

MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
PUBLIC AFFAIRS AND LEGISLATION COMMITTEE
June 15, 2015, 8:30 a.m.
Conference Room 101

Committee:

Director Barbre, Chairman
Director Tamaribuchi
Director Hinman

Staff: R. Hunter, K. Seckel, M. Tuchman,
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 <http://www.mwdoc.com>.

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
2. DISCUSSION RE FUTURE OF WATER SUMMIT

3. DISCUSSION RE WATER BOND FUNDING

ACTION ITEMS

4. 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. Budget Trailer Bill #825 – Consolidation of Public Water Systems

5. HONORARY RESOLUTIONS

- a. Don Calkins

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

6. STATUS REPORTS

- a. OC Water Summit Recap (May 15, 2015)
- b. Water Policy Dinner
- c. Value of Water Communications Plan
- d. Poster & Slogan Contest
- e. Drought Outreach

7. PUBLIC AFFAIRS ACTIVITIES REPORT

OTHER ITEMS

8. 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.

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Nicholas Crockett
Kate Blair

Municipal Water District of Orange County, California
Washington Update
June 8, 2015

The Drought:

Both Houses of Congress are working steadily on a California Drought Relief Package—which in turn would be part of a larger western states bill. The goal is to have a House bill introduced by June 15th with full House passage by the first part of August, before the month long August Recess begins. There is a plan to have a bill introduction, a full House Hearing and Committee mark up in the next seven weeks. Congressman Ken Calvert is considered the lead player on the bill on the House side.

Lawmakers know that given the fall schedule, they have a greater chance of success with moving a bill by the end of the year if they can have their own legislation passed through one of the two bodies of Congress by the beginning of the August Recess.

No specific details of the legislative proposal have been released to the public but it is believed that House Republicans are preparing legislation to address California's ongoing drought by focusing on water transfers and storage and at the same time seeking to have aggressive treatment on environmental laws—perhaps seeking to equalize the treatment of our general population and that of endangered species. A resolution to the San Joaquin issue is not likely to be included in the bill. We should know more about the details of the bill in approximately one week.

Key negotiators realize that any legislation with success must not only pass the House of Representatives, which is considered the easiest step in the process, but that the package must be able to clear a sixty vote total in the U.S. Senate where six Democratic Senators will be needed to pass such a bill. In addition, the President will need to sign the ultimate legislation into law.

On the Senate side, Senator Feinstein is working closely with the State of California on legislation. Again, no details of her bill have been released to the public.

Importantly, Senator Lisa Murkowski (R-Alaska) the Chairwoman of the Senate Energy and Natural Resources Committee stated last week that she was determined to have a “broader water package pass the Senate (...this year)”. Wrestling over the fish species protection will be a major hurdle with

such a water package.

Public Opinion in California:

Californians for the first time are now ranking the historic drought atop their list of concerns facing the state, according to a poll released last week.

According to a poll conducted by the Public Policy Institute of California, 39 percent of respondents named water and drought as the most important issue, followed by jobs and the economy at 20 percent. Such figures are historic.

According to the PPI Poll, *“The concern over the drought is shared statewide, although residents of the agriculture-rich Central Valley are much more likely to prioritize it. Fifty-three percent of Central Valley residents listed it as their top concern, compared with 42 percent in the San Francisco Bay Area, 37 percent in Orange County and San Diego, and 31 percent in Los Angeles.”*

The attention to drought is a marked shift from PPIC's May 2014 poll, when 12 percent of respondents said it was their top concern, compared with 33 percent naming jobs and the economy. The poll was taken of 1,706 adults—a fairly large sample-- May 17-27 and has a 3.6-point margin of error.

Further data from the poll indicates that Californians are even more likely to say their neighbors are not doing enough to address the drought. Sixty percent said people in their part of the state aren't doing enough, compared with 7 percent who said people were doing too much. Twenty-eight percent of respondents thought reactions to the drought were just right.

Snowpack in California:

The California Department of Water Resources is reporting that the snowpack in the Sierra Nevada Mountains is the lowest in 13 years and “we have had one of the earliest melts-offs ever.” The Office went on to report “we have ***no inches of snow***...these indicators keep piling on top of each other to paint the picture that we are in the worst drought in recent memory in California”. The lack of snow in the mountains is considered critical because water experts estimate that the snow pack provides roughly 33% of the water for California.

MWDOC representatives are tracking the activities in Congress regarding the California Drought Legislation and providing input when asked.

Appropriations from Congress:

The Obama Administration is planning on providing more federal funds for water conservation in California and other Bureau of Reclamation States. The Administration is planning on \$50 Million in federal grants, roughly twice the amount of funds appropriated last year.

The “Waters of the US Rule”:

Opponents of the Obama administration's recently updated "Waters of the United States" rule are poised this week to advance legislation that would prevent it from going forward.

The Senate Environment and Public Works Committee has scheduled a key committee markup of S.1140, a bill sponsored by Senator John Barrasso (R-Wyo.) June 10th. This legislation is seen as a vehicle to prevent the implementation of the recently finalized Obama Administration Rule.

Senator Barrasso's "Federal Water Quality Protection Act," would send the Obama administration back to the drawing board to try again to resolve the long-running confusion around what streams and wetlands fall under the protection of the Clean Water Act.

The bill is widely supported by water districts, agricultural groups and other industries that oppose the new rule, and the legislation is opposed by environmental groups who endorse the rule.

There is little doubt the bill will clear the Republican-controlled committee, but what happens after that is uncertain. It is unclear if the legislation can hit the 60 vote threshold to withstand a filibuster and assuming that it does, and can ultimately pass the Congress—the President may choose to veto the legislation and it is unclear if there are enough votes in the Senate or the House to overturn a Presidential veto.

The Obama administration had hoped that the final version of the water rule, unveiled at the end of May, will win over moderate lawmakers who were on the fence about the earlier proposed version. The final rule offers more quantifiable definitions, sets some boundaries beyond which waters are deemed beyond federal reach and broadens exemptions.

Federal Wildfire Legislation:

As explained in last month's Washington Report, the Congress is considering legislation that amends the Balanced Budget and Emergency Deficit Control Act of 1985 to allow for discretionary spending limits in future 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.

This legislation is considered extremely important to the Western United States because of the fear of extensive wildfires this coming year—and making sure there are adequate funds available immediately to deal with crisis needs.

Under the legislation when a true emergency fire event occurs, which may only represent about 1-3%

of wildland fires *but make up some 30% of the wildland fire costs*, such an event(s) would be treated like similar major natural disasters and funded under existing disaster programs.

General News Items and Political Updates of Interest

Not only will there be a Presidential Election in 2016, there will be a third of the U.S. Senate up for election and all 435 House races. Here are ten U.S. Senate Seats to watch for 2016—which may cause the Senate to flip back to the Democratic Party (*Currently the Republicans hold a 55-45 advantage; but in 2016, Republicans have to defend 24 Seats compared to the Democrats who have to defend only 10 Seats.*) Again some key states to watch as the campaign season unfolds:

1. Illinois—the Senate seat is currently by a Republican, Senator Mark Kirk who suffered a serious stroke during his current term of office--Hillary Clinton, a native of Illinois, is likely to carry a big vote in this state and thus help any Senate Candidate.
2. Wisconsin—currently a Republican seat--Senator Ron Johnson is likely to be in a race with Russ Feingold, a former two term Senator himself. Feingold is ahead in current polling.
3. Florida—This is considered a swing state. Senator Rubio is running for President.
4. Nevada—Harry Reid is retiring, leaving an open seat. No serious heavy weights have entered to date.
5. Pennsylvania—this is a current Republican Seat but in a swing state.
6. New Hampshire—Republican Seat in a swing state.
7. Colorado—Democratic leaning—swing state.
8. Ohio—A former Democratic Governor is expected to run against the incumbent Republican Senator, Rob Portman—again this is considered a swing state.
9. North Carolina—A Republican Seat is up but again in a swing state.
10. Arizona—John McCain, considered by many to be an “institution” in this state, may face an intraparty race against a popular Congressman, Matt Salmon. This is considered a Republican State but if there is an ugly intraparty fight between McCain and a Conservative opponent some Washington observers say that could possibly help a Democratic Candidate in the General Election.

To: Municipal Water District of Orange County
From: Townsend Public Affairs, Inc.
Date: June 2015
Subject: Monthly Political and Activity Report

STATE POLITICAL UPDATE

All attention in the Capitol over the past several weeks has been centered on finalizing the State Budget and moving legislation through the House-of-Origin deadline.

On May 14th, the Governor released his May Revise of the proposed State Budget for 2015-16. As anticipated, the May Revise included considerably more revenue than the original January Budget, due to a growing economy and strong revenue numbers. The May Revise included \$6.7 billion in additional expenditures over the original January budget proposal.

The vast majority of the new revenue, \$5.5 billion, will go towards K-14 and higher education, largely due to the provisions of Proposition 98. Additional revenues will go towards the State's Rainy Day Fund (approximately \$633 million), paying down state debts and liabilities (\$633 million), one-time drought funding (\$2.2 billion), and establishing a state-level earned income tax credit (\$380 million) to assist low-income Californians.

In his May Revise, the Governor acknowledged the need to address the drought in California and included an additional \$2.2 billion in one-time funding in response to the ongoing drought conditions in California. The bulk of the funds proposed in the May Revise are from Proposition 1 and are available to the administering agency over the next three years. The May Revise specifically included:

- Makes \$1.7 billion available over the next three years for the State Water Resources Control Board from Proposition 1 for the following programs:
 - \$784 million in Groundwater Contamination funding;
 - \$475 million in Water Recycling and advanced water treatment projects;
 - \$180 million in Safe Drinking Water funding for disadvantaged communities;
 - \$160 million in Wastewater Treatment Projects for small communities; and,
 - \$100 million in Stormwater Management funds.
- Makes \$110 million available to Department of Water Resources for the following purposes:
 - \$60 million for groundwater sustainability planning efforts; and,
 - \$50 million (over the next two years) to assist in the development of local water supplies through desalination projects.
- Makes \$245 million available for implementation of water conservation efforts:

- \$43 million to implement consumer rebate programs for replacement of inefficient appliances, as contained in the Governor's Executive Order;
- \$30 million to implement the Water Energy Technology Program, as contained in the Governor's Executive Order;
- \$27 million to replace lawns in underserved communities, as contained in the Governor's Executive Order;
- \$20 million for DWR Water Energy Grant Program to reduce energy demand through water use efficiency and conservation; and,
- \$10 million to create the CalConserve revolving loan program for homeowners and businesses to undertake water efficiency upgrades.

