MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
PUBLIC AFFAIRS AND LEGISLATION COMMITTEE
May 18, 2015, 8:30 a.m.
Conference Room 101

Committee:
Director Barbre, Chairman
Director Tamaribuchi
Director Hinman

Staff: R. Hunter, K. Seckel, J. Ouwerkerk,
K. Davanaugh, H. Baez

Ex Officio Member: L. Dick

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

DISCUSSION ITEMS

1. LEGISLATIVE ACTIVITIES
   a. Federal Legislative Report (Barker)
   b. State Legislative Report (Townsend)
   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. AB 603 (Salas) Re: Income Taxes: Turf Removal Tax Credit
   b. AB 585 (Melendez) Re: Outdoor Water Efficiency Act of 2015
   c. HR 2028

3. **HONORARY RESOLUTIONS**
   a. Gil Ivey
   b. Tom Evans

4. **AWARD SCHOOL PROGRAM CONTRACT FOR HIGH SCHOOL STUDENTS**

**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. **STATE WATER RESOURCES CONTROL BOARD DRINKING WATER PROGRAM FEES**

6. **STATUS REPORTS**
   a. OC Water Summit Recap (May 15, 2015)
   b. Value of Water Communications Plan
   c. Poster & Slogan Contest
   d. Drought Outreach

7. **SCHOOL PROGRAM PARTICIPATION REPORT**

8. **PUBLIC AFFAIRS ACTIVITIES REPORT**

**OTHER ITEMS**

9. **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.
We find Washington abuzz on many topics as we head into the busy springtime of activity in Congress.

As was addressed in last month’s report, given Governor Brown’s emergency drought declaration and the state’s first mandatory water restrictions, major news media from around the country have begun carrying significant news stories about the water shortages occurring in California. We are seeing such stories more and more in the national media here in Washington.

More importantly, Congress is beginning to focus on the topic more directly. Within the last month there has been more progress on the upcoming release of the California Drought Bill. Though at press time nothing has been released to the public as of yet—there are many key Members and Staff here working towards finding some consensus on legislation that has not been able to come together for the Congress in the last three years.

The bill will likely focus on the options the Federal Government has with the endangered species act and the fast tracking of studying and the building or upgrading of either existing or outright new water facilities.

On the Congressional Front:

A. Drought:

Congressman David Valadao, (R-Central Valley, Ca.) amended this year’s House Energy and Water appropriations bill, HR 2028, with language that sets specific deadlines for federal officials to complete water storage project feasibility studies. This would fast track the studies of a Shasta Dam expansion in Northern California and Temperance Flat dam construction east of Fresno and it would be due by Dec. 31, 2015. The studies of expanding Los Vaqueros Reservoir in Contra Costa County and constructing Sites Reservoir in the Sacramento Valley will be due Nov. 30, 2016 and finally a study of expanding San Luis Reservoir near Los Banos must be finished by Dec. 31, 2017.
Congressman Valadao argued that all of the studies were ordered more than ten years ago and if the studies had been completed in a timely way, perhaps some construction could have been accomplished—thereby easing some of the issues related to the current drought.

Rep. Tom McClintock, R-Ca also amended the bill with language that would block the Bureau of Reclamation from buying water for the purpose of supplementing river flows to help fish. This language essentially puts the human population ahead of the fish population. This was a controversial amendment yet it passed.

The House Appropriations Bill will still need to be conferenced with an upcoming Senate version of the bill. MWDOC has visited regularly with the offices involved in this process and has worked with them on these issues.

B. The US Waters Rule:

Meanwhile in the same bill, there were efforts to strip out new House language which would block the Administration’s ability to carry out its new EPA / Army Corps of Engineers “waters” rule. Those efforts were unsuccessful and it looks like the Administration may be headed for some difficult days ahead with its ambitious Waters of the US initiative.

House Republicans will try and pass a new bill most likely this week and it would provide the U.S. EPA and the Army Corps of Engineers 30 days to withdraw their "Waters of the United States" rule and three months to then begin consulting with state and local officials on how to address the Clean Water Act regulatory matters. Meanwhile the White House has issued a veto threat for the new House Bill, saying it would only "sow more confusion and invite more conflict," and staunchly defending the agencies' "extensive public engagement process" on the rule. That bill is being pushed by Chairman Shuster of the House Transportation and Infrastructure Committee, a significant player in the Congress.

Still, the bill is all but assured to pass the lower chamber, which last year approved a similar measure 262-152, with the support of 35 Democrats. Supporters of the rule, though, are hoping to win back some of the Democrats who voted with opponents last year. Meanwhile, the biggest fight over the water rule is shaping up in the US Senate, where Senators John Barrasso (R-Wyo.) and Joe Donnelly (D-Ind.) recently introduced the Senate's lead bill aimed at blocking the rule.

Democrats supporting that bill argue that although it would send the federal agencies back to the drawing board on the current rule, it would set a timeline encouraging a new one within the remainder of President Obama's term. Supporters of the rule say, though, that timeline would be all but impossible to follow and that the Senate Bill would effectively kill the process.
C. MWDOC REQUEST:

MWDOC sought language which would allow the Army Corps of Engineers to open up the water account known as the Section 5039 WRRDA Account, a California Water Infrastructure Account. The committee’s report did not contain this language this year.

We are tracking this language in the Senate Bill and are hopeful we find success in the Senate where Senator Feinstein is the top Democrat on the Senate Energy and Water Appropriations Subcommittee. Her staff has encouraged MWDOC to apply for funds this year.

D. Federal Wildfire Legislation:

As we well know, California continues to suffer from one of the most serious droughts on record. MWDOC is very concerned about the increased risk of wildfires throughout the state and within Orange County.

Legislation has been introduced to deal with this matter.

The Wildfire Disaster Funding Act amends the Balanced Budget and Emergency Deficit Control Act of 1985 to require specified adjustments to discretionary spending limits in FY2015-FY2022 to accommodate appropriations for wildfire suppression operations in the Wildland Fire Management accounts at the Department of Agriculture (USDA) or the Department of the Interior.

If USDA or the Department of Interior determines that supplemental appropriations are necessary for wildfire suppression operations, the bill requires the relevant department to submit to Congress a request for the funding and a plan for obligating the funds.

The bill also requires the President's budget to include the average costs for wildfire suppression over the previous 10 years. H.R. 167/S.235 would budget for catastrophic wildfires in the same way as other natural disasters, like floods and hurricanes. Under the bill, routine wildland firefighting costs, which make up about 70% of the cost of wildfire suppression, would be funded through the normal budgeting and appropriations process. The true emergency fire events, which represent about 1% of wildland fires but make up 30% of costs, would be treated like similar major natural disasters and funded under existing disaster programs.

The prognosis for this legislation is something is likely to pass in this area—the exact wording of the legislation still needs to be worked out between the two houses of Congress.
General News Items and Political Updates of Interest

This month I have included an opinion piece below--which recently appeared in The Wall Street Journal in the Opinion and Outlook Section. It argues for the market pricing of water and ending its obsession with environmentalism.

California’s Green Drought
*How bad policies are compounding the state’s water shortage.*
*The Wall Street Journal, April 5, 2015*

The liberals who run California have long purported that their green policies are a free (organic) lunch, but the bills are coming due. Lo, Governor Jerry Brown has mandated a 25% statewide reduction in water use. Consider this rationing a surcharge for decades of environmental excess.

Weather is of course the chief source of California’s water woes. This is the fourth year of below-average precipitation, and January and March were the driest in over a century. The Sierra Nevada snowpack, which contains about a third of state water reserves, is 5% of the historical average compared to 25% last year. Reservoirs and aquifers are also low, and some could run dry this year.

While droughts occur intermittently across the globe, other societies have learned better how to cope with water shortages. For instance, Israel (60% desert) has built massive desalination plants powered by cheap natural gas that helped the country weather the driest winter on record in 2014 and a seven-year drought between 2004 and 2010.

Then there’s California, which has suffered four droughts in the last five decades with each seemingly more severe in its impact. Yet this is due more to resource misallocation than harsher conditions.

During normal years, the state should replenish reservoirs. However, environmental regulations require that about 4.4 million acre-feet of water—enough to sustain 4.4 million families and irrigate one million acres of farmland—be diverted to ecological purposes. Even in dry years, hundreds of thousands of acre feet of runoff are flushed into San Francisco Bay to protect fish in the Sacramento-San Joaquin River Delta.

During the last two winters amid the drought, regulators let more than 2.6 million acre-feet out into
the bay. The reason: California lacked storage capacity north of the delta, and environmental rules restrict water pumping to reservoirs south. After heavy rains doused northern California this February, the State Water Resources Control Board dissipated tens of thousands of more acre-feet. Every smelt matters.

Increased surface storage would give regulators more latitude to conserve water during heavy storm-flows and would have allowed the state to stockpile larger reserves during the 15 years that preceded the last drought. Yet no major water infrastructure project has been completed in California since the 1960s.

Money is not the obstacle. Since 2000 voters have approved five bonds authorizing $22 billion in spending for water improvements. Environmental projects have been the biggest winners. In 2008 the legislature established a “Strategic Growth Council” to steer some bond proceeds to affordable housing and “sustainable land use” (e.g., reduced carbon emissions and suburban sprawl).

Meantime, green groups won’t allow new storage regardless—and perhaps because—of the benefits. California’s Department of Water Resources calculates that the proposed Sites Reservoir, which has been in the planning stages since the 1980s, could provide enough additional water during droughts to sustain seven million Californians for a year. Given the regulatory climate, Gov. Brown’s bullet train will probably be built first.

Once beloved by greens, desalination has likewise become unfashionable. After six years of permitting and litigation, the company Poseidon this year will finally complete a $1 billion desalination facility that will augment San Diego County’s water supply by 7%. Most other desalination projects have been abandoned.

One problem is that California electricity rates are among the highest nationwide due to its renewable-energy mandate, and desalination consumes amp-loads of energy. Local and state regulators also impose expensive environmental requirements. Poseidon had to restore 66 acres of wetlands in return for its desalination permit.

The only remaining alternative to stretch scant water supplies is conservation. Yet studies show that mandates and subsidies for low-flow appliances like California’s don’t work because people respond by changing their behavior (e.g., taking longer showers). Despite the diminishing returns, Mr. Brown has ordered more spending on water efficiency.

The most proven strategy to reduce water consumption is market pricing with water rates increasing based on household use. Many water suppliers, and much of Southern California, adopted water metering and market pricing decades ago. But since state law doesn’t mandate metering until 2025, some areas have been slow to shift from fixed rates.

Other suppliers haven’t been as aggressive as they should be at charging for extra water use, which has contributed to large disparities in consumption. For instance, the per-capita daily water use in Cowan Heights is 281 gallons versus 170 in neighboring east Orange and 101 in Tustin.

To his credit, the Governor has instructed the State Water Resources Control Board to develop...
pricing mechanisms to meet the state’s 25% benchmark and to require larger reductions from suppliers whose residents use more water. His order exempts farmers, yet their water has already been curtailed. Even in wet years, farmers have only received 45% of their contractual allocations due to wildlife diversions. Over 500,000 acres of land were left fallow last year. Many are now drilling deeper wells to pump groundwater at increasing marginal costs.

Not even Gov. Brown can make it rain, but he and other politicians can stop compounding the damage by putting water storage, transportation and market pricing above environmental obsessions. Do not hold your breath—and prepare for French showers.
To: Municipal Water District of Orange County
From: Townsend Public Affairs, Inc.
Date: May 12, 2015
Subject: Monthly Political and Activity Report

STATE POLITICAL UPDATE

Throughout the end of April and into May, legislation continued to move through policy committees in order to meet legislative deadlines. For those bills marked fiscal, the deadline for passage from their policy committee was May 1. Legislation that failed to meet that deadline may become two year bills, and be reintroduced at the beginning of the 2015-16 legislative session. Non-fiscal bills need to move from committee by May 15 to continue through the legislative process this session. Approximately May 14, the Governor will present the May Revise. The upcoming budget proposal is expected to have nearly $1 billion in additional funding, based on current economic projections. The final budget is constitutionally required to be passed by midnight on June 15. The Legislature is scheduled to break for summer recess, on July 17, reconvening after a month on August 17.

On May 1, the state announced it would be cancelling its snowpack survey. This marks the second consecutive month there will be no snowpack survey in the Sierra Nevada Mountains. While snowpack traditionally makes up 30 percent of the state’s water supply, the current snowpack is at just 5 percent compared to normal for this time. Further, the snowpack’s water content is only at 3 percent of normal for this period, containing half an inch of water.

On May 5, the State Water Resources Control Board (SWRCB) unanimously approved draft guidelines mandating water restrictions by urban water suppliers, supporting the Governor’s April 1 Executive Order (EO). The Governor’s executive order called for a 25 percent reduction of urban water use across the state. The mandated restrictions will go into effect June 1, and remain in place until February 2016. More information on the SWRCB regulations can be found below.

SWRCB Emergency Water Regulations

During the May 5 meeting of the SWRCB, Board staff provided background information on the proposed resolution and how it facilitated the Governor’s April 1st EO. Since the release of the Governor’s EO, and the SWRCB initial water restriction proposal, SWRCB staff has been collecting comments from water suppliers, businesses, and agricultural stakeholders from across California addressing various concerns related to climate differences in the state, threats
to public safety, increased fire conditions, and previous conservation efforts. The SWRCB has previously acknowledged that they are taking broad steps to address the ongoing drought, but that under the current emergency situation, they did not have time to create a complex or nuanced system to address unique situations. Toward the conclusion of the staff presentation, it was shared that an estimated $500 million in supplier revenues would be lost as a result of these restrictions, and that addressing rates is how that difference in revenue would need to be met. The lost water revenue projections have been as high as $600 million in other economic studies.

The public comment period began around 1:00 PM, where more than 50 people provided testimony. In addition to water suppliers, representatives from small towns, large cities, and industry shared their concerns. The common consensus among the speakers was that the restrictions were too stringent, and in some cases, unachievable. The water tiers under discussion were released on April 28, which represented an updated tier system from the initial proposal released April 7. The most notable change from the initial proposal, was that the new tiers moved from a four tier system, mandating 10, 20, 25 and 35 percent reductions in water use based residential gallons per capita daily (R-GPCD) during the month of September 2014, to a nine tiered system, based on R-GPCD over a three month period, from July to September 2014. The full table can be seen below.

<table>
<thead>
<tr>
<th>Tiers</th>
<th>R-GPCD Range</th>
<th>Number of Suppliers in Range</th>
<th>Conservation Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Reserved</td>
<td>0</td>
<td>4 percent</td>
</tr>
<tr>
<td>2</td>
<td>0 to 64.99</td>
<td>23</td>
<td>8 percent</td>
</tr>
<tr>
<td>3</td>
<td>65 to 79.99</td>
<td>21</td>
<td>12 percent</td>
</tr>
<tr>
<td>4</td>
<td>80 to 94.99</td>
<td>42</td>
<td>16 percent</td>
</tr>
<tr>
<td>5</td>
<td>95 to 109.99</td>
<td>41</td>
<td>20 percent</td>
</tr>
<tr>
<td>6</td>
<td>110 to 129.99</td>
<td>51</td>
<td>24 percent</td>
</tr>
<tr>
<td>7</td>
<td>130 to 169.99</td>
<td>73</td>
<td>28 percent</td>
</tr>
<tr>
<td>8</td>
<td>170 to 214.99</td>
<td>66</td>
<td>32 percent</td>
</tr>
<tr>
<td>9</td>
<td>215 to 612</td>
<td>94</td>
<td>36 percent</td>
</tr>
</tbody>
</table>

Under the adopted conservation standards, MWDOC member agencies and cities fall into the following categories:

<table>
<thead>
<tr>
<th>Tiers</th>
<th>R-GPCD Range</th>
<th>Conservation Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>N/A</td>
<td>4 percent</td>
</tr>
<tr>
<td>2</td>
<td>City of Seal Beach</td>
<td>8 percent</td>
</tr>
<tr>
<td>3</td>
<td>City of La Palma</td>
<td>12 percent</td>
</tr>
<tr>
<td>4</td>
<td>Golden State Water Company—OC District</td>
<td>16 percent</td>
</tr>
<tr>
<td>4</td>
<td>Irvine Ranch Water District</td>
<td>16 percent</td>
</tr>
<tr>
<td>5</td>
<td>Mesa Water District</td>
<td>20 percent</td>
</tr>
<tr>
<td>5</td>
<td>Moulton Niguel Water District</td>
<td>20 percent</td>
</tr>
</tbody>
</table>
Each community is responsible for meeting their required water conservation standard. Water conservation in March among the largest cities and water districts was only 3.6 percent compared to the 2013 baseline. To enforce the mandated conservation, and accelerate practices the SWRCB may issue information orders, conservation orders, or cease and desist order to water suppliers that fail to meet their goals. Agencies that violate cease and desist orders may be fined up to $10,000 a day. Local agencies may fine property owners up to $500 a day for failure to implement water prohibitions and restrictions.

**Bay Delta Conservation Plan (BDCP)**

On April 30, after receiving significant pushback from the Environmental Protection Agency on a fifty year permit for a Delta habitat conservation plan, the proposed has been dramatically scaled down. Environmental rehabilitation was considered a major goal in the BDCP program, which would have eased endangered species restrictions that has resulted in limited pumping. The reduction in the habitat portion f the plan is expected to make permitting the tunnel project easier. Mark Corwin, Director of the Department of Water Resources has indicated that the State will move ahead with plans to build the tunnels and restore delta habitat while changes are being worked out.

In an announcement, Governor Brown said the state would be focusing on restoring more than 30,000 acres of Delta habitat over the next 5 years. This represents a significant reduction from the initially proposed habitat restoration portion which called for 100,000 acres of Delta habitat to be restored. Further, the project cost has been significantly reduced to $300 million from $8 billion that was originally estimated for the project’s cost. The Governor’s announcement also addressed protecting water supplies from climate change, seismic risk and environmental decline, as well as protection of fish with fish screens, a refined tunnel option and intake design, and reviewed the environmental benefits and operational benefits of proposed project changes. By separating the tunnels from ecosystem restoration efforts, the name Bay Delta Conservation...
Plan will no longer apply. Instead, the tunnels project will be referred to as the “California Water Fix,” while the restoration project will be called “California Eco restore.”

In a planned statement Metropolitan Water District General Manager Jeffery Kightlinger praised the efforts of the Governor and the Obama administrations to find a “comprehensive solution.” He went on to say “We will thoroughly review with our board this new proposal to advance the modernization of the Delta water system and restoration of the ecosystem on separate but coordinated tracks.” The Delta Stewardship Council has called Governor Brown’s revised plan, “fairly achievable within a five-year period.”

Both pieces of BDCP legislation that have been introduced, AB 228 (Waldron) and SB 772 (Stone) have remained in spot form. Neither bill is scheduled for a hearing, nor has AB 228 been assigned to committee. The authors have the option of making these two-year bills, and reintroducing them at the start of the next session.

**Water Bond Implementation**

On April 15, TPA attended a Water Recycling Funding presentation from the SWRCB on draft program guidelines. Of the $725 million in funding for Water Recycling from Proposition 1, $625 million will be administered by the SWRCB, with the remaining $100 million administered by DWR for desalination projects. Funding administered by the State Board will be split, half for low interest loans, and half for grants. As those loans are paid back from borrowing entities, those funds will be split again, putting half the funds back into the loan program, allocating the other half to continue grants for recycling.

The draft guidelines are expected to be adopted by the SWRCB in July of 2015, at which time projects may begin to seek funding. Unlike competitive grant programs, the Water Recycling program has no specified application window, or call for projects period that will close and end the ability of an entity to apply for funding. The application process has multiple components, and stages, as detailed below:

- Financial Assistance Application
  - Financial Assistance Review
  - Financial Assistance Agreement
- Final Budget Approval
  - Final Budget Agreement, Amended
- CC Date
- Final Project Report
- Annual Reports

**Proposition 84 Round 3 Funding Integrated Regional Water Management**

Beginning in January of 2015, TPA has been attending and tracking the development of the final round of Proposition 84 funding for the Integrated Regional Water Management (IRWM) program, administered by the Santa Ana Watershed Project Authority (SAWPA). The call for projects for the final round of funding opened on April 21, with $60 million available for projects. This is the largest funding allocation for Proposition 84 IRWM projects, and no cap has been placed on applications.
The call for project window will close Wednesday, May 27 at 5:00 PM. The short call for projects window is the result of an accelerated timeline from DWR to finish allocating funds from Proposition 84 in order to make room for incoming funding from Proposition 1. Once project applications have been submitted to SAWPA, they will be considered by a project review committee (PRC), who will make a recommendation on inclusion for the SAWPA application to DWR. DWR is expected to share their draft award recommendations in November, and award announcement are expected in December 2015.

While TPA has potential projects to fund under this opportunity with staff, particularly a future regional partnership lead by MWDOC to implement a leak detection program to address infrastructure water loss. At this time the project appears to be a better fit for Integrated Regional Water Management grant funding from the water bond in 2016. To effectively implement a leak detection program, partnering agencies/retailers would need to complete a number of steps, including but not limited to a water loss audit, pressurization testing, and meter testing. The water loss audit should be completed by a large number of water retailers by the end of the year. The results of that audit will help determine the potential water saving available on both a local and system wide scale.
SPECIFIC ACTIVITIES FOR THE MONTH OF FEBRUARY

- TPA continues to monitor legislation and provide information to MWDOC staff
- TPA continues to send a weekly legislative matrix to MWDOC staff, which has been updated to include MWDOC Policy Principle related to the bill
- On April 17, TPA provided staff a draft letter of support on AB 291 in anticipation of Committee consideration on April 20
- On April 20, TPA monitored the Metropolitan Water District Legislative Coordinators Conference Call, and provided a summary to staff
- On April 21, TPA provided staff with a comment letter on the SWRCB Water Recycling Guidelines for signature to be sent to the Board for consideration.
- Throughout April and early May TPA continued outreach efforts to the local delegation for meetings with Directors, securing available times to meet with
  - Assembly Member Chang
  - Senator Bates
- On May 1, TPA attended the ACWA Legislative Committee Meeting and sent a summary to staff
The County of Orange Report  
May 18, 2015  
By Lewis Consulting Group

Administration Changes at the County

Tuesday, May 12, 2015, Frank Kim was sworn in as Orange County’s new Chief Executive Officer. Kim replaced Mike Giancola who just moments earlier had received resolutions and accolades for his two years of service as CEO. Giancola announced his retirement in April after nearly 40 years of working for the County. Kim’s annual salary will be $248,057.68. He currently earns $192,379.20 a year. Giancola’s annual salary was $248,060.80.

Frank Kim most recently served the County as the Chief Financial Officer and has worked for the County for nearly 20 years. The appointment of Kim has drawn a positive reaction from Giancola, Supervisors and labor groups including OCEA and AOCDS.

With the appointment of Kim as CEO, the County will now move on to appointing other high profile vacancies, including County Counsel and Airport Director. The County Counsel position will most likely be filled by internal candidate, Leon Page. Page has been taking over more and more responsibilities for outgoing County Counsel Nicholas Chrisos.

Long-time and well respected Airport Director Alan Murphy retired in February and his position will be filled by combination of national search and interviewing of internal candidates. Larry Serafini is the acting Airport Director and is most certainly a candidate for the full time job.

Candidates Gear Up For 2016 Races

As a result of term limits, current Republican State Senator Bob Huff is barred from seeking re-election. As a result, the 29th State Senate District which straddles Orange and Los Angeles Counties promises to be a barnburner of a race.

Ordinarily, a district with a 3% Republican edge would be placed in the safe or nearly safe GOP column. However, changing demographics along with a formidable Democrat candidate muddles any prediction of the race at this time.

Republicans appear to be coalescing behind La Habra City Councilman Tim Shaw. Shaw also serves as Senator Huff’s District Director. Former Brea Councilman and Democrat Brett Murdock is giving indication he might run, but the threat to Republicans holding the seat appears to come from former Irvine Mayor Sukhee Kang. Kang recently moved to Fullerton to establish residency in the heart of the North Orange County Senate District.
Asians comprise 21% of all registered voters in the 29th Senate District and could be an integral swing vote. In two overlapping Assembly Districts, Republicans mined electoral gold by supporting Assembly members Young Kim and Ling-Ling Chang. A predicted large Presidential election cycle could also buoy Democrat chances.

As predicted previously, it is looking more and more likely the Congresswoman Loretta Sanchez will choose to enter the California Senate race in an effort to succeed Barbara Boxer.

Sanchez has represented the central part of Orange County in the House of Representatives for 18 years. The 46th Congressional District has a large 19% voter registration advantage for Democrats and coupled with the expected huge turnout, the question seems to be what Democrat will run and win? By all indications the leading contender at this time is former Senator and County Supervisor Lou Correa. Correa was defeated by Andrew Do last November by a handful of votes in a district which is far friendlier to Republicans. Also, mentioned as a possible candidate is former Assemblyman and current Trustee of the Rancho Santiago Community College District Jose Solorio. Because there is no residency requirement for Congress, there is always the possibility of some ambitious rich candidate from outside of Central Orange County entering the fray as well.

**Proposed County Budget Shows Improved Economic Health**

On Monday May 11 the County released its proposed 2015/2016 budget. The balanced $5.8 billion spending plan ($723 million general fund) is scheduled for public budget hearings starting June 9, Board adoption scheduled for June 23, in time for the County’s fiscal year beginning July 1.

The County continues to outpace other Southern California Counties in a variety of key economic statistics, all which contribute to the county turning the corner of past economic handicuffs. For 20 years the county has suffered with the lingering effects of its past municipal bankruptcy and harsh funding inequalities from Sacramento have exacerbated past troubled budgets as well. However, the Orange County economic engine is helping county finances overcome these challenges.

