

MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
PUBLIC AFFAIRS AND LEGISLATION COMMITTEE
May 16, 2016, 8:30 a.m.
Conference Room 101

Committee:

Director S. Tamaribuchi, Chairman
Director B. Barbre
Director Hinman

Staff: R. Hunter, K. Seckel, J. Volzke,
P. Meszaros, H. Baez

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

ACTION ITEMS

2. ADOPT LEGISLATIVE POSITIONS
 - a. SB 163 (Hertzberg): Wastewater Treatment, Recycled Water – OPPOSE
 - b. SB 1318 (Wolk): Local Government, Drinking Water Infrastructure – OPPOSE
3. ELECTION INFORMATION (CANDIDATE'S STATEMENTS)
4. CSDA PROPOSED BYLAWS UPDATE

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.)

5. AB 1925 (CHANG) DESALINATION, STATEWIDE GOAL
6. MEETINGS WITH BOARD OF SUPERVISORS
7. UPDATE ON POTENTIAL SAN JUAN CAPISTRANO UTILITIES CONSOLIDATION
8. UPDATE ON WATER SUMMIT (MAY 20, 2016)
9. PUBLIC AFFAIRS ACTIVITIES REPORT
10. SCHOOL PROGRAM PARTICIPATION REPORT
 - a. Elementary
 - b. High School

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
May 11, 2016

The Budget and Appropriations:

The House of Representatives is planning to begin bringing their individual appropriations bills to the House Floor after May 15th—the earliest date they can begin consideration of these bills because the House has been unable to pass a “budget resolution” this year. The House intends to honor the funding agreement reached last fall, the week that Speaker Boehner resigned from the Congress. That agreement called for a two year spending blueprint—for this year and for the funding of the federal government for next year.

The bills being considered later this month in both the House and the Senate will fund the federal government at the beginning of the next fiscal year which begins on October 1st.

The Drought and Appropriations:

For the last two years, the House has passed California Drought Legislation—and the Senate has not been able to pass a drought bill. And intense negotiations at the end of each year failed to produce legislation.

This year key leadership in the House of Representatives—the Majority Leader, Kevin McCarthy, decided that he would place key elements of the House Drought Bill in the House Energy and Water Appropriations Bill—a bill that must pass every year—whether as a “stand alone bill” or part of an Omnibus Bill. Significantly, the drought language is “bill language” and not “report language”. If this bill becomes law, federal agencies *must* abide by such law.

Here is an explanatory statement from Majority Leader McCarthy regarding his appropriations language:

“Appropriations bills put the power of the purse in the hands of Congress to prioritize the policy of the federal government to meet the needs of our constituents. The inclusion of California water provisions in the FY17 Energy and Water Development Appropriations bill is the latest effort by my Californian Republican colleagues and me to press for solutions and, once passed by the House, offers the Senate another chance to consider this important legislation. This year El Nino storms have blessed our state with rain and snow. But the Bureau of Reclamation has pumped less this year than

last year when we faced historic dry periods.

“The gravity of the circumstances cannot be understated. Recent statements from Senator Feinstein that acknowledge more pumping is needed gives me confidence that should the Senate consider its own Energy and Water Development Appropriations bill, both chambers can reach a solution. The House Appropriations Subcommittee consideration of this bill is an important step to providing water to all corners of the Golden State.”

The drought related language contained in the Appropriations Bill comes from the previously passed House Bill offered by Congressman Valadao of the Central Valley.

This appropriations strategy will likely force some form of negotiation between the two bodies in an upcoming House – Senate Appropriations Conference Meeting.

Meanwhile, on another legislative track in the Congress is the authorizations process. Again, the House has passed their bill, and Senators Feinstein and Boxer have introduced their bill and yesterday there was a hearing scheduled to take place on the Senators bill next Tuesday, May 17th, along with other western water bills. The plan in the Senate has been to pass a “west wide” drought package of individual bills and the Senate Energy Committee is gearing up to move a bill to the Senate Floor.

One of the keys to moving such a bill to the Senate Floor will be whether or not the Committee can demonstrate to the Majority Leader that the Committee has 60 votes to pass its bill—otherwise, the Majority Leader is not likely to waste the Senate’s time to debate a bill that will be pulled from the Floor. Knowing that this could happen again this year, this is why Leader McCarthy decided upon an alternative appropriations strategy.

The Water Resources Development Act (WRDA):

The Water Resources Development Act, known as the WRDA Bill has moved through the Senate Environment and Public Works Committee EPW and it would allow new types of water infrastructure and activities to qualify for EPA's State Revolving Funds, the primary source of federal assistance to communities for water programs. And it would create a number of new grant programs, including grants to help small and disadvantaged communities replace lead service lines, a \$100 million authorization for schools to test for lead, and a \$50 million annual authorization for innovative water technology grants. WRDA provides authorized spending for the Army Corps of Engineers. Parts of this \$9 billion measure have been driven by the Flint, Michigan crisis as the Congress is recognizing the need to assist Flint and other communities that need to upgrade their water infrastructure. The Chairman of the Senate EPW Committee, Senator Inhofe (R-Ok), has expressed his desire to see this bill clear the Senate before the summer break in late July.

IRS Treatment of Conservation Measures:

MWDOC has met with representatives from Senator Feinstein office on this issue and Senator Feinstein has drafted legislation to amend the Internal Revenue Code of 1986 to expand the exclusion for energy conservation subsidies provided by public utilities to include subsidies provided by public utilities and State and local governments for water conservation and storm water management. In short, this legislation would mean that there would not be a taxable event for individuals who have

received subsidies to replace their lawns. The Senator's office is trying to develop additional co-sponsors and has begun working with the Senate Finance Committee. MWDOC has assisted in networking with other Senate offices and is assisting the Senator's office in this effort.

Funding Scorecard:

Please note the attachment of the ***Funding Scorecard*** for competitive grants as there have been a number of grants released since the last scorecard was shared with you. Again, we have continued to list some grants that have now lapsed for the year—so that Water Districts might be able to anticipate what grants may occur during next year's grant cycle.

General News Items and Political Updates of Interest

Since our last report, here are the latest polling numbers per "*Real Clear Politics Media*"*.

Nationally amongst Democrats:

Clinton 54%

Sanders 42

Nationally amongst Republicans:

Donald Trump is now the presumptive nominee of the party.

Head to Head in a General:

Clinton 47%

Trump 41

**Real Clear Politics takes polling averages from different respected polling organizations over a common period of time in recent days/weeks. These are the most recent figures at press time.*

JCB 4-12-16 See attachment of Funding Scorecard

FY 2016/2017 FUNDING OPPORTUNITIES for MWDOC (updated 05-05-16)

No.	Program No./ Solicitation No.	OPPORTUNITY TITLE*	AGENCY	Applic. Available	Deadline	STATUS
1	F16AS00197	<u>North American Wetlands Conservation Act 2017 U.S. Standard Grants</u>	Fish & Wildlife	Yes	07/14/16	Open
2	BOR-UC-16-N009	<u>Consultation to Develop UCRC Pilot Programs</u>	Bureau of Rec	Yes	05/16/16	Open
3	APS-OAA-15-000004-ADDENDUM2/ZIKA	<u>Engaging Communities in Responding to Zika Under the Integrating Community Health APS</u>	Agency Int'l Dev	Yes	06/01/16	Open
4	F16AS00190	<u>USFWS Natural Resource Program Center (NRPC) WRIA Program 2017</u>	Fish & Wildlife	Yes	06/01/16	Open
5	BOR-DO-16-012	<u>Salton Seawater Vertical Tube Evaporation & Brine Management Project</u>	Bureau of Rec	Yes	05/05/16	Open
6	M16AS00013	<u>BOEM FY 2016 Environmental Studies Program</u>	Ocean Energy Mngt	Yes	05/24/16	Open
7	L16AS00070	<u>BLM CA 2016 Challenge Cost Share Project for California</u>	BLM	Yes	06/20/18	Open
8	SOL-OAA-16-000084	<u>Sustainable Water Partnership</u>	Agency Int'l Dev	Yes	05/16/16	Open
9	RFA-517-16-0000004	<u>Climate Risk Reduction</u>	USAID	Yes	05/31/16	Open
10	NOAA-NWS-NWSP0-2017-2004858	<u>NOAA Science Collaboration Program</u>	Commerce	Yes	06/13/16	Open
11	RDRUS-16-RFP	<u>Revolving Fund Program</u>	USDA	Yes	05/31/16	Open
12	EPA-HQ-OPPT-2016-003	<u>FY 2016 and FY 2017 Source Reduction Assistance Grant Program</u>	EPA	Yes	06/06/16	Open
13	F16AS00152	<u>Micronesian Mangrove Assessment</u>	Fish & Wildlife	Yes	06/01/16	Open
14	F16AS00155	<u>Quagga/Zebra Mussel Action Plan for Western U.S. Waters 2016</u>	Fish & Wildlife	Yes	06/03/16	Open
15	F16AS00151	<u>Develop Climate Change Adaptation Analysis</u>	Fish & Wildlife	Yes	06/01/16	Open
16	G16AS00043	<u>Groundwater and Streamflow Information Program National Ground-Water Monitoring Network Round II</u>	Geological Survey	Yes	05/31/16	Open
17	USDA-NRCS-CA-16-0001	<u>CA Conservation Innovation Grant</u>	USDA	Yes	06/17/16	Open
18	L16AS00053	<u>BLM CA California State Office Statewide Youth Corps Teams</u>	BLM	Yes	05/27/16	Open
19	L16AS00054	<u>BLM CA - Statewide Youth Conservation Interns throughout California Public Lands</u>	BLM	Yes	05/27/16	Open
20	EPA-HQ-OPPT-2016-001	<u>FY 2016 and FY 2017 Pollution Prevention Information Network (PPIN) Grants Program</u>	EPA	Yes	05/17/16	Open
21	NOAA-NWS-NWSP0-2016-2004829	<u>Education, Training and Capacity Development for Weather, Water and Climate Forecasting (ETCD)</u>	Commerce	Yes	05/20/16	Open
22	EPA-EE-16-02	<u>ENVIRONMENTAL EDUCATION TRAINING PROGRAM</u>	EPA	Yes	05/09/16	Open
23	F16AS00006	<u>Coastal Program</u>	Bureau of Rec	Yes	09/30/16	Open
24	EPA-HQ-OPPT-2016-002	<u>FY 2016 and FY 2017 Pollution Prevention Grant Program</u>	EPA	Yes	05/09/16	Open
25	G16AS00024	<u>2017 Earthquake Hazards External Grants Program</u>	Geological Survey	Yes	05/25/16	Open

FY 2016/2017 FUNDING OPPORTUNITIES for MWDOC (updated 05-05-16)

No.	Program No./ Solicitation No.	OPPORTUNITY TITLE*	AGENCY	Applic. Available	Deadline	STATUS
26	NOAA-OAR-SG-2016-2004807	NOAA Sea Grant Aquaculture Research Program 2016	NOAA	Yes	05/12/16	Open
27	RDRUS-16-01-HWW/S	Household Water Well Grant Program	USDA	Yes	05/09/16	Open
28	USDA-NRCS-NHQ-CIG-16-01	Conservation Innovation Grants	USDA	Yes	05/10/16	Open
29	P16AS00065	Land and Water Conservation Fund Outdoor Recreation Legacy Partnership Program	Nat'l Park Service	Yes	05/20/16	Open

RECENTLY CLOSED GRANT OPPORTUNITIES

30	P16AS00015	Land and Water Conservation Fund State and Local Assistance Program	Nat'l Park Service	Yes	04/29/16	Closed
31	NOAA-NMFS-HCPO-2016-2004800	Community-based Restoration Program Coastal and Marine Habitat Restoration Grants	NOAA	Yes	04/16/16	Closed
32	R16-FOA-DO-008	WaterSMART: Cooperative Watershed Management Program (CWMP) for fiscal year (FY) 2016	Bureau of Rec	Yes	05/04/16	Closed
33	EPA-G2016-STAR-A1	Integrating Human Health and Well-Being with Ecosystem Services	EPA	Yes	04/21/16	Closed
34	R16-FOA-DO-005	Drought Contingency Planning Frants for Fiscal Year 2016	Bureau of Rec	Yes	04/11/16	Closed
35	M16AS00006	BOEM FY 2016 Environmental Studies Program (ESP)	Ocean Energy Mngr	Yes	04/25/16	Closed
36	R16-FOA-DO-006	Drought Resiliency Project Grants for Fiscal Year 2016	Bureau of Rec	Yes	04/11/16	Closed
37	R16-FOA-DO-011	Water Reclamation Research under the Title XVI Water Reclamation and Reuse Program for Fiscal Year 2016	Bureau of Rec	Yes	04/20/16	Closed
38	BOR-MP-16-0003	Agricultural Water Conservation and Efficiency Grants Fostering District/Farmer Partnerships	Bureau of Rec	Yes	04/26/16	Closed
39	BOR-UC-16-N008	Colorado Basin States Salinity Control Projects	Bureau of Rec	Yes	04/15/16	Closed
40	CDC-RFA-EH15-150703CONT16	Support for Public Health Drinking Water Programs to Improve Efficiency & Effectiveness for Controlling Drinking Water Exposures	HHS/CDC	Yes	04/29/16	Closed
41	NNH16ZDA001N-WATER	ROSES 2016: Earth Science Applications: Water Resources	NASA Headquarters	Yes	05/02/16	Closed
42	USGS-FA-16-0098	Assessment of Larval Silver Carp Predator-prey Dynamic and Habitat Associations	Geological Survey	Yes	04/15/16	Closed
43	F16AS00164	Field test of plants and fungi on bioretention performance over time	Fish & Wildlife	Yes	04/15/16	Closed
44	DHS-16-GPD-042-09-01	Fiscal Year (FY) 2016 Emergency Management Performance Grant Program - Region 9	DHS, FEMA	Yes	03/18/16	Closed
45	EPA-G2016-ORD-B1	National Priorities: Impacts of Water Conservation on Water Quality in Premise Plumbing and Water Distribution Systems	EPA	Yes	03/17/16	Closed
46	EPA-EE-16-01	Environmental Education Local Grants Program -- Solicitation Notice for 2016	EPA	Yes	04/08/16	Closed
47	G16AS00016	Water Resources Research National Competitive Grants Program	Geological Survey	Yes	03/17/16	Closed
48	NSF 16-524	Innovations at the Nexus of Food, Energy and Water Systems	NSF	Yes	03/02/16	Closed
49	R16-FOA-DO-010	FY16 Desalination & Water Purification Research & Dev (DWPR) Pilot Projects	Bureau of Rec	Yes	02/08/16	Closed

FY 2016/2017 FUNDING OPPORTUNITIES for MWDOC (updated 05-05-16)

No.	Program No./ Solicitation No.	OPPORTUNITY TITLE*	AGENCY	Applic. Available	Deadline	STATUS
50	R16-FOA-DO-009	FY16 Desalination & Water Purification Research & Dev (DWPR) Research	Bureau of Rec	Yes	02/08/16	Closed
51	R16-FOA-DO-004	WaterSMART: Water and Energy Efficiency Grants for FY 2016	Bureau of Rec	Yes	01/20/16	Closed
52	R16-FOA-DO-003	WaterSMART: Title XVI Water Reclamation and Reuse Program Funding for Fiscal Year 2016	Bureau of Rec	Yes	12/10/15	Closed

*Please "click" on a particular "Opportunity Title" to access the corresponding solicitation and application, if available, and other relevant information.

NOTICE: The above list of federal funding opportunities may not represent a complete or exhaustive list of the grants that your organization may be eligible for and/or interested in pursuing. This list is periodically updated and is not intended to be exclusively relied on. This list is intended to be a helpful tool. Federal grants are continually released and reported across many different platforms. Potential grantees should themselves continually monitor for federal funding opportunities. Recently closed grants are listed so that the grantee can see what grants may again be available for the grantee in the next cycle. Hyperlinks for closed grants may expire.

Prepared by Barker, P.C.

Memorandum

To: Municipal Water District of Orange County
From: Best Best & Krieger
Date: May 16, 2016
Re: Monthly State Political Report

LEGISLATIVE UPDATE

Legislation:

AB 2438 (Waldron): Assemblywoman Waldron's office reached out to many water districts over the last couple of weeks, including MWDOC, seeking support for her bill, AB 2438. This measure would exempt recycled water pipe projects of less than 8 miles in length from the CEQA. While laudable, this same topic was covered in 2014 (AB 2417, Nazarian) which failed passage in the Senate Environmental Quality Committee despite being amended to the point that the sponsors removed their support. It is highly unlikely that this bill, or a related bill - AB 1749 (Mathis), will succeed where AB 2417 failed. The opposition will argue that the bill is unnecessary because recycled water pipes are routinely approved under CEQA through negative declarations or even outright exemptions. In other words, this is a solution in search of a problem.

Governor:

Governor Brown issued Executive Order B-37-16 (the "Order") updating the previous orders declaring a state of emergency due to the drought. The Order states that the previous orders shall remain in effect through next January, but with several positive changes that will be welcomed by the water industry.

The Order directs the SWRCB to adjust emergency conservation regulations to reflect the "differing water supply conditions across the state". This speaks directly to water interests' principle argument that the emergency regulations are a "one-size-fits-all" approach which produces absurd results, such as conservation requirements for districts that have to release water to avoid flood conditions. The Order should reduce some of the angst over the transition to permanent conservation requirements by stating that long-term conservation shall be consistent with the 20x2020 water plan adopted in 2010, and by affirming the central role of the Department

of Water Resources. (Addressing the concerns expressed by some water agencies that SWRCB might be treading on the jurisdiction of DWR.) Perhaps most significant is the affirmation that permanent water use targets “shall be customized to the unique conditions of each water agency”.

Agencies:

Drought Emergency Regulations

The SWRCB issued new Proposed Emergency Regulations at the same time as the Governor’s Order. Consistent with the Order, the proposed regulations delete the arbitrary 25% reduction target as compared to 2013 water use. Instead, the regulations provide for self-certification of water supply reliability by urban water suppliers, and describes the assumptions that must be used in projecting the future demand for water. By connecting conservation requirements with anticipated demands, the proposed regulations allow for meaningful, relevant, and achievable targets, which can even include no conservation requirement for agencies that have made sufficient investments in new supplies to meet anticipated demand through a 3-year drought. Also good is that the SWRCB did not follow through on their hints that they would have a “backstop” to allow them to intervene if a particular water provider failed to produce and enforce a meaningful conservation plan. Those who spoke at the April 20th hearing pointed out that the requirement to publish a conservation plan would provide more than sufficient accountability since opponents and other districts would be able to scrutinize it.

Best news of all may be that SWRCB correctly allowed all sources of potable water to be counted toward available supplies. This was a particularly sore point in the current regulations for water agencies that had invested in indirect potable reuse and other methods to drought-proof their water supplies.

Of course, it can’t be all good news. The proposed regulations do not affect reporting under existing Urban Water Management Plans as some had feared, but they do require water wholesalers to calculate the volume of water that it expects to deliver to each urban water supplier in its service area for the next three years under the assumptions provided in the regulations, and publish the calculations and underlying assumptions, on its webpage. While that may sound entirely reasonable, the deadline for doing so is in... 7 days! The Board may wish to have testimony given at the May 18th hearing if this is, in fact, an unreasonable deadline.

Drinking Water Fee Regulations

SWRCB also published the new fees for the drinking water program. The proposed regulations are a sweeping departure from the fee-for-service model under the former program under the Department of Health Services (DHS). Retailers with less than 10,000 service connections will see small fee reductions while large retailers (10,000 to 50,000 connections) will see large increases, and very large retailer (over 50,000 connections) will face very large increases.



The regulations are not a model of clarity and there may be disagreement over the impact to wholesale providers such as MWDOC. According to the subject matter experts at BB&K, there appears to be no intent on the part of SWRCB to levy fees on entities that were not paying the fees under the DHS administered program, and MWDOC would not, therefore, be considered a “public water system” under the new regulations. Nonetheless, the water industry generally is very concerned about the impact to retail customers where the fees are applied to intermediaries that stand between a wholesaler such as MWD and a retail water agency.

MWD and ACWA are working on written responses and oral presentations for SWRCB, and will be reaching out to member agencies for support. Comments are due June 22nd.

Meetings attended:

April 20th: SWRCB hearing on extension of the emergency drought regulations.

April 29th: ACWA State Legislative Committee, and met with staff for Sen. Vidak on California Water Fix.

April 25th & May 9th: Lobbyist meetings hosted by ACWA.

May 3rd – 6th: ACWA Spring Conference in Monterey.

The County of Orange Report

May 10, 2016
by Lewis Consulting Group



Field Poll Reveals Updated Attitudes of Water in California

In a survey released April 14, 2016 by the respected Field Research Corporation, 62% of registered voters in California deem our state's water shortage to be "extremely serious". Also, a whopping 86% plan to use less water going forward even if the drought were to end.

These were two of the key findings of a poll of 800 registered voters conducted between March 24th and April 3rd. A poll of this size yields a margin of error of +/- 3.5% with a 95% confidence level.

The 62% who deem the shortage as extremely serious closely resembles the 57% who named it a big problem in a recent PPIC survey. The Field Poll was partially paid for by

In your opinion, how serious do you feel California's water shortage is?

62% extremely serious 29% somewhat serious 8% not too serious 1% undecided

How much have you and your family been affected by the state's current water shortage?

55% a great deal 27% somewhat 18% only a little/not at all

How important do you feel it is for residents across the state to continue to reduce their use of water, both inside and outside their homes?

74% very important 19% somewhat important 6% not too important

How important do you think it is for California homeowners to make permanent changes to their outdoor landscaping, by removing lawns and turf, and replacing it with plants and shrubs that don't require much water?

45% very important 39% somewhat important 15% not too important

How important do you think it is for California homeowners to save water indoors by upgrading to more water efficient toilets and appliances?

52% very important 38% somewhat important 9% not too important

How important are rebates offered by local water districts to homeowners to change their outdoor landscaping or to upgrade to more water efficient toilets and appliances in motivating people to conserve water?

59% important 29% somewhat important

Do you plan to permanently reduce your water use even after the current drought is over?

86% YES 12% NO 2% undecided

the Association of California Water Agencies. Below are the results of the Field Survey:
Sanchez Favored to Make Senate Run-off

With Republican voters being split pretty evenly among three U.S. Senate candidates; it appears that local Orange County Congresswoman Loretta Sanchez may square off against Kamala Harris for the November run-off, making the race a high profile Democrat only final two.

Some in the water community have suggested given California's infinitesimal chance of electing a Republican in November; perhaps Sanchez with her Orange County roots and understanding of Southern California's water needs would be the best choice to square-off against Bay Area Democrat Kamala Harris, who shows little sympathy for hard hit Southern California communities.

Below are three polls in the California U.S. Senate race.

USA Today Survey - May 2	Harris (D)	29%
	Sanchez (D)	18%
	Del Beccaro (R)	10%
	Unz (R)	8%
	Sundheim (R)	7%
Los Angeles Times Survey - March 29	Harris (D)	33%
	Sanchez (D)	15%
	Del Beccaro (R)	10%
	Sundheim (R)	8%
USA Today Survey - April 4 - 30	Harris (D)	26%
	Sanchez (D)	22%
	Del Beccaro (R)	8%
	Sundheim (R)	5%





Supervisor Bartlett Again Honors South Orange County Water Districts

At the May 10th meeting of the Board of Supervisors, Chair Lisa Bartlett continued with her effort to honor ten South Orange County Water Districts for their conservation efforts and service of their respective customers. The two districts honored May 10th were the Santa Margarita Water District and the Trabuco Canyon Water District.

Giving a short presentation to the board was Santa Margarita Board President Charley Wilson. He was accompanied by fellow board member Sondra Jacobs. Wilson explained that the district has a \$55 million operating budget as well as a long term \$318 million capital improvement budget.

Major challenges for the district include the reality of relying on 98% of imported water. They have addressed recent challenges by working collaboratively with local HOA's, saving 400 million gallons of water on an annual basis and the enactment of a public/private partnership to improve water quality at Lake Mission Viejo, with replenishment of highly treated recycled water.

Representing the Trabuco Canyon Water District was general manager Hector Ruiz. He was accompanied by four of the district's board members.

Trabuco is a small district of 16 square miles, serving 13,000 people. Elevation is a major challenge for the district as it provides service up to the 1900 foot elevation level. Because of the district's proximity to the Cleveland National Forest, a number of their customers need additional water for required irrigated fuel modification.

To overcome their challenges, the district has two water treatment plants as well as a waste water treatment plant. Capturing urban run-off is of paramount concern to the district. They also are working with FEMA to bring needed improvements to the Serrano Creek raw sewage transmission line.

Righeimer Case Proceeds

We have been watching with interest the judicial journey of the case of two private detectives, Christopher Lanzillo and Scott Impola. As you will recall, the pair were hired by the now disbanded law firm of *Lackie, Dammeier, McGill & Ethir* to dig up dirt on Costa Mesa Councilmembers prior to the 2012 City Council election. The law firm had been hired by the Costa Mesa Police Union.

For the second time, Superior Court Judge Michael Leversen has ruled there is enough evidence for the pair to stand trial. As a result of Judge Levenson agreeing with the previous ruling, by Judge Cheri Pham, Lanzillo and Impola face felony counts of conspiracy and false imprisonment.