In addition to funding to address the ongoing drought, the Administration has released several proposals, relating to the drought and water districts, for possible inclusion in a budget trailer bill(s). While a few of the proposals, such as local enforcement authority to enforce drought related fines, are new items that are directly tied to the current drought, many of the proposals are re-introductions of legislation that have previously stalled in the Legislature. Among the items that are now being introduced as being drought related are: public well logs, sub-metering for multi-unit structures, and mandated consolidation for small water systems that fail to provide safe drinking water. The water community, along with many other public agency advocates, has expressed strong opposition to many of the proposals that have been brought forward for potential inclusion in the final budget package. The Administration is increasingly releasing major policy changes through the budget trailer bill process, as opposed to introducing legislation that can be more thoroughly vetted through the normal legislative process. This results in significantly less time to evaluate proposals for potential impacts, and less time for legislators to consider such policy changes and how they would impact their districts.

As of June 8th, the Budget Conference Committee is still meeting to work out the differences in the budget actions that were taken by the Assembly and Senate Budget committees. It is anticipated that they will produce a final conference report by June 12, which will then be forwarded to the Assembly and Senate Floors for consideration by each House. Additionally, it is anticipated that the accompanying trailer bills, the legislation that implements the policy changes included in the main budget, will be made available at least 48 hours before being considered by the Legislature, likely on June 13th. The Legislature must then approve the main budget bill prior to midnight on June 15th or else they will be required to forfeit their pay until the budget is passed.

In addition to all of the activity surrounding the State Budget, two significant legislative deadlines have recently passed; May 28th was the legislative deadline for bills to be considered by fiscal committees, and June 5th was the House-of-Origin deadline. Any bill that failed to meet either of those deadlines is now a two-year bill. The bills that moved out of their House-of-Origin must now pass out of the Second House policy committees prior to legislative summer recess on July 17th.



Cap and Trade Funding

The May Revise contains \$1.6 billion in funding for public transit, high-speed rail, and sustainable communities development through the Cap and Trade program. This funding includes:

- \$100 million for transit operations in the Low Carbon Transit Operations Program
- \$265 million for rail and transit in the Transit and Intercity Rail Capital Program
- \$400 million for projects in the Affordable Housing and Sustainable Communities Program
- \$500 million for High-Speed Rail
- \$350 million for the Air Resources Board clean transportation programs

Local Mandate Payments

The May Revise contains a trigger mechanism for repayment of outstanding state mandate claims. Under the current revenue estimates contained in the May Revise, the outstanding mandate trigger would be met and the state would repay \$765 million in outstanding pre-2004 mandate claims (would fully satisfy all outstanding pre-2004 claims), which is a \$232 million increase over the amount proposed in the January Budget. Of the \$765 million, approximately 77 percent would go to counties, 22 percent would go to cities, and 1 percent would go to special districts.



The County of Orange Report

June 15, 2015
By Lewis Consulting Group

Two New Polls Reveal Statewide Water Attitudes

In the last month two prestigious polling firms released their findings including numerous water related questions.

The Field poll was conducted from April 23 through May 16 among 1,664 California adults of which 752 were homeowners. The Public Policy Institute of California (PPIC) poll was conducted May 17-27 and included 1,706 California adults of which 1,374 were registered voters. Amongst the entire sample polled, the margin of error was +/- 3.6% with a 95% rate of confidence.

The entirety of the Field Poll dealt with California's water crisis. Among its many findings, 89% of Californians believe the current water shortage is serious and 66% rate it as extremely serious. Northern Californians at 72% are 10% more likely to rate the crises as extremely serious compared to 62% of their Southern California counterparts.

65% of the sample support Governor Brown's initiative to reduce urban water usage by an average of 25%. 73% of Democrats are supportive while support drops to 54% of California Republicans.

There is a near equal split in Southern California with 46% of respondents saying it would be somewhat or very easy to comply with water cutbacks at home while 44% say it would be somewhat or very difficult. 70% of homeowners in California say it would be a serious problem for them if their water rate were raised 15 or 25%.

57% of Californians believe agricultural users can reduce water usage by changing crops and using water more efficiently without great difficulty. Not surprisingly only 48% of respondents from the Central Valley agree with that notion.

The PPIC poll was a far more comprehensive study of California attitudes on a number of questions ranging from the legalization of marijuana to gauging support for a whole host of proposed tax increases.

Their critical question was gauging opinion on what California's consider to be the most important issue facing our state. Among all California adults the drought was the choice of 39%, followed by jobs/economy 20% and crime 5%. In Orange and San Diego Counties, drought was 37% and jobs/economy was 27%. When asked if they believed people in their part of California were doing enough to respond to the current drought, 60% said not enough, 28% said the right amount and 7% said too much.

North Orange County Election Contests Roiled

The entrance of formidable Democrat Sukhee Kang into the 29th State Senate contest apparently has set off a chain of events once again reshaping North Orange County's electoral landscape. Kang, the former Mayor of Irvine, moved to North Orange County to seek the seat of termed out State Senator Bob Huff. Kang's entrance apparently motivated Republicans to recruit Assembly member Ling Ling Chang to forgo an easy re-election and instead seek election to the key Senate post. In doing so, even in victory, she sacrifices two years of potential legislative service due to the way the state's term limit law is crafted.

As a result of Chang's entrance into the Senate race, previous Republican front-runner, La Habra City Councilman Tim Shaw withdrew his Senate candidacy and will presumably join a host of candidates for Chang's heavily Republican 55th Assembly District seat.

The 55th Assembly District is a tri-county district with the following vote strength

County	Total voter registration
Los Angeles	87,236
Orange	113,228
San Bernardino	37,079

However, among registered Republicans, 53,700 of the 92,700 reside in Orange County, creating an advantage for an Orange County Republican candidate.

Second Supreme Court Case Creates Huge Political Uncertainty

In our March, 2015 report we detailed the ramifications for Members of Congress should the Supreme Court rule in favor of the plaintiff in the case of Arizona State Legislature v. Arizona Independent Redistricting Commission. In short, if the plaintiff prevails, Congressional lines drawn by California's independent Commission will need to be redrawn by the California Legislature. This is a prospect termed out legislators can hardly restrain their glee.

Now, the U.S. Supreme Court has accepted a second potentially earth shattering political case which could effect the composition of voter districts across the country.

Plaintiffs in Texas filed in the case of Evenwel v. Abbott a complaint questioning the constitutionality of legislative districts that had a widely varying number of registered voters. The largest legislative district in Texas has twice as many registered voters as the smallest. For 50 years since the Earl Warren Court, the one person one vote standard has been applied to drawing all political districts and person included both non-citizens and under age population. The Texas plaintiff argues that the apportionment of districts should be based on eligible voters. If the court agrees to that standard, political districts, particularly in the southwest, would be radically reshaped. For example, an application of this standard would vastly diminish the number of "Hispanic" districts in California.

Numerous questions arise on what would happen if the Court rules in the plaintiffs favor. Most observers believe any ruling would not impact Congressional Districts because the Constitution's 14th Amendment specifies counting the whole number of persons in each state. If however, the Court found otherwise, in addition to the redrawing of districts, states like California, Texas and Florida could lose numerous Congressional seats.

Another option for the Court would be to allow states the ability to choose their own methodology for apportionment. That would certainly maintain the status quo in California.

However, if the Court imposes a new eligible voter standard on California, it would result in a political tsunami. Two huge questions would remain. First, how do you count eligible voters, the census currently has data that some find insufficient? Secondly, when would the ruling take place, in 2022, after the next completed census or as soon as practical? The political ramifications of this case are simply enormous.

SMWD Touts Support of Mimi Walters for Cadiz Project

On May 26, 2015 Cadiz Inc. announced that Orange County Congresswoman Mimi Walters has endorsed the Cadiz Water Conservation, Recovery & Storage Project.

The Press Release from Cadiz Inc. was posted through the SMWD website <http://www.smwd.com/news/in-the-news/>.

The press release in part states, "The Cadiz Water Project is public-private partnership with the Santa Margarita Water District that will conserve water presently being lost to evaporation and deliver a new water supply for 400,000 people across Southern California."

Cadiz also lists many other prominent Orange County and regional political and business organizations supporting the project including Darrell Issa, Dana Rohrabacher, Paul Cook, Pat Bates and Diane Harkey.

ACKERMAN CONSULTING

Legal and Regulatory June 15, 2015

1. Well Data Going Public: As previously reported, California is the only Western state that does not make public, information regarding drilling and construction of water wells. California does make this information public for oil and gas wells. The Senate has passed a bill which would make that information public. It is still opposed by agricultural groups and the Cal Chamber. There is presently an effort to add this concept to a Budget Trailer Bill. This would make the effective date sooner rather than going through the normal bill process.

2. Clean Water Regulations: The US Environmental Protection Agency (EPA) and the US Army Corp of Engineers has released its final regulations clarifying confusion over the extent of the attempts to greatly expand the Clean Water Act (CWA). These regulations purport to define contributories, downstream waters, prairies potholes, wetlands, ditches and other water features. The EPA claims that this will narrow the CWA and will only increase its jurisdictional waters by 3%. Definitely stay tuned!

3. Drought vs Landscaping Industry: The landscaping industry in California is a \$25 billion industry. Of that, about one-half or \$12.4 billion is associated with landscaping services which include mowing grass and maintaining lawns and gardens. As a result of the drought, the industry is seeing significant changes. More money is actually being spent in the process but it is going to different areas and skills. Awareness of the drought, water usage, costs, alternative plants and designs, are all factors which are producing great change in the industry. One company which has jumped on the band wagon is Irvine based So Cal Concepts. They have engaged in training their employees in new ideas and skills necessary to address changes in the California landscape model. This involves plant selection, watering techniques, individual plant attention, far beyond the historic "mow and blow" method of gardening. The new thinking also considers not taking out all greenery as too much concrete and hard surface produces more heat and less habitat for insects and birds which are vital to a healthy environment.

4. Water Messaging: The theme of the 37th annual Grand Carnaval Parade in San Francisco, a major Hispanic celebration, was Agua Sagrada or Sacred Water. This year's Parade organizers decided to make the event a year-long education process instead of the normal week long celebration. Along with the parade floats which emphasized water uses and conservation, there will be programs on a year round basis regarding water saving ideas and the importance of everyone helping to solve this problem.