The Orange County unemployment rate continues to drop, now at 4.4%. This is 2% better than the Inland Empire and nearly 3% better than Los Angeles County. Only San Diego County comes close currently at 5.1%.

The median price or Orange County homes in February stood at $591,500. This outpaced 2nd highest Southern California county – Los Angeles – at $469,000 and easily outdistanced laggard San Bernardino County at $250,000.

This year’s county budget represents a 6% increase over last year’s budget yet so far the spending plan holds the line on the number of county employee dipping slightly by 65 to a total county workforce of 17,988.
Total County Revenue Budget
FY 2015-16 Total = $5.8 Billion

General Revenue Sources

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>FY 2014-15 (in Million Dollars)</th>
<th>FY 2015-16 (in Million Dollars)</th>
<th>Two Year Variance</th>
<th>FY 2015-16 % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Purpose</td>
<td>$672.0</td>
<td>$723.1</td>
<td>$51.1</td>
<td>12.5%</td>
</tr>
<tr>
<td>Dedicated Revenue</td>
<td>2,428.2</td>
<td>2,627.3</td>
<td>199.1</td>
<td>45.4%</td>
</tr>
<tr>
<td>Other General Fund</td>
<td>2,346.7</td>
<td>2,436.9</td>
<td>90.2</td>
<td>42.1%</td>
</tr>
<tr>
<td></td>
<td>$5,446.9</td>
<td>$5,787.3</td>
<td>$340.4</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
County Financing
All Funds Under the Board of Supervisors

FY 2015-16 Total = $5.8 Billion

<table>
<thead>
<tr>
<th>Code</th>
<th>Group of Funds</th>
<th>FY 2014-15</th>
<th>FY 2015-16</th>
<th>Two Year Variance</th>
<th>FY 2015-2016 % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>County General</td>
<td>$3,018.7</td>
<td>$3,160.1</td>
<td>$141.4</td>
<td>54.6%</td>
</tr>
<tr>
<td>B</td>
<td>Special Revenue</td>
<td>1,008.0</td>
<td>1,094.7</td>
<td>86.7</td>
<td>18.9%</td>
</tr>
<tr>
<td>C</td>
<td>Internal Service &amp; Enterprise</td>
<td>976.5</td>
<td>1,072.5</td>
<td>96.0</td>
<td>18.6%</td>
</tr>
<tr>
<td>D</td>
<td>Assessment Districts</td>
<td>119.3</td>
<td>97.1</td>
<td>(22.2)</td>
<td>1.7%</td>
</tr>
<tr>
<td>E</td>
<td>Special Districts</td>
<td>312.3</td>
<td>354.3</td>
<td>42.0</td>
<td>6.1%</td>
</tr>
<tr>
<td>F</td>
<td>Joint Powers &amp; Public Authority</td>
<td>1.4</td>
<td>1.7</td>
<td>0.3</td>
<td>0.0%</td>
</tr>
<tr>
<td>G</td>
<td>Orange County Development Agency</td>
<td>10.7</td>
<td>6.9</td>
<td>(3.8)</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

$5,446.9 $5,787.3 $340.4 100.0%
General Fund Sources and Uses of Funds

FY 2015-16 Total = $3.2 Billion

**Sources:**

- Taxes: $652.8m
- Miscellaneous: $53.6m
- Fines / Penalties: $34.0m
- Charges For Services: $430.9m
- Intergovernmental Revenues: $1,631.1m
- Other Financing Sources: $326.8m
- Other Financing Uses: $52.9m
- Increases To Reserves: $13.0m
- Other Charges: $449.1m
- Special Items: $1.2m
- Structures & Improvements: $25.4m
- Services & Supplies: $896.5m
- Capital Assets: $10.1m
- Intangible Assets - Amortizable: $0.3m
- Land: $1.5m
- Contingencies: $67.0m

**Uses:**

*NOTE: Approximately $147.6 million of these expenses are recovered from other funds within the County, bringing the...
INTRODUCTION

General Fund Sources and Uses of Funds

total expenses to $3,160,088,991
1. **Appropriate Water Uses**: The City of San Diego is being criticized for pumping drinking water into Chollas Lake in the very popular Chollas Lake Park. The lake is used primarily for youth fishing and is a heavily used facility. The City is presently in a level 2 drought alert and concerns have been raised about this usage. This debate has expanded beyond the fish vs people debate as community benefit is being argued. Another use that is being discussed is cemeteries. The State has 2000 graveyards including 9 national cemeteries. Maintaining their green appearance has legal, moral and societal implications. The national cemeteries are mandated to certain levels on maintenance as national shrines. Regular cemeteries have contractual and moral obligations to their clients. Most cemeteries are reducing their usage and using recycled or brackish water where available. These debates will expand as the drought continues to impact all elements of our lives.

2. **Business Saving Water**: A GE service center in Anaheim is saving thousands of gallons of water. This center does safety tests on construction cranes to determine their limits and capacities. In the past they have used water, which is a heavy product, in these tests and the water was ultimately discharged into the drain. As a result of the drought and business awareness, they have stopped using water and are using solid weights instead. Similarly the Gallo winery in Healdsburg has cut its water use by 25%. It takes about 4 gallons of water to make 1 bottle of wine. This reduction could equate to millions of gallons of water saved by this single company. Their production byproduct is wastewater which is now being reduced and recycled. They have an onsite treatment plant and are using recycled water for irrigation. The treatment plant is also used for energy generation. Gallo is the largest winemaker in the State and is a trendsetter for others in the industry.

3. **Drought Suggestion Box**: The current drought has unleashed a torrent of innovations, some old and some new, for water world to consider. While many are not practical and may have no chance of implementation, all are being examined by the Department of Water Resources. (A note for the senior generation involved in water world, most of us thought Dick Tracy’s TV watch was truly a futuristic dream.) Some of the ideas to date included: biodegradable towels that don’t need washing, water pipelines from Alaska, covering all reservoirs, ocean desalination, aiming airplane engines at the sky to change weather patterns, irrigation technology, “direct air capture of CO2 utilizing endorheic basin alkaline deposits”, snow transport, iceberg transport, and the most creative...one writer stated that every time he came to vacation in California, it rained. So if California would pay the bill, he would vacation here year round.

4. **Drought vs Pine Trees, Part Two**: The US Forest Service has estimated that 12 million trees have died in California forests during the last year as a result of the drought. This is in addition to the trees killed by the pine beetle previously reported. This condition is primarily impacting Jeffrey pines in San Diego, Cleveland Forest, Los Padres Forest, San
Bernardino, and the Southern Sierra Nevada. The prior fires have not helped this condition. While these trees are fairly hearty, the severity of the drought is taking its toll. In addition, this does not bode well for the upcoming fire season.

5. **Foul Water Condition:** East Bay Municipal Utility District has been experiencing “sour water” as a direct result of the drought. Customers are complaining of foul smell and taste, dirty and soapy water and the smell of “old/not quite rancid bacon grease”. The District has had to rely on water from its Pardee Reservoir which is about 90 miles from the primary service area. It normally draws the water from the surface which is warmer and subject to algae growth. While the algae is filtered out, compounds are left behind which cause the water to smell and taste different. The District has the ability to draw from deeper in the reservoir which is better water, but is currently prohibited from doing that due to salmon environmental restrictions. The District is also prohibited from storing runoff as a result of the Governors latest order protecting the Mokelumne’s ecosystem.

6. **Plans to Reverse Canal Flow Shelved:** We had previously reported that a plan was being considered to reverse the flow of the California Aqueduct for the 100 mile stretch between Bakersfield and Los Banos. It would have moved water from underground aquifers near Wasco in Kern County to San Luis Reservoir. However, as a result of the rains in December and February, the Santa Clara Valley Water District will be able to obtain water from its traditional sources. Therefore their unusual plan will be put on hold for at least one year. The District had completed all engineering and environmental studies for the project.

7. **Drought Producing Bad Air:** The American Lung Association has produced a report showing that the drought is making the air quality in California worse. The additional dust and pollutant discharge has increased along with increased fire activity which is also harmful to air quality. The most impacted area is the Central Valley from Fresno to Madera but the Los Angeles Basin is not far behind them. The geography of each area is a prime factor but the drought conditions are making it much worse. With reduction in water for crops in the Valley and landscaping in LA, the flora is dying leaving more surface area exposed. Thus the increase in dust and pollutants in the air. Health concerns and conditions are on the rise.

8. **PUC vs Tiered Rates:** While the policy of tiered rate structure is currently being challenged in the courts impacting public water agencies, private water agencies are receiving a different treatment. The Public Utilities Commission which sets the rates for private water agencies has been granting tiered rate plans which have come before them. Proposition 218 does not apply to private water agencies since they are privately owned as opposed to being rate payer owned. How this gets settled long term is an open question but I suspect, absent legislation or litigation, the PUCs position and authority will stand.
<table>
<thead>
<tr>
<th>BILL</th>
<th>AUTHOR</th>
<th>HIGH PRIORITY</th>
<th>SUMMARY</th>
<th>LATEST ACTION</th>
<th>POLICY AREA</th>
<th>MWDOC POSITION</th>
<th>OTHER POSITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB 1</td>
<td>Brown [D]</td>
<td></td>
<td>Drought: local governments: fines. Would prohibit a city, county, or city and county from imposing a fine under any local maintenance ordinance or other relevant ordinance for a failure to water a lawn or having a brown lawn during a period for which the Governor has issued a proclamation of a state of emergency based on drought conditions.</td>
<td>5/7/2015-Referred to Com. on GOV. &amp; F.</td>
<td>Local Water Resource</td>
<td>Support</td>
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<tr>
<td>AB 10</td>
<td>Gatto [D]</td>
<td></td>
<td>Political Reform of 1974: economic interest disclosures. Would increase the thresholds at which a public official has a disqualifying financial interest in sources of income from $500 to $1,000, in investments in business entities from $2,000 to $5,000, and in interests in real property from $2,000 to $10,000. This bill contains other related provisions and other existing laws.</td>
<td>4/29/2015-In committee: Set, first hearing. Referred to APPR. suspense file.</td>
<td>Governance</td>
<td></td>
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<tr>
<td>AB 149</td>
<td>Chavez [R]</td>
<td></td>
<td>Urban water management plans. The Urban Water Management Planning Act requires an urban water supplier to submit to the Department of Water Resources a copy of its urban water management plan and requires the department to prepare and submit to the Legislature, on or before December 31, in the years ending in 6 and 1, a report summarizing the status of plans adopted pursuant to the act. This bill, commencing January 1, 2017, would instead require an urban water supplier to update its plan at least once every 5 years on or before December 31 in years ending in 6 and one. The bill would instead require the department to submit its report to the Legislature, on or before December 31, in years ending in 7 and two.</td>
<td>5/7/2015-In Senate. Read first time. To Com. on RLS. for assignment.</td>
<td>Governance</td>
<td>Support</td>
<td>ACWA - Favor MET-Support</td>
</tr>
<tr>
<td>AB 291</td>
<td>Medina [D]</td>
<td></td>
<td>California Environmental Quality Act: local agencies: notice of determination: water. Would authorize a local agency, for certain water projects, to file the notice with the county clerk of the county in which the local agency's principal office is located in lieu of the county clerk of each county in which the project is located and would, if the local agency exercises this authorization, require the local agency to file the notice with the Office of Planning and Research. This bill contains other existing laws.</td>
<td>4/30/2015-In Senate. Read first time. To Com. on RLS. for assignment.</td>
<td>Governance</td>
<td>Support</td>
<td>ACWA - Support MET-Support</td>
</tr>
<tr>
<td>AB 300</td>
<td>Alejo [D]</td>
<td>Safe Water and Wildlife Protection Act of 2015. Would enact the Safe Water and Wildlife Protection Act of 2015, which would require the State Coastal Conservancy to establish and coordinate the Algal Bloom Task Force, in consultation with the Secretary of the Natural Resources Agency, and would prescribe the composition and functions and duties of the task force. The bill would require the task force to review the risks and negative impacts of toxic blooms and microcystin pollution and to submit a summary of its findings and recommendations to the secretary by January 1, 2017.</td>
<td>4/22/2015</td>
<td>In committee: Set, first hearing. Referred to APPR. suspense file.</td>
<td>Water Quality</td>
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<tr>
<td>AB 307 (SPOT)</td>
<td>Mathis [R]</td>
<td>Graywater: groundwater recharge. Would state the intent of the Legislature to enact legislation to explicitly permit the usage of residential, commercial, and industrial graywater for the recharge of a groundwater basin or aquifer.</td>
<td>2/12/2015</td>
<td>Introduced 2/13/2015-From printer. May be heard in committee March 15.</td>
<td>Local Water Resource</td>
<td></td>
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</tr>
<tr>
<td>AB 308 (SPOT)</td>
<td>Mathis [R]</td>
<td>Graywater: agricultural use. Would state the intent of the Legislature to enact legislation to explicitly permit incorporated and unincorporated communities to sell graywater for agricultural purposes and agriculture to use graywater for agricultural purposes.</td>
<td>2/12/2015</td>
<td>Introduced 2/13/2015-From printer. May be heard in committee March 15.</td>
<td>Local Water Resource</td>
<td></td>
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</tr>
<tr>
<td>AB 311 (2 Year Bill)</td>
<td>Gallagher [R]</td>
<td>Environmental quality: Water Quality, Supply, and Infrastructure Improvement Act of 2014. Would require the public agency, in certifying the environmental impact report and in granting approvals for specified water storage projects funded, in whole or in part, by Proposition 1, including the concurrent preparation of the record of proceedings and the certification of the record of proceeding within 5 days of the filing of a specified notice, to comply with specified procedures. Because a public agency would be required to comply with those new procedures, this bill would impose a state-mandated local program.</td>
<td>5/1/2015</td>
<td>Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 4/28/2015)</td>
<td>Local Water Resource</td>
<td></td>
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<td></td>
<td>ACWA - Not Favor Unless Amended</td>
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</tr>
<tr>
<td>AB 349</td>
<td>Gonzalez [D]</td>
<td><strong>Common interest developments: property use and maintenance.</strong> Current law makes void and unenforceable any provision of the governing documents or architectural or landscaping guidelines or policies in a common interest development declaration that prohibits use of low water-using plants, or prohibits or restricts compliance with water-efficient landscape ordinances or regulations on the use of water, as specified. This bill would also make void and unenforceable any provision of the governing documents or architectural or landscaping guidelines or policies that prohibits use of low water-using landscapes that require not more than a specified amount of water. This bill contains other existing laws.</td>
<td>5/6/2015 - Re-referred to Com. on H. &amp; C.D.</td>
<td>Water Use Efficiency</td>
<td>Calendar: 5/13/2015 9 a.m. - State Capitol, Room 126 ASSEMBLY HOUSING AND COMMUNITY DEVELOPMENT, CHAU, Chair</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AB 356</td>
<td>Williams [D]</td>
<td><strong>Oil and gas: groundwater monitoring.</strong> Would authorize the State Oil and Gas Supervisor to require a well operator to implement a monitoring program for belowground oil production tanks and facilities, and disposal and injection wells. Because a failure to comply with this requirement would be a crime, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.</td>
<td>5/6/2015 - Re-referred to Com. on APPR.</td>
<td>Local Water Resource</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AB 434</td>
<td>Garcia, E [D]</td>
<td><strong>Drinking water: point-of-entry and point-of-use treatment.</strong> Would specifically make the emergency regulations adopted by the State Department of Public Health before January 1, 2014, operative and would require that the emergency regulations remain in effect until repealed or amended by the State Water Resources Control Board. The bill would authorize the State Water Resources Control Board to award a grant for point-of-entry and point-of-use treatment, in lieu of centralized treatment, by a public water system that meets certain requirements. This bill contains other related provisions.</td>
<td>4/30/2015 - In Senate. Read first time. To Com. on RLS. for assignment.</td>
<td>Water Quality</td>
<td>ACWA - Favor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AB 478 (SPOT)</td>
<td>Harper [R]</td>
<td><strong>Desalination.</strong> Current law provides that it is the intention of the Legislature that the Department of Water Resources shall 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 make a nonsubstantive change in these provisions.</td>
<td>2/23/2015 - Introduced 2/24/2015 - From printer. May be heard in committee March 26.</td>
<td>Desalination</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Bill</td>
<td>Author</td>
<td>Description</td>
<td>Date Actioned</td>
<td>File</td>
<td>Committee</td>
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<tr>
<td>AB 585</td>
<td>Melendez [R]</td>
<td><strong>Outdoor Water Efficiency Act of 2015</strong>: personal income tax credits: outdoor water efficiency. The Personal Income Tax Law allows various credits against the taxes imposed by that law. This bill, for taxable years beginning on or after January 1, 2015, and before January 1, 2021, or an earlier specified date, would allow a credit equal to 25% of the amount paid or incurred by a qualified taxpayer for water-efficiency improvements made to outdoor landscapes on qualified real property in this state, not to exceed $2,500 per taxable year, as specified. This bill contains other related provisions.</td>
<td>5/4/2015</td>
<td>In committee: Set, first hearing. Referred to suspense file.</td>
<td>Calendar: 5/18/2015 1:30 p.m. - State Capitol, Room 126 ASSEMBLY REVENUE AND TAXATION SUSPENSE, Ting, Chair</td>
<td>Water Use Efficiency - Support</td>
<td></td>
</tr>
<tr>
<td>AB 603</td>
<td>Salas [D]</td>
<td><strong>Income taxes: turf removal tax credit.</strong> Would, under Personal Income Tax Law and the Corporation Tax Law, for taxable years beginning on and after January 1, 2015, allow a credit to a taxpayer participating in a lawn replacement program, as defined, in an amount equal to $2 per square foot of conventional lawn removed from the taxpayer's property. The bill would make findings and declarations in this regard. This bill contains other related provisions.</td>
<td>4/13/2015</td>
<td>In committee: Set, first hearing. Referred to REV. &amp; TAX. suspense file.</td>
<td>Calendar: 5/18/2015 1:30 p.m. - State Capitol, Room 126 ASSEMBLY REVENUE AND TAXATION SUSPENSE, Ting, Chair</td>
<td>Water Use Efficiency - Support</td>
<td></td>
</tr>
<tr>
<td>AB 606</td>
<td>Levine [D]</td>
<td><strong>Water conservation.</strong> Would require the Department of General Services to identify each public property added to the department's state property inventory beginning January 1, 2015, where it is feasible for water consumption to be reduced and water efficiencies to be achieved through replacement of landscaping, irrigation timers, or spray sprinkler heads, or any combination thereof, and would require the appropriate replacements where feasible, except as specified.</td>
<td>4/29/2015</td>
<td>From committee: Do pass and re-refer to Com. on APPR. (Ayes 9, Noes 0.) (April 29). Re-referred to Com. on APPR.</td>
<td>Water Use Efficiency</td>
<td>MET-Support</td>
<td></td>
</tr>
<tr>
<td>AB 647</td>
<td>Eggman [D]</td>
<td><strong>Beneficial use: diversion of water underground.</strong> Would declare that the diversion of water underground constitutes a beneficial use of water for which an appropriation may be made if the diverted water is stored and thereafter applied to beneficial use or if beneficial use of the water, including, but not limited to, protection of water quality or recovery of groundwater levels, is made while the water is underground. This bill would provide that the period for the reversion of a water right does not apply to water being beneficially used in the aquifer or being held in storage for later beneficial use.</td>
<td>5/6/2015</td>
<td>Read second time. Ordered to third reading.</td>
<td>Calendar: 5/11/2015 #64 ASSEMBLY ASSEMBLY THIRD READING FILE</td>
<td>Water Transfers</td>
<td></td>
</tr>
<tr>
<td>AB 656</td>
<td>Garcia, C [D]</td>
<td><strong>Joint powers agreements: mutual water companies.</strong> Current law authorizes local public entities, as defined, to enter into a joint powers agreement for the purposes of providing risk-pooling, as specified. This bill would specifically authorize 2 or more mutual water companies, or 2 or more mutual water companies and one or more public agencies that operate a public water system, to participate in a joint powers agreement for risk-pooling, technical support, and other similar services.</td>
<td>5/5/2015</td>
<td>Re-referred to Com. on APPR.</td>
<td>Governance</td>
<td></td>
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<tr>
<td>Bill Number</td>
<td>Sponsor</td>
<td>Text</td>
<td>Date</td>
<td>Committee</td>
<td>Status</td>
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</tbody>
</table>
| AB 723      | Rendon [D] | Plumbing fixtures: WaterSense standards. Would, beginning January 1, 2017, prohibit manufacturers selling water closets, urinals, bathroom faucets, and shower heads from installing or selling any of the aforementioned plumbing fixtures that do not meet WaterSense standards set by the federal Environmental Protection Agency, as specified. The bill would require these manufacturers, by January 30 of each year, to inform, in writing, the California Energy Commission, the department, and the California Building Standards Commission of the number of WaterSense certified models it is offering for sale that year as compared to the years 2010 to 2014, inclusive. | 5/4/2015 | Re-referred to Com. on APPR. | Water Use Efficiency
| AB 888      | Bloom [D] | Waste Management: plastic microbeads. Would prohibit, on and after January 1, 2020, a person, as defined, from selling or offering for promotional purposes in this state a personal care product containing intentionally added plastic microbeads, as specified. The bill would exempt from those prohibitions the sale or promotional offer of a product containing less than 1 part per million (ppm) by weight of plastic microbeads, as provided. This bill contains other related provisions. | 4/29/2015 | From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 0.) (April 28). Re-referred to Com. on APPR. Calendar: 5/13/2015 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GOMEZ, Chair | Water Quality
| AB 935      | Salas [D] | Integrated Regional Water Management Plans: conveyance projects: grants and expenditures. Would require the Department of Water Resources to provide grants and expenditures, consistent with an integrated regional water management plan, for the planning, design, and construction of local and regional conveyance projects that support regional and interregional connectivity and water management and provide certain benefits. The bill would authorize the department to adopt regulations to implement these provisions. | 5/6/2015 | In committee: Set, first hearing. Referred to APPR. suspense file. | Water Infrastructure Financing
| AB 954      | Mathis [R] | Water Quality, Supply, and Infrastructure Improvement Act of 2014. Current law, the Water Quality, Supply, and Infrastructure Improvement Act of 2014, approved by the voters as Proposition 1 at the November 4, 2014, statewide general election, authorizes the issuance of general obligation bonds in the amount of $7,545,000,000 to finance a water quality, supply, and infrastructure improvement program. This bill would state the intent of the Legislature to enact legislation to implement this bond act. | 5/6/2015 | Re-referred to Com. on APPR. | Water Infrastructure Financing

