continue our support of these efforts.

6. State Controller definition of financial reserves consistency with GASB and GAAP

In order to assist with the public's cognizance of the information reported to the State Controller, we recommend the use of financial reserve definitions that are consistent with the Governmental Accounting Standards Board (GASB) accounting standards and practices used by local governments, including Generally Accepted Accounting Principles (GAAP). This issue was also raised this year as part of the State Controller's Financial Transaction Report Working Group.

7. Streamlining and consolidation of public agency reporting requirements

Streamlined reporting requirements benefit the public and public agencies. As such, this recommendation should apply to all potential State mandates, including website requirements.

One area that deserves particular attention at this time is the Roster of Public Agencies maintained by the Secretary of State under Government Code Section 53051. We would support a recommendation for the Secretary of State, State Controller, County Clerks, CALAFCO, CSDA, CSAC, and League of California Cities to collaborate on opportunities for updating and improving the process for filing, recording, and presenting Rosters of Public Agencies.

ALTERNATIVE SUGGESTIONS

The Commission welcomed discussion on alternative suggestions within the attached document, and during the June 22 roundtable, it was suggested the Commission make the following recommendation, which CSDA would support.

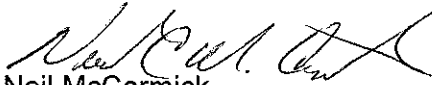
1. K-12 local government civic education curriculum

At the Commission's recent hearing on voter participation, the representative from the Secretary of State's office mentioned the need for additional civic education within the K-12 system. CSDA supports this concept and thinks it is particularly applicable to special districts and all local government.

There is currently little-to-no K-12 education on the local governments that provide California's families with essential local services and infrastructure. K-12 curriculum on government focuses almost exclusively on federal and international issues, yet local and state government makes a far greater impact on families' daily lives. If we want people to understand and engage in their government, our school system should provide formal and meaningful education on who their government is and how it works.

We would be happy to provide additional information or answer any follow-up questions the Commission may have. Please do not hesitate to contact us.

Respectfully,



Neil McCormick
Chief Executive Officer



Kyle Packham
Advocacy and Public Affairs Director

**INFORMATION ITEM**

September 18, 2017

TO: Board of Directors**FROM:** **Public Affairs and Legislation Committee**
(Directors Tamaribuchi, Dick and Yoo Schneider)Robert Hunter
General Manager

Staff Contact: Tiffany Baca

SUBJECT: **Wyland Mayor's Challenge Pocket Park- Project Update****STAFF RECOMMENDATION**

Staff recommends the Board of Directors receive and file report.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

BACKGROUND

In March 2017, the Municipal Water District of Orange County (MWDOC) Board of Directors approved a partnership with the Wyland Foundation to implement an Orange County break-away contest in concurrence with the annual Wyland National Mayor's Challenge competition. The break-away contest awarded a pocket park demonstration garden to the highest participating Orange County city within the MWDOC service area.

In addition to securing the top spot in the Wyland National Challenge for their population category (5000-29,999), the City of Laguna Beach has also been awarded the water-wise pocket park from MWDOC and the Wyland Foundation for their outstanding work in the Orange County break-away challenge, gathering the most pledges to use water more efficiently from Orange County residents, schools and businesses in their city.

Budgeted (Y/N): Y	Budgeted amount: \$10,000	Core X	Choice
Action item amount: None	Line item: 32-7670		
Fiscal Impact (explain if unbudgeted):			

The pocket park demonstration garden award includes plants, irrigation equipment, lighting, signage and design and installation services and will serve as a community model for water efficient landscaping.