5. Owens Valley Solution: Historically, the cattle ranchers and the environmentalists in the Owens Valley have fought over water supply and usage. As a result of the LA Department of Water and Power (DWP) cutting back of all water allocations to the area, the two groups have come to a tentative agreement. While in other parts of the State, in

particular the Delta region, there has been no reduction in waters for environmental uses such as stream flow or habitat preservation, the environmental groups in the Valley have agreed to a reduction. This was due to the position taken by DWP and also realization by certain benefits to the environment from the ranching operations.

6. Oil Wastewater: As we have previously reported, there is a lot of water used in oil production. As part of the oil companies' effort to reduce water usage and save water, much of the waste water is pumped back into the ground through injection wells. Since most of this water is toxic to one level or another, care must be taken in the injection process. Where the injection occurs further from natural groundwater areas, nature takes its course and by the time the water percolates down, it is much cleaner. However the State has discovered 260 such wells that are so shallow or close to wells used for drinking or irrigation that they may cause safety risks. These wells and the drinking and irrigation water are being monitored and so far 23 wells have been shut down. A spokesman for the State has reported "Continued vigilance and testing will be needed, but so far we haven't found a significant risk to water supplies." The EPA has pressured the State into a 2 years phase out of these wells until better evidence is obtained regarding the long term affect.

7. Forest Management vs Drought: The US Department of Agriculture has put forth its recommendations in dealing with the California drought. They indicate that controlled burns and forest thinning should be considered as drought measures. Where forests are not overgrown, there is more water available for the watershed. Also the risk of forest fires is diminished. The Department will be asking for more money from Congress as most of their current forest budget is use for fighting fires.

8. HOA Fake Grass Ban: The legislature is on track to pass a bill which would ban HOAs from banning artificial grass from their developments.

9. Budget Trailer Bills: Watch the Budget Trailer Bills which will be passed along with the Budget, possibly by the date of the PAL meeting. The Governor has indicated that he would like to see certain actions taken relating to water and the drought in the Budget. The reason being such action will take effect quicker and they are usually voted on as a package with little opportunity for debate or discussion. These topics may include: HOA fake grass ban, \$10,000 per day fine for water violations, water district consolidation for stranded areas, well data and more.

AB 1

(Brown D) Drought: local governments: fines.

Current Text: Introduced: 12/1/2014 [pdf](#) [html](#)

Introduced: 12/1/2014

Status: 5/7/2015-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Calendar: 6/10/2015 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

AB 10

(Gatto D) Political Reform Act of 1974: behested payments and economic interest disclosures.

Current Text: Amended: 4/7/2015 [pdf](#) [html](#)

Introduced: 12/1/2014

Last Amend: 4/7/2015

Status: 6/2/2015-In Senate. Read first time. To Com. on RLS. for assignment.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would require candidates who are required to file campaign statements, and elected officers for one year after they leave elective office, to report within 30 days following the date on which a behested payment or payments are made for legislative, governmental, or charitable purposes that equal or exceed \$5,000 in the aggregate from the same source in the same calendar year in which the payments are made. This bill contains other related provisions and other existing laws.

Organization Position

Municipal Water
District of Orange
County

AB 149

(Chávez R) Urban water management plans.

Current Text: Amended: 4/29/2015 [pdf](#) [html](#)

Introduced: 1/15/2015

Last Amend: 4/29/2015

Status: 5/21/2015-Referred to Com. on N.R. & W.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Calendar: 6/9/2015 9:30 a.m. - Room 112 SENATE NATURAL RESOURCES AND WATER, PAVLEY, Chair

Summary: The Urban Water Management Planning Act requires an urban water supplier to submit to the Department of Water Resources a copy of its plan no later than 30 days after adoption 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. The act requires each urban water supplier to update and submit its 2015 plan to the department by July 1, 2016. This bill would require each urban water supplier to update and submit its 2020 plan to the department by July 1, 2021, and would require the department to submit its 2015 report to the Legislature by July 1, 2016, and its 2020 report by July 1, 2022 .

Organization Position

Municipal Water
District of Orange
County

AB 291

(Medina D) California Environmental Quality Act: local agencies: notice of determination: water.

Current Text: Amended: 4/23/2015 [pdf](#) [html](#)

Introduced: 2/11/2015

Last Amend: 4/23/2015

Status: 5/14/2015-Referred to Com. on E.Q.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Calendar: 6/17/2015 9:30 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair
Summary: 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 and with the Office of Planning and Research, and to mail a copy of the notice to the county clerks of the counties in which the water project is located, as specified. The bill would require the notices to be available for public inspection or posted, as provided. This bill contains other existing laws.

Organization Position

Municipal Water
District of Orange
County

[AB 300](#)

(Alejo D) Safe Water and Wildlife Protection Act of 2015.

Current Text: Amended: 5/28/2015 [pdf](#) [html](#)

Introduced: 2/12/2015

Last Amend: 5/28/2015

Status: 6/2/2015-In Senate. Read first time. To Com. on RLS. for assignment.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would enact the Safe Water and Wildlife Protection Act of 2015, which would require the State Water Resources Control Board to establish and coordinate the Algal Bloom Task Force, comprised of specified representatives of state agencies, including the conservancy, in consultation with the Secretary for Environmental Protection, 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 algal blooms and microcystin pollution and to submit a summary of its findings and recommendations to the appropriate policy and fiscal committees of the Legislature.

Organization Position

Municipal Water
District of Orange
County

[AB 307](#)

(Mathis R) Graywater: groundwater recharge.

Current Text: Introduced: 2/12/2015 [pdf](#) [html](#)

Introduced: 2/12/2015

Status: 5/15/2015-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/12/2015)

2 year	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

[AB 308](#)

(Mathis R) Graywater: agricultural use.

Current Text: Introduced: 2/12/2015 [pdf](#) [html](#)

Introduced: 2/12/2015

Status: 5/15/2015-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/12/2015)

2 year	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

[AB 311](#)

(Gallagher R) Environmental quality: Water Quality, Supply, and Infrastructure Improvement Act of 2014.

Current Text: Amended: 4/15/2015 [pdf](#) [html](#)

Introduced: 2/12/2015

Last Amend: 4/15/2015

Status: 5/1/2015-Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 4/28/2015)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would require a public agency, in certifying an environmental impact report and in granting approvals for specified water storage projects funded, in whole or in part, by Proposition 1, 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. The bill would authorize the public agency to concurrently prepare the record of proceedings for the project. This bill contains other related provisions and other existing laws.

Organization Position

Municipal Water
District of Orange
County

AB 349

(Gonzalez D) Common interest developments: property use and maintenance.

Current Text: Amended: 5/22/2015 [pdf](#) [html](#)

Introduced: 2/17/2015

Last Amend: 5/22/2015

Status: 5/28/2015-In Senate. Read first time. To Com. on RLS. for assignment.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Current law makes void and unenforceable any provision of the governing documents or architectural or landscaping guidelines or policies 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 artificial turf or any other synthetic surface that resembles grass. This bill contains other existing laws.

Organization Position

Municipal Water
District of Orange
County

AB 356

(Williams D) Oil and gas: groundwater monitoring.

Current Text: Amended: 6/1/2015 [pdf](#) [html](#)

Introduced: 2/17/2015

Last Amend: 6/1/2015

Status: 6/4/2015-Read third time. Refused passage. Motion to reconsider made by Assembly Member Williams.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Calendar: 6/8/2015 #1 ASSEMBLY UNFINISHED BUSINESS RECONSIDERATION

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

AB 434

(Garcia, Eduardo D) Drinking water: point-of-entry and point-of-use treatment.

Current Text: Amended: 4/6/2015 [pdf](#) [html](#)

Introduced: 2/19/2015

Last Amend: 4/6/2015

Status: 5/14/2015-Referred to Com. on E.Q.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Calendar: 6/17/2015 9:30 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair

Summary: State Water Resources Control Board to adopt regulations, similar to those previously authorized for adoption by the State Department of Public Health, governing the use of point-of-entry and point-of-use treatment by a public water system in lieu of centralized treatment where it can be demonstrated that centralized treatment is not immediately economically feasible, with specified limitations. The bill would exempt the regulations from the Administrative Procedure Act and would

require that the regulations and any amendments to the regulations remain in effect until revised by the state board. This bill would also prohibit the use of point-of-entry treatment absent the state board determination of no community opposition, and would delete the limitation on the duration of these permits. This bill contains other related provisions.

Organization Position

Municipal Water
District of Orange
County

AB 452

(Bigelow R) Water Rights Fund: groundwater regulation.

Current Text: Amended: 4/21/2015 [pdf](#) [html](#)

Introduced: 2/23/2015

Last Amend: 4/21/2015

Status: 5/1/2015-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 4/22/2015)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law establishes groundwater reporting requirements for a person extracting groundwater in an area within a basin that is not within the management area of a groundwater sustainability agency or that is a probationary basin. Current law establishes the Water Rights Fund, which consists of various fees and penalties. This bill would prohibit water rights fees from being available for expenditure by the board for the purposes of board enforcement of the provisions of the Sustainable Groundwater Management Act and the groundwater reporting requirements.

Organization Position

Municipal Water
District of Orange
County

AB 453

(Bigelow R) Groundwater management.

Current Text: Introduced: 2/23/2015 [pdf](#) [html](#)

Introduced: 2/23/2015

Status: 5/7/2015-Referred to Com. on N.R. & W.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

AB 454

(Bigelow R) Sustainable groundwater management.

Current Text: Introduced: 2/23/2015 [pdf](#) [html](#)

Introduced: 2/23/2015

Status: 5/29/2015-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 4/14/2015)

Desk	Policy	2 year	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

AB 455

(Bigelow R) Groundwater sustainability plans: environmental impact reports.

Current Text: Introduced: 2/23/2015 [pdf](#) [html](#)

Introduced: 2/23/2015

Status: 5/1/2015-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 3/5/2015)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

[AB 478](#)

(Harper R) Desalination.

Current Text: Introduced: 2/23/2015 [pdf](#) [html](#)

Introduced: 2/23/2015

Status: 5/15/2015-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/23/2015)

2 year	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House			Conc.			

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

[AB 585](#)

(Melendez R) Outdoor Water Efficiency Act of 2015: personal income tax credits: outdoor water efficiency.