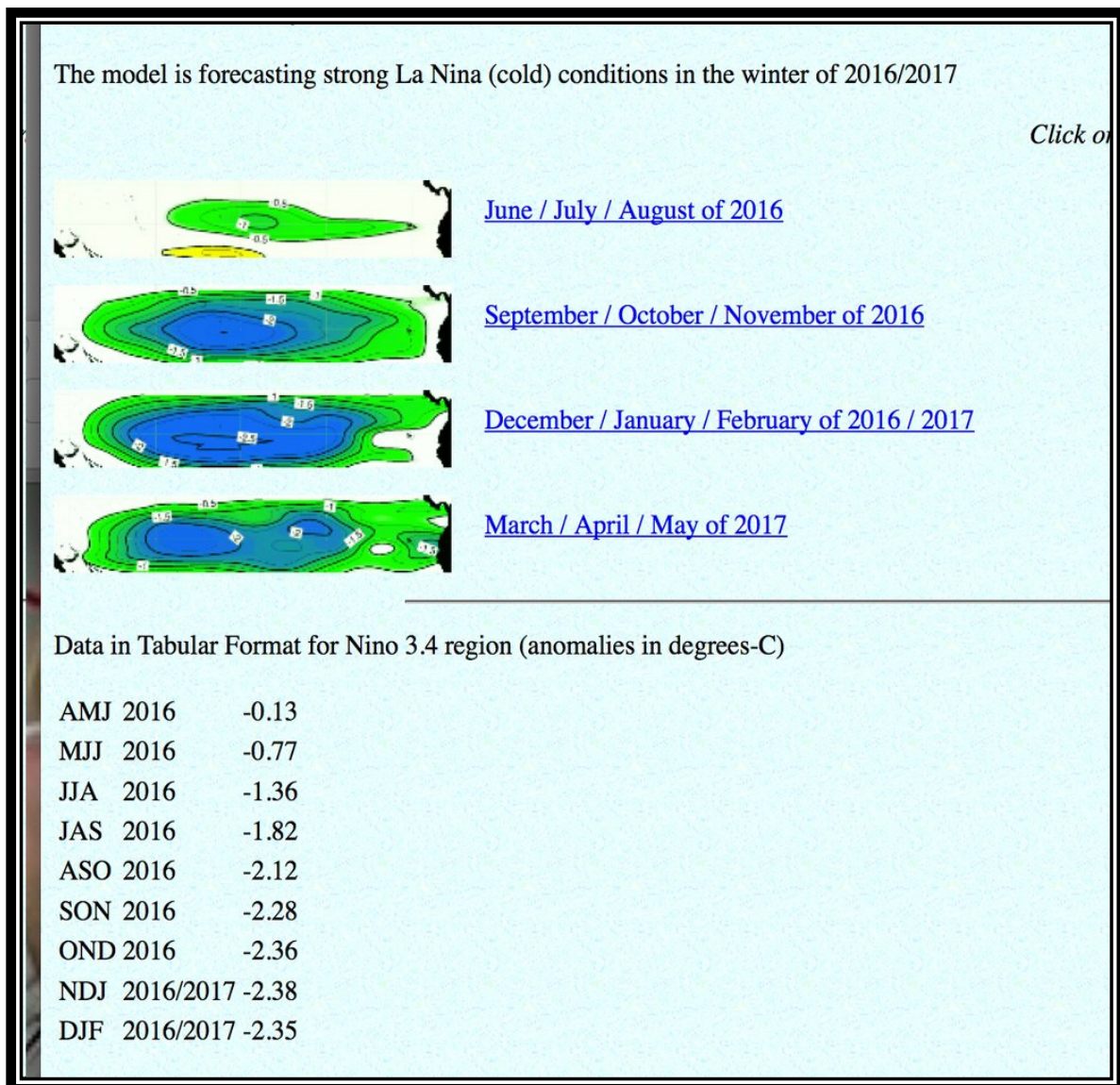


The false imprisonment charge is a result of a DUI test administered to Righeimer after a phony complaint of drunk driving was phoned in by Lanzillo. The maximum penalty the pair faces is four years and four months. Perhaps that potential sentence will be enough to elicit information about how high up this conspiracy may go in exchange for lesser sentences.

Could a Monster La Niña Be Looming?

U.C. San Diego based Experimental Climate Prediction Center, part of the Scripps Institute of Oceanography, has issued its latest monthly forecast of tropical water temperature, and it is scary!

Their current forecast calls for the strongest La Niña on record. They are currently predicting close to a 2.4 degree cold temperature anomaly in the tropical part of the Pacific Ocean that can launch both El Niños and La Niñas. If their forecast turns out to be accurate, Southern California will once again be facing weather patterns that favor drought.



ACKERMAN CONSULTING

Legal and Regulatory

May 16, 2016

1. **EBMUD Ending Drought Charges:** East Bay Municipal Utility District which serves over 1.4 million customers in the Bay Area has taken two significant actions relating to the drought. First, they will stop fining water guzzlers who overused their allotments or did not make their conservation goals. Second, they will eliminate the 25% drought surcharge which they levied on all customers. The surcharge was done to encourage conservation and to cover the cost of water they had to buy to meet district needs. They will also change their lawn watering restrictions and downgrade their drought warning stage level. They indicated that their supplies were now in a much better condition and the prior measures were no longer warranted. They will continue to stress conservation with their customers.
2. **San Diego's Pure Water Plan Stalls:** San Diego's Pure Water proposal to spend \$3.5 billion to recycle sewage into drinkable water was dependent on getting Federal money, approval and opening up the Clean Water Act. While their Point Loma plant does not currently meet state and federal standards, it has been granted waivers for the past few years. This plan was to fix the entire issue. However, most environmental groups have not signed on due to fears of opening up the Clean Water Act for other folks to ponder. It appears that the plan is presently dead due to these political concerns.
3. **New Groundwater Regs:** Senator Wolk has introduced SB 1317 to clarify the recently passed Groundwater Act. The bill would severely limit the ability to drill new wells. It is strongly opposed by water world, the League of Cities, CSAC, Cal Chamber, Farm Bureau and many others. The environmental groups are supporters. Thus far, the bill is having a rough time but amendments are being considered by Sen Wolk.
4. **The Good Fish:** In the Delta, we have Good Fish and Bad Fish. The Good Fish are the native salmon and the smelt. The Bad Fish are the non-native fish such as the striped bass and other species. The striped bass was introduced in 1879. They are known as

predatory fish as they eat everything including salmon. There is an ongoing debate as to how much the bass contributes to the reduced salmon and smelt population. Some experts say a lot and others say not so much. There is currently a limit as to how many bass can be fished in the area. Many people believe that if more bass were allowed to be caught, there would be more salmon and smelt. This battle will continue as the science seems to be inconclusive.

5. **Snow Melts Fast:** The snow and rain fall in northern California has been above average. Most of our reservoirs are nearing capacity. However, as a result of slightly warmer temperatures, the snow melt is ahead of schedule (about 2-3 weeks). The other phenomenon occurring, called the “snowball effect” is causing more snow melt. When more trees, brush and ground are exposed, more heat is absorbed creating more snow melt. The good news is that most of this early melt is ending up in reservoirs where it can be stored for future use.
6. **Fire Risk Up:** UC Irvine researcher, James Randerson, has examined El Nino’s fire impact on northern and southern California. Southern California received less than expected rainfall, but enough to encourage grass and other forms of vegetation. This growth provides good fuel for fires in the summer time. Northern California is in much better shape from a fire perspective as a result of the substantial rain and snow fall. Still millions of trees throughout the state are dying or in a weakened conditions as a result of the drought. This will contribute to increase fire risk everywhere.
7. **Kudos to Marin County:** When it comes to water use and conservation, southern California has always been way ahead of our neighbors to the north. However, Marin County is catching up. In the last ten years, Marin has cut its overall usage over 40%. It had a desal plant approved and was going to start construction. Now it has put the project on hold. They will keep the plans ready for a future contingency. They are to be congratulated for trying to be like us!!
8. **SF HOA-Water Your Lawns:** A bay area homeowners association near Danville has told its residents that they must water their lawns and maintain their landscaping or they will be fined or sued. The community of Blackhawk, an exclusive HOA has made this decision in spite of State Water Board and local districts rulings. The community has cut its total water usage by more than one half in the last 10 years. They argue that since supply and snowpack are close to normal, they need to maintain their property values.

9. **Groundwater Cleanup:** Over 200 companies have agreed to spend \$78 million to clean up a southern California superfund site. The site is in Whittier and impacts groundwater for Whittier, Santa Fe Springs and Norwalk. The contamination occurred between 1975 and 1991. Some of the participating companies include: Alcoa, Boeing, Dow, Disney, Mattel, LA County and CalTrans.
10. **Lake Tahoe Murkier:** The average clarity depth for Lake Tahoe is around 70 feet over the past 15 years. Last year we lost about 5 feet of clarity as a result of more rain than snow in the area. The rain brings more debris along with it and contributes to murkiness. Still researchers are not too concerned, as the Lake is much better now than it was in 1997 when the clarity level was 64 feet.
11. **Valley Recharge:** As a result of the increased rain and snow, the Fresno and Visalia areas will receive more water for agriculture and groundwater recharge. The Valley has created groundwater recharge basins, check structures and recharge ponds. In addition they have a water treatment plant that is near drinking water quality. That water will be used for crop irrigation and groundwater recharge.

MWDOC

PAL Committee

Prepared by Best Best & Krieger

4/16/2016

A. Priority Support/Oppose

AB 1713

(Eggman D) Sacramento-San Joaquin Delta: peripheral canal.

Current Text: Introduced: 1/26/2016 [pdf](#) [html](#)

Current Analysis: 04/25/2016 [Assembly Appropriations \(text 1/26/2016\)](#)

Status: 4/27/2016-In committee: Set, first hearing. Referred to APPR. suspense file.

Is Urgency: N

Summary: Current law requires various state agencies to administer programs relating to water supply, water quality, and flood management in the Sacramento-San Joaquin Delta. The bill would prohibit the construction of a peripheral canal, as defined, unless expressly authorized by an initiative voted on by the voters of California on or after January 1, 2017, and would require the Legislative Analyst's Office to complete a prescribed economic feasibility analysis prior to a vote authorizing the construction of a peripheral canal.

Laws: An act to add Chapter 1.5 (commencing with Section 115) to Division 1 of the Water Code, relating to the Sacramento-San Joaquin Delta.

Position	Priority
Opposition	A. Priority Support/Oppose

Notes 1: Priority oppose based on MWDOC's support for the CA Water Fix. The object of this bill is to cause delay until Gov. Brown is out of office.

AB 1755

(Dodd D) The Open and Transparent Water Data Act.

Current Text: Amended: 4/5/2016 [pdf](#) [html](#)

Current Analysis: 04/15/2016 [Assembly "water, Parks And Wildlife" \(text 4/5/2016\)](#)

Last Amend: 4/5/2016

Status: 4/20/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 12. Noes 1.) (April 19). Re-referred to Com. on APPR.

Is Urgency: N

Summary: Would enact the Open and Transparent Water Data Act. The act would require the Department of Water Resources to establish a public benefit corporation that would create and manage (1) a statewide water information system to improve the ability of the state to meet the growing demand for water supply reliability and healthy ecosystems, that, among things, would integrate existing water data information from multiple databases and (2) an online water transfer information clearinghouse to report on water transactions that would include a database with information on completed water transfers, a public forum to exchange information on water market issues, and information to assist proponents with the water transfer approval processes.

Laws: An act to add Part 4.9 (commencing with Section 12400) to Division 6 of the Water Code, relating to water data.

Position	Priority
Watch	A. Priority Support/Oppose

Notes 1: This bill was previously flagged as a "watch" due to the policy committee chair authoring a bill on the same subject. Assemblyman Dodd, however, has emerged as a possible consensus builder on the issue of water transfers. As

this may affect water transfers, it is of direct concern to MWD's supply portfolio, which could directly affect MWDOC. The bill should be viewed as a "work in progress" at this time, and may be covered in depth in a future report.

AB 2022

(Gordon D) Advanced purified demonstration water.

Current Text: Amended: 3/31/2016 [pdf](#) [html](#)

Current Analysis: 04/18/2016 [Assembly Appropriations \(text 3/31/2016\)](#)

Last Amend: 3/31/2016

Status: 5/5/2016-Referred to Com. on E.Q.

Is Urgency: N

Summary: Would authorize the operator of a facility producing advanced purified demonstration water, as defined, to cause that water to be bottled and distributed as samples for educational purposes and to promote water recycling. The bill would prohibit the advanced purified demonstration water from being distributed unless the water meets or is superior to all federal and state drinking water standards. The bill would authorize advanced purified demonstration water to be bottled at a licensed water-bottling plant in compliance with specified provisions.

Laws: An act to add Section 13570 to the Water Code, relating to water.

Position	Priority
Support	A. Priority
	Support/Oppose

Notes 1: Moving with unanimous support so far.

AB 2304

(Levine D) California Water Market Exchange.

Current Text: Introduced: 2/18/2016 [pdf](#) [html](#)

Current Analysis: 04/08/2016 [Assembly "water, Parks And Wildlife" \(text 2/18/2016\)](#)

Status: 4/13/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 4.) (April 12). Re-referred to Com. on APPR.

Is Urgency: N

Summary: Would establish the California Water Market Exchange, governed by a 5-member board, in the Natural Resources Agency. This bill would require the market exchange, on or before December 31, 2017, to create a centralized water market platform on its Internet Web site that provides ready access to information about water available for transfer or exchange.

Laws: An act to add Chapter 7.5 (commencing with Section 485) to Division 1 of the Water Code, relating to water.

Position	Priority
Watch	A. Priority
	Support/Oppose

Notes 1: There are many concerns with this bill, such as adding more requirements to water transfers which are already difficult to complete. On the other hand, there could be potential benefits if it makes it easier for water buyers to find sellers and to know in advance what will likely be required to close a deal. For these reasons the majority of the water industry is taking a "wait and see" approach. ACWA has a "support if amended" position and is in discussions with the author. Enviro groups are supporting.

AB 2438

(Waldron R) California Environmental Quality Act: exemption: recycled water pipelines.

Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)

Current Analysis: 04/22/2016 [Assembly Floor Analysis \(text 2/19/2016\)](#)

Status: 4/21/2016-Read second time. Ordered to third reading.

Is Urgency: N

Summary: Would, until January 1, 2020, additionally exempt from CEQA a project for the construction and installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline, not exceeding 8 miles in length, for the distribution of recycled water within a public street, highway, or right-of-way and would require the lead agency to undertake specified activities, including the filing of a notice of exemption for the project with the Office of Planning and Research and the office of the county clerk of each county in which the project is located.

Laws: An act to add and repeal Section 21080.21.5 of the Public Resources Code, relating to environmental quality.

Position	Priority
	A. Priority
	Support/Oppose

[AB 2583](#)

(Frazier D) Sacramento-San Joaquin Delta Reform Act of 2009.

Current Text: Amended: 3/17/2016 [pdf](#) [html](#)

Current Analysis: 04/15/2016 [Assembly "water, Parks And Wildlife" \(text 3/17/2016\)](#)

Last Amend: 3/17/2016

Status: 4/22/2016-Failed Deadline pursuant to Joint Rule 61(b)(5). (Last location was A. W., P. & W. on 3/28/2016)

Is Urgency: N

Summary: Would add a definition of the California Water Fix to the Sacramento-San Joaquin Delta Reform Act of 2009. This bill would eliminate certain provisions applicable to the BDCP and would revise other provisions to instead refer to a new Delta water conveyance project for the purpose of exporting water. This bill would require new Delta water conveyance infrastructure to be considered as interdependent parts of a system and to be operated in a way that maximizes benefits for each of the coequal goals. This bill contains other related provisions and other existing laws.

Laws: An act to amend Sections 85057.5, 85086, 85088, 85089, 85320, and 85321 of, to amend the heading of Chapter 2 (commencing with Section 85320) of Part 4 of Division 35 of, and to add Section 85053.5 to, the Water Code, relating to the Sacramento-San Joaquin Delta.

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

Notes 1: Same concerns as AB 1713. Intended to delay CA Water Fix.

[SB 20](#)

(Pavley D) California Water Resiliency Investment Act.

Current Text: Amended: 8/26/2015 [pdf](#) [html](#)

Current Analysis: 05/31/2015 [Senate Floor Analyses \(text 12/1/2014\)](#)

Last Amend: 8/26/2015

Status: 8/28/2015-Failed Deadline pursuant to Rule 61(a)(11). (Last location was W., P. & W. on 8/26/2015)

Is Urgency: N

Summary: Under current law, various measures provide funding for water resources projects, facilities, and programs. This bill would create the California Water Resiliency Investment Fund in the State Treasury and provide that moneys in the fund are available, upon appropriation by the Legislature, for the purpose of providing a more dependable water supply for California. This bill would create various accounts within the fund for prescribed purposes.

Laws: An act to add Division 36 (commencing with Section 86000) to the Water Code, relating to water.

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

Notes 1: High priority watch bill as it may be used as a vehicle for public goods charge, or other public funding mechanism.

Notes 2: Could affect potential funding sources for water infrastructure projects.

ACWA is opposed.

[SB 163](#)

(Hertzberg D) Wastewater treatment: recycled water.

Current Text: Amended: 9/3/2015 [pdf](#) [html](#)

Current Analysis: 06/02/2015 [Senate Floor Analyses \(text 6/2/2015\)](#)

Last Amend: 9/3/2015

Status: 9/11/2015-Failed Deadline pursuant to Rule 61(a)(14). (Last location was RLS. on 9/8/2015)

Is Urgency: N

Summary: Would declare that the discharge of treated wastewater from ocean outfalls, except in compliance with the bill's provisions, is a waste and unreasonable use of water in light of the cost-effective opportunities to recycle this water for further beneficial use. This bill, on or before January 1, 2026, would require a wastewater treatment facility discharging through an ocean outfall to achieve at least 50% reuse of the facility's actual annual flow, as defined, for beneficial purposes.

Laws: An act to add Section 13557.5 to the Water Code, relating to water.

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

Notes 1: Staff is recommending changing from "watch" to "oppose."

SB 814

(Hill D) Drought: excessive water use: urban retail water suppliers.

Current Text: Amended: 3/30/2016 [pdf](#) [html](#)

Current Analysis: 05/04/2016 [Senate Floor Analyses \(text 3/30/2016\)](#)

Last Amend: 3/30/2016

Status: 5/9/2016-Read third time. Passed. (Ayes 23. Noes 11.) Ordered to the Assembly.

Is Urgency: N

Summary: Would declare that excessive water use during a state of emergency based on drought conditions by a residential customer, as specified, is prohibited. This bill would require each urban retail water supplier to establish a method to identify and restrict excessive water use. This bill would authorize as a method to identify and restrict excessive water use the establishment of a rate structure that includes block tiers, water budgets, penalties for prohibited uses, or rate surcharges over and above base rates for excessive water use by residential customers.

Laws: An act to add Chapter 3.3 (commencing with Section 365) to Division 1 of the Water Code, relating to water.

Position	Priority
Oppose unless amended	A. Priority Support/Oppose

Notes 1: ACWA is attempting to negotiate amendments with the author. Opposition is taking a "wait and see" approach as long as the author is willing to consider amendments.

SB 919

(Hertzberg D) Water supply: creation or augmentation of local water supplies.

Current Text: Amended: 4/14/2016 [pdf](#) [html](#)

Current Analysis: 05/04/2016 [Senate Floor Analyses \(text 4/14/2016\)](#)

Last Amend: 4/14/2016

Status: 5/9/2016-Read third time. Passed. (Ayes 35. Noes 0.) Ordered to the Assembly.

Is Urgency: N

Summary: Would require the Public Utilities Commission, before January 1, 2018, in consultation with the Independent System Operator, to address the oversupply of renewable energy resources through a tariff or other economic incentive for electricity purchased by customers operating "facilities that create or augment local water supplies," as defined, to reduce the cost of electricity to those facilities. This bill contains other related provisions and other existing laws.

Laws: An act to add Section 711 to the Public Utilities Code, relating to water supply.

Position	Priority
Watch	A. Priority Support/Oppose

Notes 1: This bill is moving without opposition and is a possible candidate for a support recommendation due to potential to benefit desalinization projects. At this time, however, MWDOC has not been asked to take a position, and it is not clear that it would provide a tangible benefit to a member agency if passed. ACWA, CASA, and CMUA are supportive but seeking clarifying amendments. San Diego Water Authority is to the only water agency listed in full support.

SB 1318

(Wolk D) Local government: drinking water infrastructure or services: wastewater infrastructure or services.

Current Text: Amended: 4/12/2016 [pdf](#) [html](#)

Current Analysis: 04/18/2016 [Senate Senate Environmental Quality \(text 4/12/2016\)](#)

Last Amend: 4/12/2016

Status: 5/6/2016-Set for hearing May 16.

Is Urgency: N

Summary: Current law, except as otherwise provided, prohibits a local agency formation commission from approving an annexation to a city of any territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community, as specified, unless an application to annex the disadvantaged unincorporated community to the subject city has been filed with the executive officer. This bill would extend that prohibition to an annexation to a qualified special district.

Laws: An act to amend Sections 56375, 56425, and 56430 of the Government Code, relating to local government.

Position	Priority
	A. Priority Support/Oppose

[SB 1340](#)*(Wolk D) Water Conservation in Landscaping Act.**Current Text: Amended: 4/5/2016 [pdf](#) [html](#)**Current Analysis: 04/29/2016 [Senate Floor Analyses \(text 4/5/2016\)](#)**Last Amend: 4/5/2016**Status: 4/13/2016-Read second time. Ordered to third reading.**Is Urgency: N**Summary: Would add to the model water efficient landscape ordinance a permit requirement for the installation or replacement of specified automatic irrigation systems, or the expansion of the same specified automatic irrigation systems to increase the irrigated area by 25% or more, for a landscape project on or after July 1, 2018. The bill would allow the governing body of a local agency to adopt an ordinance prescribing fees for filing an application for the permit, subject to the restrictions that the fees not exceed the amount reasonably required to review applications and issue the permits and that the fees not be levied for general revenue purposes.**Laws: An act to amend Section 65596 of the Government Code, relating to water conservation.**Position**Priority**A. Priority**Support/Oppose*

B. Watch

[AB 647](#)*(Eggman D) Beneficial use: storing of water underground.**Current Text: Amended: 6/30/2015 [pdf](#) [html](#)**Current Analysis: 05/06/2015 [Assembly Floor Analysis \(text 5/5/2015\)](#)**Last Amend: 6/30/2015**Status: 7/17/2015-Failed Deadline pursuant to Rule 61(a)(10). (Last location was N.R. & W. on 6/30/2015)**Is Urgency: N**Summary: Current law declares that the storing of water underground, and related diversions for that purpose, constitute a beneficial use of water if the stored water is thereafter applied to the beneficial purposes for which the appropriation for storage was made. This bill would repeal that declaration and instead declare that the diversion of water to underground storage constitutes a beneficial use of water if the water so stored is thereafter applied to the beneficial purposes for which the appropriation for storage was made, or if the water is so stored consistent with a sustainable groundwater management plan, statutory authority to conduct groundwater recharge, or a judicial decree and is for specified purposes.**Laws: An act to repeal and add Section 1242 of the Water Code, relating to water.**Position**Priority**B. Watch**Notes 1: This bill is being closely followed as it could have impacts on member agencies, particularly those that actively manage groundwater. Not set to be heard until July at this time.*[AB 938](#)*(Rodriguez D) Sustainable Groundwater Management Act: adjudicated basins.**Current Text: Amended: 3/9/2016 [pdf](#) [html](#)**Current Analysis: 04/13/2015 [Assembly Water, Parks And Wildlife \(text 2/26/2015\)](#)**Last Amend: 3/9/2016**Status: 3/9/2016-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on N.R. & W.**Is Urgency: Y**Summary: Would authorize the watermaster or local agency administering an adjudicated basin to elect that the adjudicated basin be subject to the provisions of the Sustainable Groundwater Management Act. The bill would*

authorize the court with jurisdiction over the adjudicated basin to issue an order setting a hearing to determine whether the adjudicated basin shall be subject to the act, as prescribed. This bill contains other related provisions and other existing laws.

Laws: An act to amend Section 10720.8 of the Water Code, relating to groundwater, and declaring the urgency thereof, to take effect immediately.

Position Priority
B. Watch

Notes 1: This bill is a holdover from last year and is not moving at this time. Watch position is due to potential impacts to SGMA.

[AB 1242](#)

([Gray](#) D) Water quality and storage.

Current Text: Amended: 9/1/2015 [pdf](#) [html](#)

Current Analysis: 08/19/2015 [Senate Floor Analyses \(text 8/19/2015\)](#)

Last Amend: 9/1/2015

Status: 9/11/2015-Failed Deadline pursuant to Rule 61(a)(14). (Last location was THIRD READING on 9/2/2015)

Is Urgency: N

Summary: Would require the Department of Water Resources to increase statewide water storage capacity by 25% by January 1, 2025, and 50% by January 1, 2050, as specified. The bill would require the department, on or before January 1, 2017, to identify the current statewide water storage capacity and prepare a strategy and implementation plan to achieve those expansions in statewide water storage capacity, and would require the department to update the strategy and implementation plan on January 1, 2018, and every 2 years thereafter, until January 1, 2050.

Laws: An act to amend Section 39719 of the Health and Safety Code, and to add Section 13145.5 to, and to add Chapter 4.5 (commencing with Section 430) to Division 1 of, the Water Code, relating to water, and making an appropriation therefor.

Position Priority
B. Watch

Notes 1: This bill is from 2015 and is not moving at this time. Watched due to potential impacts to SGMA and how SWRCB must deal with groundwater sustainability plans when formulating water quality regulations.

[AB 1463](#)

([Gatto](#) D) Onsite treated water.

Current Text: Amended: 9/4/2015 [pdf](#) [html](#)

Current Analysis: 05/29/2015 [Assembly Floor Analysis \(text 2/27/2015\)](#)

Last Amend: 9/4/2015

Status: 9/11/2015-Failed Deadline pursuant to Rule 61(a)(14). (Last location was E.Q. on 9/4/2015)

Is Urgency: N

Summary: Would require the State Water Resources Control Board, in consultation with the State Department of Public Health, the California Building Standards Commission, and stakeholders, to establish water quality standards and distribution, monitoring, and reporting requirements for onsite water recycling systems prior to authorizing the use of onsite treated water in internal plumbing of residential and commercial buildings. This bill would require onsite treated water to be considered the same as recycled water that is produced on site.

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

Position Priority
B. Watch

Notes 1: Watched due to potentially serious concerns by retail agencies over contamination of potable water. Not moving at this time.

[AB 1587](#)

([Mathis](#) R) Groundwater.

Current Text: Amended: 4/14/2016 [pdf](#) [html](#)

Current Analysis: 04/25/2016 [Assembly Appropriations \(text 4/14/2016\)](#)

Last Amend: 4/14/2016

Status: 4/27/2016-In committee: Set, first hearing. Referred to APPR. suspense file.

Is Urgency: N

Summary: Would, in implementing the competitive grants for projects that develop and implement groundwater planning requirements, require special consideration be given to those projects that would create groundwater recharge basins in areas of fallow farmland. This bill would appropriate \$50,000,000 from the proceeds of the bond

act for the purpose of that competitive grant program.

Laws: An act to add Section 79776 to the Water Code, relating to groundwater, and making an appropriation therefor.

Position

Priority

B. Watch

Notes 1: Watched due to possible impacts to groundwater management of member agencies. Significant opposition in committee on 4/12.

AB 1588

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

Current Text: Amended: 3/16/2016 [pdf](#) [html](#)

Current Analysis: 04/04/2016 [Assembly Appropriations \(text 3/16/2016\)](#)

Last Amend: 3/16/2016

Status: 4/6/2016-In committee: Set, first hearing. Referred to APPR. suspense file.