LOCATION

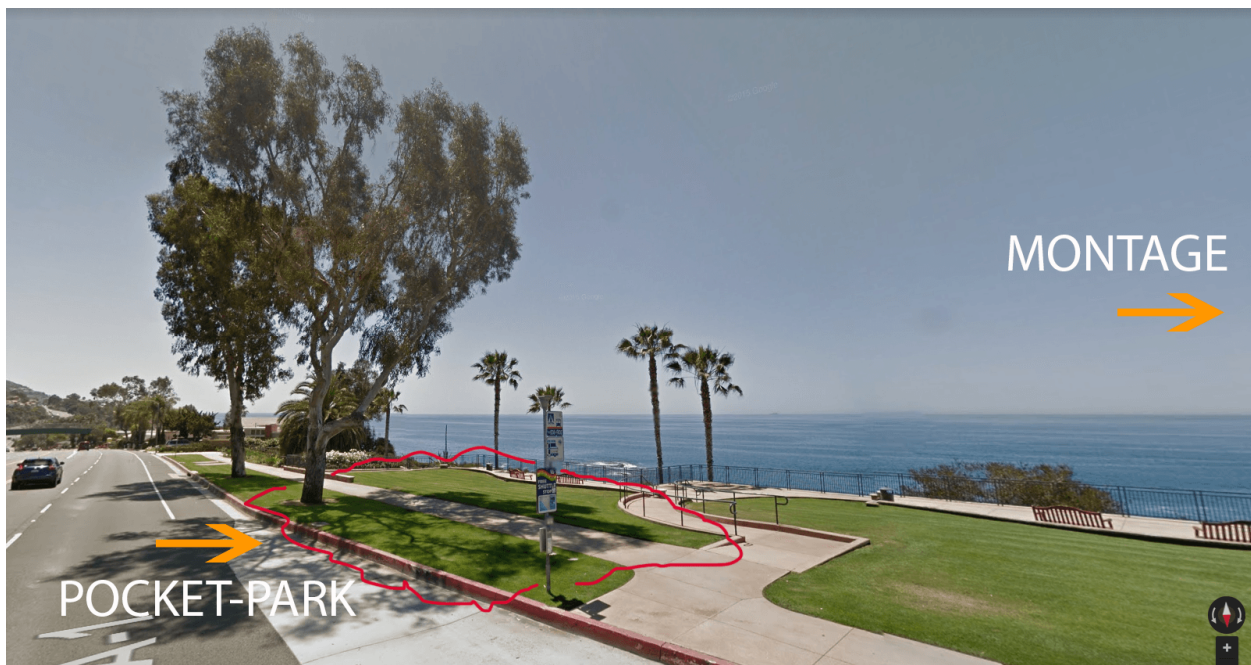
The past few months, MWDOC, the Wyland Foundation and other project partners have worked alongside the City of Laguna Beach to come to an agreement over the pocket-park location. A sub-committee was formed and three viable locations were offered to the City for consideration. Two of the sites proposed were directly on Main Beach, off of North Coast Highway 1. The third location is at Treasure Island Park off of Pacific Coast Highway and Wesley Drive. This location is owned by the Montage Resort Laguna Beach.

Upon further review and several weeks of consideration, the City of Laguna Beach and the project partners concluded that the location at Treasure Island was the most feasible location for this project. MWDOC staff, Wyland Foundation staff and other project partners have met with Chris Russell, Director of Engineering at the Montage, who has offered his assurance that not only is the Montage Resort agreeable to the location, but is also looking forward to working with the project partners to build a successful water-wise demonstration park which is good for the City, good for the County, and good for the Montage Resort.

Proposed location satellite view:



Views from the street:



NEXT STEPS

Next steps include drafting designs and securing design approval by both Montage and the City. The City has been working with the Resort on a number of landscape projects for the past year, and this location has been included in these discussions.