Current Text: Amended: 3/16/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Last Amend: 3/16/2015

Status: 5/4/2015-In committee: Set, first hearing. Referred to suspense file.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House			Conc.			

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

[AB 603](#)

(Salas D) Income taxes: Every Drop Counts Tax Credit.

Current Text: Amended: 5/21/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Last Amend: 5/21/2015

Status: 5/28/2015-Joint Rule 62(a), file notice suspended. In committee: Held under submission.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House			Conc.			

Summary: Would, under the Personal Income Tax Law and the Corporation Tax Law, for taxable years beginning on and after January 1 2016, and before January 1, 2021, or an earlier date in the event of a specified occurrence, allow a credit to a taxpayer participating in a lawn replacement rebate program, as defined, in an amount equal to 25% of the costs paid or incurred by the taxpayer to replace conventional lawn on the qualified taxpayer's property during that taxable year, not to exceed \$1,500, as specified.

Organization Position

Municipal Water
District of Orange
County

[AB 606](#)

(Levine D) Water conservation.

Current Text: Amended: 5/12/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Last Amend: 5/12/2015

Status: 6/4/2015-Referred to Com. on G.O.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would, when the Department of General Services replaces landscaping or irrigation on property or when new property is added to the department's statewide property inventory, require the department to reduce water consumption and increase water efficiencies for that property, where feasible, through replacement of landscaping, irrigation timers, or spray sprinkler heads, implementation of recycled water irrigation, or any combination thereof. The bill also would impose similar water conservation requirements on the Department of Transportation. This bill contains other existing laws.

Organization Position

Municipal Water
District of Orange
County

AB 647

(Eggman D) Beneficial use: storing of water underground.

Current Text: Amended: 5/5/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Last Amend: 5/5/2015

Status: 6/4/2015-In Senate. Read first time. To Com. on RLS. for assignment.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would declare that the storing of water underground constitutes a beneficial use of water if the diverted water is used while it is in underground storage for specified purposes. This bill would state the intent of the Legislature that this storage of water underground not injure any legal user of the water involved. This bill would provide that the period for the reversion of a water right does not include any period when the water is being used in the aquifer or storage area or is being held in storage for later application to beneficial use, as prescribed.

Organization Position

Municipal Water
District of Orange
County

AB 656

(Garcia, Cristina D) Joint powers agreements: mutual water companies.

Current Text: Amended: 5/4/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Last Amend: 5/4/2015

Status: 6/4/2015-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would specifically authorize a mutual water company and a public agency to participate in joint powers agreement for the provision of insurance and risk-pooling, technical support, and other similar services for the purpose of reducing risk liability .

Organization Position

Municipal Water
District of Orange
County

AB 723

(Rendon D) Plumbing fixtures: WaterSense standards.

Current Text: Amended: 4/30/2015 [pdf](#) [html](#)

Introduced: 2/25/2015

Last Amend: 4/30/2015

Status: 6/2/2015-In Senate. Read first time. To Com. on RLS. for assignment.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would require the California Energy Commission, when setting plumbing fixture water efficiency standards, to consider the performance requirements established by the WaterSense standards set by the federal Environmental Protection Agency.

Organization Position

Municipal Water
District of Orange

AB 888 (Bloom D) Waste management: plastic microbeads.**Current Text:** Amended: 4/22/2015 [pdf](#) [html](#)**Introduced:** 2/26/2015**Last Amend:** 4/22/2015**Status:** 6/4/2015-Referred to Coms. on E.Q. and JUD.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar: 6/17/2015 9:30 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair

Summary: 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 plastic microbeads that are used to exfoliate or cleanse in a rinse-off product, 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.

Organization Position

Municipal Water
District of Orange
County

AB 935 (Salas D) Integrated Regional Water Management Plans: conveyance projects: grants and expenditures.**Current Text:** Amended: 3/26/2015 [pdf](#) [html](#)**Introduced:** 2/26/2015**Last Amend:** 3/26/2015**Status:** 6/3/2015-In Senate. Read first time. To Com. on RLS. for assignment.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

AB 936 (Salas D) Groundwater monitoring.**Current Text:** Amended: 4/15/2015 [pdf](#) [html](#)**Introduced:** 2/26/2015**Last Amend:** 4/15/2015**Status:** 5/29/2015-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 5/28/2015)

Desk	Policy	2 year	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Existing law establishes a groundwater monitoring program pursuant to which specified entities may propose to be designated by the Department of Water Resources as groundwater monitoring entities, as defined, for the purposes of monitoring and reporting with regard to groundwater elevations in all or part of a groundwater basin or subbasin. This bill would authorize the department to exempt an entity from this eligibility restriction if the entity submits to the department for approval documentation demonstrating that there are special circumstances justifying the entity's noncompliance, including, but not limited to, that a significant portion of the entity's service area qualifies as a disadvantaged community and that the water grant or loan project includes those actions needed to comply with groundwater monitoring functions.

Organization Position

Municipal Water
District of Orange
County

AB 937 (Salas D) Groundwater planning and monitoring: disadvantaged communities.**Current Text:** Amended: 6/1/2015 [pdf](#) [html](#)**Introduced:** 2/26/2015**Last Amend:** 6/1/2015**Status:** 6/3/2015-In Senate. Read first time. To Com. on RLS. for assignment.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would require the Department of Water Resources to provide technical assistance to disadvantaged communities so that they may participate in groundwater planning, including, but not limited to, plans for regional groundwater banking, with any county or other local agency. This bill contains other related provisions and other existing laws.

Organization Position

Municipal Water
District of Orange
County

AB 938

(Salas D) Groundwater: basin reprioritization: establishment of groundwater sustainability agency.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 5/7/2015-Referred to Com. on N.R. & W.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

AB 939

(Salas D) Groundwater sustainability agency: financial authority.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 5/7/2015-Referred to Com. on N.R. & W.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

AB 954

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

Current Text: Amended: 6/2/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Last Amend: 6/2/2015

Status: 6/4/2015-In Senate. Read first time. To Com. on RLS. for assignment.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would require the State Water Resources Control Board to establish a program to provide low-interest loans and grants to local agencies for low-interest loans and grants to eligible applicants for specified purposes relating to drinking water and wastewater treatment. This bill would create the Water and Wastewater Loan and Grant Fund and provide that the moneys in this fund are available, upon appropriation by the Legislature, to the board for expenditure for the program. This bill would transfer to the Water and Wastewater Loan and Grant Fund \$10,000,000 from the General Fund. This bill contains other related provisions.

Organization Position

AB 957

(Mathis R) Water Quality, Supply, and Infrastructure Improvement Act of 2014.

Current Text: Amended: 3/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Last Amend: 3/26/2015

Status: 5/1/2015-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 4/6/2015)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: The Water Quality, Supply, and Infrastructure Improvement Act of 2014 requires specified water recycling and advanced treatment technology projects to be selected on a competitive basis, considering specified criteria, including, among other criteria, water supply reliability improvement and public health benefits from improved drinking water quality or supply. This bill would include in the water supply reliability improvement criterion whether the project is proposed by a community that is heavily dependent on groundwater from a basin in overdraft, and would include in the public health benefits criterion whether the project is proposed by a community that has extended, or is in the process of extending, its water service delivery to entities reliant on either contaminated groundwater or groundwater wells that have run dry.

Organization Position

Municipal Water
District of Orange
County

AB 1077

(Holden D) Mutual water companies: open meetings.

Current Text: Amended: 5/18/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Last Amend: 5/18/2015

Status: 6/4/2015-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would prohibit a mutual water company from meeting solely in an executive session without holding a meeting. The bill would require notice of a meeting to be given to an eligible person at least 4 days prior to the meetings. The bill would require a board of directors of a mutual water company to allow an eligible person to personally attend a meeting of the board, if the eligible person gave the board at least 24 hours advance written notice of his or her intent to personally attend the meeting.

Organization Position

Municipal Water
District of Orange
County

AB 1242

(Gray D) Water quality: impacts on groundwater: instream flows.

Current Text: Amended: 5/5/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Last Amend: 5/5/2015

Status: 6/2/2015-In Senate. Read first time. To Com. on RLS. for assignment.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would require the State Water Resources Control Board to take into consideration any applicable groundwater sustainability plan or alternative in formulating state policy for water quality control and adopting or approving a water quality control plan that affects a groundwater basin. This bill would require the state board to identify projects for fish recovery that may be undertaken in lieu of instream flows before adopting or approving water quality objectives or a program of implementation that requires instream flows for protection of instream beneficial uses. This bill contains other existing laws.

Organization Position

Municipal Water
District of Orange
County

AB 1243

(Gray D) Groundwater recharge: grants.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 5/1/2015-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 3/23/2015)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

AB 1244 (Gray D) Water rights: small irrigation use.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 5/1/2015-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 3/23/2015)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

AB 1454 (Wagner R) Water quality standards: trash: single-use carryout bags.

Current Text: Amended: 4/20/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Last Amend: 4/20/2015

Status: 5/1/2015-Failed Deadline pursuant to Rule 61(a)(2). (Last location was RLS. on 4/23/2015)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would suspend the operation of certain amendments to water quality control plans relating to the total maximum daily load for trash unless and until the provisions inoperative due to a pending referendum election become effective. This bill would require the State Water Resources Control Board to revisit and revise water quality control plans to address impaired water quality due to trash if the law pending referendum is defeated at the November 8, 2016, statewide general election.

Organization Position

Municipal Water
District of Orange
County

SB 7 (Wolk D) Housing: water meters: multiunit structures.

Current Text: Introduced: 12/1/2014 [pdf](#) [html](#)

Introduced: 12/1/2014

Status: 5/22/2015-Referred to Coms. on H. & C.D. and W., P., & W.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

SB 13**(Pavley D) Groundwater.****Current Text:** Amended: 5/21/2015 [pdf](#) [html](#)**Introduced:** 12/1/2014**Last Amend:** 5/21/2015**Status:** 5/21/2015-From committee with author's amendments. Read second time and amended. Re-referred to Com. on W., P., & W.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would specify that the State Water Resources Control Board is authorized to designate a high- or medium-priority basin as a probationary basin. This bill would provide a local agency or groundwater sustainability agency 90 or 180 days, as prescribed, to remedy certain deficiencies that caused the board to designate the 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.