Is Urgency: Y

Summary: Would require the State Water Resources Control Board to establish a program to provide funding to counties to award low-interest loans and grants to eligible applicants for specified purposes relating to drinking water and wastewater treatment. This bill would authorize a county to apply to the board for a grant to award loans or grants, or both, to residents of the county, as prescribed. This bill would create the Water and Wastewater Loan and Grant Fund and provide that the moneys in this fund are available, upon appropriation by the Legislature, to the board to administer and implement the program.

Laws: An act to add Chapter 6.6 (commencing with Section 13486) to Division 7 of the Water Code, relating to water, and declaring the urgency thereof, to take effect immediately.

Position

Priority

B. Watch

Notes 1: Potential benefit to water infrastructure projects, but 2/3rds vote required. Not impossible since the bill creates a loan program, but fate will be determined by concerns beyond the bill itself.

AB 1749

(Mathis R) California Environmental Quality Act: exemption: recycled water pipeline.

Current Text: Amended: 4/27/2016 [pdf](#) [html](#)

Current Analysis: 04/29/2016 [Assembly Natural Resources \(text 4/27/2016\)](#)

Last Amend: 4/27/2016

Status: 5/4/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 1.) (May 3). Re-referred to Com. on APPR.

Is Urgency: Y

Summary: Would exempt from the California Environmental Quality Act's requirements projects for the construction of recycled water treatment facilities and directly related pipelines approved or carried out by a public agency prior to July 1, 2017, for the purpose of mitigating drought conditions that meet certain requirements. The bill would provide that this exemption remains operative until the state of emergency is terminated or until January 1, 2018, whichever occurs first. This bill contains other related provisions and other existing laws.

Laws: An act to add and repeal Section 21080.06 of the Public Resources Code, relating to environmental quality, and declaring the urgency thereof, to take effect immediately.

Position

Priority

B. Watch

Notes 1: This bill proposes a CEQA exemption. Pulled from committee twice. Will prepare recommendation if there is any possibility of it moving.

Total Measures: 19

Total Tracking Forms: 19

**Metropolitan Water District of Southern California
State Legislation Matrix 5/9/2016**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 291 Medina (D) Sponsor: ACWA and McGeorge Law School Policy and Legislative Clinic	Amended 6/10/15 Senate Environmental Quality Committee	CEQA: Local Agencies: Notice of Determination: Amends CEQA to authorize a local agency for a multi-county water transfer to file the notice of determination with the county clerk in the county of the local agency's principal office and with the Office of Planning and Research.	SUPPORT based upon April 2013 board- adopted CEQA policy principles	Would streamline the filing of CEQA notices of determination for multi-county water transfers and improves public access to those notices. Notice of multi-county water transfers would be made available on CEQAnet for broader public access.
AB 501 Levine (D) Sponsor: Author	Amended 1/25/16 Senate Natural Resources and Water Committee	Resources: Delta Research: Requires that state-funded environmental research in the San Francisco Bay/Sacramento-San Joaquin Delta estuary be shareable and made available to the Delta Science Program.	SUPPORT AND AMEND based upon June 2007 board- adopted Delta Action Plan	Seeks to foster communication and transparency among Delta researchers and would provide open access to research data. It is unclear how enforcement measures would be implemented when data is not released within six months after entity has completed work under a state grant.

Metropolitan Water District of Southern California
State Legislation Matrix 5/9/2016

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 647 Eggman (D) Sponsor: Author	Amended 6/30/15 Senate Natural Resources and Water Committee	Beneficial Use: Storing of Water Underground: Would amend the Water Code to state that diversion of water underground to protect water quality, prevent land subsidence or prevent or remediate chronic lowering of groundwater levels is a beneficial use. Also states that existing forfeiture provisions for non-use of water for periods longer than five years would not apply to water being beneficially used for these specific purposes.	SUPPORT (PENDING)	Amended bill includes safeguards to ensure that permanent underground storage is implemented in a reasonable manner. SWRCB must confirm that flows are not already appropriated or diverted at times when the federal Central Valley Project, State Water Project or other permitted reservoir releases are required to release supplemental project water to meet water quality objectives in the Delta watershed.
AB 935 Salas (D) Sponsor: Author	Amended 9/4/15 Senate Inactive File	Water Projects: Requires DWR to fund two specified projects on Friant-Kern Canal and San Joaquin River, under certain conditions. Funding shall not exceed \$75 million and is subject to future appropriation by the Legislature.	OPPOSE UNLESS AMENDED based upon June 2007 board- adopted Delta Action Plan	Named projects have the potential to negatively impact the State Water Project's ability to deliver water supply through the Delta due to potential effects on hydrology, hydrodynamics, water quality, fisheries and other aquatic resources. Measure contains no best available science requirement or any public hearing prerequisite to give potentially impacted parties a chance to weigh in before projects move forward.

**Metropolitan Water District of Southern California
State Legislation Matrix 5/9/2016**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 1201 Salas (D) Sponsor: Author	Amended 8/17/15 Senate Appropriations Committee	Delta: Predation: Directs Department of Fish and Wildlife to develop a science-based approach that addresses predation in the Delta.	SUPPORT based upon June 2007 board-adopted Delta Action Plan	Aligns with Metropolitan's broader efforts to base management decisions for the Delta on science. Places responsibility on appropriate state agency to manage statewide problem.
AB 1713 Eggman (D) Sponsor: Author	Introduced 1/26/16 Assembly Appropriations Committee suspense file Date of Hearing: 5/27/16	Delta: Peripheral Canal: Prohibits construction of a Peripheral Canal unless authorized by initiative vote of all California voters on or after January 1, 2017. "Peripheral Canal," as defined in bill, only pertains to new conveyance improvements envisioned under CA Water Fix.	OPPOSE based upon June 2007 board-adopted Delta Action Plan	Creates a dangerous precedent for major infrastructure investments that are critical to supporting state's economy. Would subvert historic agreement and progress of 2009 Delta Reform Act to achieve co-equal goals of providing reliable water supplies for California and restoration of Delta ecosystem.
AB 1749 Mathis (R) Sponsor: Author	Amended 4/27/16 Assembly Appropriations Committee	CEQA: Recycled Water: Would establish temporary CEQA exemption for specified recycled water projects approved during current drought state of emergency if project: 1) is approved or carried out by public agency prior to July 1, 2017; 2) is located on city-owned property and directly-related pipelines are less than one mile in length and located within existing developed rights-of-way; and 3) does not affect wetlands or sensitive habitat and construction impacts are fully mitigated consistent with applicable law.	WATCH	To extent any member agency proposed projects meet the narrow criteria now in the bill, those projects may benefit from the CEQA exemption.

**Metropolitan Water District of Southern California
State Legislation Matrix 5/9/2016**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 1755 Dodd (D) Sponsor: California Water Foundation and Bay Area Council	Amended 4/5/16 Assembly Appropriations Committee	Open and Transparent Water Data Act: Requires Department of Water Resources to establish a public benefit corporation to manage statewide water information and an online water transfer clearinghouse.	SUPPORT IF AMENDED pursuant to board action on April 12, 2016	Greater information sharing and transparency is a positive. Amended bill contains language to ensure that the clearinghouse would not function as a "broker" for water market transactions.
AB 2022 Gordon (D) Sponsors: Orange County Water District; Orange County Sanitation District; and WaterReuse California	Amended 3/31/16 Senate Rules Committee	Advanced Purified Demonstration Water: Authorizes bottling of advanced purified demonstration water, as defined, for educational purposes to promote water recycling.	SUPPORT based upon board- adopted policy principles on water recycling (1998) and water use efficiency (2009)	Would authorize the use of an important outreach tool to increase public awareness of advanced purified water as an important water resource.

**Metropolitan Water District of Southern California
State Legislation Matrix 5/9/2016**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 2304 Levine (D) Sponsor: Environmental Defense Fund	Introduced 2/18/16 Assembly Appropriations Committee	California Water Market Exchange: Would create the California Water Market Exchange (Exchange) within the Natural Resources Agency to be managed by a new five-member board. Exchange would have power to require the submission of details regarding water transfers and exchanges before they occur, including prices, quantities and identifying potential third-party impacts. Requires Exchange to develop procedures to expedite review and action on applications for transfers and exchanges. Requires Exchange to establish standards and procedures to ensure that water transfers and exchanges protect and enhance environmental and community benefits. Parties that submit required information must pay administrative fees established by the Exchange to cover its costs.	<p style="text-align: center;">OPPOSE UNLESS AMENDED</p> pursuant to board action on April 12, 2016	Metropolitan will seek amendments to eliminate any provision that would increase the administrative approvals to implement water transfers and the imposition of new fees on such water transfers.

**Metropolitan Water District of Southern California
State Legislation Matrix 5/9/2016**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 2470 Gonzalez (D) Sponsor: Sycuan Band of the Kumeyaay Nation	Amended 4/26/16 Assembly Appropriations Committee	Municipal Water Service: Indian Tribes: Amends the Municipal Water District Act to mandate that, at the request of an Indian tribe and upon satisfaction of certain conditions, a water district provide service to an Indian tribe's lands that are not within the district. Service shall be provided at substantially the same terms applicable to other customers of the district as if the lands were fully annexed into the district and any other public agency providing water to the district.	SUPPORT IF AMENDED pursuant to board action on April 12, 2016 (based on 3/29/16 amendment)	Does not require formal annexation or LAFCO approval but instead deems the land included in the district's service area provided the tribe has agreement with the relevant public agencies and is making payments and is complying with terms and conditions within the agreement.
AB 2488 Dababneh (D) Sponsor: Metropolitan Water District of Southern California	Amended 4/14/16 Senate Rules Committee	Protected Species: Unarmored Threespine Stickleback (UTS): Will allow Metropolitan to perform important maintenance and repairs on its Foothill Feeder by authorizing Department of Fish and Wildlife to issue an incidental take permit to Metropolitan for potential take of UTS, a California fully protected species.	SUPPORT pursuant to board action on February 9, 2016	Will allow for rescue and relocation of UTS out of harm's way and other measures to minimize and mitigate incidental take, and to contribute to the conservation of this sensitive species while ensuring reliability of the Foothill Feeder's critical water supply to Southern California.

Metropolitan Water District of Southern California
State Legislation Matrix 5/9/2016

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 2583 Frazier (D) Sponsor: Author	Amended 3/17/16 Failed passage on 4/19/16 in Assembly Water, Parks and Wildlife Committee	Sacramento-San Joaquin Delta Reform Act of 2009: Would create arduous new requirements that would delay or halt moving forward with California WaterFix. AB 2583 completely guts the permitting and operations that have been a decade in the making. Would, among other mandates, require SWRCB to complete its update to Bay-Delta Water Quality Control Plan before it could grant a change in point of diversion permit.	<p style="text-align: center;">OPPOSE</p> based upon June 2007 board-adopted Delta Action Plan	Creates an unnecessary and destructive double standard for advancing projects to modernize the statewide water system by establishing a faulty regulatory scheme in numerous unproductive ways. Represents step backward in meeting California's co-equal goals of a reliable water supply and restored Delta ecosystem.

**Metropolitan Water District of Southern California
State Legislation Matrix 5/9/2016**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
<p style="text-align: center;">ACA 8 Bloom (D)</p> <p>Sponsor: West Basin Municipal Water District</p>	<p style="text-align: center;">As Introduced Assembly Rules Committee</p>	<p>Local Government Financing: If approved by Legislature, ACA 8 would place a constitutional amendment on November 2016 ballot to create exception under Article XIII A, Article XIII C and Article XVI of the CA Constitution for special districts, municipalities and counties. Creates new exemption to 1% Prop. 13 ad valorem (AV) property tax cap, so long as the AV property taxes are imposed for purposes of funding water, stormwater or wastewater related infrastructure and is approved by 55% of the voters. Lowers vote threshold required to adopt special taxes and to incur bonded indebtedness from two-thirds requirement to 55% majority vote, so long as funding or financing is for purposes of water, stormwater or wastewater related infrastructure. Does not affect existing exemptions to Props. 13, 218 or 26.</p>	<p style="text-align: center;">SUPPORT pursuant to board action on April 12, 2016</p>	<p>Capital improvement needs for California's water, stormwater and wastewater infrastructure have been estimated in the billions over the coming decades. ACA 8 is designed to improve opportunities for funding critical water infrastructure throughout California.</p>

**Metropolitan Water District of Southern California
State Legislation Matrix 5/9/2016**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
SB 20 Pavley (D) Sponsor: California Water Foundation	Amended 8/26/15 Assembly Water, Parks and Wildlife Committee	California Water Resiliency Investment Act: Would create the California Water Resiliency Investment Fund for funding “orphan” water infrastructure investments, including: 1) emergency drought response to protect vulnerable populations; 2) matching grants to local and regional agencies to increase regional self-reliance; 3) planning, construction, operation and maintenance of drinking water systems for disadvantaged communities; 4) restoration and protection of fish and wildlife to avoid or reduce conflicts with water management systems; and 5) to support improved data and information systems.	WATCH based upon board-adopted Legislative Priorities for 2016	Contains no specific funding source. Creates only a policy “framework” for initiating the dialogue on sustainable funding options to fill gaps that reportedly exist for state and local water infrastructure financing and operations.
SB 471 Pavley (D) Sponsor: Author	Amended 8/17/15 Assembly Appropriations Committee	Water, Energy and Reduction of Greenhouse Gas Emissions (GHG): Would authorize SWRCB, in cooperation with the CEC, CARB, PUC and DWR to establish grant and loan program for water projects that result in net reduction of water-related GHGs. Also directs CEC, in cooperation with SWRCB, CARB, PUC and DWR, to conduct study of water-related energy use in California.	SUPPORT AND SEEK AMENDMENTS based upon August 2008 board-adopted energy policy principles	While energy use has always been key factor in water resource planning, measure would provide new opportunities for accessing funding for projects that reduce water-related GHG emissions.

Metropolitan Water District of Southern California
State Legislation Matrix 5/9/2016

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
SB 554 Wolk (D) Sponsor: Author	Amended 1/4/16 Assembly Water, Parks and Wildlife Committee	Delta Levee Maintenance: Current law establishes Delta levee maintenance program for reimbursement of costs incurred in connection with maintenance or improvement of projects or non-project levees in the Sacramento-San Joaquin Delta. This bill would declare legislative intent and authorize Central Valley Flood Protection Board to reimburse up to 75% of those costs incurred in any year for maintenance or improvement of levees in excess of \$1,000 per mile of levee.	OPPOSE UNLESS AMENDED based upon June 2007 board-adopted Delta Action Plan	SB 554 is contrary to “beneficiaries pay” principle as it seeks to permanently encumber state General Fund for levee maintenance responsibilities on private lands in Sacramento-San Joaquin Delta absent financial justification for such level of state investment. Amendments are necessary to direct Dept. of Water Resources to enlist outside entity to conduct affordability/beneficiaries assessment for Delta levee subventions program.

**ACTION ITEM**

May 18, 2016

TO: Board of Directors**FROM:** **Public Affairs & Legislation Committee**
(Directors Barbre, Hinman, Tamaribuchi)Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: SB 163 (Hertzberg) – Wastewater Treatment, Recycled Water**STAFF RECOMMENDATION**

Staff recommends the Board of Directors vote to adopt an oppose position on SB 163 and send a letter to the author and Orange County delegation expressing our position.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at committee.)

SUMMARY

SB 163 was brought to the Public Affairs & Legislation Committee on February 17, 2016 where the committee voted to take no action, but asked staff to monitor the legislation and bring the measure back if it was amended. In the following months, a number of water and wastewater agencies and organizations have engaged on this bill to no avail. No suggested amendments have been taken and the bill remains in current form.

As amended in the last week of session in 2015, SB 163 would declare that the discharge of treated water through ocean outfalls constitutes a waste and unreasonable use of water, and would require wastewater facilities to phase out this practice over the next two decades before achieving 100% reuse by 2036 and eliminating discharge through ocean outfalls.

In declaring the discharge of treated wastewater through ocean outfalls a waste and unreasonable use of water, this bill would require a NPDES permit holder (permit holder)

Budgeted (Y/N): n/a	Budgeted amount:	Core x	Choice __
Fiscal Impact (explain if unbudgeted):			

authorized for the discharge of wastewater through an ocean outfall as of January 1, 2016, to submit a compliance plan to meet the following provisions to the executive director of the Water Board by 1/1/2020:

- 1) Achieve 50% reuse of the facility's actual annual flow for beneficial purposes by January 1, 2026. (For all purposes of this measure, "actual annual flow" is defined the annual average flow of treated wastewater discharging through a facility's ocean outfall as determined by the Water Board using monitoring data available for calendar years 2009 to 2014.)
- 2) Eliminate all discharge of treated wastewater through ocean outfalls, except as backup discharge (i.e. during storms or wet periods when there is little demand for reclaimed water), by 1/1/2036.
- 3) Achieve 100% reuse of the facility's actual annual flow for beneficial purposes by 1/1/2036.

ARGUMENTS IN SUPPORT

Given the cyclical droughts faced by California, and the increasing cost of developing new water supplies, preventing treated water from being lost to the ocean is an obvious benefit. In theory, reusing water that is already in the system is more efficient than generating new water.

While the underlying policy of this bill is laudable, issues such as cost, feasibility, or barriers to direct potable reuse need to be resolved before a state-imposed mandate may even be considered.

ARGUMENTS IN OPPOSITION

Since the original gut and amend in September 2015, Senator Hertzberg went out of his way to signal that he wants to work cooperatively with stakeholders. However, when interested parties suggested workable amendments, negotiations stalled quickly.

In February 2016, a coalition of water and wastewater treatment providers sent a letter to Senator Hertzberg asking him to reintroduce the measure as a new bill and not move SB 163 to allow for the full legislative process to develop including adequate committee analyses (to date there have been no analyses as this was a last minute gut & amend at the end of the prior legislative year) and full hearings on the bill in both houses. When this did not occur, many agencies, including MWDOC, met with Senator Hertzberg regarding their concerns.

SB 1318 is based on a good theory, but the practical obstacles to complying with the bill's provisions are insurmountable. The bill simply imposes a top-down, one-size-fits-all, mandate to reuse very large amounts of treated waste water with neither an identified source of funding to pay for infrastructure improvements, nor even a rough estimate of the cost, which very likely would be billions of dollars. Reusing treated water is a great strategy, except where other types of conservation and supply projects can produce more water for less money.

COMMENTS

Back in February staff recommended adopting a Support if Amended position in light of the author's willingness to meet and confer with interested parties. The proposed amendment, which was drafted by the California Association of Sanitation Agencies and the California Municipal Utilities Association, would have used the bill to do a feasibility study of meeting the goals of the legislation. MWDOC's lobbyist met on more than one occasion with the author's staff and was asked to delay adopting a position for the time being, which the Board ultimately did. Three months having elapsed with no discernable progress, staff believes it is time to reconsider that position.

ACWA had adopted a "Not Favor" position while other interested parties initially adopted an "Oppose Unless Amended" approach. Water Reuse California identified a number of practical issues with the bill. Recently, a variety of utility districts, water districts, and associations changed their position from "Oppose Unless Amended" to "Oppose." The reason of the change is the lack of progress despite ongoing discussions with the author. Although the bill can wait until the end of June before being heard, most parties feel that the time has come to respond to the language of the bill as opposed to the intentions of its author. As currently written, the bill would make all other water policies subservient to this one objective by taking all known, and all as yet unknown, funds from other types of water conservation and/or supply projects. In sum, the bill eliminates discretion in meeting water supply needs through the most appropriate method(s) based on local circumstances in favor of a single state-imposed solution.

DETAILED REPORT

The full text of SB 163 is attached along with a coalition letter opposing the measure.



April 18, 2016

The Honorable Bob Hertzberg
California State Senate
State Capitol, Room 4038
Sacramento, CA 95814

Subject: Coalition OPPOSE - SB 163 (Hertzberg): Recycled Water Mandate for Ocean Dischargers - As Introduced / As Proposed to be Amended

Dear Senator Hertzberg,

The coalition of undersigned associations and individual water and wastewater agencies respectfully oppose SB 163 (Hertzberg), which would impose an unworkable mandate on each wastewater treatment facility that discharges through an ocean outfall in order to achieve at least 50 percent reuse of the facility's actual annual flow for beneficial purposes by 2026 and 100 percent by 2036.

Our coalition represents nearly all of the ocean dischargers who would be directly impacted by the mandate approach currently outlined in the bill, and many more agencies that are interested in issues pertaining to recycled water production throughout the state. As discussed in detail below, these dischargers have very different circumstances with respect to the quantities of water they are able to recycle and discharge. The water and wastewater community is highly supportive of developing recycled water projects and increasing recycled water production and use in the future. We are also committed to the aspirational goals set forth by the State Water Resources Control Board for increases in recycled water production and use. Unfortunately, the statewide ocean discharge prohibition in SB 163 is simply unworkable for a variety of reasons, including the following:

- A statewide mandate will cost local public agencies tens of billions of dollars, most if not all of which will be borne by local ratepayers, some in disadvantaged communities.
- A statewide mandate is not a feasible, practical, or efficient method to promote water recycling. Regional and watershed differences are crucial, and barriers are multiple.
- Significant efforts are already underway to expand production and use of recycled water. SB 163 would undermine these efforts, hindering recycled water goals rather than promoting them.
- Several regulatory efforts must be completed before agencies can examine the full suite of reuse options, including development of direct potable reuse regulations.
- Exemptions or extensions to the proposed deadline place the burden on local agencies, will not avoid disruption in long-term agency planning, and are unhelpful.
- A task force to examine substantive barriers to recycled water production and beneficial use is a necessary first step that would improve recycled water outcomes.

Each one of these issues is discussed in greater detail below.

The Cost to Implement SB 163 Would be Astronomical

The cost to implement a 100 percent reuse mandate on all ocean dischargers in the state would be staggering. Initial estimates are in the tens of billions of dollars, and would include massive treatment facility upgrades, significant infrastructure costs, and a fundamental shift in how wastewater operations with ocean outfalls are managed today. These costs would be borne, in part or in whole, by local ratepayers. This could result in wastewater bills that are three, four, or even five times current wastewater rates. In some cases, this would have a significant impact on disadvantaged communities within the jurisdiction of the local wastewater agency.

In order to comply with this arbitrary mandate, ocean dischargers would be required to add advanced treatment infrastructure such as filtration, microfiltration, reverse osmosis, and/or ultraviolet disinfection with advanced oxidation. Nearly all agencies would be required to develop expansive additional distribution infrastructure to deliver this new water. In combination, these actions would cost billions of dollars. Despite recent increases in grant and low interest loan funds for recycled water through Proposition 1 and the State Revolving Fund (SRF) Loan program, the current level of assistance is nowhere near enough to make the 100 percent mandate feasible or affordable for local ratepayers. SB 163 offers no practical solutions to address this funding shortfall.

A Statewide Ocean Discharge Prohibition is Not Feasible, Practical, or Efficient

California has more than fifty ocean dischargers across the state, ranging in size from agencies that discharge a few hundred thousand gallons per day up to 330 million gallons per day. Every watershed, region, treatment facility and outfall is different, and the capability to beneficially reuse water varies widely. A reliable and feasible end use for recycled water is not always available, and is dependent on factors other than simply the ocean discharger's technical ability to supply recycled water. The blanket mandate approach contemplated by SB 163 simply does not work because of this variability and the need to account for local conditions. For example:

- In many cases the regional demand simply does not exist to reuse 100 percent of an agency's ocean discharge. Some agencies are also long distances from groundwater basins or reservoirs suitable for recharge or storage, making such alternatives impractical.
- Many wastewater agencies are not water purveyors and have complex relationships with local water supply agencies, leaving limited options for distribution of recycled water.
- Some communities are built out and densely populated, making the development of purple pipes and distribution infrastructure for non-potable water exceedingly difficult and prohibitively expensive.
- Advanced treatment produces brine, which must be managed and ultimately discharged, meaning a true ocean discharge prohibition is unattainable.
- Public acceptance of beneficial reuse of wastewater, both for direct potable and indirect potable reuses, still remains an obstacle. While water and wastewater agencies and others are actively seeking to educate the public and dispel misconceptions regarding the safety of recycled water, this remains an issue that needs to be addressed.

SB 163 Is Counterproductive and Hinders Existing Water Recycling Efforts

Not only is the approach contemplated by SB 163 infeasible, the specter of a 50 or 100 percent statewide mandate could interfere with existing water recycling efforts currently underway. Water and wastewater agencies are already actively planning for the future and looking for opportunities to maximize recycled

water production and beneficial reuse. Coalition member agencies are producing hundreds of thousands of acre-feet of recycled water each year, and with recent funding initiatives and the potential for additional financial incentives down the road, California is well on its way to meeting the recycled water goals set forth by the State Water Resources Control Board. The ocean discharge prohibition in SB 163 undermines these efforts. Many agencies already have capital projects planned for long-term time horizons, are pursuing joint projects with other agencies, and are otherwise managing and balancing their water supply goals. If the mandate in SB 163 goes into effect, agencies would be forced to significantly modify their long term planning and budgeting priorities and spend billions of ratepayer dollars to focus solely on achieving this arbitrary ocean discharge prohibition.

SB 163 is Premature in Light of Pending Regulatory Efforts

Aside from the enormous practical and cost implications of moving to a 100 percent reuse mandate for ocean dischargers, the proposal is premature in light of pending regulatory efforts intended to lay the foundation for additional recycled water production and beneficial uses moving forward. Specifically, an existing "regulatory gap" needs to be filled before wastewater agencies can determine what methods, processes and types of reuse make the most sense for the required increase in use of recycled water in their service areas.

The State Water Board is currently receiving input from an expert panel and an advisory group on the feasibility of developing criteria for direct potable reuse (DPR). Depending on the results of that process and any regulations or actions that arise therefrom, the suite of options for wastewater agencies to beneficially reuse their water could change and expand dramatically. The availability of DPR is absolutely essential for maximizing recycled water production and beneficial use in the state, yet SB 163 attempts to impose a mandate before that process has been completed. The State Water Board is also currently developing regulations regarding surface water augmentation with recycled water. That process will inform available options for those agencies not in close proximity to groundwater basins conducive to replenishment with recycled water, and could change the dynamics of decision making at certain agencies. Finally, several bills in this legislative session (and in recent years) are laying the groundwork for expanded use of on-site treatment and recycling. This could have a significant impact on flows to wastewater facilities and change the dynamics of discharge in the future. These regulatory processes need to be finalized before agencies can fully evaluate their options as it relates to appropriate levels of treatment, available outlets for recycled water, and the best "fit" for a particular region and situation. Adopting a mandate in advance of the completion of these regulations and processes would require agencies to pursue paths that might not be the most beneficial to the agency, the ratepayers, or water supply in the region or state.