ACWA - Move from Favor to Watch
<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Author</th>
<th>Description</th>
<th>Status</th>
<th>Committee</th>
<th>ACWA Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB 1077</td>
<td>Holden [D]</td>
<td>Mutual water companies: open meetings. Would prohibit a mutual water company from meeting solely in an executive session without holding a meeting.</td>
<td>4/29/2015-Re-referred to Com. on L. GOV.</td>
<td>Governance</td>
<td>ACWA - Not Favor</td>
</tr>
<tr>
<td>AB 1244</td>
<td>Gray [D]</td>
<td>Water rights: small irrigation use. Current law authorizes any person to obtain a right to appropriate water for a small irrigation use upon registering the use with the State Water Resources Control Board and thereafter applying the water to reasonable and beneficial use with due diligence. This bill would require the board to adopt general conditions, in consultation with the Department of Food and Agriculture, the University of California Cooperative Extension, and others, including, but not limited to the Department of Fish and Wildlife, for small irrigation use, unless the board determines that sufficient funds are not available for that purpose.</td>
<td>5/1/2015-Failed Deadline pursuant to Rule 61(a)(2).</td>
<td>Water Use Efficiency</td>
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</tr>
<tr>
<td>Bill</td>
<td>Author(s)</td>
<td>Description</td>
<td>Status/Remarks</td>
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<tr>
<td>AB 1454</td>
<td>Wagner [R]</td>
<td>State policy for water quality control: California Ocean Plan. Would require the plan to be reviewed at least every 4 years.</td>
<td>5/1/2015 - Failed Deadline pursuant to Rule 61(a)(2). (Last location was RLS. on 4/23/2015) Water Quality</td>
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<td>SB 7</td>
<td>Wolk [D]</td>
<td>Housing: water meters: multiunit structures. Would express the intent of the Legislature to encourage the conservation of water in multifamily residential rental buildings through means either within the landlord's or the tenant's control, and to ensure that the practices involving the submetering of dwelling units for water service are just and reasonable, and include appropriate safeguards for both tenants and landlords. This bill contains other related provisions and other existing laws.</td>
<td>5/5/2015 - In Assembly. Read first time. Held at Desk. Water Use Efficiency</td>
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<td>SB 47</td>
<td>Hill [D]</td>
<td>Environmental health: synthetic turf. Would require the Office of Environmental Health Hazard Assessment, by July 1, 2017, in consultation with the Department of Resources Recycling and Recovery, the State Department of Public Health, and the Department of Toxic Substances Control, to prepare and provide to the Legislature and post on the office's Internet Web site a study analyzing synthetic turf, as defined, for potential adverse health impacts. The bill would require the study to include certain information, including a hazard analysis of exposure to the chemicals that may be found in synthetic turf, as provided.</td>
<td>4/13/2015 - April 13 hearing: Placed on APPR. suspense file. Water Use Efficiency</td>
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<td>SB 122</td>
<td>Jackson [D]</td>
<td>Environmental quality: Water Quality, Supply, and Infrastructure Improvement Act of 2014. CEQA establishes a procedure for the preparation and certification of the record of proceedings upon the filing of an action or proceeding challenging a lead agency's action on the grounds of noncompliance with CEQA. This bill would require the lead agency, at the request of a project applicant and consent of the lead agency, to prepare a record of proceedings concurrently with the preparation of a negative declaration, mitigated negative declaration, EIR, or other environmental document for projects. This bill contains other related provisions.</td>
<td>5/4/2015 - May 4 hearing: Placed on APPR. suspense file. CEQA</td>
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<td>SB 127</td>
<td>Vidak [R]</td>
<td>Environmental quality: Water Quality, Supply, and Infrastructure Improvement Act of 2014. CEQA establishes a procedure by which a person may seek judicial review of the decision of the lead agency made pursuant to CEQA and a procedure for the preparation and certification of the record of proceedings upon the filing of an action or proceeding challenging a lead agency's action on the grounds of noncompliance with CEQA. This bill would require the public agency, in certifying the environmental impact report and in granting approvals for projects funded, in whole or in part, by Proposition 1, including the concurrent preparation of the record of proceedings and the certification of the record of proceeding within 5 days of the filing of a specified notice, to comply with specified procedures.</td>
<td>5/1/2015 - Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.Q. on 2/5/2015) CEQA</td>
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<td>Bill</td>
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<td>Description</td>
<td>Date/Details</td>
<td>Fiscal Policy</td>
<td>Water Quality</td>
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<td>SB 143</td>
<td>Stone [R]</td>
<td>Diamond Valley Reservoir: recreational use. Current law, with certain exceptions, prohibits recreational use, in which there is bodily contact with water, in a reservoir in which water is stored for domestic use and establishes water standards for those exempted reservoirs. This bill would exempt from this prohibition recreational activity in which there is bodily contact with water by any participant in the Diamond Valley Reservoir if certain standards are met. This bill contains other related provisions.</td>
<td>4/14/2015-April 15 set for second hearing canceled at the request of author.</td>
<td>MET</td>
<td>Oppose</td>
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<tr>
<td>SB 208</td>
<td>Lara [D]</td>
<td>Integrated regional water management plans: grants: advanced payment. Would require a regional water management group, within 90 days of notice that a grant has been awarded, to provide the state entity administering the grant with a list of projects to be funded by the grant funds where the project proponent is a nonprofit organization, as defined, or a disadvantaged community, as defined, or the project benefits a disadvantaged community. This bill contains other existing laws.</td>
<td>4/27/2015-April 27 hearing: Placed on APPR. suspense file.</td>
<td>Fiscal Policy</td>
<td>Oppose</td>
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<tr>
<td>SB 355</td>
<td>Lara [D]</td>
<td>San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy. Would require that only one member of the Orange County Division of the League of California Cities be a voting member of the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, and would require that a resident of a city bordering the Lower Los Angeles River, appointed by the Senator Committee on Rules, be a voting member. The bill would also increase the number of nonvoting members to 9, and would require that one Member of the Senate, appointed by the Senate Committee on Rules, and one Member of the Assembly, appointed by the Speaker of the Assembly, serve as those nonvoting members.</td>
<td>4/30/2015-In Assembly. Read first time. Held at Desk.</td>
<td>Fiscal Policy</td>
<td>Oppose</td>
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<tr>
<td>SB 385</td>
<td>Hueso [D]</td>
<td>Primary drinking water standards: variances: hexavalent chromium. Would authorize, until January 1, 2020, the State Water Resources Control Board, at the request of a public water system, to grant a variance from the primary drinking water standard for hexavalent chromium if the public water system prepares and submits a compliance plan, the state board approves the compliance plan, the public water system provides specified notice requirements regarding the compliance plan to its customers, and the public water system sends annual reports to the state board that updates the status of the approved compliance plan.</td>
<td>5/6/2015-Set for hearing May 12. Calendar: 5/12/2015 1:30 p.m. - John L. Burton Hearing Room (4203) SPECIAL ORDER AT 3:00 P.M. SENATE JUDICIARY, JACKSON, Chair</td>
<td>Water Quality</td>
<td>ACWA</td>
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<td>SB 442 (SPOT)</td>
<td>Hall [D]</td>
<td>Municipal water districts: revenue bonds. Current law, the Municipal Water District Law of 1911, provides for the formation of municipal water districts and grants to those districts specified powers, including the authority to issue revenue bonds for any purpose for which general obligation bonds may be issued. This bill would make nonsubstantive changes in those provisions.</td>
<td>2/25/2015-Introduced 3/5/2015 Referred to Com. on RLS.</td>
<td>Fiscal Policy</td>
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<td>Bill</td>
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<td>SB 553</td>
<td>Wolk [D]</td>
<td>Water conservation. Would require the Department of General Services to identify each public property in the department’s state property inventory where it is feasible for water consumption to be reduced and water efficiencies to be achieved through implementation of the relevant recommendations made in the model water efficient landscape ordinance and would require the department to implement the relevant recommendations where feasible, except as specified. This bill contains other existing laws.</td>
<td>5/11/2015-May 11 hearing: Placed on APPR. suspense file.</td>
<td>Water Use Efficiency</td>
<td>MET-Support</td>
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<td>SB 555</td>
<td>Wolk [D]</td>
<td>Department of Water Resources: urban retail water suppliers: water loss audits. Would require each urban retail water supplier, on or before July 1, 2017, to conduct a water loss audit as prescribed by rules adopted by the Department of Water Resources on or before July 1, 2016. This bill would require an urban retail water supplier to submit a validated audit report to the department within 60 days of completion and the department to post the report on its Internet Web site in a timely manner after its receipt. This bill would require the department to provide technical assistance to guide urban retail water suppliers’ water loss detection programs.</td>
<td>4/27/2015-April 27 hearing: Placed on APPR. suspense file.</td>
<td>Governance</td>
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<td>AB 452</td>
<td>Bigelow [R]</td>
<td>Water Rights Fund: Groundwater Regulation Subaccount. Would establish the Groundwater Regulation Subaccount in the Water Rights Fund and would provide that moneys in the subaccount are available, upon appropriation by the Legislature, to the State Water Resources Control Board for the purpose of board enforcement of the provisions of the Sustainable Groundwater Management Act. This bill contains other related provisions and other existing laws.</td>
<td>5/1/2015-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. &amp; W. on 4/22/2015)</td>
<td>Governance</td>
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<td>AB 453</td>
<td>Bigelow [R]</td>
<td>Groundwater management. Would authorize, until a groundwater sustainability plan is adopted, a local agency to amend an existing groundwater management plan in furtherance of, and consistent with, the groundwater management plan’s objectives.</td>
<td>5/7/2015-Referred to Com. on N.R. &amp; W.</td>
<td>Local Water Resource</td>
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<td>AB 454</td>
<td>Bigelow [R]</td>
<td>Sustainable groundwater management. Would require a high- or medium-priority basin that is not subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plan by January 31, 2023. This bill contains other related provisions and other existing laws.</td>
<td>4/14/2015-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8, Noes 7.) (April 14). Re-referred to Com. on APPR.</td>
<td>Local Water Resource</td>
<td>ACWA - Favor</td>
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<td>Bill Number</td>
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<td>AB 455</td>
<td>Bigelow</td>
<td>Groundwater sustainability plans: environmental impact reports. Would require the Judicial Council, on or before July 1, 2016, to adopt a rule of court to establish procedures applicable to actions or proceedings brought to attack, review, set aside, void, or annul the certification of an EIR for projects covered by a groundwater sustainability plan that require the actions or proceedings be resolved within 270 days of certification of the record of proceeding. The bill would also prohibit the court from staying or enjoining the construction or operation of the project unless the court makes a certain finding. This bill contains other existing laws.</td>
<td>5/1/2015-Failed Deadline pursuant to Rule 61(a)(2).</td>
<td>Local Water Resource</td>
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<td>AB 936</td>
<td>Salas</td>
<td>Groundwater monitoring. If there is insufficient interest in establishing a management plan or ground watering association, and the county decides not to perform groundwater monitoring and reporting functions, the Department of Water Resources is required to perform the groundwater monitoring functions. In that event, specified entities with authority to assume groundwater monitoring functions with regard to a basin or subbasin for which the department has assumed those functions are not eligible for a water grant or loan awarded or administered by the state. This bill would create an exception from this eligibility restriction if the entity submits to the department for approval documentation demonstrating the water grant or loan project includes the actions needed to comply with groundwater monitoring functions.</td>
<td>4/22/2015-In committee: Set, first hearing. Referred to APPR. suspense file.</td>
<td>Local Water Resource</td>
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<td>AB 937</td>
<td>Salas</td>
<td>Groundwater recharge. Under current law, the right to water or to the use of water is limited to that amount of water that may be reasonably required for the beneficial use to be served. 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 state the intent of the Legislature to enact legislation relating to groundwater recharge.</td>
<td>5/6/2015-In committee: Set, first hearing. Referred to APPR. suspense file.</td>
<td>Local Water Resource</td>
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<td>AB 938</td>
<td>Salas</td>
<td>Groundwater: basin reprioritization: establishment of groundwater sustainability agency. The Sustainable Groundwater Management Act requires a local agency, any time the Department of Water Resources changes basin priorities and elevates a basin to a medium- or high-priority basin after January 31, 2015, to either establish a groundwater sustainability agency within 2 years of reprioritization and adopt a groundwater sustainability plan within 5 years of reprioritization, or to submit an alternative to the department that the local agency believes satisfies the objectives of these provisions within 2 years of reprioritization. This bill would impose the requirement to establish a groundwater sustainability agency or submit an alternative after reprioritization on a local agency or combination of local agencies overlying a groundwater basin.</td>
<td>5/7/2015-Referred to Com. on N.R. &amp; W.</td>
<td>Local Water Resource</td>
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<td>Bill Number</td>
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<td>AB 939</td>
<td>Salas [D]</td>
<td>Groundwater sustainability agency: financial authority. The Sustainable Groundwater Management Act authorizes a groundwater sustainability agency to impose fees to fund the costs of a groundwater sustainability program and requires a groundwater sustainability agency to hold at least one public meeting prior to imposing or increasing a fee. The act requires, at least 10 days prior to the meeting, a groundwater sustainability agency to make available to the public data upon which the proposed fee is based. This bill would require a groundwater sustainability agency to make the data upon which the proposed fee is based available 20 days prior to the public meeting to impose or increase a fee.</td>
<td>5/7/2015- Referred to Com. on N.R. &amp; W.</td>
<td>Local Water Resource</td>
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<td>AB 1243 (2 Year Bill)</td>
<td>Gray [D]</td>
<td>Groundwater recharge: grants. Would establish the Groundwater Recharge Grant Fund and would provide that moneys in the fund are available, upon appropriation by the Legislature, to the State Water Resources Control Board to provide grants to local governments and water districts for groundwater recharge infrastructure projects. This bill contains other related provisions and other existing laws.</td>
<td>5/1/2015- Failed Deadline pursuant to Rule 61(a)(2). (Last location was W., P. &amp; W. on 3/23/2015)</td>
<td>Local Water Resource</td>
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<td>SB 13</td>
<td>Pavley [D]</td>
<td>Groundwater. Would provide a local agency or groundwater sustainability agency 90 or 180 days, as prescribed, to remedy certain deficiencies that caused the State Water Resources Control Board to designate a groundwater basin as a probationary basin. This bill would authorize the board to develop an interim plan for certain probationary basins one year after the designation of the basin as a probationary basin. This bill contains other related provisions and other existing laws.</td>
<td>4/30/2015- In Assembly. Read first time. Held at Desk.</td>
<td>Local Water Resource</td>
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<td>SB 173 (2 Year Bill)</td>
<td>Nielsen [R]</td>
<td>Groundwater: de minimis extractors. Current law generally excepts a de minimis extractor from the requirement that a person who extracts groundwater from a probationary basin, as prescribed, or extracts groundwater on or after July 1, 2017, in an area within a basin that is not within the management area of a groundwater sustainability agency and where the county does not assume responsibility to be the groundwater sustainability agency has to file a report of groundwater extraction by December 15 of each year for extractions made in the preceding water year with the State Water Resources Control Board. This bill would define a de minimis extractor for the purposes of these provisions as a person who extracts, for domestic purposes, 10 acre-feet or less per year.</td>
<td>5/1/2015- Failed Deadline pursuant to Rule 61(a)(2). (Last location was N.R. &amp; W. on 3/24/2015)</td>
<td>Local Water Resource</td>
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<td>SB 226</td>
<td>Pavley [D]</td>
<td>Sustainable Groundwater Management Act: groundwater rights. Would provide, under the Sustainable Groundwater Management Act, that a groundwater sustainability plan or coordinated groundwater sustainability plans establishes a timely method for determining rights to groundwater in furtherance of the objectives of the act. This bill would require the process to be available to any court of competent jurisdiction. This bill would require the boundaries of a basin to be as identified in Bulletin 118, unless other basin boundaries are established, as specified.</td>
<td>5/8/2015- Set for hearing May 18. Calendar: 5/18/2015 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair</td>
<td>Local Water Resource</td>
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<td>ACWA - Not Favor Unless Amended</td>
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<td>groundwater basin by a local groundwater management agency or a local</td>
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<td>groundwater sustainability agency for the purposes of repelling saline</td>
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<td>intrusion and recovering basin groundwater levels constitutes a beneficial</td>
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<td>use of water if the recharge is consistent with the local agency's</td>
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<td>groundwater management plan or groundwater sustainability plan.</td>
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<td>exemptions. Would exempt from the requirements of CEQA the formation of a</td>
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<td>groundwater sustainability agency, the amendment of a groundwater</td>
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<td>sustainability plan or coordinated groundwater sustainability plan, and the</td>
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<td>implementation of those plans, except to the extent that the implementation</td>
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<td>requires the construction or installation of a new facility. Because a lead</td>
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<td>agency would be required to determine the applicability of this exemption,</td>
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<td>this bill would impose a state-mandated local program. This bill contains</td>
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<td>other related provisions and other existing laws.</td>
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<td>SB 568</td>
<td>Fuller [R]</td>
<td>Groundwater management. Would declare the intent of the Legislature to</td>
<td>3/12/2015-Referred to Com. on RLS.</td>
<td>Local Water Resource</td>
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<td>enact legislation relating to the Sustainable Groundwater Management Act.</td>
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<td>digs, bores, or drills a water well, cathodic protection well, or a</td>
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<td>monitoring well, or abandons or destroys a well, or deepens or</td>
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<td>reperforates a well, to file a report of completion with the Department of</td>
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<td>Water Resources. Current law prohibits those reports from being made</td>
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<td>available to the public, except under certain circumstances. This bill</td>
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<td>would instead require the department to, upon request, make the reports</td>
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<td>available to the public. The bill would require the department to provide</td>
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<td>specified disclaimers when providing the reports to the public.</td>
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<td>Bill Number/Author</td>
<td>Amended Date; Location</td>
<td>Title-Summary</td>
<td>MWD Position</td>
<td>Effects on Metropolitan</td>
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<td><strong>AB 149</strong>&lt;br&gt;Chavez (R)</td>
<td>Amended 4/29/15&lt;br&gt;Sponsor: San Diego County Water Authority&lt;br&gt;Senate Rules Committee</td>
<td><strong>Urban Water Management Plans:</strong> Amends UWMP Act to require urban water suppliers to submit 2020 plan to DWR by July 1, 2021. The bill will also require DWR to submit its 2015 report to Legislature by July 1, 2016, and its 2021 report by July 1, 2022.</td>
<td>SUPPORT [based upon past support for AB 2067 (Weber) from 2013/14 legislative session]</td>
<td>Delay of UWMP submittal will be necessary to capture retail water use data for full year of 2020 to meet requirements of SBX7-7 (2009). Additionally, updated population data from 2020 census will be available in spring of 2021. Delaying UWMP submittal will provide time to accommodate inclusion of comprehensive census data by wholesale and retail water suppliers.</td>
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<td><strong>AB 291</strong>&lt;br&gt;Medina (D)</td>
<td>Amended 4/23/15&lt;br&gt;Sponsor: ACWA and McGeorge Law Legislative Clinic&lt;br&gt;Senate Rules Committee</td>
<td><strong>CEQA: Local Agencies: Notice of Determination:</strong> Amends CEQA to authorize local agency for multi-county water transfers to file notice of determination with county clerk in county of local agency’s principal office and with Office of Planning and Research.</td>
<td>SUPPORT (based upon April 2013 board-adopted CEQA policy principles)</td>
<td>Would streamline filing of CEQA notices of determination for multi-county water transfers and improve public access to those notices. Notice of multi-county water transfers would be made available on CEQAnet for broader public access.</td>
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<td>Amended Date; Location</td>
<td>Title-Summary</td>
<td>MWD Position</td>
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<td><strong>AB 349</strong></td>
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<td>Gonzalez (D)</td>
<td>Amended 5/5/15</td>
<td><strong>Common Interest Developments:</strong> Amends the Davis-Stirling Common Interest Development Act to prevent homeowners’ associations from prohibiting the use of artificial turf or any other synthetic surface that resembles grass.</td>
<td><strong>SUPPORT</strong> (based upon August 2011 board-adopted water use efficiency policy principles)</td>
<td>Removes existing loophole with homeowners’ associations in regards to converting water intensive landscape to more sustainable landscapes. Would encourage conservation and, at the association level, could save significant amounts of water.</td>
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<td>Sponsor: San Diego County Water Authority</td>
<td>Assembly Housing and Community Development Committee – 5/13/15 hearing</td>
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<td><strong>AB 501</strong></td>
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<td><strong>Resources: Delta Research:</strong> Requires person conducting state-funded research to take specified actions to share primary data, samples, physical collections and other supporting materials created or gathered in the course of the research with the Delta Science Program (DSP).</td>
<td><strong>SUPPORT IF AMENDED</strong> (based upon June 2007 board-adopted Delta Action Plan)</td>
<td>Metropolitan has strongly supported, and has argued for, more transparency regarding data collected or used for Delta science. Metropolitan will seek amendments to ensure data comparability; to confirm that data is easily discoverable, accessible and usable; to ensure existing state repositories are used by the DSP; and include the development of web services for larger state databases in existence.</td>
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<td>Levine (D)</td>
<td>Amended 4/22/15</td>
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<td>Bill Number/Author</td>
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<td><strong>AB 585</strong> &lt;br&gt; Melendez (D)</td>
<td>Amended &lt;br&gt; 3/16/15</td>
<td><strong>Outdoor Water Efficiency: Personal Income Tax Credit:</strong> For taxable years beginning on January 1, 2015 to January 1, 2021, or until Governor rescinds current drought state of emergency, authorizes personal income tax credit equal to 25% of amount paid for water-efficiency improvements for outdoor landscapes.</td>
<td>SUPPORT &lt;br&gt; (based upon August 2011 board-adopted water use efficiency policy principles)</td>
<td>Will incentivize homeowners to make improvements to outdoor landscapes during current drought emergency, which would reduce residential water demand.</td>
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<td>Sponsor: Author</td>
<td>Assembly Revenue and Taxation Committee – Suspense File, 5/18/15 hearing</td>
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<tr>
<td><strong>AB 603</strong> &lt;br&gt; Salas (D)</td>
<td>Introduced &lt;br&gt; 2/24/15</td>
<td><strong>Income Taxes: Turf Removal Tax Credit:</strong> Allows tax credit equal to $2 per square foot of lawn removed by taxpayer who participates in water utility’s incentive program.</td>
<td>SUPPORT &lt;br&gt; (based upon August 2011 board-adopted water use efficiency policy principles)</td>
<td>Will incentivize homeowners and businesses to make improvements to outdoor landscapes, which would reduce residential and commercial water demand.</td>
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<td>Sponsor: Author</td>
<td>Assembly Revenue and Taxation Committee – Suspense File, 5/18/15 hearing</td>
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<td><strong>AB 606</strong> &lt;br&gt; Levine (D)</td>
<td>Amended &lt;br&gt; 4/13/15</td>
<td><strong>Water Conservation:</strong> Requires Dept. of General Services to increase water efficiencies when repairing, replacing or installing landscaping or irrigation on state properties, including implementation of recycled water irrigation.</td>
<td>SUPPORT &lt;br&gt; (based upon August 2011 board-adopted water use efficiency policy principles)</td>
<td>Would reduce water use on state-owned properties where irrigation equipment is installed or replaced.</td>
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<td>Sponsor: Author</td>
<td>Assembly Appropriations Committee</td>
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<tr>
<td>AB 647 Eggman (D)</td>
<td>Amended 5/5/15</td>
<td><strong>Beneficial Use: Storing of Water Underground:</strong> Adds to legal definition of what constitutes a beneficial use of water by including water that is stored underground to address saline intrusion or land subsidence.</td>
<td><strong>OPPOSE UNLESS AMENDED</strong> (based upon board action in April 2015)</td>
<td>Must include safeguards to ensure that permanent underground storage is implemented in reasonable manner. SWRCB must confirm that flows are not already otherwise appropriated or diverted at times when federal Central Valley Project and State Water Project are required to release supplemental project water to meet water quality objectives in Delta watershed. Additional amendments are necessary to ensure alignment with Groundwater Management Sustainability Act of 2014.</td>
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<tr>
<td>AB 1139 Campos (D)</td>
<td>Amended 3/26/15</td>
<td><strong>Personal Income Tax Credit: Turf Removal:</strong> For taxable years beginning on January 1, 2015, authorizes tax credit to taxpayer participating in lawn replacement program in amount equal to $2 per square foot of conventional lawn removed up to $50,000 per taxable year.</td>
<td><strong>SUPPORT</strong> (based upon August 2011 board-adopted water use efficiency policy principles)</td>
<td>Will incentivize homeowners to make improvements to outdoor landscapes, which would reduce residential water demand.</td>
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<td><strong>AB 1201</strong></td>
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<td><strong>Delta: Predation by Nonnative Species:</strong></td>
<td>SUPPORT (based upon June 2007 board-adopted Delta Action Plan)</td>
<td>Aligns with Metropolitan’s broader efforts to base management decisions in Delta on science. Places responsibility on appropriate state agency to manage statewide problem.</td>
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<tr>
<td>Salas (D)</td>
<td>Amended 4/22/15</td>
<td>Directs Department of Fish and Wildlife to develop science-based approach to help address predation of listed species by non-native species in the Delta.</td>
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<td><strong>Sponsor:</strong></td>
<td>Assembly Appropriations Committee – Suspense File</td>
<td><a href="https://www.govtrack.us/bill/114/hr/1325"><strong>Delta Smelt Preservation:</strong> Would establish Delta Smelt Preservation and Restoration Act of 2016 to require Dept. of Fish and Wildlife to develop delta smelt fish hatchery program to help preserve species.</a></td>
<td>SUPPORT IN CONCEPT (based upon board action in May 2008 on SB 994 (Florez))</td>
<td>Delta smelt generally live only one year, making its long-term survival dependent on each year’s offspring. Recent monitoring trawls indicate smelt population has declined to lowest levels in recorded history.</td>
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<tr>
<td><strong>AB 1325</strong></td>
<td>Introduced 2/27/15</td>
<td>Assembly Water, Parks and Wildlife Committee – Failed Passage</td>
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<tr>
<td>Salas (D)</td>
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<td><strong>Diamond Valley Lake: Recreational Use:</strong></td>
<td>OPPOSE (based upon board action in February 2015)</td>
<td>Body-contact recreation at DVL will increase risk of waterborne disease to downstream consumers. By excluding body-contact recreation at DVL, as was decided by Metropolitan’s Board in 1998, Metropolitan has provided high-quality boating experience while protecting public health of downstream water consumers.</td>
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<td><strong>Sponsor:</strong></td>
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<td>Would exempt Diamond Valley Lake (DVL) in Riverside County from statutory protections for drinking water reservoirs.</td>
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<td><strong>SB 143</strong></td>
<td>Introduced 1/27/15</td>
<td>Senates Environmental Quality Committee</td>
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<td><strong>Stone (R)</strong></td>
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<td><strong>Diamond Valley Lake: Recreational Use:</strong></td>
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<td>SB 385 Hueso (D)</td>
<td>Amended 4/07/15</td>
<td><strong>Primary Drinking Water Standards: Hexavalent Chromium: Compliance Plan:</strong> Authorizes SWRCB to grant public water system period of time to achieve compliance with hexavalent chromium, as specified. Will protect public water system from being deemed in violation while implementing SWRCB-approved compliance plan.</td>
<td>SUPPORT (based upon board action in April 2015)</td>
<td>An extended implementation period is sound public policy that balances need to protect public health with practical implementation constraints.</td>
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<td>Sponsor: ACWA</td>
<td>Senate Judiciary Committee – 5/12/15 hearing</td>
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<td>SB 471 Pavley (D)</td>
<td>Amended 4/13/15</td>
<td><strong>Water, Energy and Reduction of Greenhouse Gas Emissions (GHG):</strong> Requires Air Resources Board, in cooperation with Energy Commission, SWRCB and Dept. of Water Resources, to develop emissions inventory of GHG emissions from water systems using best available data. Authorizes funding from Greenhouse Gas Reduction Fund for water sector projects.</td>
<td>SUPPORT IF AMENDED (based upon August 2008 board-adopted energy policy principles)</td>
<td>While energy use has always been a key factor in water resource planning, there are new opportunities for improving this linkage to reduce water-related GHG emissions.</td>
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<tr>
<td>Sponsor: Author</td>
<td>Senate Appropriations Committee – 5/18/15 hearing</td>
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<td>SB 494 Hill (D)</td>
<td>Amended 4/22/15 Senate Appropriations Committee – 5/11/15 hearing</td>
<td><strong>Emergency Services: Seismic Safety and Earthquakes:</strong> Creates California Earthquake Safety Fund to be used for seismic safety and earthquake-related programs, including earthquake early warning system.</td>
<td>SUPPORT [based upon board action in April 2013 on SB 135 (Padilla)]</td>
<td>Would help fund and coordinate seismic safety and earthquake-related programs, including the statewide earthquake early warning system.</td>
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<tr>
<td>SB 553 Wolk (D)</td>
<td>Introduced 2/26/15 Senate Appropriations Committee – 5/11/15 hearing</td>
<td><strong>Water Conservation:</strong> Requires Dept. of General Services to identify each public property in department’s property inventory and, where feasible, implement water demand reductions to comply with model water efficient landscape ordinance developed by Dept. of Water Resources.</td>
<td>SUPPORT (based upon August 2011 board-adopted water use efficiency policy principles)</td>
<td>Will result in state-owned property contributing to statewide water savings by utilizing water efficient improvements for outdoor irrigation.</td>
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ACTION ITEM
May 18, 2015

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: AB 603 (Salas) – Income taxes: turf removal tax credit

STAFF RECOMMENDATION

Staff recommends the Board of Directors vote to support AB 603 (Salas) and send a letter to the author indicating our support position.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

Assembly Bill 603 would, under both the Personal Income Tax Law and the Corporation Tax Law, for taxable years beginning on and after January 1, 2015, allow a credit to a taxpayer participating in a lawn replacement program in an amount equal to $2 per square foot of conventional lawn removed from the taxpayer’s property.