- **Landscape Design**, Robert Farnsworth, Landscape Architecture Dept. Chair, Saddleback College
- **Installation**, Native West Sustainable Landscaping
- **Water Smart Irrigation and Energy Efficient Lighting**, The Toro Company
- **Education / Coordination**, Wyland Foundation, MWDOC

**INFORMATION ITEM**

September 18, 2017

TO: Board of Directors**FROM:** **Public Affairs Legislative Committee**
(Directors Tamaribuchi, Dick and Yoo Schneider)Robert Hunter
General Manager

Staff Contact: Damon Micalizzi

SUBJECT: UPDATE ON 2018 OC WATER SUMMIT**STAFF RECOMMENDATION**

Staff recommends the Board of Directors receive and file.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

Staff from the Municipal Water District of OC and OC Water District are considering a theme for the 2018 OC Water Summit that highlights the “magic” of water delivery – the infrastructure, the engineering, the science and the people that ensures water “magically” appears at customers’ taps.

Staff believes that theme will allow the Summit to explore all aspects of water supply and reliability, as well as tie in with Disney, which will again host the Summit. Arriving at a theme is the foundation for the rest of the Summit, including topics and panelists.

The 2018 OC Water Summit will be at the Disney Grand Californian Hotel on June 1, 2018.

The Summit ad hoc committee, with President Osborne and Directors Barbre and Thomas representing MWDOC, has already begun regular meetings. Staff-to-staff meetings are also scheduled.

Budgeted (Y/N): n/a	Budgeted amount: n/a	Core X	Choice
Action item amount: None		Line item:	
Fiscal Impact (explain if unbudgeted):			

Staff is already at work to secure sponsors for the 2018 event.

The Summit committee meeting dates are:

- Monday, September 25, 2017, 8:30 am
- Monday, October 30, 2017, 8:30 am
- Monday, November 27, 2017, 8:30 am
- Dark in December
- Monday, January 29, 2018, 8:30 am
- Monday, February 26, 2018, 8:30 am
- Tuesday, March 20, 2018, 8:30 am
- Monday, April 30, 2018, 8:30 am
- Dark in May – staff meeting(s) only unless something unexpected occurs
- Monday, June 25, 2018, 8:30 am (Post event wrap-up meeting).

**INFORMATION ITEM**

September 18, 2017

TO: Board of Directors**FROM:** **Public Affairs Legislative Committee**
(Directors Tamaribuchi, Dick and Yoo Schneider)Robert Hunter
General Manager

Staff Contact: Damon Micalizzi

SUBJECT: UPDATE WATER POLICY DINNER**STAFF RECOMMENDATION**

Staff recommends the Board of Directors receive and file.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

About 100 people attended the August 30 Water Policy Dinner featuring Roger Patterson, Assistant General Manager of the Metropolitan Water District of Southern California.

More than 30 others who registered for the event did not attend.

Anticipated revenues for the event are \$13,260.00, with anticipated expenses of \$13,326.94, leaving a net cost to MWDOC of \$66.94.

A follow up survey found respondents were pleased with the Great Wolf Lodge as a venue, as well as Mr. Patterson's presentation on the California WaterFix and other issues associated with the Sacramento-San Joaquin Delta and Colorado River.

Public Affairs Coordinator Bryce Roberto video recorded the presentation and posted an edited version to MWDOC's Facebook and YouTube channels.

The recording can be seen at <https://youtu.be/BIl646znkijw>

Budgeted (Y/N): n/a	Budgeted amount: n/a	Core X	Choice
Action item amount: None	Line item:		
Fiscal Impact (explain if unbudgeted):			