Organization Position

Municipal Water
District of Orange
County

SB 20**(Pavley D) Wells: reports: public availability.****Current Text:** Introduced: 12/1/2014 [pdf](#) [html](#)**Introduced:** 12/1/2014**Status:** 6/2/2015-In Assembly. Read first time. Held at Desk.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Current law requires a person who digs, bores, or drills a water well, cathodic protection well, or a monitoring well, or abandons or destroys a well, or deepens or re-perforates a well, to file a report of completion with the Department of Water Resources. Current law prohibits those reports from being made available to the public, except under certain circumstances. This bill would instead require the department to, upon request, make the reports available to the public. The bill would require the department to provide specified disclaimers when providing the reports to the public.

Organization Position

Municipal Water
District of Orange
County

SB 47**(Hill D) Environmental health: synthetic turf.****Current Text:** Amended: 3/25/2015 [pdf](#) [html](#)**Introduced:** 12/17/2014**Last Amend:** 3/25/2015**Status:** 5/29/2015-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 5/28/2015)

Desk	Policy	2 year	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

SB 122**(Jackson D) California Environmental Quality Act: record of proceedings.****Current Text:** Amended: 6/1/2015 [pdf](#) [html](#)**Introduced:** 1/15/2015**Last Amend:** 6/1/2015**Status:** 6/4/2015-In Assembly. Read first time. Held at Desk.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

SB 127

(Vidak R) Environmental quality: Water Quality, Supply, and Infrastructure Improvement Act of 2014.

Current Text: Introduced: 1/20/2015 [pdf](#) [html](#)

Introduced: 1/20/2015

Status: 5/1/2015-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.Q. on 2/5/2015)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

SB 143

(Stone R) Diamond Valley Reservoir: recreational use.

Current Text: Introduced: 1/27/2015 [pdf](#) [html](#)

Introduced: 1/27/2015

Status: 5/15/2015-Failed Deadline pursuant to Rule 61(a)(3). (Last location was E.Q. on 2/5/2015)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: 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.

Organization Position

Municipal Water Oppose
District of Orange
County

SB 173

(Nielsen R) Groundwater: de minimis extractors.

Current Text: Introduced: 2/5/2015 [pdf](#) [html](#)

Introduced: 2/5/2015

Status: 5/1/2015-Failed Deadline pursuant to Rule 61(a)(2). (Last location was N.R. & W. on 3/24/2015)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

[SB 208](#)**(Lara D) Integrated regional water management plans: grants: advanced payment.****Current Text:** Amended: 6/1/2015 [pdf](#) [html](#)**Introduced:** 2/11/2015**Last Amend:** 6/1/2015**Status:** 6/2/2015-In Assembly. Read first time. Held at Desk.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would require a regional water management group, within 90 days of notice that a grant has been awarded, to provide the Department of Water Resources 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 would require the department, within 60 days of receiving the project information, to provide advanced payment of 50% of the grant award for those projects that satisfy specified criteria and would require the advanced funds to be handled, as prescribed.

Organization Position

Municipal Water
District of Orange
County

[SB 226](#)**(Pavley D) Sustainable Groundwater Management Act: groundwater rights.****Current Text:** Amended: 5/5/2015 [pdf](#) [html](#)**Introduced:** 2/13/2015**Last Amend:** 5/5/2015**Status:** 5/26/2015-In Assembly. Read first time. Held at Desk.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The bill would provide that a court shall use the Code of Civil Procedure for determining rights to groundwater, except as provided by the special procedures established in the bill. This bill would require the process for determining rights to groundwater to be available to any court of competent jurisdiction. The bill would provide that it applies to Indian tribes and the federal government. The bill would require the boundaries of a basin to be as identified in Bulletin 118, unless other basin boundaries are established, as specified. This bill contains other existing laws and other provisions.

Organization Position

Municipal Water
District of Orange
County

[SB 228](#)**(Cannella R) Groundwater storage: beneficial use.****Current Text:** Introduced: 2/13/2015 [pdf](#) [html](#)**Introduced:** 2/13/2015**Status:** 5/1/2015-Failed Deadline pursuant to Rule 61(a)(2). (Last location was N.R. & W. on 2/26/2015)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would declare that the recharging of a groundwater basin by a local groundwater management agency or a local groundwater sustainability agency for the purposes of repelling saline intrusion and recovering basin groundwater levels constitutes a beneficial use of water if the recharge is consistent with the local agency's groundwater management plan or groundwater sustainability plan.

Organization Position

Municipal Water
District of Orange
County

[SB 355](#)**(Lara D) San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy.****Current Text:** Amended: 4/6/2015 [pdf](#) [html](#)**Introduced:** 2/24/2015**Last Amend:** 4/6/2015**Status:** 5/14/2015-Referred to Com. on NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: 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, not otherwise represented on the board at the time of the appointment and bordering the Lower Los Angeles River, be appointed by the Governor, as prescribed, as 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. The bill would require that those legislators serving as nonvoting members represent a district that is at least partially contained within the territory of the conservancy and participate in activities of the conservancy only to the extent that participation is compatible with his or her duties as a legislator.

Organization Position

Municipal Water
District of Orange
County

SB 385

(Hueso D) Primary drinking water standards: hexavalent chromium: compliance plan.

Current Text: Amended: 5/19/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Last Amend: 5/19/2015

Status: 6/4/2015-Referred to Coms. on E.S. & T.M. and JUD.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would authorize, until January 1, 2020, the State Water Resources Control Board, at the request of a public water system that prepares and submits a compliance plan to the state board, to grant a period of time to achieve compliance with the primary drinking water standard for hexavalent chromium by approving the compliance plan, as prescribed. This bill would require a public water system to provide specified notice regarding the compliance plan to its customers and the public water system to send written status reports to the state board.

Organization Position

Municipal Water
District of Orange
County

SB 442

(Hall D) Municipal water districts: revenue bonds.

Current Text: Introduced: 2/25/2015 [pdf](#) [html](#)

Introduced: 2/25/2015

Status: 5/15/2015-Failed Deadline pursuant to Rule 61(a)(3). (Last location was RLS. on 3/5/2015)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

SB 487

(Nielsen R) Sustainable Groundwater Management Act: California Environmental Quality Act: exemptions.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 5/1/2015-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.Q. on 3/12/2015)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would exempt from the requirements of CEQA the formation of a groundwater sustainability agency, the amendment of a groundwater sustainability plan or coordinated groundwater sustainability plan, and the implementation of those plans, except to the extent that the implementation requires the construction or installation of a new facility. Because a lead agency would be required to determine the applicability of this exemption, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Organization Position

Municipal Water
District of Orange
County

[SB 553](#)**(Wolk D) Water conservation.****Current Text:** Introduced: 2/26/2015 [pdf](#) [html](#)**Introduced:** 2/26/2015**Status:** 5/29/2015-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 5/28/2015)

Desk	Policy	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House					2nd House							

Summary: 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.

Organization Position

Municipal Water
District of Orange
County

[SB 555](#)**(Wolk D) Urban retail water suppliers: water loss management.****Current Text:** Amended: 4/16/2015 [pdf](#) [html](#)**Introduced:** 2/26/2015**Last Amend:** 4/16/2015**Status:** 6/2/2015-In Assembly. Read first time. Held at Desk.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House					2nd House						

Summary: Would require each urban retail water supplier, on or before July 1, 2017, and annually each year thereafter, to submit a completed and validated water loss audit report for the previous calendar year as prescribed by rules adopted by the Department of Water Resources on or before January 1, 2017, and updated as provided. The bill would require the department to post all validated water loss audit reports on its Internet Web site in a manner that allows for comparisons across water suppliers and to make these reports available for public viewing. This bill would require the department to provide technical assistance to guide urban retail water suppliers' water loss detection programs. The bill would require the department, in consultation with the State Water Resources Control Board, to develop metrics for reporting year-over-year progress on water loss reduction and would require the board to adopt rules requiring urban retail water suppliers to meet performance standards for the volume of water losses.

Organization Position

Municipal Water
District of Orange
County

[SB 568](#)**(Fuller R) Groundwater management.****Current Text:** Introduced: 2/26/2015 [pdf](#) [html](#)**Introduced:** 2/26/2015**Status:** 5/15/2015-Failed Deadline pursuant to Rule 61(a)(3). (Last location was RLS. on 3/12/2015)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House					2nd House						

Summary: Would declare the intent of the Legislature to enact legislation relating to the Sustainable Groundwater Management Act.

Organization Position

Municipal Water
District of Orange
County

Total Measures: 53**Total Tracking Forms: 53**

**Metropolitan Water District of Southern California
State Legislation Matrix 6/8/2015**

Item No. 1f

Bill Number/Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 149 Chavez (R) Sponsor: San Diego County Water Authority	Amended 4/29/15 Senate Natural Resources and Water Committee – 6/9/15 hearing	Urban Water Management Plans: Amends UWMP Act to require urban water suppliers to submit 2020 plan to DWR by July 1, 2021. The bill will also requires DWR to submit its 2015 report to Legislature by July 1, 2016, and its 2021 report by July 1, 2022.	SUPPORT [based upon past support for AB 2067 (Weber) from 2013/14 legislative session]	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.
AB 291 Medina (D) Sponsor: ACWA and McGeorge Law Legislative Clinic	Amended 4/23/15 Senate Environmental Quality Committee – 6/17/15 hearing	CEQA: Local Agencies: Notice of Determination: 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.	SUPPORT (based upon April 2013 board- adopted CEQA policy principles)	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.

**Metropolitan Water District of Southern California
State Legislation Matrix 6/8/2015**

Bill Number/Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 349 Gonzalez (D) Sponsor: San Diego County Water Authority	Amended 5/22/15 Senate Rules Committee	Common Interest Developments: 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.	SUPPORT (based upon August 2011 board-adopted water use efficiency policy principles)	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.
AB 501 Levine (D) Sponsor: Author	Amended 4/22/15 Assembly Appropriations Committee – Suspense File Two-year bill	Resources: Delta Research: 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).	SUPPORT IF AMENDED (based upon June 2007 board- adopted Delta Action Plan)	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.