At the April 8, 2015 MWDOC Administration & Finance Committee, the Board voted 2-2 on staff’s recommendation to support AB 603. Staff was directed to bring the measure back to the Board with an update or when the bill is amended with more detail. At this time, the bill is still in its original form with no official amendments.

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<th>Budgeted (Y/N): n/a</th>
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Fiscal Impact (explain if unbudgeted):
UPDATE FOR MAY 2015

On April 10, 2015, AB 603 was heard in the Assembly Revenue and Taxation Committee. No vote was taken and the bill was moved to the Suspense File as expected by the author’s office. (Any legislation with a tax incentive or tax increase is automatically sent to suspense.) The committee will have its customary suspense file hearing at the end of this month. For any bill to get off suspense and out of committee will require a lot of support.

MWDOC and the author’s office have been in contact regarding AB 603 a number of times over the past month. According to staff in Assemblymember Salas’ office, they intend to amend the bill while it is on suspense and hope to have amendments that meet the Franchise Tax Board’s concerns within the next two weeks so that the bill is eligible for a suspense hearing.
TO: Board of Directors

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

Robert Hunter  
General Manager  

Staff Contact: Heather Baez

SUBJECT: AB 585 (Melendez) – Outdoor Water Efficiency Act of 2015

STAFF RECOMMENDATION

Staff recommends the Board of Directors vote to support AB 585 (Melendez) and send a letter to the author indicating our support position.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

The intent of AB 585 is to help local water municipalities and special districts achieve and surpass the 20% reduction goal set by SBX7-7.

AB 585 would, for taxable years beginning on or after January 1, 2015, allow a tax credit equal to $2,500, or 25%, of the amount paid or incurred by a qualified taxpayer for installing drought-friendly landscaping in their yard.

The individual would be refunded from the state portion of the net tax, not the county or local portion.

Drought-friendly landscaping is chosen by local landscaping ordinances already established by the local water municipalities or special districts.

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Fiscal Impact (explain if unbudgeted):
In addition, AB 585 has two built in repeal triggers should the following occur:
1) The drought emergency is revoked by the Governor.
2) The tax credit expires on January 1, 2021.

At the April 20, 2015 MWDOC Public Affairs & Legislation Committee, the Board directed staff to bring the measure back to the Board with an update or when the bill is amended with more detail. At this time, the bill has not been amended to reflect the Franchise Tax Board’s recommendations.

UPDATE FOR MAY 2015

On May 4, 2015, AB 585 was heard in the Assembly Revenue and Taxation Committee. No vote was taken and the bill was moved to the Suspense File as expected by the author’s office. (Any legislation with a tax incentive or tax increase is automatically sent to suspense.) The committee will have its customary suspense file hearing at the end of this month. For any bill to get off suspense and out of committee will require a lot of support.
TO: Board of Directors
FROM: Public Affairs & Legislation Committee
(Directors Barbre, Hinman, Tamaribuchi)
Robert Hunter    Staff Contact:  Heather Baez
General Manager


STAFF RECOMMENDATION

Staff recommends the Board support H.R. 2028 (Simpson, R-ID) and send a letter to the Orange County Congressional Delegation indicating our support position.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

H.R. 2028 is a $35.5 billion water and energy appropriations bill, one of a series of bills to fund the federal government, which includes the U.S. Army Corps of Engineers (USACE), the Department of Interior, Department of Energy (DOE) and independent agencies. It also includes a provision to block the proposed Waters of the United States (WOTUS) rule. This is an increase of $1.2 billion from 2015.

Under the legislation, DOE nuclear weapons programs would receive the single largest chunk of spending, at $12.3 billion, nearly $1 billion more than 2015. Other DOE energy programs are slated to receive about $10.3 billion, $64 million up from the previous year, with funding for fossil fuel and nuclear programs increased, while renewable energy

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Fiscal Impact (explain if unbudgeted):
programs will receive a funding cut. Scientific energy research would get $5.1 billion, a small increase.

The Army Corps of Engineers would get $5.6 billion for carrying out public works projects, about $140 million up from the previous year, with $5.9 billion to be set aside for federal environmental cleanup, most of which is intended to go toward remediating former Pentagon facilities.

The Bureau of Reclamation would get $1.1 billion, $35 million down from 2015, for water development and protection programs in Western states.

In addition to setting out funding levels, the legislation also includes several policy clauses, such as restrictions on making changes to the extent of federal jurisdiction and the definition of “fill material” under the Clean Water Act.

ARGUMENTS IN SUPPORT

H.R. 2028 includes many important water and flood protection projects that will directly benefit California. Appropriations include: California Bay-Delta, San Joaquin River Restoration Fund, Central Valley Project, WaterSMART Program, and Kesterson Reservoir in Merced County.

ARGUMENTS IN OPPOSITION

H.R. 2028 has been threatened with a veto, with the Obama Administration arguing that the bill would underfund "critical" investments in renewable energy and other emerging energy technologies, harm national nuclear strategy and promote wasteful spending on unnecessary civil works projects, as well as containing a number of “highly problematic” ideological riders, including some that could threaten access to clean water.

“As a result, it would put at risk U.S. competitiveness in new markets for clean energy industries such as advanced vehicles, advanced manufacturing, energy efficiency for homes and businesses, and domestic renewable energy such as wind, solar, and biomass,” the administration said.

COMMENTS

H.R. 2028 was approved by the House on 5/1/15 by a vote of 240-177 and will next go to the Senate where lawmakers have introduced a separate bill, S. 1140, directing the USACE and the U.S. Environmental Protection Agency (EPA) to revisit its plans for classifying the nation's waterways under WOTUS. S. 1140 was introduced on April 30, 2015 and no action has yet been taken.

The WOTUS rule to define the extent of streams, ponds, ditches and other features is now under final review at the Office of Management and Budget. Administration officials have promised lawmakers that a number of unspecified revisions have been made to address concerns raised about definitions in the rule.
Congressman David Valadao (R-CA) amended H.R. 2028 with language that sets specific deadlines for federal officials to complete water storage project feasibility studies. This would fast track the studies of a Shasta Dam expansion in Northern California and Temperance Flat dam construction east of Fresno. These studies would be due by Dec. 31, 2015. The studies of expanding Los Vaqueros Reservoir in Contra Costa County and constructing Sites Reservoir in the Sacramento Valley will be due Nov. 30, 2016. Finally a study of expanding San Luis Reservoir near Los Banos must be finished by Dec. 31, 2017.

Congressman Valadao argued that all of the studies were ordered more than ten years ago and if the studies had been completed in a timely manner, perhaps some construction could have been accomplished—thereby easing some of the issues related to the current drought.

H.R. 2028 also includes an amendment sponsored by Rep. Tom McClintock, (R-CA) that would block funding for the Bureau of Reclamation to buy water in order to meet California instream river water flow requirements. McClintock said that at a time of severe drought in the state, "squandering water" by dumping it into rivers in order to help young steelhead trout and other fish reach the Pacific Ocean would waste millions of dollars and make a mockery of California's water conservation efforts.

**DETAILED REPORT**

See bill language attached as a separate document.
AN ACT

Making appropriations for energy and water development and related agencies for the fiscal year ending September 30, 2016, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for energy and water development and related agencies for the fiscal year ending September 30, 2016, and for other purposes, namely:

**TITLE I—CORPS OF ENGINEERS—CIVIL**

**DEPARTMENT OF THE ARMY**

**CORPS OF ENGINEERS—CIVIL**

The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to river and harbor, flood and storm damage reduction, shore protection, aquatic ecosystem restoration, and related efforts.

**INVESTIGATIONS**

For expenses necessary where authorized by law for the collection and study of basic information pertaining to river and harbor, flood and storm damage reduction, shore protection, aquatic ecosystem restoration, and related needs; for surveys and detailed studies, and plans and specifications of proposed river and harbor, flood and storm damage reduction, shore protection, and aquatic ecosystem restoration projects, and related efforts prior to construction; for restudy of authorized projects; and for miscellaneous investigations, and, when authorized by law,
surveys and detailed studies, and plans and specifications
of projects prior to construction, $110,000,000 (increased
by $1,000,000), to remain available until expended.

CONSTRUCTION
For expenses necessary for the construction of river
and harbor, flood and storm damage reduction, shore pro-
tection, aquatic ecosystem restoration, and related
projects authorized by law; for conducting detailed studies,
and plans and specifications, of such projects (including
those involving participation by States, local governments,
or private groups) authorized or made eligible for selection
by law (but such detailed studies, and plans and specifica-
tions, shall not constitute a commitment of the Govern-
ment to construction); $1,631,000,000 (increased by
$3,000,000) (increased by $1,000,000) (reduced by
$10,000,000) (increased by $10,000,000), to remain avail-
able until expended; of which such sums as are necessary
to cover the Federal share of construction costs for facili-
ties under the Dredged Material Disposal Facilities pro-
gram shall be derived from the Harbor Maintenance Trust
Fund as authorized by Public Law 104–303; and of which
such sums as are necessary to cover one-half of the costs
of construction, replacement, rehabilitation, and expansion
of inland waterways projects shall be derived from the In-
land Waterways Trust Fund, except as otherwise specifically provided for in law.

MISSISSIPPI RIVER AND TRIBUTARIES

For expenses necessary for flood damage reduction projects and related efforts in the Mississippi River alluvial valley below Cape Girardeau, Missouri, as authorized by law, $275,000,000, to remain available until expended, of which such sums as are necessary to cover the Federal share of eligible operation and maintenance costs for inland harbors shall be derived from the Harbor Maintenance Trust Fund.

OPERATION AND MAINTENANCE

For expenses necessary for the operation, maintenance, and care of existing river and harbor, flood and storm damage reduction, aquatic ecosystem restoration, and related projects authorized by law; providing security for infrastructure owned or operated by the Corps, including administrative buildings and laboratories; maintaining harbor channels provided by a State, municipality, or other public agency that serve essential navigation needs of general commerce, where authorized by law; surveying and charting northern and northwestern lakes and connecting waters; clearing and straightening channels; and removing obstructions to navigation, $3,058,000,000 (increased by $36,306,000), to remain available until ex-
pended, of which such sums as are necessary to cover the
Federal share of eligible operation and maintenance costs
for coastal harbors and channels, and for inland harbors
shall be derived from the Harbor Maintenance Trust
Fund; of which such sums as become available from the
special account for the Corps of Engineers established by
the Land and Water Conservation Fund Act of 1965 shall
be derived from that account for resource protection, re-
search, interpretation, and maintenance activities related
to resource protection in the areas at which outdoor recre-
ation is available; and of which such sums as become avail-
able from fees collected under section 217 of Public Law
104–303 shall be used to cover the cost of operation and
maintenance of the dredged material disposal facilities for
which such fees have been collected: Provided, That 1 per-
cent of the total amount of funds provided for each of the
programs, projects, or activities funded under this heading
shall not be allocated to a field operating activity prior
to the beginning of the fourth quarter of the fiscal year
and shall be available for use by the Chief of Engineers
to fund such emergency activities as the Chief of Engi-
neers determines to be necessary and appropriate, and
that the Chief of Engineers shall allocate during the
fourth quarter any remaining funds which have not been
used for emergency activities proportionally in accordance
with the amounts provided for the programs, projects, or activities.

REGULATORY PROGRAM

For expenses necessary for administration of laws pertaining to regulation of navigable waters and wetlands, $200,000,000 (reduced by $424,000), to remain available until September 30, 2017.

FORMERLY UTILIZED SITES REMEDIAL ACTION PROGRAM

For expenses necessary to clean up contamination from sites in the United States resulting from work performed as part of the Nation’s early atomic energy program, $104,000,000, to remain available until expended.

FLOOD CONTROL AND COASTAL EMERGENCIES

For expenses necessary to prepare for flood, hurricane, and other natural disasters and support emergency operations, repairs, and other activities in response to such disasters as authorized by law, $34,000,000, to remain available until expended.

EXPENSES

For expenses necessary for the supervision and general administration of the civil works program in the headquarters of the Corps of Engineers and the offices of the Division Engineers; and for costs of management and operation of the Humphreys Engineer Center Support Activity, the Institute for Water Resources, the United States
Army Engineer Research and Development Center, and
the United States Army Corps of Engineers Finance Cen-
ter allocable to the civil works program, $180,000,000 (re-
duced by $1,000,000), to remain available until September
30, 2017, of which not to exceed $5,000 may be used for
official reception and representation purposes and only
during the current fiscal year: Provided, That no part of
any other appropriation provided in this title shall be
available to fund the civil works activities of the Office
of the Chief of Engineers or the civil works executive di-
rection and management activities of the division offices:
Provided further, That any Flood Control and Coastal
Emergencies appropriation may be used to fund the super-
vision and general administration of emergency oper-
ations, repairs, and other activities in response to any
flood, hurricane, or other natural disaster.

OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
FOR CIVIL WORKS

For the Office of the Assistant Secretary of the Army
for Civil Works as authorized by 10 U.S.C. 3016(b)(3),
$4,750,000 (increased by $30,000,000) (reduced by
$30,000,000), to remain available until September 30,
2017: Provided, That not more than 25 percent of such
amount may be obligated or expended until the Assistant
Secretary submits to the Committees on Appropriations
of both Houses of Congress a work plan that allocates at least 95 percent of the additional funding provided under each heading in this title (as designated under such heading in the report of the Committee on Appropriations accompanying this Act) to specific programs, projects, or activities.

GENERAL PROVISIONS—CORPS OF ENGINEERS—CIVIL

(INCLUDING TRANSFER OF FUNDS)

SEC. 101. (a) None of the funds provided in this title shall be available for obligation or expenditure through a reprogramming of funds that—

(1) creates or initiates a new program, project, or activity;

(2) eliminates a program, project, or activity;

(3) increases funds or personnel for any program, project, or activity for which funds have been denied or restricted by this Act;

(4) reduces funds that are directed to be used for a specific program, project, or activity by this Act;

(5) increases funds for any program, project, or activity by more than $2,000,000 or 10 percent, whichever is less; or
(6) reduces funds for any program, project, or activity by more than $2,000,000 or 10 percent, whichever is less.


(c) The Corps of Engineers shall submit reports on a quarterly basis to the Committees on Appropriations of both Houses of Congress detailing all the funds reprogrammed between programs, projects, activities, or categories of funding. The first quarterly report shall be submitted not later than 60 days after the date of enactment of this Act.

SEC. 102. None of the funds made available in this title may be used to award or modify any contract that commits funds beyond the amounts appropriated for that program, project, or activity that remain unobligated, ex-
cept that such amounts may include any funds that have been made available through reprogramming pursuant to section 101.

SEC. 103. The Secretary of the Army may transfer to the Fish and Wildlife Service, and the Fish and Wildlife Service may accept and expend, up to $4,700,000 of funds provided in this title under the heading “‘Operation and Maintenance’” to mitigate for fisheries lost due to Corps of Engineers projects.

SEC. 104. None of the funds made available in this or any other Act making appropriations for Energy and Water Development for any fiscal year may be used by the Corps of Engineers to develop, adopt, implement, administer, or enforce any change to the regulations in effect on October 1, 2012, pertaining to the definitions of the terms “fill material” or “discharge of fill material” for the purposes of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.).

SEC. 105. None of the funds made available in this or any other Act making appropriations for Energy and Water Development for any fiscal year may be used by the Corps of Engineers to develop, adopt, implement, administer, or enforce any change to the regulations and guidance in effect on October 1, 2012, pertaining to the definition of waters under the jurisdiction of the Federal

SEC. 106. None of the funds made available by this Act may be used to require a permit for the discharge of dredged or fill material under the Federal Water Pollution Control Act (33 U.S.C. 1251, et seq.) for the activities identified in subparagraphs (A) and (C) of section 404(f)(1) of the Act (33 U.S.C. 1344(f)(1)(A), (C)).

SEC. 107. As of the date of enactment of this Act and each fiscal year thereafter, the Secretary of the Army shall not promulgate or enforce any regulation that prohibits an individual from possessing a firearm, including an assembled or functional firearm, at a water resources development project covered under section 327.0 of title 36, Code of Federal Regulations (as in effect on the date of enactment of this Act), if—

(1) the individual is not otherwise prohibited by law from possessing the firearm; and

(2) the possession of the firearm is in compliance with the law of the State in which the water resources development project is located.
SEC. 108. No funds in this Act shall be used for an open lake placement alternative of dredged material, after evaluating the least costly, environmentally acceptable manner for the disposal or management of dredged material originating from Lake Erie or tributaries thereto, unless it is approved under a State water quality certification pursuant to 33 U.S.C. 1341.

TITLE II—DEPARTMENT OF THE INTERIOR

CENTRAL UTAH PROJECT

CENTRAL UTAH PROJECT COMPLETION ACCOUNT

For carrying out activities authorized by the Central Utah Project Completion Act, $9,874,000, to remain available until expended, of which $1,000,000 shall be deposited into the Utah Reclamation Mitigation and Conservation Account for use by the Utah Reclamation Mitigation and Conservation Commission: Provided, That of the amount provided under this heading, $1,300,000 shall be available until September 30, 2017, for expenses necessary in carrying out related responsibilities of the Secretary of the Interior: Provided further, That for fiscal year 2016, of the amount made available to the Commission under this Act or any other Act, the Commission may use an amount not to exceed $1,500,000 for administrative expenses.
The following appropriations shall be expended to execute authorized functions of the Bureau of Reclamation:

WATER AND RELATED RESOURCES
(INCLUDING TRANSFERS OF FUNDS)

For management, development, and restoration of water and related natural resources and for related activities, including the operation, maintenance, and rehabilitation of reclamation and other facilities, participation in fulfilling related Federal responsibilities to Native Americans, and related grants to, and cooperative and other agreements with, State and local governments, federally recognized Indian tribes, and others, $948,640,000 (increased by $2,000,000), to remain available until expended, of which $22,000 shall be available for transfer to the Upper Colorado River Basin Fund and $5,899,000 shall be available for transfer to the Lower Colorado River Basin Development Fund; of which such amounts as may be necessary may be advanced to the Colorado River Dam Fund: Provided, That such transfers may be increased or decreased within the overall appropriation under this heading: Provided further, That of the total appropriated, the amount for program activities that can be financed by the Reclamation Fund or the Bureau of Reclamation...
special fee account established by 16 U.S.C. 6806 shall be derived from that Fund or account: Provided further, that funds contributed under 43 U.S.C. 395 are available until expended for the purposes for which the funds were contributed: Provided further, that funds advanced under 43 U.S.C. 397a shall be credited to this account and are available until expended for the same purposes as the sums appropriated under this heading: Provided further, that of the amounts provided herein, funds may be used for high-priority projects which shall be carried out by the Youth Conservation Corps, as authorized by 16 U.S.C. 1706.

CENTRAL VALLEY PROJECT RESTORATION FUND

For carrying out the programs, projects, plans, habitat restoration, improvement, and acquisition provisions of the Central Valley Project Improvement Act, $49,528,000, to be derived from such sums as may be collected in the Central Valley Project Restoration Fund pursuant to sections 3407(d), 3404(c)(3), and 3405(f) of Public Law 102–575, to remain available until expended: Provided, that the Bureau of Reclamation is directed to assess and collect the full amount of the additional mitigation and restoration payments authorized by section 3407(d) of Public Law 102–575: Provided further, that none of the funds made available under this heading may be used for
the acquisition or leasing of water for in-stream purposes if the water is already committed to in-stream purposes by a court adopted decree or order.

CALIFORNIA BAY-DELTA RESTORATION (INCLUDING TRANSFERS OF FUNDS)

For carrying out activities authorized by the Water Supply, Reliability, and Environmental Improvement Act, consistent with plans to be approved by the Secretary of the Interior, $37,000,000, to remain available until expended, of which such amounts as may be necessary to carry out such activities may be transferred to appropriate accounts of other participating Federal agencies to carry out authorized purposes: Provided, That funds appropriated herein may be used for the Federal share of the costs of CALFED Program management: Provided further, That CALFED implementation shall be carried out in a balanced manner with clear performance measures demonstrating concurrent progress in achieving the goals and objectives of the Program.

POLICY AND ADMINISTRATION

For expenses necessary for policy, administration, and related functions in the Office of the Commissioner, the Denver office, and offices in the five regions of the Bureau of Reclamation, to remain available until September 30, 2017, $59,500,000, to be derived from the
Reclamation Fund and be nonreimbursable as provided in 43 U.S.C. 377: Provided, That not more than 25 percent of such amount may be obligated or expended until Reclamation complies with congressional and statutory direction related to Technical Memorandum 8140–CC–2004–1 (“Corrosion Considerations for Buried Metallic Water Pipe”) and the associated pipeline reliability study: Provided further, That no part of any other appropriation in this Act shall be available for activities or functions budgeted as policy and administration expenses.

ADMINISTRATIVE PROVISION

Appropriations for the Bureau of Reclamation shall be available for purchase of not to exceed five passenger motor vehicles, which are for replacement only.

GENERAL PROVISIONS—DEPARTMENT OF THE INTERIOR

SEC. 201. (a) None of the funds provided in this title shall be available for obligation or expenditure through a reprogramming of funds that—

(1) creates or initiates a new program, project, or activity;

(2) eliminates a program, project, or activity;

(3) increases funds for any program, project, or activity for which funds have been denied or restricted by this Act;
(4) restarts or resumes any program, project or activity for which funds are not provided in this Act, unless prior approval is received from the Committees on Appropriations of both Houses of Congress;

(5) transfers funds in excess of the following limits—

(A) 15 percent for any program, project or activity for which $2,000,000 or more is available at the beginning of the fiscal year; or

(B) $300,000 for any program, project or activity for which less than $2,000,000 is available at the beginning of the fiscal year;

(6) transfers more than $500,000 from either the Facilities Operation, Maintenance, and Rehabilitation category or the Resources Management and Development category to any program, project, or activity in the other category; or

(7) transfers, when necessary to discharge legal obligations of the Bureau of Reclamation, more than $5,000,000 to provide adequate funds for settled contractor claims, increased contractor earnings due to accelerated rates of operations, and real estate deficiency judgments.
(b) Subsection (a)(5) shall not apply to any transfer of funds within the Facilities Operation, Maintenance, and Rehabilitation category.

(c) For purposes of this section, the term “transfer” means any movement of funds into or out of a program, project, or activity.

(d) The Bureau of Reclamation shall submit reports on a quarterly basis to the Committees on Appropriations of both Houses of Congress detailing all the funds reprogrammed between programs, projects, activities, or categories of funding. The first quarterly report shall be submitted not later than 60 days after the date of enactment of this Act.

SEC. 202. (a) None of the funds appropriated or otherwise made available by this Act may be used to determine the final point of discharge for the interceptor drain for the San Luis Unit until development by the Secretary of the Interior and the State of California of a plan, which shall conform to the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters.

(b) The costs of the Kesterson Reservoir Cleanup Program and the costs of the San Joaquin Valley Drainage Program shall be classified by the Secretary of the
Interior as reimbursable or nonreimbursable and collected until fully repaid pursuant to the “Cleanup Program—Alternative Repayment Plan” and the “SJVDP—Alternative Repayment Plan” described in the report entitled “Repayment Report, Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program, February 1995”, prepared by the Department of the Interior, Bureau of Reclamation. Any future obligations of funds by the United States relating to, or providing for, drainage service or drainage studies for the San Luis Unit shall be fully reimbursable by San Luis Unit beneficiaries of such service or studies pursuant to Federal reclamation law.

SEC. 203. The Secretary of the Interior, acting through the Commissioner of Reclamation, shall—

(1) complete the feasibility studies described in clauses (i)(I) and (ii)(II) of section 103(d)(1)(A) of Public Law 108–361 (118 Stat. 1684) and submit such studies to the appropriate committees of the House of Representatives and the Senate not later than December 31, 2015;

(2) complete the feasibility studies described in clauses (i)(II) and (ii)(I) of section 103(d)(1)(A) of Public Law 108–361 and submit such studies to the appropriate committees of the House of Representa-
tives and the Senate not later than November 30, 2016;

(3) complete the feasibility study described in section 103(f)(1)(A) of Public Law 108–361 (118 Stat. 1694) and submit such study to the appropriate committees of the House of Representatives and the Senate not later than December 31, 2017; and

(4) provide a progress report on the status of the feasibility studies referred to in paragraphs (1) through (3) to the appropriate committees of the House of Representatives and the Senate not later than 90 days after the date of the enactment of this Act and each 180 days thereafter until December 31, 2017, as applicable. The report shall include timelines for study completion, draft environmental impact statements, final environmental impact statements, and Records of Decision.

TITLE III—DEPARTMENT OF ENERGY

ENERGY PROGRAMS

ENERGY EFFICIENCY AND RENEWABLE ENERGY

For Department of Energy expenses including the purchase, construction, and acquisition of plant and capital equipment, and other expenses necessary for energy efficiency and renewable energy activities in carrying out
the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, $1,657,774,000 (reduced by $4,000,000) (increased by $4,000,000) (increased by $9,000,000) (increased by $2,000,000), to remain available until expended: Provided, That of such amount, $150,000,000 shall be available until September 30, 2017, for program direction.