Burdening Local Agencies with "Proving an Exemption" is Not Good Policy

It is our understanding that amendments to the bill are currently under development that would provide some possible extensions for compliance deadlines based on a number of the feasibility issues outlined above. If the underlying mandate remains in place, these are simply unhelpful.

Under the anticipated approach, the burden would be on the local wastewater agency to demonstrate to the State Water Board that they meet eligibility criteria for an exemption or extension. It is not clear what would be required to make such a showing, what the State Water Board would be required to consider, how such requests would be analyzed, and how long this process might take. Establishing a mandate that clearly cannot be met by all ocean dischargers, and then asking those same local agencies to prove they are unable to comply and hope that the State Water Resources Control Board might grant them an extension or exception is simply bad public policy.

A Task Force is Needed to Examine Key Barriers to Meeting Recycling Goals

Our coalition of water and wastewater agencies has been actively working on possible alternative approaches that would help advance recycled water production, not impede it. There are several unanswered questions related to how to increase recycled water production in the state, both among ocean dischargers and other dischargers alike. Thus, our proposed alternative to the mandate is to convene a task force that would develop a roadmap for new water. The task force would be statewide in its scope, focusing on both ocean dischargers and inland dischargers, examining both potable and non-potable reuse, and identifying water-recycling issues relevant to inland and coastal areas as well as agricultural and urban interests. The task force would ultimately produce an action plan designed to increase recycled water production in California, meet the statewide water recycling goals and overcome any barriers preventing increases in recycled water production and beneficial use from being realized.

The water and wastewater community is fully supportive of recycled water projects where it makes sense, where there are opportunities for beneficial use and watershed conditions are present to maximize supplies of this water. However, the drivers for this progress will be a vision for local water supply reliability and cooperative, beneficial partnerships between water and wastewater agencies on projects that make sense.

We thank you for your consideration and urge you to oppose SB 163 (Hertzberg).

Sincerely,



California Association of Sanitation Agencies



Inland Empire Utilities Agency



Association of California Water Agencies



City of San Diego, Public Utilities Department



California Municipal Utilities Association



Irvine Ranch Water District



San Francisco Public Utilities Commission



East Bay Municipal Utility District

AMENDED IN ASSEMBLY SEPTEMBER 3, 2015

AMENDED IN SENATE JUNE 2, 2015

SENATE BILL

No. 163

Introduced by Senator Hertzberg

February 4, 2015

~~An act to add Section 3000.5 to the Elections Code, relating to elections.~~ *An act to add Section 13557.5 to the Water Code, relating to water.*

LEGISLATIVE COUNSEL'S DIGEST

SB 163, as amended, Hertzberg. ~~Elections: vote by mail ballot.~~
Wastewater treatment: recycled water.

The California Constitution requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable and that the waste or unreasonable use or unreasonable method of use of water be prevented. Existing law declares that the use of potable domestic water for certain nonpotable uses is a waste or an unreasonable use of water if recycled water is available, as determined by the State Water Resources Control Board, and other requirements are met.

Under existing law, the state board and the 9 California regional water quality control boards prescribe waste discharge requirements in accordance with the federal national pollutant discharge elimination system (NPDES) permit program established by the federal Clean Water Act and the Porter-Cologne Water Quality Control Act.

This bill would declare that the discharge of treated wastewater from ocean outfalls, except in compliance with the bill's provisions, is a waste and unreasonable use of water in light of the cost-effective opportunities to recycle this water for further beneficial use. This bill,

on or before January 1, 2026, would require a wastewater treatment facility discharging through an ocean outfall to achieve at least 50% reuse of the facility's actual annual flow, as defined, for beneficial purposes. This bill, on and after January 1, 2036, would prohibit the discharge of treated wastewater through ocean outfalls, except as backup discharge, as defined, and would require a wastewater treatment facility to achieve 100% reuse of the facility's actual annual flow for beneficial purposes. This bill, on and after January 1, 2022, would authorize a NPDES permit holder subject to these requirements to petition the state board for a partial exemption to the above-described requirements. This bill would require the state board to determine, after notice and opportunity for comment, whether the petition demonstrates that the NPDES permit holder cannot comply with these reuse requirements and would provide that an exemption from these reuse requirements is valid for a period of no more than 5 years, at which point the NPDES permit holder is required to reapply for an exemption or comply with these reuse requirements. This bill would prohibit a NPDES permit holder subject to these provisions from being eligible for state grants or loans if they receive a partial exemption to these reuse requirements, unless the state grant or loan is solely for the purpose of achieving compliance with these reuse requirements.

This bill would require a holder of a NPDES permit authorizing the discharge of wastewater through an ocean outfall as of January 1, 2016, to submit, on or before July 1, 2020, a prescribed plan to meet these provisions, directly or by contract, to the executive director of the state board and would require the plan to be updated on or before January 1, 2024. This bill, on or before January 1, 2017, and by January 1 every 5 years thereafter, would require the holder of a NPDES permit authorizing the discharge of wastewater through an ocean outfall to submit a report to the executive director of the state board summarizing the actions accomplished to date and the actions remaining and proposed to meet the requirements of these provisions. This bill would require the state board to submit a report to the Governor and the Legislature on the implementation of these provisions on or before July 1, 2021, and by July 1 every 5 years thereafter.

~~Existing law requires the vote by mail ballot to be available to any registered voter and requires an application for a vote by mail voter's ballot to be made in writing to the elections official having jurisdiction over the election between certain days before the election.~~

~~This bill would establish, until January 1, 2019, a vote by mail pilot program in the County of Los Angeles for statewide elections. The bill would require, as part of the pilot program, that the county elections official issue a vote by mail ballot to each registered voter for a qualifying election. The bill would also require the elections official, among other things, to engage in voter education efforts to increase voter awareness of the pilot program and to report on the voter turnout for qualifying elections to the Secretary of State and the Legislature on or before December 31, 2018.~~

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

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

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

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

- 1 SECTION 1. *The Legislature finds and declares all of the*
- 2 *following:*
- 3 (a) *Severe drought conditions have persisted for the last three*
- 4 *years in California, and 2013 was the state's driest calendar year*
- 5 *on record.*
- 6 (b) *California's water supplies have dipped to alarmingly low*
- 7 *levels indicated by the very limited snowpack in the Sierra Nevada*
- 8 *Mountains, declining water levels in the state's largest water*
- 9 *reservoirs, reduced surface water flows in major river systems,*
- 10 *and historically low groundwater levels. These water supplies*
- 11 *continue to be severely depleted despite a limited amount of winter*
- 12 *precipitation in 2014.*
- 13 (c) *The duration of the drought is unknown, but based on the*
- 14 *projected impact of climate change on California's snowpack,*
- 15 *extremely dry conditions will likely continue beyond this year and*
- 16 *occur more regularly in the future.*
- 17 (d) *Continuous severe drought conditions present urgent*
- 18 *challenges across the state, including, but not limited to, water*
- 19 *shortages in communities and for agricultural production,*

1 *increased risk of wildfires, degraded habitat for fish and wildlife,*
2 *and threat of saltwater contamination in large fresh water supplies.*

3 *(e) Water reuse is one of the most efficient and cost-effective*
4 *ways to improve the drought resilience of California communities.*

5 *(f) The State Water Resources Control Board has established*
6 *goals of recycling 1,500,000 acre-feet of wastewater by 2020 and*
7 *2,500,000 acre-feet of wastewater by 2030. However, California*
8 *is not on track to meet the board's goals.*

9 *(g) The discharge of treated wastewater from ocean outfalls*
10 *constitutes waste and unreasonable use of water within the*
11 *meaning of Section 2 of Article X of the California Constitution,*
12 *in light of the opportunities to recycle this water for further*
13 *beneficial use.*

14 *(h) By prohibiting ocean discharges from wastewater treatment*
15 *plants, California could dramatically accelerate the adoption of*
16 *water recycling and thus increase water supply available for*
17 *beneficial use.*

18 *(i) Water recycling can reduce California's dependence on*
19 *diversions from surface rivers and streams that are subject to*
20 *variable climate and regulatory conditions.*

21 *(j) In addition to water supply benefits, requiring water recycling*
22 *for further beneficial use eliminates ocean wastewater discharges,*
23 *decreasing pollutant loadings to ocean waters and improving*
24 *coastal water quality, thereby benefitting the aquatic environment*
25 *and local economies that depend on those coastal resources.*

26 *SEC. 2. Section 13557.5 is added to the Water Code, to read:*

27 *13557.5. (a) The Legislature hereby finds and declares that*
28 *the discharge of treated wastewater from ocean outfalls, except*
29 *in compliance with the provisions of this section, is a waste and*
30 *unreasonable use of water within the meaning of Section 2 of*
31 *Article X of the California Constitution in light of the cost-effective*
32 *opportunities to recycle this water for further beneficial use,*
33 *including both potable and nonpotable uses.*

34 *(b) On or before January 1, 2026, each wastewater treatment*
35 *facility that discharges through an ocean outfall shall achieve at*
36 *least 50 percent reuse of the facility's actual annual flow for*
37 *beneficial purposes.*

38 *(c) On and after January 1, 2036:*

39 *(1) A wastewater treatment facility shall not discharge treated*
40 *wastewater through ocean outfalls, except as a backup discharge.*

1 *A backup discharge may occur only during periods of reduced*
2 *demand for reclaimed water in the reuse system, such as a period*
3 *of wet weather.*

4 *(2) Each wastewater treatment facility shall achieve 100 percent*
5 *reuse of the facility's actual annual flow for further beneficial use.*

6 *(d) (1) A holder of a NPDES permit authorizing the discharge*
7 *of wastewater through an ocean outfall as of January 1, 2016,*
8 *shall submit, on or before July 1, 2020, a plan to meet the*
9 *requirements of this section, directly or by contract, to the executive*
10 *director of the state board that contains all of the following:*

11 *(A) An identification of all land acquisition and facilities*
12 *necessary to provide for treatment, transport, and reuse of treated*
13 *wastewater.*

14 *(B) An analysis of the costs to meet the requirements of this*
15 *section.*

16 *(C) A financing plan for meeting the requirements of this section,*
17 *including identifying any actions necessary to implement the*
18 *financing plan, such as bond issuance or other borrowing,*
19 *assessments, rate increases, fees, charges, or other financing*
20 *mechanisms.*

21 *(D) A detailed schedule for the completion of all necessary*
22 *actions.*

23 *(E) Supporting data and other documentation accompanying*
24 *the plan.*

25 *(2) On or before January 1, 2024, the plan described in*
26 *paragraph (1) shall be updated and submitted to the executive*
27 *director of the state board by the permit holder to include any*
28 *refinements or changes in the costs, actions, or financing necessary*
29 *to achieve full recycling of all wastewater and thereby eliminate*
30 *the ocean outfall discharge in accordance with this section or a*
31 *written statement that the plan is current and accurate.*

32 *(e) On or before January 1, 2017, and by January 1 every five*
33 *years thereafter, the holder of a NPDES permit authorizing the*
34 *discharge of wastewater through an ocean outfall shall submit to*
35 *the executive director of the state board a report summarizing the*
36 *actions accomplished to date and the actions remaining and*
37 *proposed to meet the requirements of this section. The report shall*
38 *include progress toward meeting the deadlines set forth in*
39 *subdivisions (b) to (d), inclusive, and specifically include the*
40 *detailed schedule for, and status of, the following:*

- 1 (1) *Evaluation of reuse and disposal options.*
- 2 (2) *Preparation of preliminary design reports.*
- 3 (3) *Preparation and submission of permit applications.*
- 4 (4) *Construction initiation.*
- 5 (5) *Construction progress milestones.*
- 6 (6) *Construction completion.*
- 7 (7) *Initiation of operation.*
- 8 (8) *Continuing operation and maintenance.*

9 (f) (1) *On or before July 1, 2021, and by July 1 every five years*
10 *thereafter, the state board shall submit a report to the Governor*
11 *and the Legislature on the implementation of this section. The*
12 *report shall summarize the progress up to date, including the*
13 *increased amount of reclaimed water provided and potable water*
14 *offsets achieved, and shall identify any obstacles to continued*
15 *progress, including all instances of substantial noncompliance.*

16 (2) *A report to be submitted pursuant to paragraph (1) shall be*
17 *submitted in compliance with Section 9795 of the Government*
18 *Code.*

19 (g) (1) *On and after January 1, 2022, a NPDES permitholder*
20 *subject to the requirements of this section, may petition the state*
21 *board for a partial exemption to the requirements of this section.*
22 *The petition shall include the information required in subdivisions*
23 *(d) and (e), and shall demonstrate that the NPDES permitholder*
24 *cannot comply with the requirements of this section for one of the*
25 *following reasons:*

26 (A) *The state board has failed to adopt regulations that approve*
27 *the indirect potable reuse of wastewater.*

28 (B) *Upgrading the wastewater treatment plant to achieve*
29 *recycled water standards produces recycled water that costs more*
30 *than twice the cost per-acre foot as compared with other new*
31 *surface and groundwater supplies.*

32 (C) *The wastewater treatment plant has achieved water quality*
33 *standards for recycled water, but there is not sufficient demand*
34 *for this water within the region.*

35 (2) *The state board shall determine, after notice and opportunity*
36 *for comment, whether the petition demonstrates that the NPDES*
37 *permitholder cannot comply with the requirements of this section*
38 *pursuant to paragraph (1). If the state board approves the partial*
39 *exemption to the requirements of this section, that exemption shall*
40 *be valid for a period of no more than five years, at which point*

1 *the NPDES permit holder shall reapply for an exemption or comply*
2 *with the requirements of this section.*

3 *(3) A NPDES permit holder subject to the requirements of this*
4 *section shall not be eligible for state grants or loans if they receive*
5 *a partial exemption to the requirements of this section pursuant*
6 *to this subdivision, unless the state grant or loan is solely for the*
7 *purpose of achieving compliance with the requirements of this*
8 *section.*

9 *(h) As used in this section:*

10 *(1) "Actual annual flow" means the annual average flow of*
11 *treated wastewater discharging through a facility's ocean outfall*
12 *as determined by the state board using monitoring data available*
13 *for calendar years 2009 to 2014, inclusive.*

14 *(2) "Backup discharge" means a surface water discharge that*
15 *occurs as part of a functioning reuse system that has been*
16 *permitted in accordance with the rules of the state board and that*
17 *provides reclaimed water for irrigation or public access areas,*
18 *residential properties, edible food crops, sea water barrier*
19 *injection to protect groundwater resources, groundwater*
20 *replenishment, industrial cooling, or other acceptable reuse*
21 *purposes. "Backup discharge" may also include releases to the*
22 *ocean on an emergency basis, as approved by a regional board,*
23 *for a duration not to exceed 90 days and only in the quantities as*
24 *are necessary in the event of a storm or other cause that impedes*
25 *groundwater replenishment.*

26 ~~SECTION 1. Section 3000.5 is added to the Elections Code,~~
27 ~~to read:~~

28 ~~3000.5. (a) A vote by mail pilot program shall be established~~
29 ~~in the County of Los Angeles for any statewide election held~~
30 ~~between January 1, 2017, and December 31, 2018, inclusive.~~

31 ~~(b) Notwithstanding Section 3001, the elections official for the~~
32 ~~County of Los Angeles, in conjunction with the Secretary of State,~~
33 ~~shall issue a vote by mail ballot to each registered voter in that~~
34 ~~county for any statewide election held during the period specified~~
35 ~~in subdivision (a).~~

36 ~~(c) Notwithstanding any other law, each of the following shall~~
37 ~~apply to the vote by mail pilot program with respect to a statewide~~
38 ~~election held during the period specified in subdivision (a):~~

1 ~~(1) The elections official is authorized to mail the vote by mail~~
2 ~~ballots together with other election materials issued by the county~~
3 ~~to reduce overall mailing expenses.~~

4 ~~(2) The elections official shall consider reducing or consolidating~~
5 ~~precincts in anticipation of a reduction in the number of voters~~
6 ~~who vote at precinct polling places, subject to the requirements of~~
7 ~~Sections 12223 and 12241.~~

8 ~~(3) The elections official is deemed to comply with the~~
9 ~~requirements of Section 14102 if the number of official ballots~~
10 ~~provided to each precinct is not less than 50 percent of registered~~
11 ~~voters in the precinct.~~

12 ~~(4) The elections official shall engage in voter education efforts~~
13 ~~to increase voter awareness of the vote by mail pilot program. As~~
14 ~~part of the voter education efforts, voters shall be encouraged, if~~
15 ~~they intend to vote at a polling place, to bring their vote by mail~~
16 ~~ballot to the polling place to streamline their voting process.~~

17 ~~(5) In addition to any other reporting requirements required by~~
18 ~~law, the elections official shall report on the voter turnout for the~~
19 ~~County of Los Angeles for any qualifying statewide election~~
20 ~~described in subdivision (a) to the Secretary of State and to the~~
21 ~~Legislature, in the manner provided by Section 9795 of the~~
22 ~~Government Code, on or before December 31, 2018.~~

23 ~~(d) This section shall remain in effect only until January 1, 2019,~~
24 ~~and as of that date is repealed, unless a later enacted statute, that~~
25 ~~is enacted before January 1, 2019, deletes or extends that date.~~

26 ~~SEC. 2. If the Commission on State Mandates determines that~~
27 ~~this act contains costs mandated by the state, reimbursement to~~
28 ~~local agencies and school districts for those costs shall be made~~
29 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~
30 ~~4 of Title 2 of the Government Code.~~

**ACTION ITEM**

May 18, 2016

TO: Board of Directors**FROM:** **Public Affairs & Legislation Committee**
(Directors Barbre, Hinman, Tamaribuchi)Robert Hunter
General Manager

Staff Contact: Heather Baez

**SUBJECT: SB 1318 (Wolk) – Local Government: Drinking Water Infrastructure or
Services: Wastewater Infrastructure or Services****STAFF RECOMMENDATION**

Staff recommends the Board of Directors vote to adopt an oppose position on SB 1318 and send a letter to the author and Orange County delegation expressing our position.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at committee.)

SUMMARY

SB 1318 prevents a Local Agency Formation Commissions (LAFCO) from approving an expansion of a municipality's sphere of influence, an extension of services to a new area, if there is a disadvantaged unincorporated communities (DUC) nearby. If there is an adjacent DUC, the LAFCO must either ensure the city *or special district* has an enforceable agreement to extend service to the DUC, or has written evidence that a majority of the residents of the DUC oppose annexation.

As amended on April 12, 2016, this bill would no longer bar a city or special district from extending drinking water infrastructure or services or wastewater infrastructure or services until it has entered into a contract to extend those services to all disadvantaged communities within or adjacent to its sphere of influence. Instead, it would require LAFCOs

Budgeted (Y/N): n/a	Budgeted amount:	Core x	Choice __
Fiscal Impact (explain if unbudgeted):			

to conduct service reviews sufficient to have reviewed the entire territory of the county by January 1, 2022, and every 5 years thereafter. In addition, it would require LAFCOs to file a map of the county that identifies disadvantaged unincorporated communities that lack safe drinking water or adequate wastewater with the Office of Planning and Research, and would require the Office of Planning and Research to post the map on its Internet Web site. The bill would additionally require LAFCOs, within 2 years of identifying a disadvantaged unincorporated community that lacks safe drinking water or adequate wastewater services, to recommend a plan based on the alternatives analyzed and adopt any actions necessary to implement the plan, as specified.

ARGUMENTS IN SUPPORT

According to the author, “Many communities in California continue to suffer from third-world level drinking water and wastewater services. In many cases, these communities' border cities or special districts with more than enough capacity to serve them, but their boundaries have been drawn to specifically exclude them. Despite recent legislative efforts, some cities continue to look to serve new development outside of their current boundaries before helping neighboring communities.”

ARGUMENTS IN OPPOSITION

Opponents argue that SB 1318 imposes a “one size fits all” approach to a problem that has diverse causes. While there may be cities or special district that behave as the author suggests, there are others that are doing the best they can to fulfill their public obligations. SB 1318 erroneously assumes that all public agencies could afford to serve adjacent DUC's but avoid the obligation to do so for discriminatory reasons. Based on this simplistic perspective, the bill seeks to hold all new development hostage and annexation of all nearby DUC's as the ransom.

SB 1318, if signed into law, will likely end up being challenged in court. It is believed by many that it would be unconstitutional to require a city or special district to pay for any fees or costs associated with an annexation or an extension of services to a disadvantaged community (paying for existing deficiencies is prohibited). **SB 1318 does not provide any funding source for the LAFCO or the water or wastewater provider to accomplish its intended goal.** This is an unfunded and potentially very costly measure.

For many, if not most, cities and special districts, the provisions of this bill are damaging and unworkable. For example, the bill allows the new development to proceed without annexing the DUC if there is written evidence that the majority of the residents of the DUC oppose the annexation. What the bill ignores, however, is that neither the city nor the LAFCO may have the resources to make such a determination in the face of vocal opposition by some residents. DUC's are certainly one important public policy concern, but there are many other critical problems cities need to address such as a critical shortage of housing or revenue shortfalls.

In addition, this bill would, for the first time, require LAFCOs to study territory outside of an agency's sphere of influence and identify the level of water and wastewater services provided by public or private utilities and mutual water companies that serve disadvantaged communities. LAFCOs have no authority over these entities. The Legislature has not granted LAFCOs the authority to regulate or approve service extensions of the non-public

service providers included in this bill. This could have the potential to lead to confusion and likely litigation. Moreover, the development of an infrastructure plan is outside the traditional role of a LAFCO and this bill would provide no funding to support this expansion of responsibilities. In removing LAFCO discretion, this bill could force unreasonable extensions of services and pass significant costs to local public water agencies.

Last, where there is no obvious nexus between the proposed expansion and the DUC, forced annexation of the DUC may even amount to the unconstitutional taking according to the committee analysis in Senate Government and Finance Committee.

COMMENTS

SB 1318 was approved by the Senate Governance & Finance Committee on April 6, 2016 by a vote of 5-1 with Senator Moorlach opposing and Senator Nguyen abstaining. It was then approved by the Senate Environmental Quality Committee on April 20, 2016 by a vote of 5-2 with Senators Gaines and Bates opposing. It is next scheduled for hearing in the Senate Appropriations Committee on May 16, 2016.

Support on file: Leadership Counsel for Justice and Accountability (co-sponsor); California Food Policy Advocates; California League of Conservation Voters; California Rural Legal Assistance Foundation; Central California Asthma Collaborative; Clean Water Action; Community Water Center; Environmental Justice Coalition; Environmental Working Group; Natural Resources Defense Council; Policy Link; Pueblo Unido Community Development Coalition; Rural Communities Assistance Foundation; San Joaquin Valley Sustainable Agriculture Collaborative; Sequoia Riverlands Trust; Sierra Club California.

Opposition on file: California Apartment Association; California Association of Local Agency Formation Commissions; California Association of Realtors; California Building Industries Association; California Business Properties Association; California Chamber of Commerce; California Manufacturers and Technology Association; California Municipal Utilities Association; California Special Districts Association; Contra Costa LAFCO; El Dorado LAFCO; League of California Cities; Nevada County LAFCO; Riverside LAFCO; San Bernardino County LAFCO; San Diego LAFCO; San Luis Obispo LAFCO; San Mateo LAFCO; Sonoma LAFCO.

At the April 29, 2016 State Legislative Committee, ACWA took an oppose position.

DETAILED REPORT

The full text of SB 1318 is attached.

AMENDED IN SENATE APRIL 12, 2016
AMENDED IN SENATE MARCH 28, 2016

SENATE BILL

No. 1318

Introduced by Senator Wolk

February 19, 2016

An act to amend Sections ~~56133, 56133.5, 56375, 56425, and 56430~~ of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 1318, as amended, Wolk. Local government: drinking water infrastructure or services: wastewater infrastructure or services.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs the procedures for the formation and change of organization of cities and special districts.

~~Existing law authorizes a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundaries only if the city or district requests and receives permission to do so from the local agency formation commission in the affected county. Under existing law, the commission may authorize a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances.~~

~~This bill would prohibit the commission from authorizing a city or a district to extend drinking water infrastructure or services or wastewater infrastructure or services until it has entered into an enforceable agreement to extend the same services to all disadvantaged communities within its sphere of influence or adjacent to its jurisdictional boundaries, unless specified conditions are met. The bill would prohibit the commission from approving a sphere of influence update where there exists a disadvantaged unincorporated community within the city's or~~

~~special district's sphere of influence or contiguous with a city's or qualifying special district's jurisdictional boundaries that lacks safe drinking water infrastructure or services or adequate wastewater infrastructure or services unless specified conditions are met.~~

~~Existing law establishes a pilot program for the Napa and San Bernardino local agency formation commissions that permits those commissions to authorize a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances.~~

~~This bill would prohibit those commissions from authorizing a city or a district to extend drinking water infrastructure or services or wastewater infrastructure or services until it has entered into an enforceable agreement to extend those services to all disadvantaged communities within its sphere of influence or contiguous with a city's or district's jurisdictional boundaries that lack safe drinking water or adequate wastewater infrastructure or services unless specified conditions are met.~~

~~Existing law, except as otherwise provided, prohibits a local agency formation commission from approving an annexation to a city of any territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community, as specified, unless an application to annex the disadvantaged unincorporated community to the subject city has been filed with the executive officer.~~

~~This bill would extend that prohibition to an annexation to a qualified special district. The bill would additionally prohibit a commission from approving an annexation to a city or qualified special district of any territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community within the sphere of influence of a city or qualified special district or contiguous to the city's or qualified special district's jurisdictional boundaries that lacks safe drinking water infrastructure or services or adequate wastewater infrastructure or services, unless, among other things, the city or qualified special district has entered into an enforceable agreement to extend those services into the disadvantaged community or communities. The bill would define "qualified special district" to mean a special district with more than 500 service connections that provides drinking water or wastewater services.~~

~~Existing law requires a local agency formation commission to develop and determine the sphere of influence of each city and each special~~

district within the county and to enact policies designed to promote the logical and orderly development of areas within the sphere. ~~Existing law authorizes the commission, in determining a sphere of influence, to assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies, as provided.~~

~~This bill would instead require the commission to assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies.~~ The bill would prohibit a commission from approving a sphere of influence update that removes a disadvantaged community from a city's or special district's sphere of influence unless the commission makes a finding that removal of the community will result in improved service delivery to the community.