**Metropolitan Water District of Southern California
State Legislation Matrix 6/8/2015**

Bill Number/Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 585 Melendez (D) Sponsor: Author	Amended 3/16/15 Assembly Revenue and Taxation Committee – Suspense File Two-year bill	Outdoor Water Efficiency: Personal Income Tax Credit: 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.	SUPPORT (based upon August 2011 board-adopted water use efficiency policy principles)	Will incentivize homeowners to make improvements to outdoor landscapes during current drought emergency, which would reduce residential water demand.
AB 603 Salas (D) Sponsor: Author	Amended 5/21/15 Assembly Appropriations Committee – Suspense File Two-year bill	Income Taxes: Turf Removal Tax Credit: Allows tax credit equal to \$2 per square foot of lawn removed by taxpayer who participates in water utility's incentive program.	SUPPORT (based upon August 2011 board-adopted water use efficiency policy principles)	Will incentivize homeowners and businesses to make improvements to outdoor landscapes, which would reduce residential and commercial water demand.

Metropolitan Water District of Southern California
State Legislation Matrix 6/8/2015

Bill Number/Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 606 Levine (D) Sponsor: Author	Amended 5/12/15 Senate Governmental Organization Committee	Water Conservation: 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.	SUPPORT (based upon August 2011 board-adopted water use efficiency policy principles)	Would reduce water use on state-owned properties where irrigation equipment is installed or replaced.
AB 647 Eggman (D) Sponsor: Author	Amended 5/5/15 Senate Rules Committee	Beneficial Use: Storing of Water Underground: Adds to legal definition of what constitutes beneficial use of water by including water that is stored underground to address saline intrusion or land subsidence.	OPPOSE UNLESS AMENDED (based upon board action in April 2015)	Author has committed to amending bill in Senate to include safeguards to ensure that permanent underground storage is implemented in reasonable manner. Amendments provide that SWRCB must confirm that flows are not already appropriated or diverted at times when federal Central Valley Project, State Water Project or other permitted reservoir releases are required to release supplemental project water to meet water quality objectives in Delta watershed.

**Metropolitan Water District of Southern California
State Legislation Matrix 6/8/2015**

Bill Number/Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 1139 Campos (D) Sponsor: Author	Amended 3/26/15 Assembly Revenue and Taxation Committee Two-year bill	Personal Income Tax Credit: Turf Removal: 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.	SUPPORT (based upon August 2011 board-adopted water use efficiency policy principles)	Will incentivize homeowners to make improvements to outdoor landscapes, which would reduce residential water demand.
AB 1201 Salas (D) Sponsor: Author	Amended 6/2/15 Senate Rules Committee	Delta: Predation by Nonnative Species: 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.	SUPPORT (based upon June 2007 board- adopted Delta Action Plan)	Aligns with Metropolitan's broader efforts to base management decisions in Delta on science. Places responsibility on appropriate state agency to manage statewide problem.

**Metropolitan Water District of Southern California
State Legislation Matrix 6/8/2015**

Bill Number/Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 1325 Salas (D) Sponsor: Author	Introduced 2/27/15 Assembly Water, Parks and Wildlife Committee – Failed Passage Granted Reconsideration Two-year bill	Delta Smelt Preservation: 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.	SUPPORT IN CONCEPT [based upon board action in May 2008 on SB 994 (Florez)]	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.
SB 143 Stone (R) Sponsor: Author	Introduced 1/27/15 Senate Environmental Quality Committee Two-year bill	Diamond Valley Lake: Recreational Use: Would exempt Diamond Valley Lake (DVL) in Riverside County from statutory protections for drinking water reservoirs.	OPPOSE (based upon board action in February 2015)	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.

**Metropolitan Water District of Southern California
State Legislation Matrix 6/8/2015**

Bill Number/Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
SB 385 Hueso (D) Sponsor: ACWA	Amended 5/19/15 Assigned to Assembly Environmental Safety and Toxic Materials and Judiciary Committees	Primary Drinking Water Standards: Hexavalent Chromium: Compliance Plan: 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.	SUPPORT (based upon board action in April 2015)	An extended implementation period is sound public policy that balances need to protect public health with practical implementation constraints.
SB 471 Pavley (D) Sponsor: Author	Amended 6/02/15 Assembly Desk	Water, Energy and Reduction of Greenhouse Gas Emissions (GHG): Authorizes funding from Greenhouse Gas Reduction Fund for water sector projects.	SUPPORT IF AMENDED (based upon August 2008 board-adopted energy policy principles)	While energy use has always been key factor in water resource planning, measure would provide new opportunities for accessing funding for projects that reduce water-related GHG emissions.

**Metropolitan Water District of Southern California
State Legislation Matrix 6/8/2015**

Bill Number/Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
SB 485 Hernandez (D) Sponsor: LA County Sanitation District	Introduced 2/26/15 Assembly Local Government Committee	County of Los Angeles: Sanitation Districts (LACSD) – Allows sanitation districts in LA County to divert, manage and treat stormwater and dry weather runoff. Water would then be discharged into stormwater system or receiving water body for beneficial use. Would clarify that bill does not alter any existing water rights or water rights law.	SUPPORT IF AMENDED (based upon board action in May 2015)	Provides another alternative for cities and Los Angeles County Flood Control District (LACFCD) to comply with LA Region Municipal Separate Storm Sewer System (MS4) permit. Metropolitan does discharge into storm drain system as conditionally exempt essential public service and through approval by LACFCD. By managing stormwater and dry-weather runoff, LACSD could help reduce concentration of various constituents via treatment prior to discharge into receiving water body.
SB 553 Wolk (D) Sponsor: Author	Introduced 2/26/15 Senate Appropriations Committee – Suspense File Two-year bill	Water Conservation: 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.	SUPPORT (based upon August 2011 board-adopted water use efficiency policy principles)	Will result in state-owned property contributing to statewide water savings by utilizing water efficient improvements for outdoor irrigation.

To: Municipal Water District of Orange County

From: Townsend Public Affairs, Inc.

Date: June 15, 2015

Subject: Water Bond Funding Update

The fiscal year 2015-16 marks the first opportunity for the Governor and Legislature to authorize and appropriate financial resources to expend funding from Proposition 1, the Water Bond approved by voters in the November 2014 General Election. The water bond package totals \$7.5 billion in funding.

Governor Brown issued the Administration's May Budget Revise to authorize \$2.1 billion in Prop 1 funding, \$128 million in cap-and-trade auction revenues, and another \$133 million from the General Fund with the adoption of the FY 2015-16 budget. The \$2.1 billion in expenditures from Proposition 1 are intended to be committed over three years, and two or three additional years to spend the money.

The Legislature will hold several budget hearings to consider the Governor's expenditure plan, and final appropriations may differ from what was presented in the May Budget revise, but are not expected to vary widely.

With funding being made once a budget is adopted before or on June 15th and signed by the Governor shortly thereafter, State Agencies such as the State Water Resources Control Board and the Department of Water Resources have initiated the process to create and update program guidelines. There are many program guidelines that simply need to be updated from previous funding cycles, while other programs need to be developed or altered significantly.

Below, Table A, provides a breakdown of the drought related activities within the Governor's Budget. Table B is a snapshot of all funding within the water bond. Table C then provides a general list of potential funding sources for Orange County projects that could be eligible for Prop 1 funding. Table C will be further advanced in the coming months as MWDOC staff and TPA work together to identify projects that would be eligible to compete for bond funding.

TABLE A - (Emergency Drought Funding & Funds Allocated in the Governor's Budget)

Department	Program	Amount	Funding Source
DWR	Urban Water Conservation	\$56 million	Proposition 1
DWR	Ag Water Conservation	\$42 million	Proposition 1
CDFA	Ag. Energy and water reduction	\$40 million	Cap-and-Trade
CEC	Water efficient appliance rebates	\$30 million	Cap-and-Trade

CEC	Water and energy technology program	\$30 million	Cap-and-Trade
DWR	Water energy grant program	\$20 million	Cap-and-Trade
DGS	Water conservation at State Buildings	\$15million	General Fund
CDCR	Energy efficiency projects at prisons	\$8 million	Cap-and-Trade
DWR	Save Our Water Campaign	\$4 million	General Fund
SWRCB	Groundwater cleanup projects	\$784 million	Proposition 1
SWRCB	Water Recycling	\$475 million	Proposition 1
SWRCB	Drinking water for DA communities	\$180 million	Proposition 1
SWRCB	Wastewater treatment	\$160 million	Proposition 1
SWRCB	Stormwater projects	\$100 million	Proposition 1
DWR	Groundwater sustainability grants	\$60 million	Proposition 1
DWR	Desalination grants	\$50 million	Proposition 1
CalFire	Enhance fire protection	\$62 million	General Fund
OES	Drinking water delivery	\$22 million	General Fund
DWR	Removal of emergency rock barriers	\$22 million	General Fund
CSD	General assistance to migrant farm workers	\$8 million	General Fund
HCD	Move households without potable water	\$6 million	General Fund
SWRCB	Implement Executive Order	\$1 million	General Fund

TABLE B – (Prop 1 Overview)

Program	Total Prop 1 Funding Allocation
Regional Water Management Security	\$810 million
Clean and Safe Drinking Water	\$520 million
Statewide System Operations	\$2.7 billion
Water Recycling	\$725 million
Groundwater Sustainability	\$900 million
Watershed Protection	\$1.5 billion
Flood Management	\$395 million

TABLE C – (Potential Funding Sources for Orange County Projects)

Department	Program	Potential OC Project(s)	Timeframe
DWR	Urban Water Conservation	County-wide projects that reduce water use or programs that are intended to use water more efficiency. *DWR will begin development of guidelines later this year.	TBA
DWR	Water Energy Grant Program	County-wide projects that reduce greenhouse gas, reduce water and reduce energy use.	Awards for the 2014 grant solicitation awards were announced in May 2015. The next round cycle of funding is TBA.
SWRCB	Groundwater Cleanup Program	OCWD North and South Basin Cleanup projects.	Solicitation for applications expected in fall/winter 2016-17.
SWRCB	Water Recycling	Final expansion of GWRS; County-wide non potable recycling projects (and expansion of existing projects).	Draft guidelines are being developed. Rolling application once solicitation period opens.
SWRCB	Stormwater Program	County-wide projects that capture stormwater runoff for the purpose of reuse or cleanup.	TBA
DWR	Desalination Program	Doheny Desalination Project	TBA

Unless otherwise indicated in the grant guidelines for any particular program, or waived for disadvantaged communities, a 50 percent match will be required. Guidelines for individual programs are under development and solicitations for applications will begin this summer. Some programs such as the urban water conservation have not started the grant guideline development process, and others have been underway since early this year and are in the final stages.