ELECTRICITY DELIVERY AND ENERGY RELIABILITY

For Department of Energy expenses including the purchase, construction, and acquisition of plant and capital equipment, and other expenses necessary for electricity delivery and energy reliability activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, $187,500,000, to remain available until expended: Provided, That of such amount, $27,000,000 shall be available until September 30, 2017, for program direction.

NUCLEAR ENERGY

For Department of Energy expenses including the purchase, construction, and acquisition of plant and capital equipment, and other expenses necessary for nuclear
energy activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, $936,161,000, to remain available until expended: Provided, That of such amount, $80,000,000 shall be available until September 30, 2017, for program direction including official reception and representation expenses not to exceed $10,000.

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

For Department of Energy expenses necessary in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition of interest, including defeasible and equitable interests in any real property or any facility or for plant or facility acquisition or expansion, and for conducting inquiries, technological investigations and research concerning the extraction, processing, use, and disposal of mineral substances without objectionable social and environmental costs (30 U.S.C. 3, 1602, and 1603), $605,000,000, to remain available until expended: Provided, That of such amount $120,000,000 shall be available until September 30, 2017, for program direction.
NAVAL PETROLEUM AND OIL SHALE RESERVES

For Department of Energy expenses necessary to carry out naval petroleum and oil shale reserve activities, $17,500,000, to remain available until expended: Provided, That, notwithstanding any other provision of law, unobligated funds remaining from prior years shall be available for all naval petroleum and oil shale reserve activities.

STRATEGIC PETROLEUM RESERVE

For Department of Energy expenses necessary for Strategic Petroleum Reserve facility development and operations and program management activities pursuant to the Energy Policy and Conservation Act (42 U.S.C. 6201 et seq.), $212,030,000, to remain available until expended.

NORTHEAST HOME HEATING OIL RESERVE

For Department of Energy expenses necessary for Northeast Home Heating Oil Reserve storage, operation, and management activities pursuant to the Energy Policy and Conservation Act (42 U.S.C. 6201 et seq.), $7,600,000, to remain available until expended.

ENERGY INFORMATION ADMINISTRATION

For Department of Energy expenses necessary in carrying out the activities of the Energy Information Administration, $117,000,000, to remain available until expended.
NON-DEFENSE ENVIRONMENTAL CLEANUP

For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other expenses necessary for non-defense environmental cleanup activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, $229,193,000, to remain available until expended.

URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND

For Department of Energy expenses necessary in carrying out uranium enrichment facility decontamination and decommissioning, remedial actions, and other activities of title II of the Atomic Energy Act of 1954, and title X, subtitle A, of the Energy Policy Act of 1992, $625,000,000, to be derived from the Uranium Enrichment Decontamination and Decommissioning Fund, to remain available until expended, of which $32,959,000 shall be available in accordance with title X, subtitle A, of the Energy Policy Act of 1992.

SCIENCE

For Department of Energy expenses including the purchase, construction, and acquisition of plant and cap-
ital equipment, and other expenses necessary for science activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or facility or for plant or facility acquisition, construction, or expansion, and purchase of not more than 17 passenger motor vehicles for replacement only, including one ambulance and one bus, $5,100,000,000, to remain available until expended: Provided, That of such amount, $181,000,000 shall be available until September 30, 2017, for program direction.

NUCLEAR WASTE DISPOSAL

For nuclear waste disposal activities to carry out the purposes of the Nuclear Waste Policy Act of 1982 (Public Law 97–425), including the acquisition of real property or facility construction or expansion, $150,000,000, to remain available until expended, and to be derived from the Nuclear Waste Fund: Provided, That of the amount provided under this heading, $5,000,000 shall be made available to affected units of local government, as defined in section 2(31) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101(31)), to support the Yucca Mountain geologic repository, as authorized by such Act.
ADVANCED RESEARCH PROJECTS AGENCY—ENERGY

For Department of Energy expenses necessary in carrying out the activities authorized by section 5012 of the America COMPETES Act (Public Law 110–69), $280,000,000, to remain available until expended: Provided, That of such amount $28,000,000 shall be available until September 30, 2017, for program direction.

TITLE 17 INNOVATIVE TECHNOLOGY LOAN GUARANTEE PROGRAM

Such sums as are derived from amounts received from borrowers pursuant to section 1702(b) of the Energy Policy Act of 2005 under this heading in prior Acts, shall be collected in accordance with section 502(7) of the Congressional Budget Act of 1974: Provided, That, for necessary administrative expenses to carry out this Loan Guarantee program, $42,000,000 is appropriated, to remain available until September 30, 2017: Provided further, That $25,000,000 of the fees collected pursuant to section 1702(h) of the Energy Policy Act of 2005 shall be credited as offsetting collections to this account to cover administrative expenses and shall remain available until expended, so as to result in a final fiscal year 2016 appropriation from the general fund estimated at not more than $17,000,000: Provided further, That fees collected under section 1702(h) in excess of the amount appropriated for
administrative expenses shall not be available until appropriated: Provided further, That the Department of Energy shall not subordinate any loan obligation to other financing in violation of section 1702 of the Energy Policy Act of 2005 or subordinate any Guaranteed Obligation to any loan or other debt obligations in violation of section 609.10 of title 10, Code of Federal Regulations.

ADVANCED TECHNOLOGY VEHICLES MANUFACTURING LOAN PROGRAM

For Department of Energy administrative expenses necessary in carrying out the Advanced Technology Vehicles Manufacturing Loan Program, $6,000,000, to remain available until September 30, 2017.

DEPARTMENTAL ADMINISTRATION

For salaries and expenses of the Department of Energy necessary for departmental administration in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), $247,420,000 (reduced by $1,000,000) (reduced by $3,000,000) (reduced by $36,720,000) (reduced by $2,000,000) (reduced by $9,000,000) (reduced by $2,000,000) (reduced by $1,000,000) (increased by $1,000,000), to remain available until September 30, 2017, including the hire of passenger motor vehicles and official reception and representation expenses not to exceed $30,000, plus such addi-
tional amounts as necessary to cover increases in the estimated amount of cost of work for others notwithstanding the provisions of the Anti-Deficiency Act (31 U.S.C. 1511 et seq.): Provided, That such increases in cost of work are offset by revenue increases of the same or greater amount: Provided further, That moneys received by the Department for miscellaneous revenues estimated to total $117,171,000 in fiscal year 2016 may be retained and used for operating expenses within this account, as authorized by section 201 of Public Law 95–238, notwithstanding the provisions of 31 U.S.C. 3302: Provided further, That the sum herein appropriated shall be reduced as collections are received during the fiscal year so as to result in a final fiscal year 2016 appropriation from the general fund estimated at not more than $130,249,000: Provided further, That of the total amount made available under this heading, $31,297,000 is for Energy Policy and Systems Analysis.

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, $46,000,000 (increased by $424,000), to remain available until September 30, 2017.
ATOMIC ENERGY DEFENSE ACTIVITIES

NATIONAL NUCLEAR SECURITY ADMINISTRATION

WEAPONS ACTIVITIES

For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other incidental expenses necessary for atomic energy defense weapons activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, $8,713,000,000, to remain available until expended: Provided, That $92,000,000 shall be available until September 30, 2017, for program direction.

DEFENSE NUCLEAR NONPROLIFERATION

(INCLUDING RESCISSION OF FUNDS)

For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other incidental expenses necessary for defense nuclear nonproliferation activities, in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion,
$1,918,000,000 (reduced by $13,802,000) (increased by $10,000,000) (increased by $3,802,000), to remain available until expended: Provided, That funds provided by this Act for Project 99–D–143, Mixed Oxide Fuel Fabrication Facility, and by prior Acts that remain unobligated for such Project, may be made available only for construction and program support activities for such Project. Provided further, That of the unobligated balances from prior year appropriations available under this heading, $10,394,000 is hereby rescinded: Provided further, That no amounts may be rescinded from amounts that were designated by the Congress as an emergency requirement pursuant to a concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985.

NAVAL REACTORS

For Department of Energy expenses necessary for naval reactors activities to carry out the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition (by purchase, condemnation, construction, or otherwise) of real property, plant, and capital equipment, facilities, and facility expansion, $1,320,394,000 (increased by $2,426,400), to remain available until expended: Provided, That $43,500,000 shall be available until September 30, 2017, for program direction.
FEDERAL SALARIES AND EXPENSES

For expenses necessary for Federal Salaries and Expenses in the National Nuclear Security Administration, $388,000,000 (reduced by $2,500,000), to remain available until September 30, 2017, including official reception and representation expenses not to exceed $12,000.

ENVIRONMENTAL AND OTHER DEFENSE ACTIVITIES

DEFENSE ENVIRONMENTAL CLEANUP

For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other expenses necessary for atomic energy defense environmental cleanup activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, and the purchase of not to exceed one fire apparatus pumper truck and one armored vehicle for replacement only, $5,055,550,000, to remain available until expended: Provided, That of such amount $281,951,000 shall be available until September 30, 2017, for program direction.
DEFENSE URANIUM ENRICHMENT DECONTAMINATION
AND DECOMMISSIONING
(INCLUDING TRANSFER OF FUNDS)

For an additional amount for atomic energy defense
environmental cleanup activities for Department of En-
ergy contributions for uranium enrichment decontamina-
tion and decommissioning activities, $471,797,000, to be
deposited into the Defense Environmental Cleanup ac-
count which shall be transferred to the ‘‘Uranium Enrich-
ment Decontamination and Decommissioning Fund’’.

OTHER DEFENSE ACTIVITIES

For Department of Energy expenses, including the
purchase, construction, and acquisition of plant and cap-
ital equipment and other expenses, necessary for atomic
energy defense, other defense activities, and classified ac-
tivities, in carrying out the purposes of the Department
of Energy Organization Act (42 U.S.C. 7101 et seq.), in-
cluding the acquisition or condemnation of any real prop-
erty or any facility or for plant or facility acquisition, con-
struction, or expansion, $767,570,000, to remain available
until expended: Provided, That of such amount,
$253,729,000 shall be available until September 30, 2017,
for program direction.
POWER MARKETING ADMINISTRATIONS

BONNEVILLE POWER ADMINISTRATION FUND

Expenditures from the Bonneville Power Administration Fund, established pursuant to Public Law 93–454, are approved for the Shoshone Paiute Trout Hatchery, the Spokane Tribal Hatchery, the Snake River Sockeye Weirs and, in addition, for official reception and representation expenses in an amount not to exceed $5,000: Provided, That during fiscal year 2016, no new direct loan obligations may be made.

OPERATION AND MAINTENANCE, SOUTHEASTERN POWER ADMINISTRATION

For expenses necessary for operation and maintenance of power transmission facilities and for marketing electric power and energy, including transmission wheeling and ancillary services, pursuant to section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southeastern power area, $6,900,000, including official reception and representation expenses in an amount not to exceed $1,500, to remain available until expended: Provided, That notwithstanding 31 U.S.C. 3302 and section 5 of the Flood Control Act of 1944, up to $6,900,000 collected by the Southeastern Power Administration from the sale of power and related services shall be credited to this account as discretionary offsetting collections, to remain...
available until expended for the sole purpose of funding the annual expenses of the Southeastern Power Administration: Provided further, That the sum herein appropriated for annual expenses shall be reduced as collections are received during the fiscal year so as to result in a final fiscal year 2016 appropriation estimated at not more than $0: Provided further, That, notwithstanding 31 U.S.C. 3302, up to $66,500,000 collected by the Southeastern Power Administration pursuant to the Flood Control Act of 1944 to recover purchase power and wheeling expenses shall be credited to this account as offsetting collections, to remain available until expended for the sole purpose of making purchase power and wheeling expenditures: Provided further, That for purposes of this appropriation, annual expenses means expenditures that are generally recovered in the same year that they are incurred (excluding purchase power and wheeling expenses).

OPERATION AND MAINTENANCE, SOUTHWESTERN POWER ADMINISTRATION

For expenses necessary for operation and maintenance of power transmission facilities and for marketing electric power and energy, for construction and acquisition of transmission lines, substations and appurtenant facilities, and for administrative expenses, including official reception and representation expenses in an amount not to
exceed $1,500 in carrying out section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the Southwestern Power Administration, $47,361,000, to remain available until expended: Provided, That notwithstanding 31 U.S.C. 3302 and section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), up to $35,961,000 collected by the Southwestern Power Administration from the sale of power and related services shall be credited to this account as discretionary offsetting collections, to remain available until expended, for the sole purpose of funding the annual expenses of the Southwestern Power Administration: Provided further, That the sum herein appropriated for annual expenses shall be reduced as collections are received during the fiscal year so as to result in a final fiscal year 2016 appropriation estimated at not more than $11,400,000: Provided further, That, notwithstanding 31 U.S.C. 3302, up to $63,000,000 collected by the Southwestern Power Administration pursuant to the Flood Control Act of 1944 to recover purchase power and wheeling expenses shall be credited to this account as offsetting collections, to remain available until expended for the sole purpose of making purchase power and wheeling expenditures: Provided further, That, for purposes of this appropriation, annual expenses means expenditures that
are generally recovered in the same year that they are incurred (excluding purchase power and wheeling expenses).

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION

For carrying out the functions authorized by title III, section 302(a)(1)(E) of the Act of August 4, 1977 (42 U.S.C. 7152), and other related activities including conservation and renewable resources programs as authorized, $307,714,000, including official reception and representation expenses in an amount not to exceed $1,500, to remain available until expended, of which $302,000,000 shall be derived from the Department of the Interior Reclamation Fund: Provided, That notwithstanding 31 U.S.C. 3302, section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), and section 1 of the Interior Department Appropriation Act, 1939 (43 U.S.C. 392a), up to $214,342,000 collected by the Western Area Power Administration from the sale of power and related services shall be credited to this account as discretionary offsetting collections, to remain available until expended, for the sole purpose of funding the annual expenses of the Western Area Power Administration: Provided further, That the sum herein appropriated for annual expenses shall be reduced as collections are received during the fiscal year so
as to result in a final fiscal year 2016 appropriation estimated at not more than $93,372,000, of which $87,658,000 is derived from the Reclamation Fund: Provided further, That, notwithstanding 31 U.S.C. 3302, up to $352,813,000 collected by the Western Area Power Administration pursuant to the Flood Control Act of 1944 and the Reclamation Project Act of 1939 to recover purchase power and wheeling expenses shall be credited to this account as offsetting collections, to remain available until expended for the sole purpose of making purchase power and wheeling expenditures: Provided further, That, for purposes of this appropriation, annual expenses means expenditures that are generally recovered in the same year that they are incurred (excluding purchase power and wheeling expenses).

FALCON AND AMISTAD OPERATING AND MAINTENANCE FUND

For operation, maintenance, and emergency costs for the hydroelectric facilities at the Falcon and Amistad Dams, $4,490,000, to remain available until expended, and to be derived from the Falcon and Amistad Operating and Maintenance Fund of the Western Area Power Administration, as provided in section 2 of the Act of June 18, 1954 (68 Stat. 255): Provided, That notwithstanding the provisions of that Act and of 31 U.S.C. 3302, up to
$4,262,000 collected by the Western Area Power Administration from the sale of power and related services from the Falcon and Amistad Dams shall be credited to this account as discretionary offsetting collections, to remain available until expended for the sole purpose of funding the annual expenses of the hydroelectric facilities of these Dams and associated Western Area Power Administration activities: Provided further, That the sum herein appropriated for annual expenses shall be reduced as collections are received during the fiscal year so as to result in a final fiscal year 2016 appropriation estimated at not more than $228,000: Provided further, That for purposes of this appropriation, annual expenses means expenditures that are generally recovered in the same year that they are incurred: Provided further, That for fiscal year 2016, the Administrator of the Western Area Power Administration may accept up to $460,000 in funds contributed by United States power customers of the Falcon and Amistad Dams for deposit into the Falcon and Amistad Operating and Maintenance Fund, and such funds shall be available for the purpose for which contributed in like manner as if said sums had been specifically appropriated for such purpose: Provided further, That any such funds shall be available without further appropriation and without fiscal year limitation for use by the Commissioner of the United States
Section of the International Boundary and Water Commission for the sole purpose of operating, maintaining, repairing, rehabilitating, replacing, or upgrading the hydroelectric facilities at these Dams in accordance with agreements reached between the Administrator, Commissioner, and the power customers.

Federal Energy Regulatory Commission

Salaries and Expenses

For expenses necessary for the Federal Energy Regulatory Commission to carry out the provisions of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including services as authorized by 5 U.S.C. 3109, official reception and representation expenses not to exceed $3,000, and the hire of passenger motor vehicles, $319,800,000, to remain available until expended: Provided, That notwithstanding any other provision of law, not to exceed $319,800,000 of revenues from fees and annual charges, and other services and collections in fiscal year 2016 shall be retained and used for expenses necessary in this account, and shall remain available until expended: Provided further, That the sum herein appropriated from the general fund shall be reduced as revenues are received during fiscal year 2016 so as to result in a final fiscal year 2016 appropriation from the general fund estimated at not more than $0.
GENERAL PROVISIONS—DEPARTMENT OF ENERGY

(INCLUDING TRANSFER AND RESCISSIONS OF FUNDS)

SEC. 301. (a) No appropriation, funds, or authority made available by this title for the Department of Energy shall be used to initiate or resume any program, project, or activity or to prepare or initiate Requests For Proposals or similar arrangements (including Requests for Quotations, Requests for Information, and Funding Opportunity Announcements) for a program, project, or activity if the program, project, or activity has not been funded by Congress.

(b)(1) Unless the Secretary of Energy notifies the Committees on Appropriations of both Houses of Congress at least 3 full business days in advance, none of the funds made available in this title may be used to—

(A) make a grant allocation or discretionary grant award totaling $1,000,000 or more;

(B) make a discretionary contract award or Other Transaction Agreement totaling $1,000,000 or more, including a contract covered by the Federal Acquisition Regulation;

(C) issue a letter of intent to make an allocation, award, or Agreement in excess of the limits in subparagraph (A) or (B); or
(D) announce publicly the intention to make an allocation, award, or Agreement in excess of the limits in subparagraph (A) or (B).

(2) The Secretary of Energy shall submit to the Committees on Appropriations of both Houses of Congress within 15 days of the conclusion of each quarter a report detailing each grant allocation or discretionary grant award totaling less than $1,000,000 provided during the previous quarter.

(3) The notification required by paragraph (1) and the report required by paragraph (2) shall include the recipient of the award, the amount of the award, the fiscal year for which the funds for the award were appropriated, the account and program, project, or activity from which the funds are being drawn, the title of the award, and a brief description of the activity for which the award is made.

(c) The Department of Energy may not, with respect to any program, project, or activity that uses budget authority made available in this title under the heading “Department of Energy—Energy Programs”, enter into a multiyear contract, award a multiyear grant, or enter into a multiyear cooperative agreement unless—
(1) the contract, grant, or cooperative agreement is funded for the full period of performance as anticipated at the time of award; or

(2) the contract, grant, or cooperative agreement includes a clause conditioning the Federal Government’s obligation on the availability of future year budget authority and the Secretary notifies the Committees on Appropriations of both Houses of Congress at least 3 days in advance.

(d) Except as provided in subsections (e), (f), and (g), the amounts made available by this title shall be expended as authorized by law for the programs, projects, and activities specified in the “Bill” column in the “Department of Energy” table included under the heading “Title III—Department of Energy” in the report of the Committee on Appropriations accompanying this Act.

(e) The amounts made available by this title may be reprogrammed for any program, project, or activity, and the Department shall notify the Committees on Appropriations of both Houses of Congress at least 30 days prior to the use of any proposed reprogramming that would cause any program, project, or activity funding level to increase or decrease by more than $5,000,000 or 10 percent, whichever is less, during the time period covered by this Act.
(f) None of the funds provided in this title shall be available for obligation or expenditure through a re-programming of funds that—

(1) creates, initiates, or eliminates a program, project, or activity;

(2) increases funds or personnel for any program, project, or activity for which funds are denied or restricted by this Act; or

(3) reduces funds that are directed to be used for a specific program, project, or activity by this Act.

(g)(1) The Secretary of Energy may waive any requirement or restriction in this section that applies to the use of funds made available for the Department of Energy if compliance with such requirement or restriction would pose a substantial risk to human health, the environment, welfare, or national security.

(2) The Secretary of Energy shall notify the Committees on Appropriations of both Houses of Congress of any waiver under paragraph (1) as soon as practicable, but not later than 3 days after the date of the activity to which a requirement or restriction would otherwise have applied. Such notice shall include an explanation of the substantial risk under paragraph (1) that permitted such waiver.
SEC. 302. The unexpended balances of prior appropri- 
ations provided for activities in this Act may be avail-
able to the same appropriation accounts for such activities 
established pursuant to this title. Available balances may 
be merged with funds in the applicable established ac-
counts and thereafter may be accounted for as one fund 
for the same time period as originally enacted.

SEC. 303. Funds appropriated by this or any other 
Act, or made available by the transfer of funds in this 
Act, for intelligence activities are deemed to be specifically 
authorized by the Congress for purposes of section 504 
of the National Security Act of 1947 (50 U.S.C. 414) dur-
ing fiscal year 2016 until the enactment of the Intelligence 

SEC. 304. None of the funds made available in this 
title shall be used for the construction of facilities classi-
fied as high-hazard nuclear facilities under 10 CFR Part 
830 unless independent oversight is conducted by the Of-
office of Independent Enterprise Assessments to ensure the 
project is in compliance with nuclear safety requirements.

SEC. 305. None of the funds made available in this 
title may be used to approve critical decision-2 or critical 
decision-3 under Department of Energy Order 413.3B, or 
any successive departmental guidance, for construction 
projects where the total project cost exceeds
$100,000,000, until a separate independent cost estimate has been developed for the project for that critical decision.

SEC. 306. Notwithstanding section 301(c) of this Act, none of the funds made available under the heading “Department of Energy—Energy Programs—Science” may be used for a multiyear contract, grant, cooperative agreement, or Other Transaction Agreement of $1,000,000 or less unless the contract, grant, cooperative agreement, or Other Transaction Agreement is funded for the full period of performance as anticipated at the time of award.

SEC. 307. (a) None of the funds made available in this or any prior Act under the heading “Defense Nuclear Nonproliferation” may be made available to enter into new contracts with, or new agreements for Federal assistance to, the Russian Federation.

(b) The Secretary of Energy may waive the prohibition in subsection (a) if the Secretary determines that such activity is in the national security interests of the United States. This waiver authority may not be delegated.

(c) A waiver under subsection (b) shall not be effective until 15 days after the date on which the Secretary submits to the Committees on Appropriations of both
Houses of Congress, in classified form if necessary, a report on the justification for the waiver.

SEC. 308. (a) NOTIFICATION OF STRATEGIC PETROLEUM RESERVE DRAWDOWN.—None of the funds made available by this Act or any prior Act, or funds made available in the SPR Petroleum Account, may be used to conduct a drawdown (including a test drawdown) and sale or exchange of petroleum products from the Strategic Petroleum Reserve unless the Secretary of Energy provides notice, in accordance with subsection (b), of such exchange, or drawdown (including a test drawdown) to the Committees on Appropriations of both Houses of Congress.

(b)(1) CONTENT OF NOTIFICATION.—The notification required under subsection (a) shall include at a minimum—

(A) the justification for the drawdown or exchange, including—

(i) a specific description of any obligation under international energy agreements; and

(ii) in the case of a test drawdown, the specific aspects of the Strategic Petroleum Reserve to be tested;

(B) the provisions of law (including regulations) authorizing the drawdown or exchange;
(C) the number of barrels of petroleum products proposed to be withdrawn or exchanged;

(D) the location of the Strategic Petroleum Reserve site or sites from which the petroleum products are proposed to be withdrawn;

(E) a good faith estimate of the expected proceeds from the sale of the petroleum products;

(F) an estimate of the total inventories of petroleum products in the Strategic Petroleum Reserve after the anticipated drawdown;

(G) a detailed plan for disposition of the proceeds after deposit into the SPR Petroleum Account; and

(H) a plan for refilling the Strategic Petroleum Reserve, including whether the acquisition will be of the same or a different petroleum product.

(2) TIMING OF NOTIFICATION.—The Secretary shall provide the notification required under subsection (a)—

(A) in the case of an exchange or a drawdown, as soon as practicable after the exchange or drawdown has occurred; and

(B) in the case of a test drawdown, not later than 30 days prior to the test drawdown.
(c) **Post-Sale Notification.**—In addition to reporting requirements under other provisions of law, the Secretary shall, upon the execution of all contract awards associated with a competitive sale of petroleum products, notify the Committees on Appropriations of both Houses of Congress of the actual value of the proceeds from the sale.

(d)(1) **New Regional Reserves.**—The Secretary may not establish any new regional petroleum product reserve unless funding for the proposed regional petroleum product reserve is explicitly requested in advance in an annual budget submission and approved by the Congress in an appropriations Act.

(2) The budget request or notification shall include—

(A) the justification for the new reserve;

(B) a cost estimate for the establishment, operation, and maintenance of the reserve, including funding sources;

(C) a detailed plan for operation of the reserve, including the conditions upon which the products may be released;

(D) the location of the reserve; and

(E) the estimate of the total inventory of the reserve.
SEC. 309. Of the amounts made available by this Act for “National Nuclear Security Administration—Weapons Activities”, up to $50,000,000 may be reprogrammed within such account for Domestic Uranium Enrichment, subject to the notice requirement in section 301(e).