Existing law requires a commission, in preparing and updating spheres of influence, to conduct a service review of the municipal services provided in the county or other area designated by the commission. Existing law authorizes the commission, in conducting the review, to assess various alternatives for improving efficiency and affordability of infrastructure and service delivery, as specified, and to include a review of whether the agencies under review are in compliance with the California Safe Drinking Water Act.

Where there exists a disadvantaged unincorporated community that lacks adequate drinking water and wastewater services and infrastructure within or contiguous with the subject sphere, this bill would instead require the commission to make the assessment of alternatives and to include the safe drinking water review described above if the information is ~~readily~~ *available from the State Water Resources Control Board or other sources. This bill would, on or before January 1, 2022, and every 5 years thereafter, require the commission to conduct service reviews sufficient to have reviewed the entire territory of the county. The bill would require the commission to file a map of the county that identifies disadvantaged unincorporated communities that lack safe drinking water or adequate wastewater with the Office of Planning and Research, and would require the Office of Planning and Research to post the map on its Internet Web site. The bill would additionally require the commission, within 2 years of identifying a disadvantaged unincorporated community that lacks safe drinking water or adequate wastewater services, to recommend a plan based on the alternatives analyzed and adopt any actions necessary to implement the plan, as specified.*

By imposing new duties on local government officials, this bill would impose a state-mandated local program.

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

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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

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

1 ~~SECTION 1. Section 56133 of the Government Code is~~
2 ~~amended to read:~~
3 ~~56133. (a) A city or district may provide new or extended~~
4 ~~services by contract or agreement outside its jurisdictional~~
5 ~~boundary only if it first requests and receives written approval~~
6 ~~from the commission.~~
7 ~~(b) The commission may authorize a city or district to provide~~
8 ~~new or extended services outside its jurisdictional boundary but~~
9 ~~within its sphere of influence in anticipation of a later change of~~
10 ~~organization.~~
11 ~~(c) If consistent with adopted policy, the commission may~~
12 ~~authorize a city or district to provide new or extended services~~
13 ~~outside its jurisdictional boundary and outside its sphere of~~
14 ~~influence to respond to an existing or impending threat to the health~~
15 ~~or safety of the public or the residents of the affected territory, if~~
16 ~~both of the following requirements are met:~~
17 ~~(1) The entity applying for approval has provided the~~
18 ~~commission with documentation of a threat to the health and safety~~
19 ~~of the public or the affected residents.~~
20 ~~(2) The commission has notified any alternate service provider,~~
21 ~~including any water corporation as defined in Section 241 of the~~
22 ~~Public Utilities Code, that has filed a map and a statement of its~~
23 ~~service capabilities with the commission.~~
24 ~~(d) The commission shall not authorize a city or a district to~~
25 ~~extend drinking water infrastructure or services or wastewater~~
26 ~~infrastructure or services pursuant to this section until it has entered~~

1 into an enforceable agreement to extend the same services to all
2 disadvantaged communities within its sphere of influence or
3 adjacent to its jurisdictional boundaries that lack safe drinking
4 water or adequate wastewater services or infrastructure as soon as
5 feasible to do so but within a period no longer than five years;
6 unless either of the following conditions are met:

7 (1) The commission finds, based upon written evidence, that a
8 majority of the residents of the affected disadvantaged community
9 or communities are opposed to receiving the identified service or
10 services. These findings shall not interfere with or inform other
11 programs or policies designed to expand basic services to
12 disadvantaged unincorporated communities, including, but not
13 limited to, Sections 116680 to 116684, inclusive, of the Health
14 and Safety Code.

15 (2) The extension of services is authorized pursuant to
16 subdivision (c) or the extension of services is to a disadvantaged
17 community.

18 (e)

19 The executive officer, within 30 days of receipt of a request
20 for approval by a city or district to extend services outside its
21 jurisdictional boundary, shall determine whether the request is
22 complete and acceptable for filing or whether the request is
23 incomplete. If a request is determined not to be complete, the
24 executive officer shall immediately transmit that determination to
25 the requester, specifying those parts of the request that are
26 incomplete and the manner in which they can be made complete.
27 When the request is deemed complete, the executive officer shall
28 place the request on the agenda of the next commission meeting
29 for which adequate notice can be given but not more than 90 days
30 from the date that the request is deemed complete, unless the
31 commission has delegated approval of requests made pursuant to
32 this section to the executive officer. The commission or executive
33 officer shall approve, disapprove, or approve with conditions the
34 extended services. If the new or extended services are disapproved
35 or approved with conditions, the applicant may request
36 reconsideration, citing the reasons for reconsideration.

37 (f)

38 This section does not apply to any of the following:

39 (1) Two or more public agencies where the public service to be
40 provided is an alternative to, or substitute for, public services

1 already being provided by an existing public service provider and
2 where the level of service to be provided is consistent with the
3 level of service contemplated by the existing service provider.

4 ~~(2) The transfer of nonpotable or nontreated water.~~

5 ~~(3) The provision of surplus water to agricultural lands and~~
6 ~~facilities, including, but not limited to, incidental residential~~
7 ~~structures, for projects that serve conservation purposes or that~~
8 ~~directly support agricultural industries. However, prior to extending~~
9 ~~surplus water service to any project that will support or induce~~
10 ~~development, the city or district shall first request and receive~~
11 ~~written approval from the commission in the affected county.~~

12 ~~(4) An extended service that a city or district was providing on~~
13 ~~or before January 1, 2001.~~

14 ~~(5) A local publicly owned electric utility, as defined by Section~~
15 ~~9604 of the Public Utilities Code, providing electric services that~~
16 ~~do not involve the acquisition, construction, or installation of~~
17 ~~electric distribution facilities by the local publicly owned electric~~
18 ~~utility, outside of the utility's jurisdictional boundary.~~

19 ~~(6) A fire protection contract, as defined in subdivision (a) of~~
20 ~~Section 56134.~~

21 ~~(g) This section applies only to the commission of the county~~
22 ~~in which the extension of service is proposed.~~

23 ~~(h) The commission shall not approve a sphere of influence~~
24 ~~update where there exists a disadvantaged unincorporated~~
25 ~~community within the city's or special district's sphere of influence~~
26 ~~or contiguous with a city's or qualifying special district's~~
27 ~~jurisdictional boundaries that lacks safe drinking water~~
28 ~~infrastructure or services or adequate wastewater infrastructure or~~
29 ~~services unless the city or special district or qualified special district~~
30 ~~has entered into an enforceable agreement to extend those services~~
31 ~~into the disadvantaged community or communities as soon as~~
32 ~~feasible to do so but within a period no longer than five years of~~
33 ~~the approval of the sphere of influence change or the commission~~
34 ~~finds, based upon written evidence, that a majority of the residents~~
35 ~~of the affected disadvantaged community or communities are~~
36 ~~opposed to receiving the identified service or services.~~

37 ~~(1) These findings shall not interfere with or inform other~~
38 ~~programs or policies designed to expand basic services to~~
39 ~~disadvantaged unincorporated communities, including, but not~~

1 limited to, Sections ~~116680 to 116684, inclusive, of the Health~~
2 ~~and Safety Code.~~

3 ~~(2) A qualifying special district is a special district with more~~
4 ~~than 500 service connections that provides drinking water or~~
5 ~~wastewater services.~~

6 SEC. 2. ~~Section 56133.5 of the Government Code is amended~~
7 ~~to read:~~

8 ~~56133.5.— (a) A pilot program is hereby established for the~~
9 ~~Napa and San Bernardino commissions. If consistent with adopted~~
10 ~~policy, the Napa and San Bernardino commissions may authorize~~
11 ~~a city or district to provide new or extended services outside its~~
12 ~~jurisdictional boundary and outside its sphere of influence to~~
13 ~~support existing or planned uses involving public or private~~
14 ~~properties, subject to approval at a noticed public hearing in which~~
15 ~~the commission makes all of the following determinations:~~

16 ~~(1) The extension of service or services deficiency was identified~~
17 ~~and evaluated in a review of municipal services prepared pursuant~~
18 ~~to Section 56430.~~

19 ~~(2) The extension of service will not result in either (1) adverse~~
20 ~~impacts on open space or agricultural lands or (2) growth inducing~~
21 ~~impacts.~~

22 ~~(3) A sphere of influence change involving the subject territory~~
23 ~~and its affected agency is not feasible under this division or~~
24 ~~desirable based on the adopted policies of the commission.~~

25 ~~(b) Subdivision (d) of Section 56133 shall apply to any request~~
26 ~~for new or extended services pursuant to this section.~~

27 ~~(c) The commissions shall not authorize a city or a district to~~
28 ~~extend drinking water infrastructure or services or wastewater~~
29 ~~infrastructure or services pursuant to this section until it has entered~~
30 ~~into an enforceable agreement to extend those services to all~~
31 ~~disadvantaged communities within its sphere of influence or~~
32 ~~contiguous with a city's or district's jurisdictional boundaries that~~
33 ~~lack safe drinking water or adequate wastewater infrastructure or~~
34 ~~services as soon as feasible to do so but within a period no longer~~
35 ~~than five years of the approval of the underlying extension, unless~~
36 ~~either of the following conditions are met:~~

37 ~~(1) The commission finds, based upon written evidence, that a~~
38 ~~majority of the residents of the affected disadvantaged community~~
39 ~~or communities are opposed to receiving the identified service or~~
40 ~~services. These findings shall not interfere with or inform other~~

~~1 programs or policies designed to expand basic services to
2 disadvantaged unincorporated communities, including, but not
3 limited to, Sections 116680 to 116684, inclusive, of the Health
4 and Safety Code.~~

~~5 (2) The extension of services is to a disadvantaged community.~~

~~6 (d) For purposes of this section, “planned use” means any project
7 that is included in an approved specific plan as of July 1, 2015.~~

~~8 (e) The Napa and San Bernardino commissions shall submit a
9 report before January 1, 2020, to the Legislature on their
10 participation in the pilot program, including how many requests
11 for extension of services were received pursuant to this section
12 and the action by the commission to approve, disapprove, or
13 approve with conditions. The report required to be submitted
14 pursuant to this subdivision shall be submitted in compliance with
15 Section 9795 of the Government Code.~~

~~16 (f) The pilot program established pursuant to this section shall
17 be consistent with Chapter 8.5 (commencing with Section 1501)
18 of the Public Utilities Code.~~

~~19 (g) This section shall remain in effect only until January 1, 2021,
20 and as of that date is repealed.~~

~~21 SEC. 3. Section 56375 of the Government Code is amended
22 to read:~~

~~23 56375. The commission shall have all of the following powers
24 and duties subject to any limitations upon its jurisdiction set forth
25 in this part:~~

~~26 (a) (1) To review and approve with or without amendment,
27 wholly, partially, or conditionally, or disapprove proposals for
28 changes of organization or reorganization, consistent with written
29 policies, procedures, and guidelines adopted by the commission.~~

~~30 (2) The commission may initiate proposals by resolution of
31 application for any of the following:~~

~~32 (A) The consolidation of a district, as defined in Section 56036.~~

~~33 (B) The dissolution of a district.~~

~~34 (C) A merger.~~

~~35 (D) The establishment of a subsidiary district.~~

~~36 (E) The formation of a new district or districts.~~

~~37 (F) A reorganization that includes any of the changes specified
38 in subparagraph (A), (B), (C), (D), or (E).~~

~~39 (3) A commission may initiate a proposal described in paragraph~~

~~40 (2) only if that change of organization or reorganization is~~

1 consistent with a recommendation or conclusion of a study
2 prepared pursuant to Section 56378, 56425, or 56430, and the
3 commission makes the determinations specified in subdivision (b)
4 of Section 56881.

5 (4) A commission shall not disapprove an annexation to a city,
6 initiated by resolution, of contiguous territory that the commission
7 finds is any of the following:

8 (A) Surrounded or substantially surrounded by the city to which
9 the annexation is proposed or by that city and a county boundary
10 or the Pacific Ocean if the territory to be annexed is substantially
11 developed or developing, is not prime agricultural land as defined
12 in Section 56064, is designated for urban growth by the general
13 plan of the annexing city, and is not within the sphere of influence
14 of another city.

15 (B) Located within an urban service area that has been delineated
16 and adopted by a commission, which is not prime agricultural land,
17 as defined by Section 56064, and is designated for urban growth
18 by the general plan of the annexing city.

19 (C) An annexation or reorganization of unincorporated islands
20 meeting the requirements of Section 56375.3.

21 (5) As a condition to the annexation of an area that is
22 surrounded, or substantially surrounded, by the city to which the
23 annexation is proposed, the commission may require, where
24 consistent with the purposes of this division, that the annexation
25 include the entire island of surrounded, or substantially surrounded,
26 territory.

27 (6) A commission shall not impose any conditions that would
28 directly regulate land use density or intensity, property
29 development, or subdivision requirements.

30 (7) The decision of the commission with regard to a proposal
31 to annex territory to a city shall be based upon the general plan
32 and rezoning of the city. When the development purposes are not
33 made known to the annexing city, the annexation shall be reviewed
34 on the basis of the adopted plans and policies of the annexing city
35 or county. A commission shall require, as a condition to
36 annexation, that a city prezone the territory to be annexed or present
37 evidence satisfactory to the commission that the existing
38 development entitlements on the territory are vested or are already
39 at build-out, and are consistent with the city's general plan.

1 However, the commission shall not specify how, or in what
2 manner, the territory shall be rezoned.

3 (8) (A) Except for those changes of organization or
4 reorganization authorized under Section 56375.3, and except as
5 provided by subparagraph (B), a commission shall not approve an
6 annexation to a city or to a qualified special district of any territory
7 greater than 10 acres, or as determined by commission policy,
8 where either of the following exists:

9 (i) (I) A disadvantaged unincorporated community that is
10 contiguous to the area of proposed annexation, unless an
11 application to annex the disadvantaged unincorporated community
12 to the subject city has been filed with the executive officer.

13 (II) An application to annex a contiguous disadvantaged
14 community shall not be required if either of the following apply:

15 (ia) A prior application for annexation of the same disadvantaged
16 community has been made in the preceding five years.

17 (ib) The commission finds, based upon written evidence, that
18 a majority of the registered voters within the affected disadvantaged
19 community are opposed to annexation.

20 (ii) A disadvantaged unincorporated community within the
21 sphere of influence of a city or qualified special district or
22 contiguous to the city's or qualified special district's jurisdictional
23 boundaries that lacks safe drinking water infrastructure or services
24 or adequate wastewater infrastructure or services unless any of the
25 following conditions are met:

26 (I) The city or qualified special district has entered into an
27 enforceable agreement to extend those services into the
28 disadvantaged community or communities as soon as feasible to
29 do so but within a period no longer than five years of the approval
30 of the annexation.

31 (II) The commission finds, based upon written evidence, that a
32 majority of the residents of the affected disadvantaged community
33 or communities are opposed to receiving the identified service or
34 services. These findings shall not interfere with or inform other
35 programs or policies designed to expand basic services to
36 disadvantaged unincorporated communities, including, but not
37 limited to, Sections 116680 to 116684, inclusive, of the Health
38 and Safety Code.

39 (III) The annexation is an annexation of a disadvantaged
40 community.

1 ~~(B) For purposes of this paragraph, “a qualified special district”~~
2 ~~means a special district with more than 500 service connections~~
3 ~~that provides drinking water or wastewater services.~~

4 ~~(b) With regard to a proposal for annexation or detachment of~~
5 ~~territory to, or from, a city or district or with regard to a proposal~~
6 ~~for reorganization that includes annexation or detachment, to~~
7 ~~determine whether territory proposed for annexation or detachment,~~
8 ~~as described in its resolution approving the annexation, detachment,~~
9 ~~or reorganization, is inhabited or uninhabited.~~

10 ~~(c) With regard to a proposal for consolidation of two or more~~
11 ~~cities or districts, to determine which city or district shall be the~~
12 ~~consolidated successor city or district.~~

13 ~~(d) To approve the annexation of unincorporated, noncontiguous~~
14 ~~territory, subject to the limitations of Section 56742, located in the~~
15 ~~same county as that in which the city is located, and that is owned~~
16 ~~by a city and used for municipal purposes and to authorize the~~
17 ~~annexation of the territory without notice and hearing.~~

18 ~~(e) To approve the annexation of unincorporated territory~~
19 ~~consistent with the planned and probable use of the property based~~
20 ~~upon the review of general plan and rezoning designations. No~~
21 ~~subsequent change may be made to the general plan for the annexed~~
22 ~~territory or zoning that is not in conformance to the rezoning~~
23 ~~designations for a period of two years after the completion of the~~
24 ~~annexation, unless the legislative body for the city makes a finding~~
25 ~~at a public hearing that a substantial change has occurred in~~
26 ~~circumstances that necessitate a departure from the rezoning in~~
27 ~~the application to the commission.~~

28 ~~(f) With respect to the incorporation of a new city or the~~
29 ~~formation of a new special district, to determine the number of~~
30 ~~registered voters residing within the proposed city or special district~~
31 ~~or, for a landowner-voter special district, the number of owners~~
32 ~~of land and the assessed value of their land within the territory~~
33 ~~proposed to be included in the new special district. The number~~
34 ~~of registered voters shall be calculated as of the time of the last~~
35 ~~report of voter registration by the county elections official to the~~
36 ~~Secretary of State prior to the date the first signature was affixed~~
37 ~~to the petition. The executive officer shall notify the petitioners of~~
38 ~~the number of registered voters resulting from this calculation.~~
39 ~~The assessed value of the land within the territory proposed to be~~

1 included in a new landowner-voter special district shall be
2 calculated as shown on the last equalized assessment roll.

3 (g) To adopt written procedures for the evaluation of proposals,
4 including written definitions consistent with existing state law.
5 The commission may adopt standards for any of the factors
6 enumerated in Section 56668. Any standards adopted by the
7 commission shall be written.

8 (h) To adopt standards and procedures for the evaluation of
9 service plans submitted pursuant to Section 56653 and the initiation
10 of a change of organization or reorganization pursuant to
11 subdivision (a).

12 (i) To make and enforce regulations for the orderly and fair
13 conduct of hearings by the commission.

14 (j) To incur usual and necessary expenses for the
15 accomplishment of its functions.

16 (k) To appoint and assign staff personnel and to employ or
17 contract for professional or consulting services to carry out and
18 effect the functions of the commission.

19 (l) To review the boundaries of the territory involved in any
20 proposal with respect to the definiteness and certainty of those
21 boundaries, the nonconformance of proposed boundaries with lines
22 of assessment or ownership, and other similar matters affecting
23 the proposed boundaries.

24 (m) To waive the restrictions of Section 56744 if it finds that
25 the application of the restrictions would be detrimental to the
26 orderly development of the community and that the area that would
27 be enclosed by the annexation or incorporation is so located that
28 it cannot reasonably be annexed to another city or incorporated as
29 a new city.

30 (n) To waive the application of Section 22613 of the Streets and
31 Highways Code if it finds the application would deprive an area
32 of a service needed to ensure the health, safety, or welfare of the
33 residents of the area and if it finds that the waiver would not affect
34 the ability of a city to provide any service. However, within 60
35 days of the inclusion of the territory within the city, the legislative
36 body may adopt a resolution nullifying the waiver.

37 (o) If the proposal includes the incorporation of a city, as defined
38 in Section 56043, or the formation of a district, as defined in
39 Section 2215 of the Revenue and Taxation Code, the commission

1 shall determine the property tax revenue to be exchanged by the
2 affected local agencies pursuant to Section 56810.

3 ~~(p) To authorize a city or district to provide new or extended~~
4 ~~services outside its jurisdictional boundaries pursuant to Section~~
5 ~~56133.~~

6 ~~(q) To enter into an agreement with the commission for an~~
7 ~~adjoining county for the purpose of determining procedures for~~
8 ~~the consideration of proposals that may affect the adjoining county~~
9 ~~or where the jurisdiction of an affected agency crosses the boundary~~
10 ~~of the adjoining county.~~

11 ~~(r) To approve with or without amendment, wholly, partially,~~
12 ~~or conditionally, or disapprove pursuant to this section the~~
13 ~~annexation of territory served by a mutual water company formed~~
14 ~~pursuant to Part 7 (commencing with Section 14300) of Division~~
15 ~~3 of Title 1 of the Corporations Code that operates a public water~~
16 ~~system to a city or special district. Any annexation approved in~~
17 ~~accordance with this subdivision shall be subject to the state and~~
18 ~~federal constitutional prohibitions against the taking of private~~
19 ~~property without the payment of just compensation. This~~
20 ~~subdivision shall not impair the authority of a public agency or~~
21 ~~public utility to exercise eminent domain authority.~~

22 *SECTION 1. Section 56375 of the Government Code is*
23 *amended to read:*

24 56375. The commission shall have all of the following powers
25 and duties subject to any limitations upon its jurisdiction set forth
26 in this part:

27 (a) (1) To review and approve with or without amendment,
28 wholly, partially, or conditionally, or disapprove proposals for
29 changes of organization or reorganization, consistent with written
30 policies, procedures, and guidelines adopted by the commission.

31 (2) The commission may initiate proposals by resolution of
32 application for any of the following:

33 (A) The consolidation of a district, as defined in Section 56036.

34 (B) The dissolution of a district.

35 (C) A merger.

36 (D) The establishment of a subsidiary district.

37 (E) The formation of a new district or districts.

38 (F) A reorganization that includes any of the changes specified
39 in subparagraph (A), (B), (C), (D), or (E).

1 (3) A commission may initiate a proposal described in paragraph
2 (2) only if that change of organization or reorganization is
3 consistent with a recommendation or conclusion of a study
4 prepared pursuant to Section 56378, 56425, or 56430, and the
5 commission makes the determinations specified in subdivision (b)
6 of Section 56881.

7 (4) A commission shall not disapprove an annexation to a city,
8 initiated by resolution, of contiguous territory that the commission
9 finds is any of the following:

10 (A) Surrounded or substantially surrounded by the city to which
11 the annexation is proposed or by that city and a county boundary
12 or the Pacific Ocean if the territory to be annexed is substantially
13 developed or developing, is not prime agricultural land as defined
14 in Section 56064, is designated for urban growth by the general
15 plan of the annexing city, and is not within the sphere of influence
16 of another city.

17 (B) Located within an urban service area that has been delineated
18 and adopted by a commission, which is not prime agricultural land,
19 as defined by Section 56064, and is designated for urban growth
20 by the general plan of the annexing city.

21 (C) An annexation or reorganization of unincorporated islands
22 meeting the requirements of Section 56375.3.

23 (5) As a condition to the annexation of an area that is
24 surrounded, or substantially surrounded, by the city to which the
25 annexation is proposed, the commission may require, where
26 consistent with the purposes of this division, that the annexation
27 include the entire island of surrounded, or substantially surrounded,
28 territory.

29 (6) A commission shall not impose any conditions that would
30 directly regulate land use density or intensity, property
31 development, or subdivision requirements.

32 (7) The decision of the commission with regard to a proposal
33 to annex territory to a city shall be based upon the general plan
34 and rezoning of the city. When the development purposes are not
35 made known to the annexing city, the annexation shall be reviewed
36 on the basis of the adopted plans and policies of the annexing city
37 or county. A commission shall require, as a condition to
38 annexation, that a city prezone the territory to be annexed or present
39 evidence satisfactory to the commission that the existing
40 development entitlements on the territory are vested or are already

1 at build-out, and are consistent with the city's general plan.
2 However, the commission shall not specify how, or in what
3 manner, the territory shall be rezoned.

4 (8) (A) Except for those changes of organization or
5 reorganization authorized under Section 56375.3, and except as
6 provided by subparagraph (B), a commission shall not approve an
7 annexation to a city *or to a qualified special district* of any territory
8 greater than 10 acres, or as determined by commission policy,
9 where there exists a disadvantaged unincorporated community that
10 is contiguous to the area of proposed annexation, unless an
11 application to annex the disadvantaged unincorporated community
12 to the subject city has been filed with the executive officer.

13 (B) An application to annex a contiguous disadvantaged
14 community shall not be required if either of the following apply:

15 (i) A prior application for annexation of the same disadvantaged
16 community has been made in the preceding five years.

17 (ii) The commission finds, based upon written evidence, that a
18 majority of the registered voters within the affected ~~territory~~
19 *disadvantaged unincorporated community* are opposed to
20 annexation.

21 (C) *For purposes of this paragraph, "a qualified special*
22 *district" means a special district with more than 500 service*
23 *connections that provides drinking water or wastewater services.*

24 (b) With regard to a proposal for annexation or detachment of
25 territory to, or from, a city or district or with regard to a proposal
26 for reorganization that includes annexation or detachment, to
27 determine whether territory proposed for annexation or detachment,
28 as described in its resolution approving the annexation, detachment,
29 or reorganization, is inhabited or uninhabited.

30 (c) With regard to a proposal for consolidation of two or more
31 cities or districts, to determine which city or district shall be the
32 consolidated successor city or district.

33 (d) To approve the annexation of unincorporated, noncontiguous
34 territory, subject to the limitations of Section 56742, located in the
35 same county as that in which the city is located, and that is owned
36 by a city and used for municipal purposes and to authorize the
37 annexation of the territory without notice and hearing.

38 (e) To approve the annexation of unincorporated territory
39 consistent with the planned and probable use of the property based
40 upon the review of general plan and rezoning designations. No

1 subsequent change may be made to the general plan for the annexed
2 territory or zoning that is not in conformance to the prezoning
3 designations for a period of two years after the completion of the
4 annexation, unless the legislative body for the city makes a finding
5 at a public hearing that a substantial change has occurred in
6 circumstances that necessitate a departure from the prezoning in
7 the application to the commission.

8 (f) With respect to the incorporation of a new city or the
9 formation of a new special district, to determine the number of
10 registered voters residing within the proposed city or special district
11 or, for a landowner-voter special district, the number of owners
12 of land and the assessed value of their land within the territory
13 proposed to be included in the new special district. The number
14 of registered voters shall be calculated as of the time of the last
15 report of voter registration by the county elections official to the
16 Secretary of State prior to the date the first signature was affixed
17 to the petition. The executive officer shall notify the petitioners of
18 the number of registered voters resulting from this calculation.
19 The assessed value of the land within the territory proposed to be
20 included in a new landowner-voter special district shall be
21 calculated as shown on the last equalized assessment roll.

22 (g) To adopt written procedures for the evaluation of proposals,
23 including written definitions consistent with existing state law.
24 The commission may adopt standards for any of the factors
25 enumerated in Section 56668. Any standards adopted by the
26 commission shall be written.

27 (h) To adopt standards and procedures for the evaluation of
28 service plans submitted pursuant to Section 56653 and the initiation
29 of a change of organization or reorganization pursuant to
30 subdivision (a).

31 (i) To make and enforce regulations for the orderly and fair
32 conduct of hearings by the commission.