Looking back on water infrastructure bond funding made available through Proposition 50 (2002) and Proposition 84 (2006) there is still funding yet to be fully committed and spent. For example, Proposition 84 which includes \$1 billion statewide for the Integrated Regional Water Management program is currently in the process of accepting applications, and funding expected to be committed by late fall 2015. There is also Proposition 50 funding that has not been fully spent, but is committed to projects, with funding awards expiring in 2016 and 2017.

TPA will provide updated information in July subsequent to the budget being adopted by the Legislature and signed by the Governor.

**ACTION ITEM**

June 17, 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 table the discussions on AB 603 (Salas) and move the bill to a “watch” position on the MWDOC matrix in the event that the bill be resurrected next year.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

Assembly Bill 603 as introduced 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. It was also on the Public Affairs & Legislation (PAL) Committee agenda on May 18, 2015, however, no new information was yet available. The PAL meeting was in the morning, and AB 603 was heard later in the afternoon.

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

UPDATE FOR JUNE 2015

On May 18, 2015, AB 603 was heard in the Assembly Revenue and Taxation Committee where it was approved by a vote of 9-0 with the agreement by the author of suggested amendments by the Franchise Tax Board (FTB). Amendments included definitions (for administrative concerns), a financial cap of \$1,500 above the amount of a rebate to address fraud/abuse and cost, a sunset date of five years to address cost and tie the credit to drought conditions, a start date of 1/1/16 per Rev & Tax committee's request, and "carry-over" and "recapture" language to help taxpayers and FTB.

The measure was then sent to the Assembly Appropriations Committee where it failed to get off the suspense file (no vote was taken). However, the changes requested by the Assembly Revenue & Taxation Committee appeared to have doomed the measure in the Assembly Appropriations Committee. The committee felt that, "Tax credits are typically designed to incentivize certain individual behavior. In this case, you were trying to incentivize lawn removal. The credit was tied to those who have already received a local water agency incentive. That is understandable from a fraud/abuse standpoint, as otherwise you would have a lot of people claiming the credit and no way of policing whether they were actually making meaningful or positive changes. But the problem with that structure is you have taken away most of the marginal incentive. I spoke with some folks familiar with the local water incentive programs, and those programs are oversubscribed. So as a result, the bill will not result in any additional turf removal, it will just make the rewards for receiving a local water agency incentive that much greater for those who are able to get them."

Some of the concerns held by the MWDOC Board about this measure were not addressed in the May 22 amendments, and AB 603, while a laudable effort, would not have been supportable by this Board as amended.

Due to constitutional legislative deadlines, AB 603 is dead for this year. Should this bill or a similar measure come forward next year, the MWDOC Board can consider it at that time.

AMENDED IN ASSEMBLY MAY 21, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 603

Introduced by Assembly Member Salas
(Coauthors: Assembly Members Chu and Lackey)
(Coauthors: Senators Galgiani and Vidak)

February 24, 2015

An act to add *and repeal* Sections 17053.98 and 23698 ~~to~~ of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 603, as amended, Salas. Income taxes: ~~turf removal tax credit.~~
Every Drop Counts Tax Credit.

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws, ~~including a credit for an increase in qualified full-time employees of a qualified employer.~~ *laws.*

~~This bill would, bill,~~ under both laws, for taxable years beginning on and after January 1, ~~2015, 2016, and before January 1, 2021, or an earlier date in the event of a specified occurrence,~~ would allow a credit to a taxpayer participating in a lawn replacement *rebate* program, as defined, in an amount equal to ~~\$2 per square foot of 25% of the costs paid or incurred by the taxpayer to replace conventional lawn removed from~~ *on the qualified taxpayer's property.* ~~property during that taxable year, not to exceed \$1,500, as specified.~~ The bill would make findings and declarations in this regard.

This bill would take effect immediately as a tax levy.

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

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

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

(a) California has been experiencing more frequent and severe droughts and is currently enduring its worst drought in 200 years.

(b) It is estimated that landscaping accounts for 60 percent of all water consumed by residential customers. California lawns cover more than 300,000 acres and consume more than 1.5 million acre-feet of water per year.

(c) Californians have already begun to minimize lawn watering by replacing conventional lawns with water-saving and drought-resistant plants or artificial grass. These landscaping alternatives are dependable tools for water conservation.

(d) In light of severe drought, California has an interest in encouraging consumers to decrease water usage. Establishing a state tax credit for the removal and replacement of conventional grass landscapes will incentivize water conservation.

(e) *This measure shall be known, and may be cited, as the Every Drop Counts Tax Credit.*

SEC. 2. Section 17053.98 is added to the Revenue and Taxation Code, to read:

17053.98. (a) (1) For each taxable year beginning on or after January 1, ~~2015~~, 2016, and before January 1, 2021, there shall be allowed a credit against the "net tax," as defined by Section 17039, to a qualified taxpayer in an amount equal to ~~two dollars (\$2) per square foot of~~ 25 percent of the qualified costs paid or incurred by the qualified taxpayer to replace conventional lawn ~~removed from~~ on the qualified taxpayer's ~~property~~ property during the taxable year. The amount of credit allowed for a taxable year shall not exceed one thousand five hundred dollars (\$1,500).

(2) *Notwithstanding paragraph (1), if this section is repealed pursuant to paragraph (2) of subdivision (h), the credit shall be allowed only for the taxable year that began on or before the date upon which the state of emergency is terminated.*

(b) For the purposes of this section, the following definitions shall apply:

1 (1) "Conventional lawn" means living, maintained grass turf,
2 or as otherwise defined by the lawn replacement rebate program.

3 (1)

4 (2) "Lawn replacement *rebate* program" means a ~~local water~~
5 ~~agency~~ program that offers incentives to customers encouraging
6 the replacement of conventional lawns with artificial lawns,
7 drought-resistant plants, or other water-efficient landscaping.

8 (3) "Local water agency" means a public entity, as that term
9 is defined in Section 514 of the Water Code, that provides water
10 service, as that term is defined in Section 515 of the Water Code,
11 and offers a lawn replacement rebate program.

12 (2)

13 (4) "Qualified taxpayer" means a person participating in a lawn
14 replacement *rebate* program offered by a local water agency.

15 (5) "Qualified costs" means the amount identified as costs
16 eligible for a rebate pursuant to a lawn replacement rebate
17 program in excess of the amount of the rebate actually received
18 from the local water agency.

19 (6) "State of emergency" means the state of emergency
20 proclaimed by the Governor on January 17, 2014, relating to
21 drought conditions.

22 (c) A credit shall only be allowed under this section as follows:

23 (1) The credit shall not be allowed for the removal of
24 conventional lawn from a property for which a qualified taxpayer
25 has been allowed the credit for a prior taxable year.

26 (2) The credit shall be allowed only for that amount that exceeds
27 the amount of rebate paid to the qualified taxpayer by a local water
28 agency for the replacement of conventional lawn with artificial
29 lawn, drought-resistant plants, or other water-efficient
30 landscaping.

31 (d) In the case where the credit allowed by this section exceeds
32 the "net tax," the excess may be carried over to reduce the "net
33 tax" in the following year, and the succeeding four years, if
34 necessary, until the credit is exhausted.

35 (e) Any deduction otherwise allowed under this section for any
36 amount paid or incurred by a taxpayer upon which the credit is
37 based, shall be reduced by the amount of the credit allowed under
38 this section.

39 (f) (1) To the extent that a rebate is received in a taxable year
40 subsequent to the taxable year for which the credit under this

1 *section was allowed, the excess credit amount shall be recaptured*
 2 *in the taxable year in which the rebate was received. For the*
 3 *purposes of this paragraph, the excess credit amount equals the*
 4 *difference between the amount of credit allowed and the amount*
 5 *of credit that would have been allowed if the rebate had been*
 6 *received in the taxable year in which the credit was allowed. The*
 7 *excess credit amount shall be added to the tax otherwise owed by*
 8 *the qualified taxpayer for the taxable year in which the rebate was*
 9 *received.*

10 (2) Any recapture pursuant to this subdivision, in whole or in
 11 part, shall be treated as a mathematical error appearing on the
 12 return. Any amount of tax resulting from the recapture shall be
 13 assessed by the Franchise Tax Board, in the same manner as
 14 provided by Section 19051.

15 (e)

16 (g) The credit is allowed by this section notwithstanding Section
 17 41.

18 (h) (1) This section shall remain in effect only until December
 19 1, 2021, and as of that date is repealed.

20 (2) Notwithstanding paragraph (1), if the state of emergency is
 21 terminated pursuant to Section 8629 of the Government Code prior
 22 to the date specified in paragraph (1), this section shall remain in
 23 effect only until December 1 of the year following the year in which
 24 the state of emergency is terminated, and as of that date is
 25 repealed.

26 SEC. 3. Section 23698 is added to the Revenue and Taxation
 27 Code, to read:

28 23698. (a) (1) For each taxable year beginning on or after
 29 January 1, ~~2015~~, 2016, and before January 1, 2021, there shall be
 30 allowed a credit against the "tax," as defined by Section 23036,
 31 to a qualified taxpayer in an amount equal to ~~two dollars (\$2) per~~
 32 ~~square foot of~~ 25 percent of the qualified costs paid or incurred
 33 by the qualified taxpayer to replace conventional lawn ~~removed~~
 34 ~~from~~ on the qualified taxpayer's ~~property~~. property during the
 35 taxable year. The amount of credit allowed for a taxable year shall
 36 not exceed one thousand five hundred dollars (\$1,500).

37 (2) Notwithstanding paragraph (1), if this section is repealed
 38 pursuant to paragraph (2) of subdivision (h), the credit shall be
 39 allowed only for the taxable year that began on or before the date
 40 upon which the state of emergency is terminated.