SEC. 310. (a) Unobligated balances available from appropriations for fiscal years 2005 through 2010 are hereby permanently rescinded from the following accounts of the Department of Energy in the specified amounts:

6. “Power Marketing Administrations—Construction, Rehabilitation, Operation and Maintenance, Western Area Power Administration”, $4,832,000.

(b) No amounts may be rescinded by this section from amounts that were designated by the Congress as an emergency requirement pursuant to a concurrent reso-
TITLE IV—INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

For expenses necessary to carry out the programs authorized by the Appalachian Regional Development Act of 1965, notwithstanding 40 U.S.C. 14704, and for expenses necessary for the Federal Co-Chairman and the Alternate on the Appalachian Regional Commission, for payment of the Federal share of the administrative expenses of the Commission, including services as authorized by 5 U.S.C. 3109, and hire of passenger motor vehicles, $95,000,000, to remain available until expended.

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SALARIES AND EXPENSES

For expenses necessary for the Defense Nuclear Facilities Safety Board in carrying out activities authorized by the Atomic Energy Act of 1954, as amended by Public Law 100–456, section 1441, $29,900,000, to remain available until September 30, 2017.

DELTA REGIONAL AUTHORITY

SALARIES AND EXPENSES

For expenses necessary for the Delta Regional Authority and to carry out its activities, as authorized by the Delta Regional Authority Act of 2000, notwith-
standing sections 382C(b)(2), 382F(d), 382M, and 382N of said Act, $12,000,000, to remain available until expended.

**DENALI COMMISSION**

For expenses necessary for the Denali Commission including the purchase, construction, and acquisition of plant and capital equipment as necessary and other expenses, $10,000,000, to remain available until expended, notwithstanding the limitations contained in section 306(g) of the Denali Commission Act of 1998: Provided, That funds shall be available for construction projects in an amount not to exceed 80 percent of total project cost for distressed communities, as defined by section 307 of the Denali Commission Act of 1998 (division C, title III, Public Law 105–277), as amended by section 701 of appendix D, title VII, Public Law 106–113 (113 Stat. 1501A–280), and an amount not to exceed 50 percent for non-distressed communities.

**NORTHERN BORDER REGIONAL COMMISSION**

For expenses necessary for the Northern Border Regional Commission in carrying out activities authorized by subtitle V of title 40, United States Code, $3,000,000, to remain available until expended: Provided, That such amounts shall be available for administrative expenses,
notwithstanding section 15751(b) of title 40, United States Code.

SOUTHEAST CRESCENT REGIONAL COMMISSION

For expenses necessary for the Southeast Crescent Regional Commission in carrying out activities authorized by subtitle V of title 40, United States Code, $250,000, to remain available until expended.

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

For expenses necessary for the Commission in carrying out the purposes of the Energy Reorganization Act of 1974 and the Atomic Energy Act of 1954, $1,003,233,000, including official representation expenses not to exceed $25,000, to remain available until expended, of which $25,000,000 shall be derived from the Nuclear Waste Fund: Provided, That of the amount appropriated herein, not more than $9,500,000 may be made available for salaries, travel, and other support costs for the Office of the Commission, to remain available until September 30, 2017, of which, notwithstanding section 201(a)(2)(c) of the Energy Reorganization Act of 1974 (42 U.S.C. 5841(a)(2)(c)), the use and expenditure shall only be approved by a majority vote of the Commission: Provided further, That revenues from licensing fees, inspection services, and other services and collections estimated at
$862,274,000 in fiscal year 2016 shall be retained and used for necessary salaries and expenses in this account, notwithstanding 31 U.S.C. 3302, and shall remain available until expended: Provided further, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal year 2016 so as to result in a final fiscal year 2016 appropriation estimated at not more than $140,959,000: Provided further, That of the amounts appropriated under this heading, $10,000,000 shall be for university research and development in areas relevant to their respective organization’s mission, and $5,000,000 shall be for a Nuclear Science and Engineering Grant Program that will support multiyear projects that do not align with programmatic missions but are critical to maintaining the discipline of nuclear science and engineering.

OFFICE OF INSPECTOR GENERAL

For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, $12,136,000, to remain available until September 30, 2017: Provided, That revenues from licensing fees, inspection services, and other services and collections estimated at $10,060,000 in fiscal year 2016 shall be retained and be available until September 30, 2017, for necessary salaries and expenses in this account, notwithstanding section 3302 of title 31, United States
Code: Provided further, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal year 2016 so as to result in a final fiscal year 2016 appropriation estimated at not more than $2,076,000: Provided further, That of the amounts appropriated under this heading, $958,000 shall be for Inspector General services for the Defense Nuclear Facilities Safety Board, which shall not be available from fee revenues.

**Nuclear Waste Technical Review Board**

**Salaries and Expenses**

For expenses necessary for the Nuclear Waste Technical Review Board, as authorized by Public Law 100–203, section 5051, $3,600,000, to be derived from the Nuclear Waste Fund, to remain available until September 30, 2017.

**Office of the Federal Coordinator for Alaska Natural Gas Transportation Projects**

For expenses necessary for the Office of the Federal Coordinator for Alaska Natural Gas Transportation Projects pursuant to the Alaska Natural Gas Pipeline Act, $1,000,000, to remain available until September 30, 2017: Provided, That any fees, charges, or commissions received pursuant to section 106(h) of the Alaska Natural Gas Pipeline Act (15 U.S.C. 720d(h)) in fiscal year 2016 in
excess of $2,402,000 shall not be available for obligation until appropriated in a subsequent Act of Congress.

GENERAL PROVISIONS—INDEPENDENT AGENCIES

SEC. 401. The Nuclear Regulatory Commission shall comply with the July 5, 2011, version of Chapter VI of its Internal Commission Procedures when responding to Congressional requests for information.

TITLE V—GENERAL PROVISIONS

SEC. 501. None of the funds appropriated by this Act may be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C. 1913.

SEC. 502. (a) None of the funds made available in title III of this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by or transfer authority provided in this Act or any other appropriations Act for any fiscal year, transfer authority referenced in the report of the Committee on Appropriations accompanying this Act, or any authority whereby a department, agency, or instrumentality of the United States Govern-
ment may provide goods or services to another department, agency, or instrumentality.

(b) None of the funds made available for any department, agency, or instrumentality of the United States Government may be transferred to accounts funded in title III of this Act, except pursuant to a transfer made by or transfer authority provided in this Act or any other appropriations Act for any fiscal year, transfer authority referenced in the report of the Committee on Appropriations accompanying this Act, or any authority whereby a department, agency, or instrumentality of the United States Government may provide goods or services to another department, agency, or instrumentality.

(c) The head of any relevant department or agency funded in this Act utilizing any transfer authority shall submit to the Committees on Appropriations of both Houses of Congress a semiannual report detailing the transfer authorities, except for any authority whereby a department, agency, or instrumentality of the United States Government may provide goods or services to another department, agency, or instrumentality, used in the previous 6 months and in the year-to-date. This report shall include the amounts transferred and the purposes for which they were transferred, and shall not replace or
modify existing notification requirements for each authority.

SEC. 503. None of the funds made available by this Act may be used in contravention of Executive Order No. 12898 of February 11, 1994 (Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations).

SEC. 504. None of the funds made available by this Act may be used to conduct closure of adjudicatory functions, technical review, or support activities associated with the Yucca Mountain geologic repository license application, or for actions that irrevocably remove the possibility that Yucca Mountain may be a repository option in the future.

SEC. 505. None of the funds made available by this Act may be used to further implementation of the coastal and marine spatial planning and ecosystem-based management components of the National Ocean Policy developed under Executive Order No. 13547 of July 19, 2010.

SPENDING REDUCTION ACCOUNT

SEC. 506. The amount by which the applicable allocation of new budget authority made by the Committee on Appropriations of the House of Representatives under section 302(b) of the Congressional Budget Act of 1974 exceeds the amount of proposed new budget authority is $0.
SEC. 507. None of the funds made available by this Act may be used to transform the National Energy Technology Laboratory into a government-owned, contractor-operated laboratory, or to consolidate or close the National Energy Technology Laboratory.

SEC. 508. None of the funds made available in this Act under the heading "Defense Nuclear Nonproliferation" may be made available to enter into new contracts with, or new agreements for Federal assistance to the Islamic Republic of Iran except for contracts or agreements that require the Islamic Republic of Iran to cease the pursuit, acquisition, and development of nuclear weapons technology.

SEC. 509. None of the funds made available by this Act may be used by the Department of Energy, the Department of the Interior, or any other Federal agency to lease or purchase new light duty vehicles for any executive fleet, or for an agency’s fleet inventory, except in accordance with Presidential Memorandum—Federal Fleet Performance, dated May 24, 2011.

SEC. 510. None of the funds made available by this Act may be used by the Department of Energy to finalize, implement, or enforce the proposed rule entitled "Standards Ceiling Fans and Ceiling Fan Light Kits" and identified by regulation identification number 1904–AC87.
SEC. 511. None of the funds made available in this Act may be used in contravention of section 2101 of the Water Resources Reform and Development Act of 2014 (33 U.S.C. 2238b) or section 210 of the Water Resources Development Act of 1986 (33 U.S.C. 2238).

SEC. 512. None of the funds made available by this Act may be used for the Cape Wind Energy Project on the Outer Continental Shelf off Massachusetts, Nantucket Sound.

SEC. 513. None of the funds made available in this Act may be used—

(1) to implement or enforce section 430.32(x) of title 10, Code of Federal Regulations; or

(2) to implement or enforce the standards established by the tables contained in section 325(i)(1)(B) of the Energy Policy and Conservation Act (42 U.S.C. 6295(i)(1)(B)) with respect to BPAR incandescent reflector lamps, BR incandescent reflector lamps, and ER incandescent reflector lamps.

SEC. 514. None of the funds made available by this Act may be used to implement, administer, carry out, modify, revise, or enforce Executive Order No. 13690 (entitled “Establishing a Federal Flood Risk Management
Standard and a Process for Further Soliciting and Considering Stakeholder Input’’

SEC. 515. None of the funds made available by this Act for ‘‘Department of Energy—Energy Programs—Science’’ may be used in contravention of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.).

SEC. 516. None of the funds in this Act may be available for the purchase by the Department of Defense (and its departments and agencies) of welded shipboard anchor and mooring chain 4 inches in diameter and under unless the anchor and mooring chain are procured from a manufacturer that is part of the national technology and industrial base.

SEC. 517. None of the funds made available by this Act may be used for the removal of any federally owned or operated dam.

SEC. 518. None of the funds made available by this Act may be used to enter into a contract with any offeror or any of its principals if the offeror certifies, as required by Federal Acquisition Regulation, that the offeror or any of its principals—

(1) within a 3-year period preceding this offer has been convicted of or had a civil judgment rendered against it for: commission of fraud or a criminal offense in connection with obtaining, attempting
(1) to obtain, or performing a public (Federal, State, or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property;

(2) are presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated above in paragraph (1); or

(3) within a 3-year period preceding this offer, has been notified of any delinquent Federal taxes in an amount that exceeds $3,000 for which the liability remains unsatisfied.

SEC. 519. None of the funds made available by this Act may be used to finalize, promulgate, or enforce the Department of Energy’s proposed rule entitled “Energy Conservation Program for Consumer Products: Energy Conservation Standards for Residential Furnaces” (80 Fed. Reg. 48: March 12, 2015).

SEC. 520. None of the funds made available by this Act may be used to continue the study conducted by the Army Corps of Engineers pursuant to section 5018(a)(1)

SEC. 521. For an additional amount for ‘‘Corps of Engineers—Civil—Department of the Army—Investigations’’, there is hereby appropriated, and the amount otherwise provided by this Act for ‘‘Department of Energy—Energy Programs—Departmental Administration’’ is hereby reduced by $2,500,000.

SEC. 522. None of the funds made available by this Act may be used by the Department of Energy to apply the report entitled ‘‘Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States’’, published in the Federal Register on June 4, 2014 (79 Fed. Reg. 32260), in any public interest determination under section 3 of the Natural Gas Act (15 U.S.C. 717b).

SEC. 523. None of the funds made available by this Act may be used for the Department of Energy’s Climate Model Development and Validation program.

SEC. 524. None of the funds made available by this Act may be used to purchase water to supplement or enhance the instream flow requirements in the State of California that are mandated under the Endangered Species Act of 1973, the Central Valley Project Improvement Act, or the National Environmental Policy Act of 1969.
SEC. 525. None of the funds made available by this Act may be used to implement, administer, or enforce the requirement in section 323.4(a)(1)(ii) of title 33, Code of Federal Regulations, or section 232.3(c)(1)(ii)(A) of title 40, Code of Federal Regulations, that activities identified in paragraph (1)(A) of subsection (f) of section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344(f)(1)(A)) must be established or ongoing in order to receive an exemption under such subsection.

SEC. 526. None of the funds made available by this Act may be used to deliver water to the Trinity River above the minimum requirements of the Trinity Record of Decision or to supplement flows in the Klamath River.

This Act may be cited as the “Energy and Water Development and Related Agencies Appropriations Act, 2016”.

Passed the House of Representatives May 1, 2015.

Attest: KAREN L. HAAS, Clerk.
ACTION ITEM
May 18, 2015

TO:    Board of Directors
FROM:  Robert Hunter
        General Manager

SUBJECT:  RESOLUTION HONORING METROPOLITAN ASSISTANT GENERAL MANAGER GILBERT IVEY

RECOMMENDATION

Staff recommends the Board of Directors approve honoring Metropolitan Assistant General Manager Gilbert Ivey after 40 years of service with an honorary resolution and direct staff to prepare the resolution for presentation at the upcoming MWDOC Water Policy Dinner on July 29th, 2015.

DETAILED REPORT

In June, Gilbert Ivey, Assistant General Manager, will retire from Metropolitan Water District of Southern California with more than 40 years of service. Gilbert has been a friend to the Orange County delegation as well as a supporter of the Municipal Water District of Orange County. As a token of our thanks for his years of service, staff has drafted an honorary resolution recognizing his contributions and support. The draft resolution follows and is intended to be presented to Gilbert at MWDOC’s upcoming Water Policy Dinner which will be held on July 29th, 2015.

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<th>Budgeted (Y/N): Y</th>
<th>Budgeted amount: $5,000</th>
<th>Core <em>X</em></th>
<th>Choice ___</th>
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<td>Line item: 32-7040</td>
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Fiscal Impact (explain if unbudgeted):
A Resolution of the Board of Directors
Recognizing Gil Ivey
On the occasion of his retirement from the
Metropolitan Water District of Southern California

WHEREAS, Gil Ivey is retiring from The Metropolitan Water District of Southern California following a 40-year career with the agency, most recently serving as the Assistant General Manager/Chief Administrative Officer; and
WHEREAS, Gil is responsible for managing the administrative functions of Metropolitan, human resources, management of Metropolitan’s real property portfolio, information technology, an award-winning business outreach program and Metropolitan’s headquarters at Union Station; and
WHEREAS, Gil currently serves on the City of La Verne’s Planning Commission, on the executive boards of the Los Angeles Area Chamber of Commerce, Los Angeles Central City Association, California State University Dominguez Hills Foundation Board, American Association of Blacks in Energy, the Infrastructure Academy, Think Together Board, Los Angeles County Fairplex Advisory Board and as Executive Secretary for the Los Angeles County Business Federation (BizFed); and
WHEREAS, Gil was honored in 2009 as the Southern California Leadership Network’s Visionary for Public Sector Leader of the Year and received the Patriots Award from the Department of Defense; and
WHEREAS, Gil, in 2005 as interim Chief Executive Officer, represented Metropolitan at the historic signing of the Lower Colorado River Multi-Species Conservation program and was also involved with the Quantification Settlement Agreement, one of the largest water transfers from agriculture to urban use; and
WHEREAS, Gil was also project manager for the Visitor Center/Museum Complex at Diamond Valley Lake, a complex that has earned Platinum LEED status; and
WHEREAS, Gil was the project director in charge of development and construction of Metropolitan's headquarters at Union Station, a complex that has received numerous awards and accolades since its official opening on December 11, 1998, including the Silver LEED designation and recent recognition from the Building Operators and Managers Association as an outstanding government building in Los Angeles; and
WHEREAS, Gil earned a bachelor's degree in business administration from California State University, Dominguez Hills and other professional designations and certifications in management from Pepperdine University, the University of Southern California, and the University of North Carolina, Chapel Hill.
NOW, THEREFORE, BE IT RESOLVED, that the Municipal Water District of Orange County offers a heartfelt thanks to Gil for his service to the residents of Southern California and the California Water Community for his leadership, stewardship and contributions in enhancing southern California’s water reliability and a heartfelt congratulations in his retirement.
ACTION ITEM
May 18, 2015

TO:       Board of Directors
FROM:     Robert Hunter
          General Manager
SUBJECT:  RESOLUTION HONORING CITY OF SANTA ANA RETIRING
          METROPOLITAN DIRECTOR THOMAS EVANS

RECOMMENDATION

Staff recommends the Board of Directors approve honoring Metropolitan Director Thomas “Tom” Evans with an honorary resolution and direct staff to prepare the resolution for presentation at the upcoming MWDOC Water Policy Dinner on July 29th, 2015.

DETAILED REPORT

In April, Director Thomas “Tom” Evans retired from the Metropolitan Water District of Southern California’s Board of Directors after serving on behalf of Western Municipal Water District for almost 6 years. Director Evans has been a friend to the Orange County delegation as well as a supporter of the Municipal Water District of Orange County. As a token of our thanks for his years of service and his continued support, staff has drafted an honorary resolution recognizing his contributions and support. The draft resolution follows and is intended to be presented to Director Evans at MWDOC’s upcoming Water Policy Dinner which will be held on July 29th, 2015.

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<td>Fiscal Impact (explain if unbudgeted):</td>
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</table>
A Resolution of the Board of Directors
Recognizing Thomas P. Evans
On the occasion of his retirement from the
Metropolitan Water District of Southern California
Board of Directors

WHEREAS, Thomas (Tom) P. Evans is retiring from The Metropolitan Water District Board of Directors where he represented the Western Municipal Water District of Riverside County since July 2009; and

WHEREAS, Tom was most recently a member of the Engineering and Operations Committee; Finance and Insurance Committee; Integrated Resources Planning Committee; and Organization, Personnel and Technology Committee; and

WHEREAS, Tom has served on numerous other board committees during his tenure, including liaison committees for the City of Riverside and Eastern Municipal Water District of Western’s Board of Directors; and

WHEREAS, Tom retired in 2005 as the City of Riverside’s interim city manager with 35 years of experience in water, electric and gas utility management; and

WHEREAS, Tom also served as the City of Riverside’s director of public utilities and as director for both the Southern California Public Power Agency and the Northern California Power Agency, as well as the Interim City Manager for Lake Elsinore in 2012; and

WHEREAS, Tom, with a deep-seeded belief in giving back to the community in which he lives and works, volunteers his time and talents as a member of the Riverside East Rotary Club, as a counselor for SCORE, an organization designed to counsel small business owners, and as a past board member of both the Greater Riverside Chambers of Commerce, where he was past chair of the Leadership Steering Committee, and Smart Riverside; and

WHEREAS, Tom earned a bachelor’s degree in mechanical engineering from the University of California at Davis and a master’s degree in business and information systems management from Golden Gate University; and

NOW, THEREFORE, BE IT RESOLVED, that the Municipal Water District of Orange County offers a heartfelt thanks to Tom for his service to the residents of Riverside County, Southern California and the California Water Community for his leadership, stewardship and contributions in enhancing southern California’s water reliability and a heartfelt congratulations in his retirement.
ACTION ITEM
May 20, 2015

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contact: Jessica Ouwerkerk

Karl Seckel

SUBJECT: Recommendation for MWDOC School Program Grades 9-12 Beginning 2015-16

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorizes the General Manager to enter into an agreement with the arrangement formed by The Ecology Center and Inside the Outdoors in response to MWDOC’s Request for Proposal (RFP) for the School Program for Grades 9-12 beginning in fiscal year 2015-16 and continuing for a three-year period, with the option of two 1-year extensions, in an amount not to exceed $80,000 in Year 1.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

Per the Board direction provided on May 4, 2015, MWDOC staff distributed a revised Request for Proposal (RFP) to seek proposals from the Discovery Science Center, Inside the Outdoors and The Ecology Center for services to develop, market, administer and implement a regional water education program for grades 9-12 on behalf of MWDOC and 30 local water agencies in Orange County, California. A limitation of $80,000 per year was placed on the first year cost to MWDOC. The proposed program was requested to “attract, engage and educate groups of High School students in public and private schools

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<th>Choice ✓</th>
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<td>Line item: 63-7040</td>
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Fiscal Impact (explain if unbudgeted):
throughout MWDOC’s service area as well as the cities of Santa Ana, Fullerton, and Anaheim.” In response to the RFP, MWDOC received two well thought-out proposals for implementation of a High School Program beginning in 2015-16. Staff and an evaluation committee comprised of representatives from our member agencies and City of Anaheim participated in a proposal review and evaluation process.

The two proposals were from:

1. Combined proposal from The Ecology Center (TEC) and Inside the Outdoors (ITO)
2. Discovery Science Center (DSC)

Summaries of each proposal are included as Attachments A & B.

Based on their review and evaluation of the proposals, the Evaluation Committee recommends entering into an agreement with The Ecology Center and Inside the Outdoors in accordance with the combined proposal submitted.

DETAILED REPORT

Staff developed and distributed the School Program RFP for grades 9-12 to three vendors on May 5, 2015 and requested submittals back by 5:00 pm on May 11, 2015. MWDOC received two proposals:

- A combined proposal from The Ecology Center & Inside the Outdoors
- Discovery Science Center

Proposal Overviews

The proposals were reviewed and ranked by a combination of MWDOC staff and volunteer representatives from our member agencies as well as City of Anaheim. The Evaluation Committee was impressed with quality and focus of the proposals received and the opportunities afforded to MWDOC and its member agencies included in the proposals. The proposals approached the high school education process in the following manner:

- **Combined proposal from The Ecology Center (TEC) and Inside the Outdoors (ITO)** – The program focuses on teacher training for 100 teachers per year and the subsequent influence the teachers will have on students year after year. The program also involves a digital platform to reach students directly in the program as well as other high school students. The program outreach to schools involves a number of opportunities for student involvement via clubs, classes, expos and other “calls to action” that will be promoted by both TEC and ITO. Heavy emphasis is placed on “doing” and “activating individuals and groups” to become active in water related activities. The program involves MWDOC’s $80,000 as well as $59,000 of funding provided by TEC & ITO. The program proposes to reach 25,000 students via the education, outreach and training processes and to match or augment the count via the digital program. The program promotes collaborative learning between both students and teachers that have been exposed to training and educational opportunities. Teachers are also trained directly by TEC/ITO staff and teachers.
• Discovery Science Center – The program focuses on development and implementation of a detailed teacher training program, for 100 teachers per year, which involves four hours of instruction and the subsequent influence the teachers will have on students year after year. The teaching is augmented with visits to the DSC and their new Water Lab. DSC’s proposal includes logo identification of MWDOC and its member agencies at the Water Lab and will include a graphic display of Orange County’s water conveyance system, highlighting from where Orange County’s water comes. The proposal envisions using the experiment area of the Water Lab as a venue to run a focused high school water quality program; it also provides an opportunity to integrate lessons associated with current water issues focused on community needs both locally and globally, including drought and smart/appropriate outdoor water usage. The program involves MWDOC’s $80,000 as well as $186,500 of value (10,000 tickets to DSC, partial cost of curriculum development and signage costs) provided by DSC at no additional costs to MWDOC. The program proposes to reach 10,000 students via the education and training processes in Year 1.

Detailed summaries of the proposals are included as Attachments A & B.

Evaluation Committee Recommendation

The Evaluation Committee was impressed by the offerings included in both proposals, although the decision was unanimous in recommending the combined proposal by The Ecology Center and Inside the Outdoors. The following comments regarding the proposals were made by the Evaluation Committee members:

• The TEC/ITO partnership concept between the two organizations (and other partnerships they have), including the additional resources being offered of $59,000, resulted in a very strong proposal, blending the strengths of both entities, resulting in a high level of confidence in reaching the target numbers.

• The TEC/ITO approach was deemed more appropriate to reach high school aged youth in a way that captures and engages them in water-related activities. The digital platform was especially exciting in helping to establish a water ethic as a “cool thing” that will result in long-term engagement and actions resulting in becoming good water stewards.

• The TEC/ITO approach will ensure actions and activities by the students and involves an innovative collaboration between teachers, TEC/ITO staff and students all working together. The activities will result in inspiring action versus simply educating students on various concepts, will result in long-term engagement and is a good use of technology to reach beyond the direct contacts and allow on-going conversations.

• Both proposals acknowledged meeting curriculum standards including the Next Generation Science Standards. Both proposals offered MWDOC extra exposure in a variety of manners.

• The total value of the DSC proposal, including all of the extras, was $266,500, but when the DSC admission amount was not included (tickets may not be utilized, it is a
soft cost), the total proposal added $17,000 to MWDOC’s investment whereas the TEC/ITO proposal added $59,000 to MWDOC’s investment.

- The DSC proposal had heavy emphasis in water quality and requires visits to DSC for the complete student exposure, which may not fully resonate with today’s high school students.