**Public Affairs Activities Report
August 17, 2017 – September 13, 2017**

Member Agency Relations	<p>Public Affairs Staff:</p> <p>Planned and staffed the Water Policy Dinner featuring Roger Patterson from MET.</p> <p>Gave a presentation on MWDOC and the WaterFix to the El Toro Water District Citizens Advisory Group.</p> <p>Hosted member agencies in a Public Affairs Workgroup meeting at MWDOC.</p> <p>Prepared and distributed the “Monday Morning Briefing” from AMWA.</p> <p>Prepared and distributed eCurrents.</p> <p>Heather attended a roundtable with Chair Felicia Marcus and Board Member Joaquin Esquivel of the State Water Resources Control Board hosted by OCWD, MNWD, IRWD & SMWD.</p> <p>Heather met with Michael Moore of Anaheim Public Works about pending legislation.</p>
Community Relations	<p>Public Affairs Staff:</p> <p>Assisted Directors Dick and Yoo Schneider in preparing presentations for the Orange Rotary and city of San Clemente.</p> <p>Joe Berg and Public Affairs Staff member attended the La Habra Water Guardians Celebration of Governor Brown’s signing of the School Water Conservation Bill. The Water Guardians, an army of four middle schoolers, who successfully proposed legislation establishing a partnership for water agencies to work with school district to save water through incentive programs. The celebration also included a demonstration garden dedication at Washington Middle School. Great work young ladies!</p>
Education	<p>Public Affairs Staff:</p> <p>Met with staff from MET and Inside the Outdoors to work on the video contest component of the high school education program.</p>

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Media Relations	<p>Public Affairs staff:</p> <p>Helped craft an op-ed on the proposed AB 623 for submission to the OC Register.</p>
Special Projects	<p>Public Affairs staff:</p> <p>Vetted resumes and interviewed candidates for the Public Affairs Assistant position.</p> <p>Vetted proposals and interviewed firms for the social media consultant contract.</p> <p>Participated in the WEROC multi-agency tabletop training exercise.</p> <p>Heather and Melissa Baum-Haley attended an inspection trip through the Upper Basin states of Colorado, Utah and Wyoming hosted by the Colorado River Board of California. Other agencies represented included: Metropolitan, San Diego County Water Authority, LA Department of Water and Power, Eastern MWD, West Basin MWD, Palo Verde Irrigation District, Imperial Irrigation District, Coachella Valley Water District, plus staff from the Department of Water Resources and the Colorado River Board of California.</p> <p>Heather invited and coordinated with September's WACO speaker, Joe Byrne, from the California Water Commission Board who gave an update on the Water Storage Investment Program that allocates \$2.7B from Prop 1 for storage projects.</p> <p>Heather staffed the ISDOC Executive Committee meeting.</p>
Legislative Affairs	<p>Heather coordinated with ACWA legislative team on the following items:</p> <ul style="list-style-type: none"> • SB 623 – Oppose – coalition letter • AB 401 Implementation – notes from public hearings and feedback on ACWA's comment letter <p>Heather, with much creative assistance from the Public Affairs staff, put together a fact sheet on SB 623 for the Water Policy Dinner</p> <p>Heather, with assistance from Charles, compiled cost estimates for Orange County should SB 623 be implemented.</p> <p>Heather participated in the Region 10 pre-call in advance of ACWA's State Legislative Committee meeting.</p> <p>Heather participated in ACWA's AB 401 Implementation working group meeting.</p>

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	<p>Heather attended the ACWA State Legislative Committee meeting in Sacramento.</p> <p>Heather, Director Osborne, Director Barbre, and MWDOC county advocate John Lewis attended a meeting with Supervisor Do and his staff providing background and an update on the CA WaterFix and EcoRestore project.</p> <p>Heather, Director Osborne, Director Tamaribuchi and MWDOC county advocate John Lewis attended a meeting with Chairwoman Michelle Steel and her chief of staff providing background and an update on the CA WaterFix and EcoRestore project.</p> <p>Heather met with Jessica Witt, Director of Government & Community Relations for the County of Orange to provide background an update on the CA WaterFix and EcoRestore project and our meetings with the Board of Supervisors and staff.</p> <p>Heather, Joe Berg, and MWDOC state advocate Syrus Devers prepared a letter in support of SB 606 and AB 1668 (Skinner, Hertzberg & Friedman).</p> <p>Heather participated in ACWA's State Legislative Committee webinar on AB 1668 and SB 606.</p>
Water Summit	<p>Public Affairs staff:</p> <ul style="list-style-type: none">• Attended Summit Committee meetings with President Osborne and Directors Barbre and Thomas.