33 (j) To incur usual and necessary expenses for the
34 accomplishment of its functions.

35 (k) To appoint and assign staff personnel and to employ or
36 contract for professional or consulting services to carry out and
37 effect the functions of the commission.

38 (l) To review the boundaries of the territory involved in any
39 proposal with respect to the definiteness and certainty of those
40 boundaries, the nonconformance of proposed boundaries with lines

1 of assessment or ownership, and other similar matters affecting
2 the proposed boundaries.

3 (m) To waive the restrictions of Section 56744 if it finds that
4 the application of the restrictions would be detrimental to the
5 orderly development of the community and that the area that would
6 be enclosed by the annexation or incorporation is so located that
7 it cannot reasonably be annexed to another city or incorporated as
8 a new city.

9 (n) To waive the application of Section 22613 of the Streets and
10 Highways Code if it finds the application would deprive an area
11 of a service needed to ensure the health, safety, or welfare of the
12 residents of the area and if it finds that the waiver would not affect
13 the ability of a city to provide any service. However, within 60
14 days of the inclusion of the territory within the city, the legislative
15 body may adopt a resolution nullifying the waiver.

16 (o) If the proposal includes the incorporation of a city, as defined
17 in Section 56043, or the formation of a district, as defined in
18 Section 2215 of the Revenue and Taxation Code, the commission
19 shall determine the property tax revenue to be exchanged by the
20 affected local agencies pursuant to Section 56810.

21 (p) To authorize a city or district to provide new or extended
22 services outside its jurisdictional boundaries pursuant to Section
23 56133.

24 (q) To enter into an agreement with the commission for an
25 adjoining county for the purpose of determining procedures for
26 the consideration of proposals that may affect the adjoining county
27 or where the jurisdiction of an affected agency crosses the boundary
28 of the adjoining county.

29 (r) To approve with or without amendment, wholly, partially,
30 or conditionally, or disapprove pursuant to this section the
31 annexation of territory served by a mutual water company formed
32 pursuant to Part 7 (commencing with Section 14300) of Division
33 3 of Title 1 of the Corporations Code that operates a public water
34 system to a city or special district. Any annexation approved in
35 accordance with this subdivision shall be subject to the state and
36 federal constitutional prohibitions against the taking of private
37 property without the payment of just compensation. This
38 subdivision shall not impair the authority of a public agency or
39 public utility to exercise eminent domain authority.

1 ~~SEC. 4.~~

2 *SEC. 2.* Section 56425 of the Government Code is amended
3 to read:

4 56425. (a) In order to carry out its purposes and responsibilities
5 for planning and shaping the logical and orderly development and
6 coordination of local governmental agencies subject to the
7 jurisdiction of the commission to advantageously provide for the
8 present and future needs of the county and its communities, the
9 commission shall develop and determine the sphere of influence
10 of each city and each special district, as defined by Section 56036,
11 within the county and enact policies designed to promote the logical
12 and orderly development of areas within or adjacent to the sphere.

13 (b) Prior to a city submitting an application to the commission
14 to update its sphere of influence, representatives from the city and
15 representatives from the county shall meet to discuss the proposed
16 new boundaries of the sphere and explore methods to reach
17 agreement on development standards and planning and zoning
18 requirements within the sphere to ensure that development within
19 the sphere occurs in a manner that reflects the concerns of the
20 affected city and is accomplished in a manner that promotes the
21 logical and orderly development of areas within the sphere. If an
22 agreement is reached between the city and county, the city shall
23 forward the agreement in writing to the commission, along with
24 the application to update the sphere of influence. The commission
25 shall consider and adopt a sphere of influence for the city consistent
26 with the policies adopted by the commission pursuant to this
27 section, and the commission shall give great weight to the
28 agreement to the extent that it is consistent with commission
29 policies in its final determination of the city sphere.

30 (c) If the commission's final determination is consistent with
31 the agreement reached between the city and county pursuant to
32 subdivision (b), the agreement shall be adopted by both the city
33 and county after a noticed public hearing. Once the agreement has
34 been adopted by the affected local agencies and their respective
35 general plans reflect that agreement, then any development
36 approved by the county within the sphere shall be consistent with
37 the terms of that agreement.

38 (d) If no agreement is reached pursuant to subdivision (b), the
39 application may be submitted to the commission and the
40 commission shall consider a sphere of influence for the city

1 consistent with the policies adopted by the commission pursuant
2 to this section.

3 (e) In determining the sphere of influence of each local agency,
4 the commission shall consider and prepare a written statement of
5 its determinations with respect to each of the following:

6 (1) The present and planned land uses in the area, including
7 agricultural and open-space lands.

8 (2) The present and probable need for public facilities and
9 services in the area.

10 (3) The present capacity of public facilities and adequacy of
11 public services that the agency provides or is authorized to provide.

12 (4) The existence of any social or economic communities of
13 interest in the area if the commission determines that they are
14 relevant to the agency.

15 (5) For an update of a sphere of influence of a city or special
16 district that provides public facilities or services related to sewers,
17 municipal and industrial water, or structural fire protection, that
18 occurs pursuant to subdivision (g) on or after July 1, 2012, the
19 present and probable need for those public facilities and services
20 of any disadvantaged unincorporated communities within or
21 adjacent to the existing sphere of influence.

22 (f) Upon determination of a sphere of influence, the commission
23 shall adopt that sphere.

24 (g) On or before January 1, 2008, and every five years thereafter,
25 the commission shall, as necessary, review and update each sphere
26 of influence.

27 (h) In determining a sphere of influence, the commission ~~shall~~
28 *may* assess the feasibility of governmental reorganization of
29 particular agencies and recommend reorganization of those
30 agencies when reorganization is found to be feasible and if
31 reorganization will further the goals of orderly development and
32 efficient and affordable service delivery. The commission shall
33 make all reasonable efforts to ensure wide public dissemination
34 of the recommendations.

35 (i) When adopting, amending, or updating a sphere of influence
36 for a special district, the commission shall establish the nature,
37 location, and extent of any functions or classes of services provided
38 by existing districts.

39 (j) When adopting, amending, or updating a sphere of influence
40 for a special district, the commission may require existing districts

1 to file written statements with the commission specifying the
2 functions or classes of services provided by those districts.

3 (k) The commission shall not approve a sphere of influence
4 update that removes a disadvantaged community from a city or a
5 special district unless the commission makes a finding, based on
6 written evidence, that the removal of the disadvantaged community
7 will result in improved service delivery to the community.

8 ~~SEC. 5.~~

9 *SEC. 3.* Section 56430 of the Government Code is amended
10 to read:

11 56430. (a) In order to prepare and to update spheres of
12 influence in accordance with Section 56425, the commission shall
13 conduct a service review of the municipal services provided in the
14 county or other appropriate area designated by the commission.
15 The commission shall include in the area designated for service
16 review the county, the region, the subregion, or any other
17 geographic area as is appropriate for an analysis of the service or
18 services to be reviewed, and shall prepare a written statement of
19 its determinations with respect to each of the following:

20 (1) Growth and population projections for the affected area.

21 (2) The location and characteristics of any disadvantaged
22 unincorporated communities within or contiguous to the sphere
23 of influence.

24 (3) Present and planned capacity of public facilities, adequacy
25 of public services, and infrastructure needs or deficiencies including
26 needs or deficiencies related to sewers, municipal and industrial
27 water, and structural fire protection in any disadvantaged,
28 unincorporated communities within or contiguous to the sphere
29 of influence.

30 (4) Financial ability of agencies to provide services.

31 (5) Status of, and opportunities for, shared facilities.

32 (6) Accountability for community service needs, including
33 governmental structure and operational efficiencies.

34 (7) Any other matter related to effective or efficient service
35 delivery, as required by commission policy.

36 (b) In conducting a service review, the commission shall
37 comprehensively review all of the agencies that provide the
38 identified service or services within the designated geographic
39 area. Where there exists a disadvantaged unincorporated
40 community that lacks adequate drinking water and wastewater

services and infrastructure within or contiguous with the subject sphere, the commission shall assess various alternatives for improving efficiency and affordability of *drinking water or wastewater* infrastructure and service delivery within and contiguous to the sphere of influence, including, but not limited to, the consolidation of governmental agencies or the extension of services, or both.

(c) In conducting a service review, the commission shall include a review of whether the agencies under review, including any public water system as defined in Section 116275 of the Health and Safety Code, are in compliance with the California Safe Drinking Water Act (Chapter 4 (commencing with Section 116270) of Part 12 of Division 104 of the Health and Safety Code) if the information is ~~readily~~ available from the *State Water Resources Control Board or other sources*. A public water system may satisfy any request for information as to compliance with that act by submission of the consumer confidence or water quality report prepared by the public water system as provided by Section 116470 of the Health and Safety Code.

(d) The commission may request information, as part of a service review under this section, from identified public or private entities that provide wholesale or retail supply of drinking water, including mutual water companies formed pursuant to Part 7 (commencing with Section 14300) of Division 3 of Title 1 of the Corporations Code, and private utilities, as defined in Section 1502 of the Public Utilities Code.

(e) (1) The commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or 56426.5 or to update a sphere of influence pursuant to Section 56425.

(2) *On or before January 1, 2022, and every five years thereafter, the commission shall conduct service reviews sufficient to have reviewed the entire territory of the county.*

(f) *The commission shall file a map of the county that identifies disadvantaged unincorporated communities that lack safe drinking water or adequate wastewater in electronic format with the Office of Planning and Research. The Office of Planning and Research shall make the map available on its Internet Web site.*

1 (g) (1) Within two years of identification of a disadvantaged
2 unincorporated community that lacks safe drinking water or
3 adequate wastewater services pursuant to this section, the
4 commission shall recommend a plan based on the alternatives
5 analyzed and shall adopt any actions necessary to implement the
6 plan, including sphere of influence updates, extensions of service,
7 or changes of organization.

8 (2) Actions taken to adopt a plan under this subdivision shall
9 not be subject to an election or any protest proceedings, as defined
10 in Section 56069.5, except that the commission shall conduct
11 protest proceedings for residents of the disadvantaged community.

12 (3) The commission shall not be required to adopt or implement
13 a plan if the commission finds, based on substantial evidence, that
14 there is no technical or economically feasible way of connecting
15 the disadvantaged unincorporated community to an existing system,
16 considering any financial assistance available from the State Water
17 Resources Control Board or any other applicable source of
18 financial assistance. These findings shall not interfere with or
19 inform other programs or policies designed to expand basic
20 services to disadvantaged unincorporated communities, including,
21 but not limited to, Sections 116680 to 116684, inclusive, of the
22 Health and Safety Code.

23 (h) (1) Notwithstanding Section 56133, 56133.5, or 56375, on
24 and after January 1, 2022, a commission shall not change the
25 sphere of influence of, or authorize extension of services by, a
26 qualifying city or special district if the commission has not done
27 one of the following:

28 (A) Conducted the analysis required by this section.

29 (B) Adopted a plan or taken the actions required by subdivision
30 (g).

31 (2) Notwithstanding Section 56133, 56133.5, or 56375, a
32 commission shall not change the sphere of influence of, or
33 authorize an extension of services by, a qualifying city or special
34 district if the city or special district has been designated in a plan
35 developed pursuant to subdivision (g) to provide water or
36 wastewater services and the city or special district has not begun
37 providing water or wastewater service, as identified by the
38 commission's plan, within three years of being designated in the
39 plan.

1 (3) *The prohibition against a change to a sphere of influence*
2 *or extension of service pursuant to paragraphs (1) and (2) shall*
3 *not apply to either of the following:*

4 (A) *An application to extend services to, or include in their*
5 *sphere of influence, a disadvantaged unincorporated community.*

6 (B) *An extension of service authorized pursuant to subdivision*
7 *(c) of Section 56133.*

8 (i) *As used in this section, “a qualifying city or special district”*
9 *means a city or special district that provides water service or*
10 *wastewater services and serves 500 or more connections.*

11 ~~SEC. 6.~~

12 SEC. 4. If the Commission on State Mandates determines that
13 this act contains costs mandated by the state, reimbursement to
14 local agencies and school districts for those costs shall be made
15 pursuant to Part 7 (commencing with Section 17500) of Division
16 4 of Title 2 of the Government Code.

O



ACTION ITEM
May18, 2016

TO: Board of Directors

FROM: **Public Affairs & Legislation Committee**
(Directors Tamaribuchi, Hinman, Barbre)

Robert Hunter
General Manager

SUBJECT: Election Information (Candidate's Statements)

STAFF RECOMMENDATION

Staff recommends the Board of Directors review the information presented and decide whether to limit candidate statements to either 200 or 400 words and submit information to the Registrar of Voters, along with a statement that the District will either pay or not pay for the statements.

COMMITTEE RECOMMENDATION

To be determined.

SUMMARY

Each election, the Registrar of Voters requests information relative to the Candidate's Statements. This information includes whether or not the District will pay the Candidate's Statement cost, and whether the District will limit statements to either 200 or 400 words.

Historically, the Board limits candidate statements to 200 words, and does not authorize payment by the District.

Although the forms have not yet been received from the OC Registrar of Voters, a response is due no later than May 31, 2016.

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



ACTION ITEM

May 18, 2016

TO: Board of Directors

FROM: Public Affairs & Legislation Committee
(Directors Barbre, Hinman & Tamaribuchi)

Robert Hunter, General Manager

Staff Contact: Heather Baez

**SUBJECT: CALIFORNIA SPECIAL DISTRICTS (CSDA) PROPOSED BYLAWS
UPDATES**

STAFF RECOMMENDATION

Staff recommends that the Board of Directors authorize President Osborne or his designee to cast the vote on behalf of MWDOC approving the amended and restated CSDA bylaws.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at committee.)

SUMMARY

CSDA last updated their bylaws in 2014. The suggested updates for 2016 make a few technical changes and add clarifying language to allow for electronic voting and electronic communication in certain situations.

Attached is a line item copy of the suggested bylaw amendments. The deletions are in ~~strike through in red~~, the additions are underlined in blue.

The highlights are listed below.

Regions (the six geographic areas) are now referred to as networks.
Associate members and business members were previously non-voting members but now can become voting members if they are approved members on a CSDA committee.

Electronic ballots will now be accepted for voting at an annual or special meeting.

Written notices can now be sent electronically as well as via mail.

Added section for member participation via electronic means at meetings.

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



BYLAWS

California Special Districts Association

Approved Bylaw Revision Dates:

Revised 1996

Revised 1999

Revised 2004

Revised October 1, 2009

Revised August 2, 2010

Revised August 1, 2011

Revised July 1, 2014

TABLE OF CONTENTS

ARTICLE I – GENERAL.....	4
Section 1. Purpose:.....	4
Section 2. CSDA Regions /Networks:.....	4
Section 3. Principal Office:.....	4
ARTICLE II – MEMBERSHIP.....	5
Section 1. Qualification of Membership:.....	6
Section 2. Membership Application:.....	6
Section 3. Membership Dues:.....	6
Section 4. Membership Voting:.....	6
Section 5. Membership Quorum:.....	6 67
Section 6. Membership Meetings:.....	7
Section 7. Termination of Membership:.....	10 108
ARTICLE III – DIRECTORS.....	11 119
Section 1. Number of Directors:.....	11 119
Section 2. Term of Office:.....	11 119
Section 3. Nomination of Directors:.....	11 119
Section 4. Election of Directors:.....	11 119
Section 5. Event of Tie:.....	13 1310
Section 6. Director Vacancy:.....	13 1310
Section 7. Director Disqualification:.....	14 1411
Section 8. Powers of Directors:.....	15 1511
ARTICLE IV – DIRECTOR MEETINGS.....	16 1612
Section 1. Place of Meetings:.....	16 1612
Section 2. Ratification Meeting:.....	16 1612
Section 3. Organization Meeting:.....	16 1612
Section 4. Planning Session:.....	16 1612
Section 5. Regular Meetings:.....	16 1612
Section 6. Special Meetings:.....	16 1612
Section 7. Quorum:.....	16 1612
Section 8. Board Meetings by Telephone and Electronic Communications.....	13
Section 9 8. Official Records:.....	16 1613
ARTICLE V – OFFICERS.....	18 1814
Section 1. Number and Selection:.....	18 1814
Section 2. Duties of the President:.....	18 1814
Section 3. Duties of the Vice President:.....	18 1814
Section 4. Duties of the Secretary:.....	18 1814
Section 5. Duties of the Treasurer:.....	19 1915
Section 6. Disbursement of Funds:.....	19 1915
Section 7. Removal of Officers:.....	19 1915
ARTICLE VI – COMMITTEES.....	20 2016

Section 1. Committee Structure:	20 2016
Section 2. Committee Actions:	20 2016
Section 3. Committee Meetings:	20 2016
Section 4. Standing Committees:	21 2117
Section 5. Ad Hoc Committees:	22 2218
Section 6. Special Committee of the Board:	22 2218
ARTICLE VII – INDEMNIFICATION	23 2319
Section 1. Right of Indemnity:	23 2319
Section 2. Approval of Indemnity:	23 2319
Section 3. Insurance:	23 2319
Section 4. Liability:	23 2319
ARTICLE VIII – LOCAL <u>AFFILIATED</u> CHAPTERS.....	24 2420
Section 1. Purpose:.....	24 2420
Section 2. Organization:.....	24 2420
Section 3. Rules, Regulations and Meetings:	24 2420
Section 4. Financing of Local <u>Affiliated</u> Chapters:.....	24 2420
Section 5. Legislative Program Participation:.....	25 2520
ARTICLE IX – AMENDMENTS TO THE BYLAWS.....	26 2621
Section 1. Amendment Proposals:.....	26 2621
Section 2. Amendment Membership Meeting:	26 2621
Section 3. Mailed <u>Written Bylaws</u> Amendment Ballot:	26 2621
Section 4. <u>Bylaws</u> Amendment Ratification:.....	27 2721
EXHIBIT A.....	28 2822

ARTICLE I – GENERAL

Section 1. Purpose:

In addition to the general and specific purposes set forth in the Articles of Incorporation of the California Special Districts Association (CSDA), CSDA will provide outreach, education, and member services, and shall generate legislative advocacy for member interests. CSDA will interact with the government associations and groups that support or oppose its membership's interests.

Section 2. CSDA ~~Regions~~/Networks:

The state of California shall be divided along county boundaries into six voting ~~regions~~/networks. The areas of the ~~regions~~/networks have been determined by the Board of Directors of CSDA.

Exhibit A.....Map of the six (6) ~~regions~~/networks of CSDA.

Section 3. Principal Office:

The principal business office of CSDA shall be located in Sacramento, California.

ARTICLE II – MEMBERSHIP

Section 1. Qualification of Membership:

There may be several classes of membership in CSDA, as determined by the Board of Directors. The following classes have been adopted:

A. Regular Voting Members:

Regular voting members shall be any public agency formed pursuant to either general law or special act for the local performance of governmental and/or proprietary functions within limited boundaries, and which meets any one of the following criteria:

1. Meets the definition of “independent special district” set forth in Government Code Section 56044 by having a legislative body all of whose members are elected, or which members are appointed to fixed terms; or
2. A public agency whose legislative body is composed of representatives of two or more other public agencies. Such representatives may be either members of the legislative body or designated employees of such other public agencies. Public agencies which qualify as regular members pursuant to these criteria include, but are not limited to the following public agencies: (a) air quality management districts; (b) air pollution control districts; (c) county water agencies or authorities; (d) transit or rapid transit districts, or transportation authorities; (e) metropolitan water districts; (f) flood control and/or water conservation districts; (g) sanitation agencies.

Regular voting members do not include the state, cities, counties, school districts, community college districts, dependent districts, or joint powers authorities. Dependent districts are defined as those special districts whose legislative body is composed exclusively of members of a Board of Supervisors of a single county or city council of a single city, LAFCOs, joint powers authorities or the appointees of such legislative bodies with no fixed terms.

Regular voting members have voting privileges and may hold seats on the Board of Directors.

B. Associate Non-Voting Members:

[Associate members](#) shall be those organizations such as dependent districts, cities, mutual water companies, and those public agencies that do not satisfy the criteria for regular voting membership specified in Section A above.

Associate members have no voting privileges, [except as approved members on a CSDA committee](#), and may not hold a seat on the Board of Directors.

C. Business Affiliate Members:

[Business Affiliate members](#) shall be those persons or organizations that provide services to special districts and/or have evidenced interest in the purposes and goals of

CSDA. Business Affiliates have no voting privileges, except as approved members on a CSDA committee, and may not hold a seat on the Board of Directors.

Section 2. Membership Application:

Application for membership to CSDA will be directed to staff, who will determine if the applicant's interest and purpose is in common with CSDA. If the applicant meets the requirements of membership, the Board of Directors shall approve the new member by a majority vote of the Board. Acceptance to membership shall authorize participation in CSDA activities as specified in these Bylaws.

Section 3. Membership Dues:

The membership dues of CSDA shall be established annually by a majority vote of the Board of Directors at a scheduled Board meeting. Authority to adjust the dues shall remain with the Board of Directors.

Section 4. Membership Voting:

Matters to be voted upon by the membership shall be determined by the Board of Directors in accordance with these Bylaws. Only those matters of which proper notice was given by CSDA may be voted upon.

A. Voting Designee:

In accordance with these Bylaws, regular voting members in good standing shall have voting privileges. The governing body of each regular voting member shall designate ~~by resolution~~, one representative from their respective district who shall have the authority to exercise the right of the regular voting member to vote. Such voting designee shall be a Board member or managerial employee of the member regular voting member.

B. Voting Authorization:

Those regular voting members who have paid the required dues as set by the Board of Directors are members in good standing. Each regular voting member in good standing shall be entitled to one vote on all matters brought before the membership for vote at any meeting or ~~mail-by~~ ballot.

Section 5. Membership Quorum:

A. Meeting Quorum:

Twenty-five voting designees, as defined in Article II, Section 4, officially designated by each regular voting member present at any annual or special meeting of the CSDA shall constitute a quorum. ~~Absentee ballots shall not be accepted. No regular voting member shall have the right to vote by means of an absentee or proxy ballot.~~

B. Mailed or Electronic Ballot Quorum:

Mail ballots or electronic ballots received from 25 voting designees officially designated by each regular voting member shall constitute a quorum. Each regular voting member shall

be entitled to one vote. No regular voting member shall have the right to vote by means of a proxy.

Section 6. Membership Meetings:

A. Annual Business Meeting:

The annual business meeting of the members shall be held at the Annual CSDA Conference at such time and place as determined by the Board of Directors. Written notice of the annual business meeting distributed by mail or electronically shall include all matters that the Board intends to present for action and vote by the members.

~~Written notice of any annual meeting of the members of CSDA, via mail and/or electronic delivery, and/or facsimile shall be sent to each regular voting member in good standing, at least 45 days in advance of the designated date of such meeting. The notice shall include the time and place, and all matters the Board of Directors intends to present for action and vote by the members.~~

B. Special Meetings:

Special meetings of the members may be called at any time by the President, by a majority of the Board of Directors, or ~~by a majority of~~ at least a quorum of the members (25 members). ~~Written notice shall include all matters the Board of Directors intends to present for action and vote by the members.~~ Such a special meeting may be called by written request, specifying the general nature of the business proposed to be transacted and addressed to the attention of and submitted to the President of the Board. The President shall direct the Chief Executive Officer to cause notice to be given promptly to the members stating that a special meeting will be held at a specific time and date fixed by the Board. No business other than the business that was set forth in the notice of the special meeting may be transacted at a special meeting.

~~Written notice of any special meeting of the members of CSDA, via mail and/or electronic delivery, and/or facsimile shall be sent to each regular voting member in good standing, at least ten days in advance of the designated date of such meeting. The notice shall include the time and place, and all matters intended to be presented for action and vote by the members.~~

C. Notice of Meetings:

Whenever members are permitted to take any action at any annual or special meeting, written notice of the meeting distributed by mail or electronically shall be given to each member entitled to vote at that meeting. The notice shall specify the place, date and hour of the meeting, and the means of electronic transmission or electronic video screen communication to be utilized by and between CSDA and its members, if any, by which members may participate in the meeting. For the Annual Membership Meeting, the notice shall state the matters that the Board intends to present for action by the members. For a special meeting the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. The notice of any meeting at which directors are to be elected shall include the names of all persons who are nominees when notice is given.

1. Notice Requirements. Written notice of any annual membership meeting shall be given at least 45 days before the meeting date either personally, by first class registered or certified mail, or by electronic transmission.

2. Electronic Notice. Notice given by electronic transmission by CSDA shall be valid if delivered by either (a) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address for that main contact member on record with CSDA; (b) posting on an electronic message board or network that CSDA has designated for such communications, together with a separate electronic notice to each member of the posting; or (c) any other means of electronic communication. Such electronic transmission must be directed to a member which has provided to CSDA an unrevoked consent to the use of electronic transmission for such communications. The method of electronic communication utilized must create a record that is capable of retention, retrieval and review by CSDA.

All such electronic transmissions shall include a written statement that each member receiving such communication has the right to have the notice provided in non-electronic form. Any member may withdraw its consent to receive electronic transmissions in the place of written communications by providing written notice to CSDA of such withdrawal of consent.

Notice shall not be given by electronic transmission by CSDA if CSDA is unable to deliver two (2) consecutive notices to a member by that means, or otherwise becomes aware of the fact that the member cannot receive electronic communications.

D. Electronic Meetings:

Members not physically present in person at either an annual or special meeting of members may participate in such a meeting by electronic transmission or by electronic video screen communication by and between such members and CSDA. Any eligible member participating in a meeting electronically shall be deemed present in person and eligible to vote at such a meeting, whether that meeting is to be held at a designated place, conducted entirely by means of electronic transmission, or conducted in part by electronic communication between CSDA and those members who are not capable of being physically present at such designated meeting place.

Annual and special meetings of the members may be conducted in whole or in part by electronic transmission or by electronic video screen communication by and between CSDA and its members if all of the following criteria are satisfied: (1) CSDA implements reasonable procedures to provide members participating by means of electronic communication a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to hear the proceedings of the meeting including comments of members participating in person substantially concurrent with such proceedings; and (2) any votes cast by a member by means of electronic communication by and between CSDA and a member must be recorded and maintained in the minutes by CSDA.