Summaries of each proposal are included as Attachments A & B that follow below.
Attachment A

Summary of The Ecology Center & Inside the Outdoors Grades 9-12 Proposal
The cost summary and program summary are provided below:

<table>
<thead>
<tr>
<th>Program</th>
<th>Total Cost</th>
<th>Students Served</th>
<th>MWDOC Cost Per Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teacher Trainings (100 teachers)</td>
<td>$2,500</td>
<td>10,000</td>
<td>$0.25</td>
</tr>
<tr>
<td>Digital Water Education Platform</td>
<td>$70,000</td>
<td>25,000</td>
<td>$1.83</td>
</tr>
<tr>
<td>Call to Action Kick-off Workshops</td>
<td>$3,750</td>
<td>150</td>
<td>$25.00</td>
</tr>
<tr>
<td>Campus Call to Action Student</td>
<td>$56,555</td>
<td>25,000</td>
<td>$1.10</td>
</tr>
<tr>
<td>Follow-up Activities</td>
<td>$6,250</td>
<td>25,000</td>
<td>$0.25</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$139,055</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total MWDOC Cost</strong></td>
<td><strong>$80,000</strong></td>
<td>25,000</td>
<td><strong>$3.20</strong></td>
</tr>
<tr>
<td><strong>Costs Supported by TEC &amp; ITO</strong></td>
<td><strong>$59,055</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$139,055</strong></td>
<td>25,000</td>
<td></td>
</tr>
</tbody>
</table>

A description of each component is provided below:

**Teacher Trainings (100 teachers per year):** Training teachers in water curriculum is an effective way to sustain long-term water education and awareness. TEC will partner with OCDE’s Office of STEM (Science, Technology, Engineering, and Math) Education to provide training that will include educational material about water conservation, watersheds, and ecological solutions for the benefit of their current and future students. Teachers will learn a variety of water conservation methods such as rainwater harvesting, water recycling, and water foot-printing through a tour at the TEC facility. These trainings allow teachers to support student-led conservation efforts.

**Student Programs (25,000 students per year):** Educating students about California’s water issues and ecological solutions is the foundation for creating youth water conservation ambassadors. TEC will:

- Create an engaging Online Platform that will allow youth to take action by providing them with digital assets that are relevant and meaningful. Up to 10 students will be selected to provide input on the design of the platform. Resources, including a toolkit, curriculum,
and how-to’s, will assist youth as they form campus-based water conservation initiatives. Youth will be able to hear from their peers and experts on how they can change water conservation attitudes and behaviors.

• Host a student Call-to-Action Workshop at TEC. Schools throughout Orange County will be invited to send two youth representatives to a kick-off event where youth will be inspired as they interact with TEC and ITO staff, community organizing and public awareness campaign experts, and other youth from throughout Orange County. Students will learn how to start an environmental club at their school, engage their classmates and community in a behavior-changing water conservation campaign.

• Train student educators and presenters. Workshops will include training on the classroom-to-classroom educational campaign roll-out that students will implement with assistance from ITO staff. ITO staff will participate in classroom education as necessary.

• Work with school clubs to develop a campus-wide water conservation call to action. ITO will meet with clubs to mentor students on campus outreach techniques. Students will design and implement call to action public awareness water conservation campaigns, designed to engage their classmates in the digital platform. Once the campaign is designed, students will engage classmates through classroom-to-classroom campaign kick-off presentations, public service announcements to the entire school, promotion of the campaign during school assemblies, and common area water education exhibits. Clubs will conduct school water usage audits and develop other data to share at a campus-wide water conservation expo. Pre-and post-visit assessments will measure program impacts.

• ITO staff will work with clubs to design an expo. At the expo, there will be up to six interactive water education exhibits for the students to visit. Student-led activities will be the central focus of the expo, with additional activities led by ITO and TEC. All expo activities will promote the digital platform to further engage students and expand the impact to families and communities. Participation in the expo will be measured by the number of student water conservation pledges. In partnership with Hurley, we will supply schools with re-usable water bottles as educational and fundraising mechanisms to share good water solutions. The goal is to activate good water stewardship throughout the entire school campus and develop future activists who will lead their own water retrofitting projects.

Beyond the Schools. The digital component will impact current and future students beyond those who participate directly in the program at the time of implementation. The platform will facilitate and help evaluate continued student participation, networking, and story-sharing between students and schools long after the grant period has ended. Several strategically placed water retrofit projects will be installed at participating school communities with the collaboration of partners such as Hurley’s Hydration Nation. This will bring water saving into the physical presence of thousands of community members each day and also help facilitate water conservation and awareness long after the program’s completion. This includes installing reusable water bottle filling stations (currently at six high schools initiated by TEC), along with rainbarrels, rain gardens, and educational signage.

Based on ITO’s successful Youth Stewardship Council program and TEC/Hurley’s Hydration Nation leadership model, TEC/ITO will work with the clubs to develop long-standing campus-wide water conservation calls to action. The goal is to activate good water stewardship throughout entire school campuses and develop the future activists of our generation who will lead their own water retrofitting projects.

Pre-and post-visit assessments are provided to teachers with registration packets. Previsit assessments establish a baseline and post-visit assessments measure changes in knowledge, awareness, and behavior. Following participation in the program, assessment results are analyzed to evaluate areas of academic growth, increased water conservation practices, and behavior change. Staff are trained to check for student understanding as they teach. This is done using a variety of techniques, such as “every person responds.” As part of the digital platform, participants will reconnect with the digital hub which will allow tabulation and reporting to MWDOC regarding water savings, school feedback, number of student participants, etc.
## Discovery Science Center Grades 9-12 Proposal

The cost summary and program summary are provided below:

<table>
<thead>
<tr>
<th>Program</th>
<th>Total Cost</th>
<th>Students Served</th>
<th>MWDOC Cost Per Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Development Instruction</td>
<td>$30,000</td>
<td>10,000</td>
<td>$3.00</td>
</tr>
<tr>
<td>(100 teachers @ 5 workshops each)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Quality Kits/Supplies (100 @ $250</td>
<td>$25,000</td>
<td>10,000</td>
<td>$2.50</td>
</tr>
<tr>
<td>each)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies for Student Water Lab Activities</td>
<td>$9,000</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Water Lab Instruction</td>
<td>$15,500</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Incentives for Teacher Data Collection</td>
<td>$500</td>
<td>10,000</td>
<td>$0.05</td>
</tr>
<tr>
<td>Totals</td>
<td>$80,000</td>
<td>10,000</td>
<td>$8.00</td>
</tr>
</tbody>
</table>

No Charges for the Following:

- DSC Admission Ticket $16.95 each $169,500 10,000
- Curriculum Development $7,500 10,000
- Graphic Design & Signage Production (branding in the water) $9,500 na
- Follow-up Evaluations
- Online survey (same as for grades 1-6)

DSC Add-ons $186,500

Total Program Provided $266,500

Program without DSC Admission Tickets $97,000
DSC is proposing a multilayered approach to the water education program. A key component is a Professional Development (PD) program for high school teachers that involves four hours of instruction for 100 teachers per year. The educational focus will be specifically on the natural scarcity, sources, and usage of water in Orange County and will include interactive lessons associated with water use efficiency, groundwater, recycled water, and droughts. In addition, DSC will build an educational platform that will consist of water quality testing, water conveyance, and water treatment, along with human impact on our water, including distinguishing between one’s positive and negative impacts, such as picking up pet waste and avoiding overwatering (positive impacts) and over-fertilization in the garden and facilitating urban runoff (negative impacts). Teachers will receive water quality test kits for nitrates, phosphates, dissolved oxygen, temperature, turbidity, biochemical oxygen demand, and coliform bacteria, in order to test “control” water samples and artificially “tainted” water samples, as well as other water source samples. Teachers will be trained on these and associated concepts during the PD classes and receive a classroom set of these kits for their student’s use. Each teacher will receive sets of the chemical test kits, along with materials to teach about macroinvertebrates and how to perform a Pollution Tolerance Index. In addition, teachers will learn and present interactive lessons on the processes of filtration in order to best understand (a) groundwater and percolation, (b) water treatment and reclamation processes, (c) recycled water uses, (d) etc.

Following the professional development sessions, high school teachers will conduct the hands-on water education program with their students using the kit of supplies provided through this program. To augment the in-class content, each student of a participating teacher will receive free admission (valued at $16.95 per student) to Discovery Cube OC in order to continue the water education program and deepen their understanding of the above-mentioned concepts. Students will arrive as individuals or as groups of students, and not as a formal field trip unit. As part of the in-class unit, students will receive a series of activities that they will need to complete while at the center. A series of dates and times will be provided for the students to attend DSC, during which times the Water Lab will be staffed to facilitate learning stations that will include (1) a deeper dive into the concepts learned in the classroom, (2) an interactive session utilizing NOAA’s Science on a Sphere datasets that showcase local and global drought risks, (3) the Water Education gallery in Discovery Cube’s new expansion, and (4) a graphic display of Orange County’s water conveyance system and water resources, (5) the Aquavator, an exhibit designed to teach about the aquifer/protection of our groundwater.

To identify the Water Lab area as the hub of the student activities, DSC will include logo identification of the MWDOC and its member agencies. This area will also include a graphic display of Orange County’s water conveyance system, highlighting from where Orange County’s water comes. This will serve not only to further strengthen the students’ understanding of the roles of the various agencies, but indeed to promote the contributions of the Orange County water community as a whole to 500,000+ annual visitors. Pacific Life provided financial support to DSC to get the Water Lab up and running in OC and it will open on June 11. The proposal envisions using the experiment area as a great venue to run a high school focused water quality program and also provides an opportunity to integrate lessons associated with current water issues focused on community needs both locally and globally, including drought and smart/appropriate outdoor water usage. This lab time also gives us the opportunity to have the students reconnect with what MWDOC and the member agencies do for Orange County to meet the families’ water needs.

Follow-up surveys will be conducted by the classroom teachers, facilitated by Discovery Cube, in order to assess the effectiveness of the entire program. In addition, participating teachers will complete evaluation forms concerning the PD and in-class, kit-based program.

To integrate the high school program with the other aspects of MWDOC’s public education and outreach efforts, DSC proposes an online survey, integrated with the existing MWDOC website, as the focus of follow up activities for the MWDOC Education Program in grades 9-12. This is the same follow-up activity being implemented to accompany DSC’s elementary grade programs. Students and families would be directed to the online survey by the student booklet (both print and online versions). The survey would assess household practices and suggest water-saving measures based on user responses, citing (where appropriate) specific resources and rebate programs offered by MWDOC, member agencies or other partners. This approach provides a host of benefits that align well with the goals of MWDOC and its member agencies.
TO: Public Affairs & Legislation Committee  
(Directors Barbre, Hinman & Tamaribuchi)

FROM: Robert Hunter                      Staff Contact: Heather Baez
General Manager

SUBJECT: STATE WATER RESOURCES CONTROL BOARD DRINKING WATER PROGRAM FEES

STAFF RECOMMENDATION

Staff recommends the Public Affairs & Legislation Committee receive and file.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

Last year, SB 861 (Senate Budget and Fiscal Review Committee) transferred responsibility for administering the Safe Drinking Water Program from the California Department of Public Health (CDPH) to the State Water Resources Control Board (SWRCB). Recently, the SWRCB completed a fiscal analysis of the program and came to the following conclusions: (1) the current fee structure is not generating sufficient revenues to support the existing program and (2) the current fee structure appears to be unreliable, unsustainable, and inequitable.

The CDPH had the authority to raise fees by 5% (on Large Water Systems) each year but for reasons unknown, has not done so since FY 2001-2002 – resulting in a program funding shortfall. The SWRCB claims this prevents them from “being able to increase fees to: address significant statutory expansions of program responsibilities; develop or revise new and existing regulations; or pay for increased program costs due to inflation and employee compensation packages negotiated by the California Department of Human Resources, which might exceed five percent in a given year.”

In order to address these problems, and create a drinking water regulatory program fee structure that is what they call reliable, fair, and sustainable, the SWRCB is recommending

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<td>Fiscal Impact (explain if unbudgeted):</td>
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statutory changes that would align the drinking water fee process with the State Water Board’s existing water quality and water rights fee processes. In their words, “The statutory changes would give the State Water Board authority to adopt annual fee schedules to conform with the revenue levels authorized in the Budget Act in any given year for the State Water Board’s Division of Drinking Water. The State Water Board would be provided with emergency regulatory authority for this process. This approach would be consistent with the manner in which the State Water Board currently assesses fees for its water quality regulatory program and its water rights regulatory program.”

The SWRCB’s proposal is problematic as it would require each public water system to submit an annual fee according to a fee schedule established by the SWRCB “for the purpose of reimbursing SWRCB for the costs incurred by the state board for activities mandated by this chapter.” This is essentially a blank check – amount to be determined each year during the Legislature’s budget process - using the emergency regulation system instead of the current Administrative Procedures Act.

Included with this item is a white paper - drafted by ACWA with input from the Metropolitan Water District of Southern California and other stakeholders - addressing the SWRCB’s concerns and the coalition’s proposed changes to the SWRCB’s proposal. This proposal was presented to the Senate Budget Subcommittee #2 – Resources, Environmental Protection, Energy & Transportation on May 7, 2015. The Committee voted 2-1 to accept the Administration’s (SWRCB) proposal. Stakeholders are continuing to work with the Administration as well as legislative leaders to reopen this item for discussion. Also included, for your information, is the coalition letter that Metropolitan presented at the Senate Budget Subcommittee #2.

While this is not an issue for MWDOC specifically, it will directly impact our member agencies and residents and therefore an important information item for this committee.
Definition of the Problem

Chapter 35, Statutes of 2014 (SB 861) transferred the responsibility for administering the Safe Drinking Water Program from the California Department of Public Health to the State Water Resources Control Board (State Water Board) effective July 1, 2014. Since assuming responsibility for the Drinking Water Program, the State Water Board has conducted a fiscal analysis of the program. The fiscal analysis revealed that (1) the current fee structure is not generating sufficient revenues to support the existing program and (2) the current fee structure appears to be unreliable, unsustainable, and inequitable. Specifically, the analysis found:

- The Drinking Water Program’s current fee setting process does not generate sufficient revenue to meet Drinking Water Program budgetary appropriations. It is anticipated that total revenue will fall short of the safe drinking water budget appropriation for Fiscal Years 2014-15 and 2015-16 by approximately $3.8 million. It is projected that the federal funds being used to offset this shortfall will be depleted by June 30, 2016.

- The current statutory requirements restrict the State Water Board’s ability to generate revenues sufficient to pay costs of administering the program. Health and Safety Code section 116590 states that fees from Large Water Systems1 (LWS) cannot be increased by more than five percent of the amount collected for the previous year. This effectively prevents the State Water Board from being able to increase fees to: address significant statutory expansions of program responsibilities; develop or revise new and existing regulations; or pay for increased program costs due to inflation and employee compensation packages negotiated by the California Department of Human Resources, which might exceed five percent in a given year.

- CDPH did not consistently raise fees each year by the five percent cap, resulting in a revenue shortfall each year and revenue historically and currently not meeting program expenditures.

- The Drinking Water Program is being subsidized by the federal government and the federal funds are not guaranteed on an annual basis. Nearly 55 percent of Drinking Water Program costs ($17.1 million out of the $31.2 million total program costs) are funded by federal funds. Continued reliance on this unpredictable funding source for the majority of program revenue places the entire drinking water program at risk. Furthermore, for Fiscal Years 2014-15 and 2015-16, the federal funds include approximately $3 million in un-liquated obligations from prior year grants. This money projected to be exhausted by Fiscal Year 2015-16.

- The current fee structure prevents the State Water Board from being able to focus its resources on addressing the highest priority drinking water problems in the State or to effectively shift resources to address urgent new drinking water issues, such as those associated with the current drought or promulgation of needed regulatory updates.

- Currently, fees on LWS are based on a fee-for-service model, while fees for Small Water Systems2 (SWS) are set in statute. The current rigid structure requires the State Water Board spend the majority of its staff time inspecting LWS, notwithstanding that SWS require
significantly more attention and assistance. Furthermore, the current structure impedes the Division of Drinking Water’s progress on making needed regulatory updates.

- Under the current fee setting process, there is a risk that the State Water Board will not be able to adjust fee schedules in a timely manner to meet budgetary authority requirements.
- The current fee structure places a greater burden on SWS relative to LWS to pay for the costs of the drinking water regulatory program. Specifically, when the costs of the regulatory program are averaged on a per connection basis, SWS pay nearly $12 per connection, while LWS pay approximately $1 per connection. Customers of SWS pay over ten times more in fees for program regulatory costs than LWS.

**Drinking Water Program Funding**

The Drinking Water Program is being supported by the following sources for Fiscal Year 2014-15:

- Safe Drinking Water Account (Fund 306)
- Public Water System Supervision (PWSS) Grant
- Drinking Water State Revolving Fund PWSS Grant Set-Aside

The Safe Drinking Water Account derives the majority of its funding from cost recovery for activities associated with the oversight of Public Water Systems serving 1,000 or more service connections, also defined as Large Water Systems (LWS). A lesser amount comes from smaller public water systems and non-community water systems with less than 1,000 service connections, also defined as Small Water Systems (SWS). These activities include inspections, monitoring, permitting, compliance, enforcement, and administration. The Water Board invoices each LWS based on the amount of time staff spend working to regulate each respective system on an annual basis. The LWS reimburse the Water Board for this work.

In addition, the State Water Board assesses the following annual fees on small public water systems, and this revenue is also deposited in the Safe Drinking Water Account:

- For community water systems\(^3\) serving less than 1,000 service connections, a graduated flat fee is applied based on the number of service connections. The fee is $6.00 per service connection but not less than $250 per water system.
- For non-transient non-community water systems\(^4\), the fee is based on the number of people the public water system serves. The fee is $2.00 per person served but not less than $456.
- Transient non-community water systems\(^5\) pay a flat fee of $800 per system.
- There are also fees that cover the costs of writing and amending permits. These fees range from $155 to $518.

Table 1 below shows total projected revenue for Fiscal Year 2014-15 and 2015-16 and compares the total revenue with the State Water Board’s safe drinking water account budget appropriation.
Table 2 below summarizes a projection for Fiscal Year 2014-15 of how Large and Small Public Water Systems are being funded. The “Safe Drinking Water Account” column represents fees and cost recovery dollars collected from public water systems, while the “PWSS Grant” and “DW SRF PWSS Set-Aside” columns represent subsidy funding from the federal government. The amounts are based off six months of actual expenditures and six months of projected expenditures.

### Table 2

<table>
<thead>
<tr>
<th>Drinking Water Cost Recovery Program Expenditures by System Size</th>
<th>Safe Drinking Water Account</th>
<th>Safe Drinking Water Account Percentage of Program</th>
<th>Total Federal Subsidy</th>
<th>Total Federal Subsidy Percentage of Program</th>
<th>Total</th>
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<tbody>
<tr>
<td>LWS Capped</td>
<td>$10,686,000</td>
<td>$4,374,000</td>
<td>15,060,000</td>
<td>45.1%</td>
<td>$14,100,000</td>
</tr>
<tr>
<td>LWS Waiver/Variance</td>
<td>$335,000</td>
<td></td>
<td>$0</td>
<td></td>
<td>$335,000</td>
</tr>
<tr>
<td><strong>LWS Total</strong></td>
<td><strong>$11,021,000</strong></td>
<td><strong>71.6%</strong></td>
<td><strong>$4,374,000</strong></td>
<td><strong>28.4%</strong></td>
<td><strong>15,395,000</strong></td>
</tr>
<tr>
<td>SWS Fees</td>
<td>$2,928,000</td>
<td></td>
<td>$12,772,000</td>
<td></td>
<td>$15,700,000</td>
</tr>
<tr>
<td>SWS Enforcement/Waiver/Variance</td>
<td>$151,000</td>
<td></td>
<td>$0</td>
<td></td>
<td>$151,000</td>
</tr>
<tr>
<td><strong>SWS Total</strong></td>
<td><strong>$3,079,000</strong></td>
<td><strong>19.4%</strong></td>
<td><strong>$12,772,000</strong></td>
<td><strong>80.6%</strong></td>
<td><strong>15,851,000</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$14,100,000</strong></td>
<td></td>
<td><strong>$17,146,000</strong></td>
<td><strong>54.9%</strong></td>
<td><strong>$31,246,000</strong></td>
</tr>
</tbody>
</table>

- The federal government subsidy for LWS is 28.4% of the LWS Program.
- The federal government subsidy for SWS is 80.6% of the SWS Program.
- The federal government subsidy for the total program is 54.9%.

Table 3 below is a detailed breakdown of the Safe Drinking Water Program activities and how those activities are being funded. The “Safe Drinking Water Account” column represents fees and cost recovery dollars collected from public water systems, while the “PWSS Grant” and “DW SRF PWSS Set-Aside” columns represent subsidy funding from the federal government. The amounts
below are forecasts for Fiscal Year 2014-15 and are based on six months of actual expenditures and six months of projected expenditures.

Table 3

<table>
<thead>
<tr>
<th>Safe Drinking Water Program Expenditures By Activity</th>
<th>Safe Drinking Water Account</th>
<th>PWSS Grant</th>
<th>DW SRF PWSS Set-Aside</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>LWS (PICME) &amp; Administration(^\text{10})</td>
<td>$7,387,000</td>
<td>$671,000</td>
<td>$977,000</td>
<td>$9,035,000</td>
</tr>
<tr>
<td>LWS Enforcement</td>
<td>$62,000</td>
<td></td>
<td></td>
<td>$62,000</td>
</tr>
<tr>
<td>LWS General Compliance(^\text{11})</td>
<td>$2,851,000</td>
<td>$460,000</td>
<td>$629,000</td>
<td>$3,940,000</td>
</tr>
<tr>
<td>LWS General Monitoring</td>
<td>$386,000</td>
<td>$281,000</td>
<td>$403,000</td>
<td>$1,070,000</td>
</tr>
<tr>
<td>LWS SRF, Prop 50 &amp; 84</td>
<td>$545,000</td>
<td></td>
<td>$545,000</td>
<td></td>
</tr>
<tr>
<td>LWS Emergency</td>
<td>$408,000</td>
<td></td>
<td>$408,000</td>
<td></td>
</tr>
<tr>
<td><strong>LWS Capped</strong></td>
<td><strong>$10,686,000</strong></td>
<td><strong>$1,412,000</strong></td>
<td><strong>$2,962,000</strong></td>
<td><strong>$15,060,000</strong></td>
</tr>
<tr>
<td>LWS Waiver/Variance</td>
<td>$335,000</td>
<td></td>
<td></td>
<td>$335,000</td>
</tr>
<tr>
<td><strong>LWS Total</strong></td>
<td><strong>$11,021,000</strong></td>
<td><strong>$1,412,000</strong></td>
<td><strong>$2,962,000</strong></td>
<td><strong>$15,395,000</strong></td>
</tr>
<tr>
<td>SWS (PICME) &amp; Administration(^\text{10})</td>
<td>$2,928,000</td>
<td>$4,266,000</td>
<td>$4,479,000</td>
<td>$11,673,000</td>
</tr>
<tr>
<td>SWS General Compliance(^\text{11})</td>
<td>$1,338,000</td>
<td>$1,427,000</td>
<td></td>
<td>$2,765,000</td>
</tr>
<tr>
<td>SWS SRF, Prop 50 &amp; 84</td>
<td>$722,000</td>
<td></td>
<td>$722,000</td>
<td></td>
</tr>
<tr>
<td>SWS Emergency</td>
<td>$540,000</td>
<td></td>
<td>$540,000</td>
<td></td>
</tr>
<tr>
<td><strong>SWS Capped</strong></td>
<td><strong>$2,928,000</strong></td>
<td><strong>$5,604,000</strong></td>
<td><strong>$7,168,000</strong></td>
<td><strong>$15,700,000</strong></td>
</tr>
<tr>
<td>SWS Enforcement, Waiver/Variance</td>
<td>$151,000</td>
<td></td>
<td></td>
<td>$151,000</td>
</tr>
<tr>
<td><strong>SWS Total</strong></td>
<td><strong>$3,079,000</strong></td>
<td><strong>$5,604,000</strong></td>
<td><strong>$7,168,000</strong></td>
<td><strong>$15,851,000</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$14,100,000</strong></td>
<td><strong>$7,016,000</strong></td>
<td><strong>$10,130,000</strong></td>
<td><strong>$31,246,000</strong></td>
</tr>
</tbody>
</table>

Table 4 show the relative cost per service connection for both LWS and SWS.

Table 4
<table>
<thead>
<tr>
<th>FY 2014-15</th>
<th>Active Service Connections</th>
<th>Total Fees Collected</th>
<th>Fees Collected/Service Connection</th>
<th>Total Program Expenditures</th>
<th>Total Program Expenditures/Service Connection</th>
</tr>
</thead>
<tbody>
<tr>
<td>LWS</td>
<td>9,462,960</td>
<td>$11,021,000</td>
<td>$ 1.16</td>
<td>$15,395,000</td>
<td>$ 1.63</td>
</tr>
<tr>
<td>SWS</td>
<td>260,686</td>
<td>$ 3,079,000</td>
<td>11.81</td>
<td>$15,851,000</td>
<td>60.80</td>
</tr>
<tr>
<td>Total</td>
<td>9,723,646</td>
<td>$14,100,000</td>
<td>1.45</td>
<td>$31,246,000</td>
<td>3.21</td>
</tr>
</tbody>
</table>

**Recommendation**

In order to address these problems, and create a drinking water regulatory program fee structure that is reliable, fair, and sustainable; the State Water Board recommends statutory changes that would align the drinking water fee process with the State Water Board’s existing water quality and water rights fee processes. The statutory changes would give the State Water Board authority to adopt annual fee schedules to conform with the revenue levels authorized in the Budget Act in any given year for the State Water Board’s Division of Drinking Water. The State Water Board would be provided with emergency regulatory authority for this process. This approach would be consistent with the manner in which the State Water Board currently assesses fees for its water quality regulatory program and its water rights regulatory program.

The Trailer Bill Language in the BCP would give the State Water Board the authority to adopt annual fee schedules through emergency regulatory authority to meet the State Water Boards Drinking Water Program Budget Authority.

1 Public water systems serving 1,000 or more service connections.
2 Public water systems and non-community water systems with fewer than 1,000 service connections.
3A community water system supplies water to the same population year-round.
4A non-transient non-community water system regularly supplies water to at least 25 of the same people at least six months per year, but not year-round. Some examples are schools, factories, office buildings, and hospitals which have their own water systems.
5 A transient non-community water system provides water in a place such as a gas station, rest stop or campground where people do not remain for long periods of time.
6 The total amount of funds collected from LWS is capped each year and shall not increase by more than 5 percent of the amount collected for the previous fiscal year. The work perform at the LWS include Permitting, Inspection, Compliance, Monitoring and Enforcement (PICME) and General Compliance, and Monitoring and Administration cost.
7 Enforcement program is reimbursement of actual costs incurred by the Water Board for any of the following activities related to that water system: 1) preparing, issuing, and monitoring compliance with an order or citation, 2) Preparing and issuing public notification, or 3) conducting a hearing pursuant to Health and Safety Code section 116625. Variance and waiver is reimbursement of actual costs incurred by the Water Board in the processing of public water system requests for an exemption, plan review, variance, or waiver of any applicable requirement of Safe Drinking Water Act (Act) or any regulation adopted pursuant to the Act.
8 January 10th 2015 Governor’s Proposed Budget Appropriation
9 Budget appropriation revenue deficits are currently being offset by federal un-liquated obligations, which is projected to be exhausted by Fiscal Year 2015-16.
10LWS and SWS Administration includes workload associated with public meetings, complaints/media requests, presentations, training, policy and regulation development, permit related activities, database maintenance, and district managers expenditures. The Federal Government is subsidizing a portion of the LWS administration cost and is not subsidizing the LWS PICME activities.

11LWS and SWS General Compliance includes evaluating for compliance, responding to emails request from the public or water systems related to compliance of the drinking water program, maintaining timesheets and daily activity logs, and tracking various monthly/quarterly/annually compliance reports received from water systems. These various reports include: lead and copper rule reports, permitted treatment plant compliance reports, surface water treatment rule reports, disinfection by-product rule reports, consumer confidence reports, and groundwater rule reports.
Background
California’s Safe Drinking Water Program (“Program”) is administered by the State Water Resources Control Board’s (the “SWRCB”) Division of Drinking Water. The Program is funded through “operating fees” paid by public water systems according to a statutorily-established “fee-for-service” system. In FY 2012-13 and 2013-14, the Drinking Water Program experienced significant revenue shortfalls relative to the program’s budget for those years.

As part of the State Budget process for Fiscal Year 2015-16, the SWRCB has proposed dramatic changes to its statutory authority to impose operating fees.

Existing Authority (Key Provisions)

1. Actual Cost Basis: Under the California Health and Safety Code, a public water system’s annual operating fee is based on the “actual cost” incurred by the SWRCB in “conducting those activities mandated by [the California Safe Drinking Water Act] relating to the issuance of domestic water supply permits, inspections, monitoring, surveillance, and water quality evaluation.” (Health & Safety Code §116565(a).) For public water systems that serve 1,000 or more connections, each public water system is required to reimburse the department for costs that relate to that specific public water system. “The amount of reimbursement shall be sufficient to pay, but in no event shall exceed, [the SWRCB’s] actual cost in conducting these activities.” (Health & Safety Code §116565(a).)

2. Statutory Caps on Large Systems Operating Fee Totals and Annual Increases: Existing law caps the operating fees for public water systems that serve 1,000 or more connections by establishing the total amount of operating and enforcement fees that could be collected for the 2001-02 fiscal year at no more than $7,000,000 with the additional provision that fees cannot increase by more than 5 percent of the amount collected for the previous fiscal year. (Health & Safety Code §116590(d).)

3. Fees for Small Water Systems: For public water systems that serve less than 1,000 connections, each public water system is required to pay a fee established by the SWRCB. For all public water systems serving less than 1,000 connections, “[t]he total amount of fees shall be sufficient to pay, but in no event shall exceed, the department’s actual cost in conducting these activities.” (Health & Safety Code §116565(b).) For community water systems with 15-999 connections, these fees are set at $6 per connection but can be increased by the SWRCB to up to $10 per connection, while the minimum fee is set at $250. (Health & Safety Code §116565(b)(1).) Transient and nontransient noncommunity water systems’ fees are structured similarly. (Health & Safety Code §116565(b)(2), (3).)

4. Rulemaking Process for Fees: Under existing law, the SWRCB’s development and approval of changes to the fee regulations are subject to the requirements for a regular rulemaking under the Administrative Procedures Act (“APA”).
**SWRCB’s Proposed Change**
The SWRCB is proposing to dramatically change how it imposes Program’s operating fees. Under the proposed legislation, each public water system would submit an annual fee according to a fee schedule established by the SWRCB “for the purpose of reimbursing SWRCB for the costs incurred by the state board for activities mandated by this chapter.” *(Proposed Health & Safety Code §116565(a).)* The SWRCB would be authorized to adopt the fee schedule by emergency regulation *(Proposed Health & Safety Code §116565(b).)* The SWRCB would “set the amount of total revenue collected each year through the fee schedule at an amount equal to the amount appropriated by the Legislature in the annual budget act...” *(Proposed Health & Safety Code §116565(d).)* There would be no cap on fee increases.

The SWRCB currently adopts fee schedules by emergency regulation under the APA to support its water quality *(Water Code §13260(f)(1)) and water rights *(Water Code §1530)* programs.

**SWRCB Rationale for Proposed Change and ACWA Responses (for discussion)**
The SWRCB has provided a number of explanations for the need to change their fee authority:

1. **SWRCB Rationale:** Drinking Water Program fee schedules are not generating sufficient revenue to meet Drinking Water Program budgetary authorizations.
   
   **ACWA Response:** The Drinking Water Program is an important state program that needs adequate funding. The SWRCB acknowledges that the Program “did not consistently raise fees” in previous years as authorized by existing law. The SWRCB’s existing authority enables it to increase the fees it collects from public water systems to conduct activities mandated by the California Safe Drinking Water Act. If escalated at the statutorily maximum rate of 5 percent per year, the total amount of fees receivable from public water systems that serve 1,000 or more connections would have increased from $7 million in FY 2001-02 to over $13.8 million in FY 2015-16. For public water systems that serve less than 1,000 connections, per connection fees have remained fixed at $6 per connection since FY 2001-02.

2. **SWRCB Rationale:** The current statutory requirements require a costly and time-consuming rulemaking process for increasing fees, which limits the program’s ability to meet new statutory or budgetary requirements.
   
   **ACWA Response:** The SWRCB’s current drinking water fee setting processes provide due process through a transparent, public process. Many public water systems subject to these fees are public agencies that are required to engage in public processes in order to raise their rates.

3. **SWRCB Rationale:** Nearly 55 percent of Drinking Water Program costs are funded from federal funds. Federal funds are not a stable funding source, as there is no guarantee that the state will continue to receive these funds in perpetuity.
   
   **ACWA Response:** The Public Water System Supervision (“PWSS”) grant is a federal responsibility under the federal Safe Drinking Water Act and has been appropriated every year since 1976.
ACWA has looked into this in Washington, D.C. There is no indication that the PWSS funding is vulnerable or at risk of being reduced or eliminated.

4. **SWRCB Rationale:** The current fee structure prevents the SWRCB from being able to focus its resources on addressing the highest priority drinking water problems which tend to involve small water systems or to effectively shift resources to address urgent new drinking water issues, such as those associated with the current drought.

**ACWA Response:** Both the current and the SWRCB’s proposed fee structures are designed to reimburse SWRCB for costs incurred conducting activities mandated by the Safe Drinking Water Act. The current fee structure is based on a “fee-for-service” model, and changing that requirement may involve the imposition of a new tax-based structure on public water systems. Proposition 26, enacted by California voters in 2010, added a new definition of the term “tax” to the California Constitution and provides that taxes must be approved by two-thirds vote of Legislature and that certain local fees be approved by two-thirds of voters. Under Proposition 26, a fee is a tax if it does not link payor charges and benefits.

5. **SWRCB Rationale:** The current fee structure places a greater burden on small water systems to pay for the costs of the drinking water regulatory program.

**ACWA Response:** As the SWRCB has acknowledged, problems related to consistent compliance with drinking water standards are concentrated among small systems. Accordingly, any fee-based program will concentrate costs on those systems where the time and energy of the Drinking Water Program are focused. For public water systems that serve less than 1,000 connections, per connection fees have remained fixed at $6 per connection since Fiscal Year 2001-02. The existing law allows increases to $10 per connection.

**ACWA’s Position (for discussion)**

**Principles**
- The Drinking Water Program is an important program which needs to be adequately funded.
- A permit fee should cover the SWRCB’s actual and reasonable cost of activities related to the permit (e.g., inspections).
- Due process should be afforded when changes are made to the drinking water program fees.

**Proposal**
- Retain existing provisions in State law, except as noted below. This includes Health and Safety Code section 116565, which limits what activities the fees covers. (See Health & Safety Code (“HSC”) §§116565 – 116595.)
- Amend subdivision (f) of HSC Section 116590 to:
  - Reset the initial funding cap from a 2001-02 fiscal year amount of $7,000,000 cap for large system operating and enforcement fees to a new initial funding cap for the 2015-16 Fiscal Year in the amount of $15,395,000.
DRAFT – 5/1/2015

- Retain the 5 percent cap on annual increases, but change the initial fiscal year reference to fiscal year 2016-17.
- Apply an increased portion of the Public Water System Supervision (PWSS) Grant (federal subsidy) funding and the Drinking Water State Revolving Fund PWSS (DW SRF PWSS) Grant Set-Aside (federal subsidy) funding to the small water systems.
- Do not use the emergency regulation process to change the permit fees. Retain the existing APA process for the fees.
May 4, 2015

The Honorable Lois Wolk  
Chair, Senate Budget Subcommittee #2 – Resources, Environmental Protection, Energy & Transportation  
State Capitol, Room 5019  
Sacramento, CA 95814

RE:  3940 State Water Resources Control Board Drinking Water Program Fees

Dear Chair Wolk:

The above-listed organizations are writing to respectfully oppose the State Water Resources Control Board’s (SWRCB) proposal to substantially change the current funding structure of the Drinking Water Program and its statutory authority to impose operating fees through budget trailer bill language. As suggested below, we are offering an alternative proposal. The issue was held open at the conclusion of the March 19, 2015 Senate Budget Subcommittee #2 hearing.

The Drinking Water Program is an important program which we agree needs to be adequately funded. A public water system’s operating fees should cover the SWRCB’s actual costs of activities required under the State Safe Drinking Water Act in relation to that system, such as inspections and water system evaluation. Due process should be afforded when changes are made to the drinking water program fees. The current drinking water fee setting process provides due process through a transparent, public fee setting process that is not rushed like an emergency regulation process is hurriedly moved. Many public water systems subject to these fees are public agencies that are required to engage in transparent public processes in order to raise their rates.

Our alternative proposal would retain existing provisions in State law (See Health & Safety Code (“HSC”) §§116565 – 116595.), except as noted below. For example, this proposal retains HSC Section 116565, which limits the activities the fee covers and limits the fee to the actual costs incurred in conducting those activities in relation to the system in question. We propose the following:

- Amend subdivision (f) of HSC Section 116590 to:
  - Reset the initial funding cap from a 2001-02 fiscal year amount of $7,000,000 cap for large system operating and enforcement fees to a new initial funding cap for the 2015-16 Fiscal Year in the amount of $15,395,000.
Retain the 5 percent cap on annual increases, but change the 2002-03 fiscal year reference to fiscal year 2016-17.

- Apply an increased portion of the Public Water System Supervision (PWSS) Grant funding and the Drinking Water State Revolving Funding PWSS (DW SRF PWSS) Grant Set-Aside funding to the small water systems (i.e., shift a portion of the federal subsidy funding from the large water systems to supplement the portion that currently helps fund the Drinking Water Program for the small water systems).
- Do not use the emergency regulation process to change the permit fees. Retain the existing Administrative Procedures Act (APA) process for these fees.

This proposal will result in a fee increase for large water systems. The above-listed organizations do not oppose this fee increase because it is needed to reasonably maintain adequate program funding. Our proposal would increase the existing cap on the large water system funding for the program in the statute, retain the existing 5% cap on future annual fee increases, shift part of the federal subsidy funding to help fund small public water system regulation, and retain a transparent and public rulemaking process for the fees. We appreciate your consideration of our alternative. We look forward to hearing back from you with any questions that you may have. Thank you for the opportunity to provide feedback on the State Board’s initial proposal.

If you have any questions, please contact Cindy Tuck, ACWA’s Deputy Executive Director for Government Relations, at (916) 441-4545 or CindyT@acwa.com.

Sincerely,

Cindy Tuck
ACWA Deputy Executive Director for Government Relations

cc: Senator Fran Pavley, Senate Budget Subcommittee #2 Member
    Senator Jim Nielsen, Senate Budget Subcommittee #2 Member
    Martha Guzman, Deputy Legislative Secretary, Office of Governor Brown
    Catherine Freeman, Senate Budget Consultant
    Rocel Bettencourt, Senate Republican Caucus Consultant
    Rob Egel, Legislative Director, State Water Resources Control Board
# Status of Public Affairs Programs

## May 2015

<table>
<thead>
<tr>
<th>Program</th>
<th>Lead Agency</th>
<th>Status</th>
<th>Scheduled Completion or Event Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>8th Annual OC Water Summit</td>
<td>OCWD</td>
<td>Nearing Completion</td>
<td>May 15, 2015</td>
<td>MWDOC and OCWD are in the final stages of preparing for the 8th annual OC Water Summit, which will take place Friday, May 15 at Disney’s Grand Californian Resort and Hotel. Nearly 350 guests are expected to participate in the event. A total of $73,372 in sponsorships have been secured. A full event recap and financial report will be provided in June/July 2015.</td>
</tr>
<tr>
<td>Value of Water Communications Plan</td>
<td>MWDOC</td>
<td>Ongoing</td>
<td>Ongoing</td>
<td>The 30-second and long-form Public Service Announcements for the Value of Water program are complete. The 30-second video will run in movie theaters and gas station pump toppers within the participating agencies’ service areas during the month of May 2015. During this time, bus shelter ads and newspaper inserts will also run in select areas that could not be reached through gas stations or movie theaters. The June 2015 media buys have been deferred to July 2015, in hopes of featuring a more drought-focused PSA. The content and concept of the drought-focused PSA are currently under development.</td>
</tr>
<tr>
<td>2015 Poster &amp; Slogan Contest and Photography &amp; Digital Arts Contest</td>
<td>MWDOC</td>
<td>Nearing Completion</td>
<td>June 1, 2015</td>
<td>Nearly 600 entries were submitted by OC students for the 2015 Poster &amp; Slogan Contest and Photography &amp; Digital Arts Contest. Thirty students were selected as winners through an online judging process that was open to MWDOC.</td>
</tr>
</tbody>
</table>
and member agency representatives. The winning students and their parents and teachers will be recognized at a special Awards Ceremony at Discovery Science Center on June 1. A total of 115 guests are currently registered to attend the event.

<table>
<thead>
<tr>
<th>Program</th>
<th>Lead Agency</th>
<th>Status</th>
<th>Scheduled Completion or Event Date</th>
<th>Comments</th>
</tr>
</thead>
</table>
| **Drought Outreach** | MWDOC       | Ongoing | Ongoing                           | During the period of April 13-May 13, 2015, the following drought outreach activities were conducted:  
- April 14, 2015: Public Affairs Workgroup Meeting; led by Darcy/Jessica; discussed drought outreach.  
- April 15, 2015: San Juan Capistrano Presentation; Harvey and Rob presented; presented on water supply and drought.  
- April 20, 2015: MNWD Local Drought & Water Use Awareness Messaging Coordination Meeting; Joe participated; discussed local drought outreach with nurseries and home improvement stores.  
- April 22, 2015: MWDOC/OCWD Joint Planning Meeting; Harvey presented on water supply and drought.  
- April 22, 2015: Drought Action Plan Meeting with Member Agencies; led by Rob with participation from Joe, Kelly, Heather, Jessica and Tiffany; discussed drought outreach/messaging/conservation efforts.  
- April 23, 2015: MET Public Information Officers Meeting; Jessica and Tiffany participated; discussed water supplies/MET drought outreach campaign/member agency outreach activities. |
<table>
<thead>
<tr>
<th>Program</th>
<th>Lead Agency</th>
<th>Status</th>
<th>Scheduled Completion or Event Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>April 29, 2015: San Clemente Rotary Club; Joe presented on water supply/water conservation programs/drought regulations.</td>
<td><strong>April 29, 2015:</strong> San Clemente Rotary Club; Joe presented on water supply/water conservation programs/drought regulations.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>April 29, 2015: OC Drought Working Group; led by Rob with participation from Joe, Kelly, Heather, and Tiffany; discussed drought outreach/messaging/conservation efforts.</td>
<td><strong>April 29, 2015:</strong> OC Drought Working Group; led by Rob with participation from Joe, Kelly, Heather, and Tiffany; discussed drought outreach/messaging/conservation efforts.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>April 30, 2015: Orange County Emergency Management Workgroup; Harvey presented on water supply and drought.</td>
<td><strong>April 30, 2015:</strong> Orange County Emergency Management Workgroup; Harvey presented on water supply and drought.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>May 6, 2015: PIO Drought Messaging Development Meeting; Michelle/Joe/Kelly/Tiffany led the meeting; discussed drought messaging and conservation activities request for target audiences (residents, businesses, cities/county, HOAs).</td>
<td><strong>May 6, 2015:</strong> PIO Drought Messaging Development Meeting; Michelle/Joe/Kelly/Tiffany led the meeting; discussed drought messaging and conservation activities request for target audiences (residents, businesses, cities/county, HOAs).</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>May 7, 2015: OC Water Use Efficiency Coordinators Workgroup Meeting; Steve led the meeting with participation from Jessica, Melissa, Beth, and Sergio; discussed water conservation programs/marketing/drought outreach.</td>
<td><strong>May 7, 2015:</strong> OC Water Use Efficiency Coordinators Workgroup Meeting; Steve led the meeting with participation from Jessica, Melissa, Beth, and Sergio; discussed water conservation programs/marketing/drought outreach.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>May 13, 2015: PIO Drought Messaging Development Meeting: Michelle/Joe/Tiffany led the meeting; discussed upcoming H2O for HOAs events and drought messaging for various target audiences.</td>
<td><strong>May 13, 2015:</strong> PIO Drought Messaging Development Meeting: Michelle/Joe/Tiffany led the meeting; discussed upcoming H2O for HOAs events and drought messaging for various target audiences.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>May 13, 2015: Serrano Water District Town Hall Meeting; Harvey presented on water supply and drought.</td>
<td><strong>May 13, 2015:</strong> Serrano Water District Town Hall Meeting; Harvey presented on water supply and drought.</td>
</tr>
</tbody>
</table>
### 2014-15 Water Education School Program

#### # of Students Booked

<table>
<thead>
<tr>
<th></th>
<th>July</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Historical Average</td>
<td>34,405</td>
<td>39,319</td>
<td>45,070</td>
<td>53,900</td>
<td>59,337</td>
<td>65,269</td>
<td>69,616</td>
<td>73,332</td>
<td>75,563</td>
<td>76,726</td>
<td>77,411</td>
<td>77,523</td>
<td>83,952</td>
</tr>
<tr>
<td>Current Year (2014-15)</td>
<td>54,053</td>
<td>58,028</td>
<td>60,691</td>
<td>65,453</td>
<td>67,314</td>
<td>71,036</td>
<td>74,656</td>
<td>75,743</td>
<td>76,754</td>
<td>77,661</td>
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</tr>
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</table>

#### # of Students Taught

<table>
<thead>
<tr>
<th></th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Historical Average</td>
<td>0</td>
<td>5,526</td>
<td>14,522</td>
<td>20,838</td>
<td>24,823</td>
<td>37,676</td>
<td>46,625</td>
<td>56,093</td>
<td>65,692</td>
<td>73,691</td>
<td>76,705</td>
<td>76,705</td>
</tr>
<tr>
<td>Current Year (2014-15)</td>
<td>0</td>
<td>1,673</td>
<td>12,161</td>
<td>19,355</td>
<td>22,514</td>
<td>37,603</td>
<td>46,730</td>
<td>58,787</td>
<td>66,379</td>
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</tbody>
</table>

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![Graph of # of Students Booked](image1.png)

![Graph of # of Students Taught](image2.png)
| Member Agency Relations | Heather, Jessica & Tiffany participated in the member agency meetings on 4/22 and 4/29 to discuss the proposed mandatory conservation regulations and how the agencies can work together on a regional level.  
Tiffany, Michelle, Joe and Kelly led drought messaging development workgroup meetings with member agency PIO’s on May 6 and May 13.  
Tiffany and Jessica participated in Metropolitan’s PIO meeting on April 23.  
Tiffany and Jessica attended Metropolitan’s new drought campaign focus group sessions on April 29.  
Tiffany has been working with all four MWDOC/Metropolitan Directors and Metropolitan staff to submit tour requests for next season.  
Heather attended MWDOC’s bi-annual Elected Officials Forum. Tiffany created the electronic invitation, survey and registration form for the event.  
Tiffany provided Laguna Beach County Water District and Yorba Linda Water District with customized water use efficiency graphics.  
Jessica and Kelly assisted City of Fountain Valley with customer notifications regarding their unexpected water service interruption on April 20. Jessica developed a press release, text message, and phone message that were used by City staff. |
| Community Relations | Heather met with Whitney Ayers, Vice President of the Hospital Association of Southern California to discuss the proposed mandatory conservation regulations and how they might be applied to area hospitals.  
Heather attended the South Orange County Economic Coalition and received an update on Poseidon’s Huntington Beach project and the Cadiz Project.  
Heather attended the Southern California Water Committee’s Quarterly Luncheon featuring guest speaker Congressman Ken Calvert. |
Heather and Bryce staffed the MWDOC booth at Santa Margarita Water District’s Water Awareness Day on May 2. **178** people came to the booth for information and to ask questions.

Heather attended the joint ACC-OC Water Committee & SAWPA meeting on 5/14.

Tiffany is working with City of Anaheim staff to coordinate a Water Expo at the new Anaheim Regional Transportation Center on June 6th. All MWDOC member agencies have been invited to participate and host a booth.

Jessica, Tiffany B., Bryce, Tiffany F. and Marey implemented MWDOC’s social media activities through Facebook, Twitter, and Pinterest during this period.

Jessica and Tiffany updated several pages on the MWDOC website, Open Government site, and WUE microsite.

Marey and Bryce worked an information booth at Mission Viejo’s Children’s Environmental Fair on April 24. **198** people were reached.

Marey and Bryce worked an information booth at Mission Viejo’s Earth Day/Arbor Day Celebration on April 25. **131** people came to the booth.

Marey and Melissa worked an information booth at the San Juan Eco Garden Expo on May 2. **300** people were reached. Bryce and Pari worked the same event information booth on May 3. **105** people came to the booth for information and to ask questions.

### Education

Jessica coordinated a School Program Working Group comprised of MWDOC staff and five member agency representatives. The Working Group evaluated the six proposals received in response to MWDOC’s School Program RFP, conducted vendor interviews, and formulated a recommendation to the MWDOC Board. Karl, Jessica, and Tiffany participated in the process.

Per direction from the Board, MWDOC staff conducted a second RFP process for a high school program. The Working Group met on May 12 to evaluate, discuss the proposals, and develop a recommendation that will be brought to the MWDOC Board on May 18.

Jessica was asked to give a presentation to the Santa Ana City Council and Santa Ana Unified School District on May 4. The program focused on Santa Ana’s participation in MWDOC’s Water Education School Program.

Jessica is developing the draft contract with Discovery Science Center for implementation of the 1st-6th grade School Program in
### Media Relations

2015-16 through 2017-18. The General Manager and legal will both review the contract prior to execution.

### Special Projects

- Heather participated in the WACO Planning meeting on 4/21.
- Heather organized and staffed the ISDOC Quarterly Luncheon featuring local author and historian Chris Epting.
- Heather and Rob attended the SWRCB hearing on 5/5 where Rob testified on the proposed mandatory conservation regulations.
- Heather staffed the ISDOC Executive Committee meeting and began planning for the July 2015 Quarterly Luncheon.
- Tiffany, Jessica and Michelle met with Fraser Communications on May 5 to discuss a regional drought campaign, including a 30-second PSA.
- Tiffany created a new drought briefing paper and drought infographic which have been distributed to MWDOC member agency PIOs and water use efficiency staff, posted on the website, and handed out at community events.
- Tiffany B., Bryce, Tiffany F. and Marey continue to manage the administrative process for the annual Poster Slogan Contest and Digital Arts Contest, and will continue to work on a variety of components of the contest leading up to the Awards Ceremony in June 2015.
- Tiffany and Marey prepared the May cover image for social media, eCurrents, and the website.
- Tiffany is preparing a turf removal PowerPoint presentation for staff use.
- Tiffany and Bryce are continuing to work with Immersiv Media on the OC Water Hero Program phone app.

### Water-Use Efficiency Marketing

- Jessica participated in the May 7 OC WUE Coordinators Meeting, hosted by City of Santa Ana.
- Jessica is coordinating bill inserts promoting Smart Irrigation Month and smart timers, rotating nozzles, and turf removal. The inserts will be distributed by MWDOC member agencies during the months of July and August.
| Legislative Affairs | Heather participated in the Southern California Water Committee (SCWC) Legislative Task Force conference calls on 4/20, 4/27, 5/4 and 5/18.  
Heather participated in Metropolitan Water District’s Legislative Coordinator’s Conference Call on 4/30 and 5/14.  
Heather attended ACWA’s State Legislative Committee meeting in Sacramento on 5/1.  
Heather attended the ACWA Spring Convention in Sacramento and attended programs related to policy, Prop 1 implementation and urban water conservation. |