C. ~~Mail Ballot:~~

~~The Board of Directors may at its discretion authorize the voting upon any issue, by written ballot mailed to each regular voting member in good standing. Such ballot shall~~

~~be mailed by first class mail, at least 45 days in advance of the date the CSDA has designated for the return of the ballot by each member to CSDA.~~

E. Majority Vote:

~~A majority of votes cast or ballots received shall be necessary to carry any matter voted upon, provided a quorum of members has voted in person or by mail ballot. Voting by proxy shall not be allowed.~~ Any matter submitted to the membership for action or approval shall constitute the action or approval of the members only when: (1) the number of votes cast by regular voting members present at the meeting equals or exceeds the quorum requirement of 25 registered voters; and (2) the number of votes approving the action or proposal equals or exceeds a majority (50% plus one) of the regular voting members present and casting votes on the issue.

F. Solicitation of Written Ballots from Members:

All solicitations of votes by written ballot, whether by means of electronic communication or first class mail, shall: (1) state the number of returned ballots needed to meet the quorum requirement (25 returned ballots); (2) state, with respect to returned ballots other than for election of directors, that the majority of returned ballots must indicate approval of each measure in order to adopt such measure; and (3) specify the time by which the written ballot must be received by CSDA in order to be counted. Each written ballot so distributed shall: (1) set forth the proposed action; (2) give members an opportunity to specify approval or disapproval of each proposal; and (3) provide a reasonable time in which to return the ballots to CSDA either electronically or by first class mail.

Each written ballot distributed by first class mail shall be mailed to each regular voting member at least 45 days in advance of the date designated for return of the ballot by each such member to CSDA. Written ballots transmitted electronically to members shall be electronically communicated at least 45 days in advance of the date designated for return of the ballot by each member to CSDA.

G. Return of Ballots:

Written ballots shall be returned either by first class mail or by electronic communication to either the principal business address of CSDA or CSDA's designated electronic format specified on the ballot prior to the close of business (5:00 pm) on the designated election date. Written ballots received either by first class mail or electronic communication from regular voting members after the specified date shall not be counted and shall be invalid.

H. Number of Votes Required for Approval:

Approval by written ballot shall be valid only when (1) the number of votes cast by written ballot either by means of electronic communication or first class mail within the specified time equals or exceeds the quorum required to be present at a meeting authorizing the action (25 votes); and (2) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting of members, i.e. 50% plus one of those participating members casting written ballots either electronically or by first class mail.

Section 7. Termination of Membership:

Any member delinquent in the payment of dues for a period of three months after said dues are due and payable, shall be notified in writing of such arrearage, and shall be given written notice of possible termination. If such delinquent dues remain unpaid for 45 days after said notice, the delinquent member shall automatically cease to be a member of CSDA. [CSDA's Chief Executive Officer may approve special payment arrangements if deemed necessary.](#)

A delinquent member may be restored to membership by making written application to the Board of Directors of the CSDA. Such reinstatement shall be at the discretion of the Board.

ARTICLE III – DIRECTORS

Section 1. Number of Directors:

The authorized number of elected directors to serve on the Board of Directors shall be 18. Each regular voting member agency shall be limited to one seat on the Board.

There shall be three directors elected from each of the six CSDA ~~regions/~~networks. Directors elected from each of the six ~~regions/~~networks shall hold staggered three year terms. The three directors serving a term of office from a ~~region/~~network shall be elected from three different regular voting member agencies located in that ~~region/~~network.

Section 2 Term of Office:

Directors elected from each of the six ~~regions/~~networks shall hold staggered three year terms. After the annual election of directors, a meeting of the Board shall be held to ratify the election results. The term of office of the newly elected persons shall commence on the following January 1 and shall terminate in three years.

Section 3. Nomination of Directors:

Nomination shall be by ~~region/~~network. Any regular voting member in good standing is eligible to nominate one person from their district to run for director of CSDA. The director nominee shall be a board member of the district or a managerial employee as defined by that district's Board of Directors. Nomination of the director designee shall be made by a resolution or minute action of the regular voting member's Board of Directors. Only one individual from each regular voting member district may be nominated to run at each election. In the event an incumbent does not re-run for his/her seat, the nomination period for that ~~region/~~network shall be extended by ten days.

The CSDA staff, in conjunction with the Elections and Bylaw Committee, will review all nominations received and accept all that meet the qualifications set by these Bylaws. A slate of each ~~region's/~~network's qualified nominees will be submitted by mail or electronic ballot, to that ~~region's/~~network's regular voting membership for election pursuant to Article III, Section 4

Section 4. Election of Directors:

The Election and Bylaws Committee shall have primary responsibility for establishing and conducting elections. The Committee may enforce any regulation in order to facilitate the conduct of said elections. Voting for directors shall be by the regular voting members from the ~~region/~~network from which they are nominated.

The Election and Bylaws Committee shall meet each year to review, with staff, the ~~regions/~~networks where election of directors will be necessary. The Committee will coordinate, with staff, the dates nomination requests shall be mailed to the regular voting members, the official date for the nomination requests to be received at the CSDA office, and set the date of the election.

A. Written Notice:

Written notice requesting nominations of candidates for election to the Board of Directors shall be sent by first class mail or electronically to each regular voting member in good standing on the date specified by the Election and Bylaws Committee, which shall be at least 120 days prior to the election. The nominations must be received either by mail or electronically by CSDA before the established deadline which shall be no later than 60 days prior to the election. Nominations received after the deadline date shall be deemed invalid.

B. Balloting and Election:

Voting for directors shall be by written ballot distributed by mail or by electronic transmission by CSDA directly or via third-party to members eligible to vote in each network.

After the nomination period for directors is closed, a ~~written~~mailed-ballot specifying the certified nominees in each ~~region/~~network shall be distributed by first class mail or electronically to each regular voting member in that ~~region/~~network ~~by first class mail~~. Each such regular member in good standing in each ~~region/~~network shall be entitled to cast one vote for each of that ~~region's/~~network's open seats on the Board.

The ballot for each ~~region/~~network shall contain all nominations accepted and approved by CSDA staff. In the event there is only one nomination in a ~~region/~~network, the nominee shall automatically assume the Seat up for election and a ballot shall not be mailed or electronically transmitted. Staff will execute a Proof of Service certifying the date upon which all regular voting members of each ~~region/~~network were ~~mailed-sent~~ a ballot, either by first class mail or by electronic transmission. The form of written ballot and any related materials sent by electronic transmission by CSDA and completed ballots returned to CSDA by electronic transmission by participating members must comply with all of the requirements of Article II, Section 6.F-H of these Bylaws. If a member does not consent to electronic communication for balloting purposes, a form of written ballot will be mailed to such participating member no later than 45 days prior to the date scheduled for such election. All written ballots shall indicate that each participating member may return the ballot by electronic communication or first class mail.

All solicitations of votes by written ballot shall: (1) state the number of returned ballots needed to meet the quorum requirement (25); (2) state, with respect to ballots for election of directors, that those nominees receiving the highest number of votes for each Board position subject to election will be certified as elected to that Board position.

Election of a nominee to a Board position shall be valid only when: (1) the number of votes cast by written ballot, transmitted either electronically or by first class mail, within the time specified, equals or exceeds the quorum required to be present at a meeting of members authorized in such action (25); and (2) the number of written ballots approving the election of a nominee must be the highest number of votes cast for each Board position subject to election as would be required for an election of a nominee at a meeting of the members. -

Written Ballots shall be returned either by first class mail or by electronic mail communication to either the principal business address of CSDA or CSDA's designated electronic format specified on the ballot prior to the close of business (5:00 pm) on the

designated election date, which shall be at least 45 days prior to the Annual Conference. Written B ballots received either by first class mail or electronic communication after the specified date shall be invalid and shall not be counted.

All written ballots received by mail shall remain sealed until opened in the presence of the Election and Bylaws Committee chairperson or his/her designee. All electronic ballots will be prepared, distributed, authenticated, received, tabulated, and kept secure and confidential.

Section 5. Event of Tie:

In the event of a tie vote, a supplemental ~~mail-written~~ ballot containing only the names of those candidates receiving the same number of votes shall be distributed either by first class mail or electronically ~~mailed~~ to each regular voting member in the ~~region/~~network where the tie vote occurred.

Those ~~mail-written~~ ballots received by mail or electronically prior to the close of business (5:00 pm) on the date designated by the Election and Bylaws Committee shall be considered valid and counted. All supplemental ~~mail-written~~ ballots received after the designated date whether by first class mail or electronically shall will be deemed invalid. All written ballots received either by mail or electronically shall remain sealed as provided in Article III, Section 4.B of these Bylaws ~~until opened in the presence of the Committee chair or his/her designee.~~

In the event the supplemental ~~mail-written~~ ballot also results in a tie vote, the successful candidate will be chosen by a drawing by lot.

Section 6. Director Vacancy:

In the event of a director vacating his/her seat on the Board of Directors, an individual who meets the qualifications as specified in these Bylaws may be appointed or elected to complete the director's unexpired term.

A. Two or Three Vacant Seats in the Same ~~Region/~~Network:

In the event more than one seat on the CSDA Board of Directors in any one ~~region/~~network is vacant at the same time, such vacancies shall be filled by election. A ~~mail-written~~ ballot shall be prepared; listing all nominees for that ~~region/~~network accepted and approved by CSDA and distributed o each regular voting member in each such network either by first class mail or by electronic communication pursuant to the provisions of Article III, Section 4. A and B of these Bylaws

Regular members of each ~~region/~~network shall be entitled to cast one vote for each open seat in that ~~region/~~network by returning a completed written ballot to CSDA either by first class mail or by electronic communication. The candidate receiving the most votes will be elected to the vacant seat with the longest remaining term. The candidate receiving the second highest number of votes will be elected to fill the vacant seat with the second longest remaining term. The candidate receiving the third highest number of votes will be elected to fill the vacant position with the third longest remaining term.

B. Vacancy Before Nomination Period

In the event of a vacancy occurring “before” the nomination period, at the discretion of the CSDA Board, the vacancy may be filled by appointment or special election.

Should the CSDA Board choose to fill the vacancy by appointment, notification of the vacancy and request for nominations shall be sent by regular mail or electronic communication to all regular members in good standing in the network in which the vacancy occurred. The network’s existing directors sitting on the CSDA Board shall interview all interested candidates of that network and bring a recommendation to the CSDA Board of Directors for consideration. The Board shall make the appointment to fill the unexpired term of the vacated Board position.

Should the CSDA Board choose to fill the vacancy by special election, written notification of the vacancy and request for nominations shall be sent either by first class mail or electronically to each regular member in good standing in the network in which the vacancy occurred. Nominations will be accepted for the vacant seat by first class mail or by electronic communication and shall be placed on the written ballot for election in that network. Such election shall be conducted pursuant to the provisions of Article III, Section 4.A and B hereof.

B.C. Vacancy During Nomination Period:

In the event of a vacancy occurring “during” the nomination period, the vacancy shall be filled by election. Written notification of the vacancy and request for nominations shall be sent either by first class mail or electronically to each regular member in the ~~region/~~network in which the vacancy occurred. Nominations will be accepted for the vacant seat by first class mail or by electronic communication and shall be placed on the ~~mail-written~~ ballot for election in that ~~region/~~network. Such election shall be conducted pursuant to the provisions of Article III, Section 4.A and B hereof.

C.D. Vacancy After Nomination Period:

In the event of a vacancy occurring “after” the nomination period has closed, at the discretion of the CSDA Board, the vacancy may remain unfulfilled until the next regularly scheduled election or may be filled by appointment. Should the CSDA Board choose to fill the vacancy by appointment, notification of the vacancy and request for nominations shall be sent by regular mail or electronic communication to all regular members in good standing in the ~~region/~~network in which the vacancy occurred.

The ~~region’s/~~network’s existing directors sitting on the CSDA Board shall interview all interested candidates of that ~~region/~~network and bring a recommendation to the CSDA Board of Directors. The Board shall make the appointment to fill the unexpired term of the vacated Board position.

Section 7. Director Disqualification:

- A. A director shall become disqualified from further service upon the occurrence of the following:

A director’s district is no longer a member of CSDA; a director is no longer a board member or an employee of a member district; and/or a director shall resign.

Any officer or director may resign at any time by giving written notice to the President or CEO. Any such resignation shall take effect at the date of the receipt of such notice or at any time specified therein.

- B. The position of a director may be declared vacant by a majority vote of the CSDA Board of Directors when a director [is unexcused and](#) fails to attend three consecutive meetings of the Board.

Section 8. Powers of Directors:

Subject to the limitations of these Bylaws, the Articles of Incorporation, and the California General Nonprofit Corporation Law, all corporate powers of the CSDA shall be exercised by or under the authority of the Board of Directors.

ARTICLE IV – DIRECTOR MEETINGS

Section 1. Place of Meetings:

Meetings of the Board of Directors shall be held in the state of California, at such places as the Board may determine.

Section 2. Ratification Meeting:

Following the election of Directors, the Board shall hold a meeting at such time and place as determined by the Board for the purpose of ratifying the newly elected directors and to transact other business of CSDA.

Section 3. Organization Meeting:

After the ratification meeting, an organizational meeting of the Board shall be held at such time and place as determined by the Board for the purpose of electing the officers of the Board of Directors and the transaction of other business of CSDA.

Section 4. Planning Session:

As directed by the Board of Directors, a special Strategic Planning Meeting shall be held to review and evaluate the plans, policies and activities related to the business interests of CSDA.

Section 5. Regular Meetings:

The dates of the regular meetings of the Board of Directors shall be ratified at the last Board meeting of the previous year. The meetings shall be held at such time and place as the Board may determine. The dates and places of the Board meetings shall be published in the CSDA's publications for the benefit of the members.

Section 6. Special Meetings:

A special meeting of the Board of Directors, for any purpose, may be called at any time by the President or by any group of ~~seven~~-10 directors [or as described in Article II, Section 6.B.](#)

Such meetings may be held at any place designated by the Board of Directors. In the event directors are unable to personally attend the special meeting, teleconferencing means will be made available.

Notice of the time and place of special meetings shall be given personally to the directors, or sent by written or electronic communication. All written notices shall be sent at least ten days prior to the special meeting and electronic notices at least five days prior.

Section 7. Quorum:

A quorum of the Board of Directors for the purpose of transacting business of the CSDA shall consist of ten directors. A majority vote among at least ten directors present at a duly noticed meeting shall constitute action of the Board of Directors.

Section 8. Board Meetings by Telephone and Electronic Communications:

Any Board meeting may be held by conference telephone, video screen communication or other electronic communications equipment. Participation in such a meeting under this Section shall constitute presence in person at the meeting if both of the following apply: (a) each Board member participating in the meeting can communicate concurrently with all other Board members; and (b) each member of the Board is provided a means of participating in all matters before the Board, including the capacity to propose or interpose an objection to a specific action to be taken by CSDA, and the capacity to vote on any proposal requiring action of the Board.

Section 98. Official Records:

All official records of the meetings of the CSDA shall be maintained at the principal business office of the CSDA.

ARTICLE V – OFFICERS

Section 1. Number and Selection:

The officers of CSDA shall be the President, Vice President, Secretary, Treasurer and the Immediate Past President. The officers shall be elected annually from the then current members of the Board of Directors without reference to ~~regions~~/networks. All officers shall be subordinate and responsible to the CSDA Board of Directors and shall serve without compensation.

Each shall hold office for the term of one year, or until resignation or disqualification.

The Board of Directors may appoint such other officers as the business of CSDA may require. Each of the appointed officers shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board of Directors may determine.

Section 2. Duties of the President:

The President shall be the chief officer of the CSDA and shall, subject to the approval of the Board of Directors, give supervision and direction to the business and affairs of CSDA.

The President shall preside at all Board of Director and membership meetings. The President shall be an ex-officio member of all Standing Committees. The President shall appoint committee chairs and vice-chairs and members of the Standing Committees, subject to confirmation by the Board of Directors.

The President shall have the general powers, duties and management usually vested in the office of the president of a corporation. The President shall have such other powers and duties as may be prescribed by these Bylaws or by the vote of the Board of Directors.

Section 3. Duties of the Vice President:

In the absence of, or disability of the President, the Vice President shall perform all of the duties of the President. When so acting, the Vice President shall have all the powers of the President, and be subject to all the restrictions upon the President.

The Vice President shall be an ex-officio member of all of the Standing Committees.

Section 4. Duties of the Secretary:

The Secretary or a designee appointed by the Board of Directors shall give notice of meetings to the Board of Directors, and notices of meetings to the members as provided by these Bylaws.

The Secretary or designee shall record and keep all motions and resolutions of the Board. A record of all meetings of the Board and of the members shall be maintained. All written records of the Secretary shall be kept at the business office of CSDA.

A list of the membership of CSDA shall be maintained by the Secretary or such designee. Such record shall contain the name, address and type of membership, of each member. The date of membership shall be recorded, and in the event the membership ceases, the date of termination.

The Secretary or designee shall perform such other duties as may be required by law, by these Bylaws, or by the Board of Directors.

Section 5. Duties of the Treasurer:

The Treasurer or a designee appointed by the Board of Directors shall keep and maintain adequate and correct accounts of the properties and the business transactions of CSDA, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all times be open to inspection by any director or member of the CSDA.

The Treasurer or designee shall be responsible to cause the deposit of all moneys of the CSDA, and other valuables in the name and to the credit of CSDA, with such depositories as may be designated by the Board of Directors.

The Treasurer or designee, shall disburse, or cause to be disbursed by persons as authorized by resolution of the Board of Directors, the funds of CSDA, as ordered by the Board of Directors.

The Treasurer or designee shall serve as chair of the CSDA Fiscal Committee. The Treasurer shall render to the President and the Board of Directors an account of all financial transactions and the financial condition of CSDA at each Board meeting and on an annual basis, or upon request of the Board.

The Treasurer or designee shall, after the close of the fiscal year of CSDA, cause an annual audit of the financial condition of CSDA to be done.

The Treasurer or such designee shall perform such other duties as may be required by law, by these Bylaws, or by the Board of Directors.

Section 6. Disbursement of Funds:

No funds shall be disbursed by CSDA unless a check, draft or other evidence of such disbursement has been executed on behalf of CSDA by persons authorized by resolution of the Board of Directors.

Section 7. Removal of Officers:

Officers of the Board may be removed with or without cause at any meeting of the Board of Directors by the affirmative vote of a majority of the Board of Directors present at such meeting.

ARTICLE VI – COMMITTEES

Section 1. Committee Structure:

Each committee shall have a chair and a vice-chair who shall be directors of the Board of Directors. Each committee shall have at least two Board members and no more than nine Board members. Directors may be appointed as alternate members of a committee, in the event of an absent committee member.

Other members of any committee may include designees of regular, associate or Business Affiliate members.

Section 2. Committee Actions:

All actions of any committee of the CSDA shall be governed by and taken in accordance with the provisions of these Bylaws. All committees shall serve at the pleasure of the Board and have such authority as provided by the Board of Directors. Minutes of each committee meeting shall be kept and each committee shall present a report to the Board of Directors at each scheduled Board meeting.

No committee may take any final action on any matter that, under these Bylaws, or under the California Nonprofit Public Benefit Corporation Law, also requires approval of the members of the CSDA.

All committees, regardless of Board resolution, are restricted from any of the following actions as imposed by the California Nonprofit Public Benefit Corporation Law

No committee may: Fill vacancies on the Board of Directors or on any committee that has authority of the Board; create any other committees of the Board or appoint the members of the committees of the Board.

No committee may fix compensation of the directors for serving on the Board or on any committee; expend corporate funds to support a nominee for director; or approve any contract or transaction to which CSDA is a party and in which one or more of its directors has a material financial interest.

No committee may amend or repeal Bylaws or adopt new Bylaws or amend or repeal any resolution of the Board that by its express terms is not subject to amendment or repeal.

Section 3. Committee Meetings:

Meetings of the committees of CSDA shall be held in accordance with the provisions of these Bylaws. The time and place for regular meetings of such committees may be determined by the Board or by such committees. Special meetings of the committees may be called by the chair of such committee, or by the Board of Directors.

[Written notice of any regular or special committee meeting may be given either personally, by first class mail, or by electronic transmission as specified in Article II, Section 6.C.2 of these Bylaws. Any committee meeting may also be held by conference telephone, video screen communication or other electronic communication equipment. Participation in such a meeting under this Section shall constitute presence in person at the committee meeting if both of the](#)

following apply: (a) each committee member participating in the meeting can communicate concurrently with all other committee members; and (b) each member of the committee is provided a means of participating in all matters before the committee, including the capacity to propose or interpose an objection to a specific action to be taken by that committee, and the capacity to vote on any proposal requiring action or recommendation by the committee.

Section 4. Standing Committees:

Standing Committees of CSDA shall be advisory in nature except for the Finance Corporation (see Section 4D). The Standing Committees are: Executive, Professional Development, Elections and Bylaw, Finance Corporation, Fiscal, Legislative, Member Services and Audit.

The President shall recommend the appointment of committee officers and members of each Standing Committee except the Executive Committee. All committee members are subject to ratification by the Board of Directors.

A. Executive Committee:

The Executive Committee shall consist of all officers of CSDA. Members shall include the President, Vice President, Secretary, Treasurer and the Immediate Past President of CSDA. If the Immediate Past President is no longer a member of the Board of Directors, a previous past president may be appointed. If there are no directors who have served as President in the past, the President shall appoint a current director to serve as a member of the Executive Committee.

Subject to these Bylaws and approval of the Board of Directors, the Executive Committee shall have full power, authority and responsibility for the operation and function of the CSDA.

B. Professional Development Committee:

The Professional Development Committee shall provide advice, feedback and general guidance for ~~plan, organize and direct~~ CSDA professional development programs and events.

C. Election and Bylaws Committee:

The Election and Bylaws Committee shall be responsible for conducting all elections for the CSDA Board of Directors as provided in these Bylaws. The Committee shall annually review the Bylaws and shall be responsible for membership vote on any bylaw changes and approval of election materials.

D. Finance Corporation Committee:

The Finance Corporation Committee shall serve as the Board of Directors of the CSDA Finance Corporation a California non-profit public benefit corporation organized to provide financial assistance to CSDA members in acquiring, constructing and financing various public facilities and equipment for the use and benefit of the public. The Finance Corporation Committee is not an advisory committee, but has all of the powers described in the CSDA Finance Corporation Bylaws, which are incorporated herein by

this reference. Such powers include the powers to manage and control the business affairs of the corporation, to approve policies for the corporation's operations, and to enter into all contracts necessary to provide financial assistance to CSDA members.

E. Fiscal Committee:

The Treasurer shall serve as the chair of the Fiscal Committee and shall, with the Committee, be responsible for oversight of all the financial transactions of the CSDA. An annual budget shall be reviewed by the committee and ratified by the Board of Directors.

F. Legislative Committee:

The Legislative Committee shall be responsible for the development of CSDA's legislative agenda. The Committee shall review, direct and assist the CSDA Advocacy and Public Affairs Department with legislative and public policy issues.

G. Member Services Committee:

~~The Member Services Committee shall be responsible for recruitment and recommendation of new members to the CSDA Board of Directors~~[The Member Services Committee shall be responsible for recruitment and retention activities as well as recommendation of new members and benefits to the CSDA Board of Directors.](#) All new members shall be ratified by the Board of Directors.

H. Audit Committee:

The Audit Committee is responsible for maintaining and updating internal controls. The Committee selects the Auditor for Board of Directors approval and provides guidance to the auditors on possible audit and fraud risks. The Committee reviews the audit and management letter and makes recommendation to the Board of Directors for action.

Section 5. Ad Hoc Committees:

The President may appoint other Ad Hoc Committees and their officers as may be determined necessary for the proper operation of the CSDA. The Standing Committees and the Ad Hoc Committees shall plan and authorize such programs as may be directed by the Board of Directors.

The Ad Hoc Committees shall be advisory in nature and shall be composed of at least two members of the Board of Directors. Other members of such committees may include designees of regular, associate or professional members, or members of the public, as approved by the Board of Directors.

Section 6. Special Committee of the Board:

A Special Committee may be granted authority of the Board as a Committee of the Board, as required by the California Nonprofit Public Benefit Corporation Law, provided by a specific resolution adopted by a majority of the Board of Directors then in office. In such case, the Special Committee shall be composed exclusively of two or more directors, but less than a quorum of the Board of Directors.

ARTICLE VII – INDEMNIFICATION

Section 1. Right of Indemnity:

To the fullest extent permitted by law, the CSDA shall defend, indemnify and hold harmless both its past and present directors, officers, employees and other persons described in Section 5238(a) of the California Corporations Code, against any and all actions, expenses, fines, judgments, claims, liabilities, settlements and other amounts reasonably incurred by them in connection with any “proceeding”, as that term is used in the Section 5238(a) of the California Corporations Code.

“Expenses”, as used in these Bylaws, shall have the same meaning as in Section 5238(a) of the California Corporations Code.

Section 2. Approval of Indemnity:

On written request to the Board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporations Code, the Board shall promptly determine under Section 5238(e) of the California Corporations code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met, and if so, the Board shall authorize indemnification.

If the Board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the Board shall promptly call a meeting of the members.

At the request for indemnification meeting, the members shall determine under Section 5238(e) of the California Corporations Code whether the applicable standard or conduct set forth in Section 5238(b) or Section 5238(c) has been met, and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.

Section 3. Insurance:

The CSDA shall have the right to purchase and maintain insurance to the full extent permitted by law, on behalf of its officers, directors, employees, and agents, against any liability asserted against or incurred by any officer, director, employee or agent in such capacity, or arising out of the officer’s, director’s, employee’s, or agent’s status as such.

Section 4. Liability:

No member, individual, director, or staff member of the CSDA shall be personally liable to the CSDA’s creditors, or for any indebtedness or liability. Any and all creditors shall look only to the CSDA’s assets for payment.

ARTICLE VIII – ~~LOCAL CHAPTERS~~AFFILIATED CHAPTERS

Section 1. Purpose:

The purpose of ~~local~~affiliated chapters is to provide a local forum of members for the discussion, consideration and interchange of ideas concerning matters relating to the purposes and powers of special districts and the CSDA.

The ~~local~~affiliated chapters may meet to discuss issues bearing upon special districts and the CSDA. The chapters may make recommendations to the CSDA's Board of Directors.

Section 2. Organization:

The regular voting members of CSDA are encouraged to create and establish ~~local~~affiliated chapters. In order to be recognized as a CSDA Chapter, each Chapter must approve and execute a Chapter Affiliation Agreement in order to obtain the right to use the CSDA name, logo, membership mailing list, intellectual property, endorsements, and CSDA staff support and technical assistance in conducting Chapter activities. The terms and conditions of the Chapter Affiliation Agreement are incorporated herein by this reference.

Each chapter formed prior to August 1, 2011, including but not limited to the following chapters must have at least one CSDA member in their membership at all times: Alameda, Butte, Contra Costa, Kern, Marin, Monterey, Orange (ISDOC), Placer, Sacramento, San Bernardino, San Diego, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara and Ventura. Such existing chapters may include as members local organizations, districts and professionals who are not members of CSDA.

New chapters formed after August 1, 2011, are required to have 100 percent of their special district members be current members of CSDA in order to be a chapter affiliate of CSDA. Such ~~local~~ chapters may include members of local organizations and professionals who are not members of CSDA.

Local-Affiliated chapters shall be determined ~~to be affiliates of the CSDA~~ upon approval and execution of the Chapter Affiliation Agreement by the ~~local~~ chapter and approval and ratification of the Chapter Affiliation Agreement by the CSDA Board of Directors. The chapters shall be required to provide updated membership lists to the CSDA at least annually.

CSDA and its ~~local~~affiliated chapters shall not become or be deemed to be partners or joint ventures with each other by reason of the provisions of these Bylaws or the Chapter Affiliation Agreement.

Section 3. Rules, Regulations and Meetings:

Each ~~local~~affiliated chapter shall adopt such rules and regulations, meeting place and times as the membership of such ~~local~~affiliated chapter may decide by majority vote. Rules and regulations of the ~~local~~affiliated chapter shall not be inconsistent with the Articles of Incorporation or Bylaws of CSDA.

Section 4. Financing of ~~Local~~Affiliated Chapters:

No part of CSDA's funds shall be used for the operation of the ~~local-affiliate~~ chapters ~~s-affiliates~~. CSDA is not responsible for the debts, obligations, acts or omissions of the ~~local-affiliate~~ chapters.

Section 5. Legislative Program Participation:

~~Local-Affiliate~~ chapters may function as a forum in regard to federal, state and local legislative issues. The chapters may assist CSDA in the distribution of information to their members.

ARTICLE IX – AMENDMENTS TO THE BYLAWS

Section 1. Amendment Proposals:

Any regular voting member in good standing may propose changes to these Bylaws. The proposed amendments shall be reviewed by the Board of Directors and submitted to the Election and Bylaws Committee for their study.

After examination by the Election and Bylaws Committee and upon ~~resolution~~ approval by ~~of~~ the Board of Directors the amendment proposals may be submitted for vote at the Annual Business meeting of the members held by CSDA, at a specially called meeting, or by ~~a mailed~~ or electronic ballot.

Section 2. Amendment Membership Meeting:

Prior notice in writing of the proposed amendment/s to these Bylaws shall be given either by first class mail or by electronic transmission by the Board of Directors to the regular voting members in good standing, not later than 45 days in advance of the amendment meeting pursuant to the provisions of Article II, Section 6.C of these Bylaws. The electronic notice shall include copies of the proposed amendments.

Electronic copies of the proposed amendment/s shall also be available on the CSDA website for review by the regular voting members prior to the meeting. Copies of the proposed amendments shall also be available for the regular voting members at the amendment membership meeting.

The amendment membership meeting may be conducted as an electronic meeting pursuant to the provisions of Article II, Section 6.D of these Bylaws.

Section 3. ~~Mailed~~ Written Bylaw Amendment Ballot:

The Board of Directors of CSDA may submit Bylaw amendments for approval of regular voting members by mail or electronic ballot rather than by means of an amendment membership meeting.

When a ~~mailed-written~~ ballot is ~~utilized-used~~ to amend these Bylaws, the ballot shall include the text of all proposed Bylaw amendments and matters the Board of Directors intends to present for ~~action-and~~ vote by the members. Such written ballot shall contain the information specified in Article II, Section 6.F of these Bylaws and shall be ~~mailed-distributed by CSDA to all~~ regular voting members either by first class mail or by electronic transmission at least 45 days in advance of the date designated for return of the ballot. ~~The ballot shall be mailed by first class mail, not later than 45 days in advance of the date CSDA has designated for the receipt of the ballot.~~

Written ballots shall be returned either by first class mail or by electronic communication to either the principal business address of CSDA or CSDA's designated electronic format specified on the ballot prior to the close of business (5:00 pm) on the designated election date. Written ballots received either by first class mail or electronic communication after the specified date shall not be counted and will be deemed invalid. ~~The amendment ballot must be received by CSDA, no later than the established deadline date and time. Ballots received after the specified deadline will be deemed invalid~~

Section 4. Bylaw Amendment Ratification:

A. Membership Meeting:

The proposed Bylaw amendments shall be deemed adopted by the members when the number of votes cast by ~~a majority vote of all~~ regular voting members present at ~~a such~~ membership meeting meets or exceeds the required, ~~at which a~~ quorum of 25 regular voting members, and the number of votes cast approving the Bylaw amendments constitutes a majority of votes cast, i.e., 50% plus one of regular voting members casting ballots at such meeting, ~~as defined in Article 2, Section 5 of these Bylaws, of the members is present.~~

B. Mailed or Electronic Ballot:

The proposed Bylaw amendment/s shall be deemed adopted by a majority of the regular voting members by mail or electronic ballot when the provisions of Article II, Section 6.H of these Bylaws have been satisfied, ~~when ballots have been returned by a quorum of the regular voting members, and have been approved by a majority vote of the mail ballots returned.~~

EXHIBIT A



**INFORMATION ITEM**

May 16, 2016

TO: Board of Directors**FROM:** **Public Affairs & Legislation Committee**
(Directors Barbre, Hinman, Tamaribuchi)Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: AB 1925 (Chang) – Desalination, Statewide Goal**STAFF RECOMMENDATION**

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

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

Last month, the Public Affairs & Legislation Committee asked staff to bring AB 1925 (Chang) back to the committee for review once the amendments suggested by the Assembly Water, Parks & Wildlife Committee were in print. AB 1925 has since been updated and now would require the Department of Water Resources to establish a goal of a specific number of acre-feet of drinking water to be desalinated per year by the year 2025 and a greater specific number of acre-feet of drinking water to be desalinated per year by the year 2030, as part of a comprehensive water plan that fully evaluates other specified options.

Since that time, Assemblywoman Chang has pulled AB 1925 for consideration by the Assembly Appropriations Committee and does not have plans to move the bill further this year.

Budgeted (Y/N): n/a	Budgeted amount:	Core x	Choice __
Fiscal Impact (explain if unbudgeted):			

COMMENTS

This bill is co-authored by Assembly Members Travis Allen, Brian Jones, Devon Mathis, Marc Steinorth & Senator Pat Bates.

Support on file: Association of California Water Agencies, CalDesal, Eastern Municipal Water District, Mesa Water District, Poseidon Water, & South Coast Water District.

Opposition on file: California League of Conservation Voters, Natural Resources Defense Council, & Sierra Club California.

DETAILED REPORT

The full text of AB 1925, amended, is attached.

AMENDED IN ASSEMBLY APRIL 18, 2016

AMENDED IN ASSEMBLY MARCH 16, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1925

Introduced by Assembly Member Chang
(Coauthors: Assembly Members Travis Allen, Jones, Mathis, and
Steinorth)
(Coauthor: Senator Bates)

February 12, 2016

An act to add Section 12946.5 to the Water Code, relating to water resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 1925, as amended, Chang. Desalination: statewide goal.

Existing law, the Cobey-Porter Saline Water Conversion Law, states the policy of this state that desalination projects developed by or for public water entities be given the same opportunities for state assistance and funding as other water supply and reliability projects, and that desalination be consistent with all applicable environmental protection policies in the state. The law provides that it is the intention of the Legislature that the Department of Water Resources undertake to find economic and efficient methods of desalting saline water so that desalted water may be made available to help meet the growing water requirements of the state.

This bill would *require the department to establish a goal to desalinate 300,000 of a specific number of acre-feet of drinking water to be desalinated per year by the year 2025 and 500,000 of a greater specific number of acre-feet of drinking water to be desalinated per year by the*

year-2030. 2030, as part of a comprehensive water plan that fully evaluates other, specified options.

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

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

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The State of California is subject to periodic drought
4 conditions and is currently in the fourth year of the most recent
5 drought.

6 (b) The competing demands for traditional water resources have
7 demonstrated that new drinking water supply options need to be
8 added to support the California economy and the public health and
9 safety of all Californians.

10 (c) There is an immediate need for safe, clean, and reliable new
11 drinking water to provide local and regional water suppliers all
12 available water supply options to meet their local or regional
13 drinking water supply needs.

14 (d) The Governor's Water Action Plan encourages the state to
15 maximize local and regional water supply development and calls
16 for the streamlining of the permitting process for desalination and
17 recycling of water.

18 (e) The policy of the State of California is to reduce its
19 dependence on the Sacramento-San Joaquin Delta.

20 (f) Desalinated water is an important and reliable source for
21 meeting total water demand. Continued and expanded production
22 and distribution of desalinated water for beneficial and permitted
23 uses can improve regional self-reliance by meeting a portion of
24 future increased total drinking water demands.

25 SEC. 2. Section 12946.5 is added to the Water Code, to read:

26 12946.5. ~~This section establishes~~ By July 1, 2017, the
27 department shall establish a statewide goal to desalinate 300,000
28 of a specific number of acre-feet of drinking water to be desalinated
29 per year by the year 2025 and 500,000 of a greater specific number
30 of acre-feet of drinking water to be desalinated per year by the
31 year 2030. This goal shall be pursued as part of a comprehensive
32 water plan that fully evaluates other options, including recycled

- 1 *water, conservation, stormwater capture, groundwater recharge,*
- 2 *and water efficiency.*

O

**DISCUSSION ITEM**

May 16, 2016

TO: Board of Directors**FROM:** **Public Affairs & Legislation Committee**
(Directors Barbre, Hinman, Tamaribuchi)

Robert Hunter, General Manager

Staff Contact: Heather Baez

SUBJECT: **Meetings with Board of Supervisors****STAFF RECOMMENDATION**

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

 Committee recommends (To be determined at Committee Meeting)
SUMMARY

 Staff is in the process of setting up meetings for the MWDOC Board of Directors to meet with the Board of Supervisors that are within their service area. The goal is to have all of the meetings in June.

Topics discussed to cover with the Supervisors include:

- Reliability
- IRWM Process
- Conservation
- Water Quality/Storm Water Runoff
- Emergency Management

Staff will coordinate with each Director in advance of the meetings to ensure he/she has what they need in advance of the meetings including talking points and/or leave-behinds such as maps and infographics.

Budgeted (Y/N): n/a	Budgeted amount:	Core x	Choice __
Fiscal Impact (explain if unbudgeted):			

**INFORMATION ITEM**

May 16, 2016

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

Staff Contact: Jonathan Volzke

SUBJECT: Update on Potential SJC Utilities Consolidation**STAFF RECOMMENDATION**

Staff recommends the Board of Directors receive and file report.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

The City of San Juan Capistrano Utilities Commission on April 26 set up a subcommittee to decide what issues should be considered by the Local Agency Formation Commission during a Focused Municipal Service Review to determine whether another agency can assume SJC's water delivery and sewage systems.

Councilman John Perry attended the meeting to explain the issues. One of the plaintiffs in the Prop. 218 case, Perry has generally supported the idea of the City divesting itself of water service. The City faces too many other issues, Perry said, to properly manage the water system.

The subcommittee selected April 26 includes Utilities Commissioner Jack Hunt and Ray Miller. Perry was also invited to participate.

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

The Utilities Committee will take up the issue again on May 17. The Commission's recommendation to the City Council will be considered at the Commission's June 21 meeting.

The City has also launched a web page on the potential consolidation, at <http://waterstudy.sanjuancapistrano.org/>

The City Council on April 5 directed the Utilities Commission to consider items for the Local Agency Formation Commission to consider during a Focused Municipal Services Review.

The city has spent more than \$660,000 on the consolidation study under a contract with Brownstein Hyatt Farber Schreck, and the firm's subconsultants.

The public agencies that have expressed interest in the city's utilities operations thus far are Irvine Ranch Water District, Moulton Niguel Water District and Santa Margarita Water District.

Also on April 26, the Utilities Commission set up a second subcommittee to study a partnership with Santa Margarita Water District to recharge the San Juan Basin and capture the water with SJC's Groundwater Recovery Plant. SMWD proposes inflatable dams in San Juan Creek, as well as recharging recycled water into the creek.

Commissioners Ray Miller and Thomas Nelson were selected for basin subcommittee.

SMWD Directors on April 6 approved \$1.7 million for initial engineering work and environmental studies on "the San Juan Basin Groundwater and Desalination Optimization Plan.

Finally, the Commission reviewed a proposed water rates increase. On May 3, the City Council approved increasing the water service charge and rates by 5 percent starting July 1, 2016.



INFORMATION ITEM

May 16, 2016

TO: Board of Directors

FROM: **Public Affairs Legislative Committee**
(Directors Barbre, Tamaribuchi and Hinman)

Robert Hunter
General Manager

Staff Contacts: J. Volzke, T. Baca

SUBJECT: 2016 Water Summit 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

Sponsorships for the 2016 OC Water Summit are at their highest level in at least six years, hitting \$54,000 as of May 10. More than 300 guests are registered for the event, which will be held at the Westin South Coast Plaza on May 20.

Staff and the Summit committee, led by MWDOC Director Jeff Thomas and OCWD Director Steve Sheldon, met every two weeks leading up to the event. This year's theme is "Turbulent Times."

With additional sales to this point, income is more than \$67,000, with expenses of \$83,000. Staff expects a high volume of individual ticket sales in the remaining days before the event, and at the event itself.

See the attached on-site brochure, designed by Public Affairs Supervisor Tiffany Baca, for information on the panelists, moderators and sponsors.

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

**Public Affairs Activities Report
April 13, 2016 – May 10, 2016**

<p>Member Agency Relations</p>	<p>Jonathan, Laura and Tiffany attended the Public Affairs Workshop meeting, where the 2016-17 CHOICE programs were presented.</p> <p>Jonathan and Director Tamaribuchi attended the OC Business Council infrastructure committee meeting to hear a presentation from Santa Margarita Water District on the Lake Mission Viejo recycled water project.</p> <p>Heather attended the monthly OCLAFCO meeting where the Commission was voting on which agency – East Orange County Water District or Irvine Ranch Water District – would take over OCSD’s Sewer Service Area 7. There were 47 public speakers including Directors Barbre and Dick.</p> <p>Heather provided a legislative update to the Leg/PAW working group. There were approximately 12 agencies represented.</p> <p>Laura attended the Water Use Efficiency Workgroup Meeting, and presented the 2016-17 Choice Communications Proposal along with other marketing activities.</p>
<p>Community Relations</p>	<p>Jonathan and Laura made presentations to several classes at the Mission Viejo Earth Day Celebration.</p> <p>Jonathan and Laura made an Earth Day presentation about where OC gets its water to 250 students at the Saint Jeanne De Lestonnac School in Tustin. MWDOC checked if Tustin water wanted to participate, then notified the area director.</p> <p>Jonathan staffed a MWDOC booth and answered water-related questions at the Eco Expo in San Juan Capistrano. An intern from Water Use Efficiency worked the second day of the event.</p> <p>Bryce and Jonathan gave a presentation on OC water and conservation efforts to the OC Parks department.</p> <p>Bryce and the Public Affairs intern staffed a MWDOC table at the Shipley Nature Center Open House in Huntington Beach on Saturday May 7.</p>

Item 9

	<p>Heather and Director Dick attended the South Orange County Economic Coalition which featured a guest speaker from NOAA talking about the El Nino that wasn't. Also featured were GMs Joone Lopez from Moulton Niguel Water District and Bob Hill from El Toro Water District.</p> <p>Heather and Director Hinman attended the Southern California Water Committee's Quarterly Luncheon featuring guest speaker John Laird, California Secretary for Natural Resources. His talk mainly focused on the importance of the CA Water Fix.</p> <p>Heather & Tiffany attended the ACC-OC Board Installation at the Great Wolf Lodge.</p> <p>Heather, Rob, Karl, Harvey and Directors Hinman and Tamaribuchi attended the ACWA Spring Conference in Monterey from May 3-6.</p> <p>Heather & Rob attended a meeting at ACC-OC where the group discussed the possibility of bringing back the Orange County Leadership Symposium. The symposium has not been held in several years, but was a gathering hosted by the League of Cities, OC Business Council and Building Industry Association of Southern California. The meeting was informational at this point and the group will meet again after ACC-OC gathers more information on potential facilitators and cost.</p>
Education	<p>Jonathan and Laura met with Director Hinman, and, separately, held several meetings with representatives from Inside the Outdoors and The Ecology Center to garner feedback on the first-year program and determine how to improve the program.</p> <p>Bryce, with the company of Dr. Melissa Baum-Haley, provided a presentation to the Garden Club at Bryant Ranch Elementary School.</p> <p>Laura attended the Water Effect Expo at Costa Mesa High School.</p> <p>Laura worked with the respective agencies with student overage requests and adding new schools to the high school education program.</p>

Item 9

Media Relations	<p>Jonathan was quoted in the OC Register coverage of the Eco Expo.</p> <p>Jonathan worked with the Register to publish pages on rebate programs, the MWDOC-led leak detection program, groundwater and the OC Water Summit.</p> <p>On Social Media, Jonathan and Bryce ensured the MWDOC Facebook and Twitter feeds remained active, posting on events, drought conservation and water-supply topics.</p>
Special Projects	<p>Bryce, Jonathan, Laura and Tiffany reviewed and selected the top entries in the Poster & Slogan contest and Photography & Digital Arts Contest. MWDOC received a total of 725 entries.</p> <p>Laura arranged those entries in the MWDOC entry for board members and other stakeholders to vote for finalists and tabulated the votes.</p> <p>Jonathan and Joe Berg met with a representative from Orange County Association of Realtors to discuss mutually beneficial programs. They also had a follow up conference call with a representative from a home-inspectors' organization.</p> <p>Heather and Tiffany staffed Director Ackerman's Colorado River Aqueduct trip on April 15-16.</p> <p>Tiffany staffed Director McKenney's Infrastructure inspection trip on April 22.</p> <p>Heather staffed the WACO Planning meeting where the committee outlined the next few meetings. May's speaker is Karl Seckel on the Reliability Study. Heather arranged for June's speaker, Curt Schmutte from Metropolitan to speak on fisheries and fish in the Delta region. Directors Dick, Finnegan and Hinman also attended.</p> <p>Heather met with Mark Manfre from eCivis who provided a demonstration of their program and services. She is currently polling the member agencies to see if this is a service they would use or not.</p> <p>Heather and Laura staffed the ISDOC Executive Committee meeting where they discussed potential speakers for the June Quarterly Luncheon. Director Finnegan also attended and provided the treasurer's update and ISDOC audit status.</p>

Item 9

	<p>Bryce and Tiffany updated several pages on the MWDOC website.</p> <p>Bryce worked with multiple vendors and received estimates for the entryway hallway displays.</p> <p>Laura attended an InDesign Program training course in Newport Beach.</p>
Legislative Affairs	<p>Heather participated in the Southern California Water Committee's Legislative Task Force conference call.</p> <p>Heather participated in the Metropolitan Member Agency Legislative Coordinators Conference calls on April 14 and April 28.</p> <p>Heather participated in the ACWA Region 10 conference call to go over the bill packet in advance of the ACWA State Legislative Committee.</p> <p>Heather attended the ACWA State Legislative Committee meeting in Sacramento.</p> <p>Heather & Syrus met with Scott Seekatz, Legislative Director for Senator Andy Vidak, a member of the Senate Natural Resources and Water Committee. They shared MWDOC's opposition to AB 1713 (Eggman) where it will go next should it pass the Assembly.</p>
Water Summit	<p>Jonathan and Tiffany met twice monthly with the Summit committee and with OCWD staff outside of that. Tiffany produced the program, posters and other graphics. Jonathan secured the speakers, bios and wrote the script for the event. Bryce and Laura also played key roles in the production of the printed materials and registration of sponsors and attendees.</p> <p>As of May 10, more than 300 were registered to attend and more than \$54,000 had been raised in sponsorships – the highest since at least 2010.</p>

2015-16 Water Education School Program

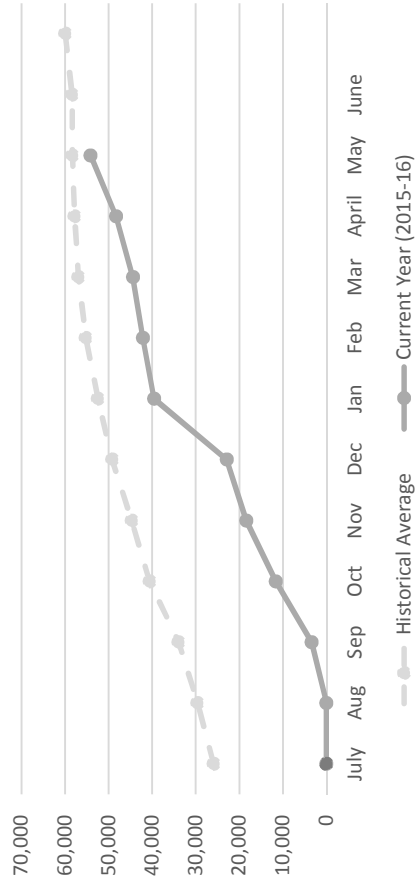
of Students Booked

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Target
Historical Average	25,921	29,624	33,957	40,610	44,706	49,175	52,451	55,250	56,931	57,807	58,323	58,407	60,000
Current Year (2015-16)	0	0	3,446	11,640	18,417	22,873	39,556	42,137	44,405	48,304	54,149	58,407	60,274

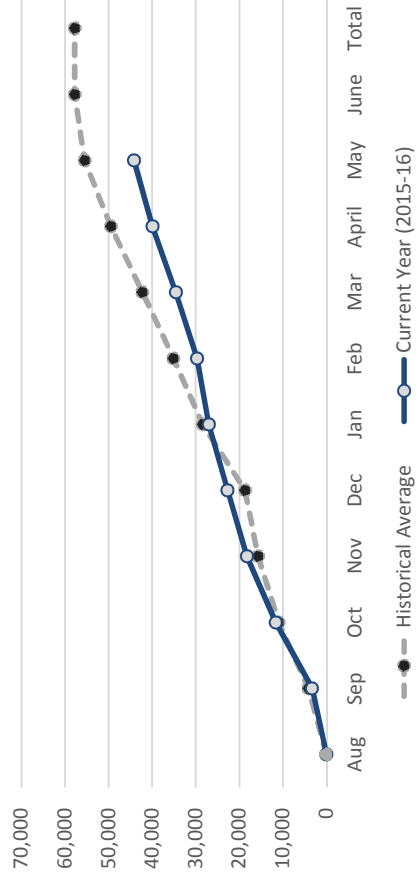
of Students Taught

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Total
Historical Average	0	4,163	10,941	15,700	18,702	28,386	35,128	42,262	49,494	55,521	57,791	57,791
Current Year (2015-16)	0	3,304	11,641	18,247	22,703	26,990	29,725	34,583	39,950	44,190	48,304	441,900

of Students Booked



of Students Taught



* Total is reduced from 80,000 because all participants receiving keypad program.

The Water Effect Expo

El Toro HS – April 21, 2016



Inside the Outdoors and the El Toro Water District were on hand as Environmental Health students shared their knowledge with classmates and parents on the importance of water conservation, ideas on how to do their part at school and at home, and made pledges to conserve this precious resource.



THE WATER EFFECT

MONTHLY REPORT

PRESENTED BY



The
Ecology
Center

The Water Effect - Inside the Outdoors School Visits										
Year 1 - 2015/2016										
Agency	High School	Intro Email	Admin. School Meeting	1st Visit - student	1st Visit Enrollment	2nd Visit - student	2nd Visit Enrollment	School Expo	Expo School Enrollment	Total Students
Anaheim	Anaheim High School	X	10/27/15	12/14/15	56	2/7/16	52	3/7/16	2,850	2,958
Brea	Brea Olinda High School	X	9/8/15	12/1/15	174	12/15/15	191	5/19/15		365
Buena Park	Buena Park High School	X	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
East Orange	Foothill High School (shared with Tustin)	X	10/9/15	11/12/15	29	1/14/15	28	3/25/16	2,800	2,857
El Toro	El Toro High School	X	10/6/15, 2/19/16	3/9/16	193	4/4/16	159	4/21/16	2,502	2,854
El Toro	Los Alisos Junior High	X	10/13/15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fountain Valley	Harbor Learning Center	X	4/1/16	4/14/16	77	5/12/16		6/9/16		77
Garden Grove	Pacifica High School	X	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Golden State	Valencia High School	X	9/23/15	9/30/15	166	10/19/15	117	6/2/16		283
Golden State	Los Alamitos High School	X	9/15/15	1/13/16	92	3/25/16	33	5/20/16		125
Huntington Beach	Marina High School	X	1/11/16, 2/2/16	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Laguna Beach	Laguna Beach High School	X	12/4/15, 1/27/16	3/2/16	93	3/9/16	90	4/6/16	1,050	1,233
Mesa Water	Costa Mesa High School	X	9/23/15	11/17/15, 11/18/15	79	1/11/16, 1/12/16	78	4/18/16	1,750	1,907
Moulton Niguel	Capistrano Valley High School	X	11/2/15	12/7/15, 12/8/15	562	1/11/16, 1/12/16	641	2/22/16	2,241	3,444
San Clemente	San Clemente High School	X	10/29/15	12/17/15	21	2/25/16	36	3/31/16	2,971	3,028
San Juan Capistrano	San Juan Hills High School	X	11/19/15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Santa Ana	Rio Contigu School	X	3/25/16	4/12/16	78	5/25/16		pending		78
Santa Margarita	Tesoro High School	X	9/30/15, 2/5/16	3/30/16	25	5/3/16		5/17/16		25
South Coast	Dana Hills High School	X	11/2/15	11/19/15	82	3/29/16	82	5/31/16, 6/1/16		164
Tustin	Tustin High School (Foothill High School shared with EOCWD)	X	10/22/16	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total					1,727		1,507		16,164	19,398
	Teacher Workshops		8/26/15	11/7/15	12/11/15	2/4/16	3/12/16			Total
			11	24	59	19	12			125
	Student Events		3/5/16	3/19/16	3/25/16	4/8/16	4/16/16			Total
			53	50	70	87	102			362

Qualitative:

- The Water Effect website has been launched, and includes downloadable resources, web resources, and educational videos for high school students and teachers.

Quantitative:

Social Media

- 23,106 direct interactions with #TheWaterEffect by posting, commenting, and “liking” TWE content on social media
- Total social media followers: 539 cumulative
- Total hashtag mentions (#TheWaterEffect): 980 total to date
- Total pledges (www.TheWaterEffect.one): 196

The Water Effect PSA

- Received 27,931 views on Facebook to date, and re-shared, commented, and liked 1863 times on Facebook.