(b) For the purposes of this section, the following definitions shall apply:

(1) *“Conventional lawn” means living, maintained grass turf or as otherwise defined by the lawn replacement rebate program.*

~~(1)~~

(2) *“Lawn replacement rebate program” means a ~~local water agency~~ program that offers incentives to customers encouraging the replacement of conventional lawns with artificial lawns, drought-resistant plants, or other water-efficient landscaping.*

(3) *“Local water agency” means a public entity, as that term is defined in Section 514 of the Water Code, that provides water service, as that term is defined in Section 515 of the Water Code, and offers a lawn replacement rebate program.*

~~(2)~~

(4) *“Qualified taxpayer” means a person participating in a lawn replacement rebate program offered by a local water agency.*

(5) *“Qualified costs” means the amount identified as costs eligible for a rebate pursuant to a lawn replacement rebate program in excess of the amount of the rebate actually received from the local water agency.*

(6) *“State of emergency” means the state of emergency proclaimed by the Governor on January 17, 2014, relating to drought conditions.*

(c) *A credit shall only be allowed under this section as follows:*

(1) *The credit shall not be allowed for the removal of conventional lawn from a property for which a qualified taxpayer has been allowed the credit for a prior taxable year.*

(2) *The credit shall be allowed only for that amount that exceeds the amount of rebate paid to the qualified taxpayer by a local water agency for the replacement of conventional lawn with artificial lawn, drought-resistant plants, or other water-efficient landscaping.*

(d) *In the case where the credit allowed by this section exceeds the “tax,” the excess may be carried over to reduce the “tax” in the following year, and the succeeding four years, if necessary, until the credit is exhausted.*

(e) *Any deduction otherwise allowed under this section for any amount paid or incurred by a taxpayer upon which the credit is based, shall be reduced by the amount of the credit allowed under this section.*

1 (f) (1) *To the extent that a rebate is received in a taxable year*
2 *subsequent to the taxable year for which the credit under this*
3 *section was allowed, the excess credit amount shall be recaptured*
4 *in the taxable year in which the rebate was received. For the*
5 *purposes of this paragraph, the excess credit amount equals the*
6 *difference between the amount of credit allowed and the amount*
7 *of credit that would have been allowed if the rebate had been*
8 *received in the taxable year in which the credit was allowed. The*
9 *excess credit amount shall be added to the tax otherwise owed by*
10 *the qualified taxpayer for the taxable year in which the rebate was*
11 *received.*

12 (2) *Any recapture pursuant to this subdivision, in whole or in*
13 *part, shall be treated as a mathematical error appearing on the*
14 *return. Any amount of tax resulting from the recapture shall be*
15 *assessed by the Franchise Tax Board, in the same manner as*
16 *provided by Section 19051.*

17 ~~(e)~~

18 (g) *The credit is allowed by this section notwithstanding Section*
19 *41.*

20 (h) (1) *This section shall remain in effect only until December*
21 *1, 2021, and as of that date is repealed.*

22 (2) *Notwithstanding paragraph (1), if the state of emergency is*
23 *terminated pursuant to Section 8629 of the Government Code prior*
24 *to the date specified in paragraph (1), this section shall remain in*
25 *effect only until December 1 of the year following the year in which*
26 *the state of emergency is terminated, and as of that date is*
27 *repealed.*

28 SEC. 4. *This act provides for a tax levy within the meaning of*
29 *Article IV of the Constitution and shall go into immediate effect.*

**ACTION ITEM**

June 17, 2015

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 move AB 585 (Melendez) to a “watch” position on the MWDOC legislative matrix with the possibility of revisiting the discussion next year.

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.

Budgeted (Y/N): n/a	Budgeted amount:	Core x	Choice __
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.

At the May 18, 2015 MWDOC Public Affairs & Legislation Committee, the Board took no action on this item as the bill had not yet been amended, nor heard as part of the Assembly Revenue & Taxation Committee Suspense File which was scheduled for a hearing later that day.

UPDATE FOR JUNE 2015

No amendments were made to AB 585, nor was it pulled from the Assembly Revenue and Taxation Committee's Suspense File for a vote in the policy committee by the legislative deadline of May 22, 2015. Therefore, this measure is effectively dead for this year. Should the author decide to pursue this measure next year, the MWDOC Board can consider it at that time.

**ACTION ITEM**

June 17, 2015

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

Staff Contact: Heather Baez

SUBJECT: Budget Trailer Bill #825 – Consolidation of Public Water Systems**STAFF RECOMMENDATION**

Staff recommends the Board of Directors oppose Budget Trailer Bill #825 and send a letter to the members of the Budget Conference Committee, the Orange County delegation, and the Governor's office.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

As part of his May Revision, Governor Jerry Brown has proposed several trailer bills intended to accelerate projects and improve state and local agencies' ability to respond to the drought. While this one in particular may sound reasonable on its face, it could lead to significant unintended consequences.

The trailer bill language, currently identified as 825 – Drought Water System Consolidation on the Department of Finance's website, would authorize the State Water Board to require a public water system that fails to provide an adequate supply of safe drinking water to consolidate with another public water system.

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

Specifically: “Where a public water system or a state small water system consistently fails to provide an adequate supply of safe drinking water, the State Water Resources Control Board may mandate consolidation with a receiving water system as provided in this part. The consolidation may be physical or managerial. The State Water Resources Control Board may also require the extension of service to an area that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation for consolidation.”

Negotiations between the Administration, Senate & Assembly Democratic Leadership and stakeholders have been ongoing. What remains though is, this proposal is a “drought” budget trailer bill of major public policy significance that is *not* being heard through the regular policy and fiscal committee process. That process offers more transparency and safeguards over the course of several months. Instead, this proposal is being rapidly moved through the budget trailer bill process that does not provide adequate time for stakeholder comment or public input in the span of just a few short weeks.

While the California Constitution requires the budget to be passed by June 15th each year, trailer bills do not necessarily have to be attached and passed at the same time. Negotiations, hearings and votes can occur any time within the legislative year, up to the last day of session.

DETAIL

See attachments: draft trailer bill language and opposition coalition letter.

Add New Sections 116557 and 116557.5 to the Health and Safety Code

§ 116557. Consolidation of Public Water Systems

The following definitions shall apply to this section:

(1) “consolidation” means the uniting or joining of two or more public water systems, or affected residences not served by a public water system, into a single public water system.

(2) “consolidated water system” means the public water system resulting from the consolidation of a public water system with another public water system, state small system, and/or affected residences not served by a public water system; and

(23) “subsumed water system” means the public water system, state small system, or affected residences not served by a public water system consolidated into or receiving service from the receiving water system; and

(43) “receiving water system” means the public water system that provides service to a subsumed water system through consolidation or extension of service. (4) “extension of service” means the provision of service through any organizational or physical infrastructure arrangement other than consolidation.

(5) “extension of service” means the provision of service through any organizational or physical infrastructure arrangement other than consolidation.

(65) “affected residence” means a residence reliant on a water supply that is either inadequate or unsafe.

(66)(7) “consistently fails” means a failure to provide an adequate supply of safe drinking water.

(6)(8) “adequate supply” means sufficient water to meet residents’ health and safety needs.

(7)(9) For purposes of this part, “safe drinking water” means water that meets all primary and secondary drinking water standards.

~~The State Water Resources Control Board may require a public water system to consolidate with, or extend service to, another public water system, a state small system, or domestic well owner(s).~~ Where a public water system or a state small water system consistently fails to ~~reliably~~ provide an adequate supply of safe drinking water, the State Water Resources Control Board may ~~require mandate~~ consolidation with a receiving water system as provided ~~below in this part~~. The consolidation may be physical or managerial. The State Water Resources Control Board may also require the extension of service to an area that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation for consolidation. The State Water Board may set timelines and performance measures to facilitate completion of consolidation.

116557(a). Prior to ~~ordering mandating~~ consolidation or extension of service as provided in this section, the State Water Resources Control Board shall:

- (1) Fully encourage voluntary consolidation or extension of service;
- (2) Consider enforcement remedies specified in Health and Safety Code section 116650 through 116675.
- ~~(2)~~(3) Consult with, and fully consider input from, the relevant local agency formation commission regarding the provision of water service in the affected area, the recommendations for improving service in a municipal service review, and any other relevant information;
- ~~(3)~~(4) Consult with, and fully consider input from, the California Public Utilities Commission when the consolidation would involve an investor-owned water utility;
- ~~(4)~~(5) Consult with, and fully consider input from, the local government with land use planning authority over the affected area, particularly regarding any information in the general plan required by Government Code section 65302.10;
- ~~(5)~~(6) Notify the potentially receiving water system and the potentially subsumed water system, and give them a reasonable deadline, no longer than 6 months, to negotiate consolidation or another means of ~~reliably~~ providing an adequate supply of, safe drinking water;
 - a. During this period the board shall provide technical assistance and work with the potentially receiving water system and the potentially subsumed water system to develop a financing package that benefits both the receiving water system and the subsumed water system;
 - ~~a.b.~~ Upon the showing of good cause, the deadline may be extended by the Board at the request of the potentially receiving water system, potentially subsumed water system, or Local Agency Formation Commission with jurisdiction over the potentially subsumed water system.
- (7) Obtain written consent from any domestic well owner(s) for consolidation or extension of service. Any affected residents within the consolidation or extended service area who do not provide written consent shall be ineligible for any future water-related grant funding from the state ~~until such consent is provided, including state funding distributed by county or non-governmental organizations and emergency drought funding provided by the Governor's Office of Emergency Services other than funding to mitigate a well failure, disaster, or other emergency unless or until they begin the process of consolidation or extension of service.~~
- (8) Hold at least one public meeting at the initiation of the six-month period in a place as close as feasible to the affected areas.
 - ~~b.a.~~ The Board shall make reasonable efforts to provide a 30-day notice of the meeting to the ratepayers and homeowners to receive water service through service extension or in the area subject to the consolidation and all affected local government agencies and drinking water service providers.

116557(b). Upon expiration of the deadline set by the State Water Resources Control Board pursuant to section 116557(a)(~~65~~), the State Water Resources Control Board shall:

- (1) Consult with potentially receiving water system and potentially subsumed water system,
- (2) Conduct a public hearing as described in section 116545, in a location as close as feasible to the affected communities.

- a. The Board shall make reasonable efforts to provide a 30-day notice of the hearing to the ratepayers and homeowners to receive water service through service extension or in the area subject to the consolidation and all affected local government agencies and drinking water service providers.
- b. The hearing shall provide representatives of the subsumed water system, affected ratepayers and homeowners, and receiving water system an opportunity to present testimony.
- c. The hearing shall provide an opportunity for public comment.
- a.—

116557(c). Prior to mandating consolidation or extension of service the State Water Resources Control Board must find that:

- (1) The potentially subsumed water system has consistently failed to ~~reliably~~ provide an adequate supply of, safe drinking water;
- (2) ~~a~~All reasonable efforts to negotiate consolidation or extension of service were exhausted;
- (3) ~~e~~Consolidation of the receiving water system and subsumed water system or extension of service is appropriate and technically and economically feasible; and
- (4) ~~C~~onsolidation or extension of service is the most effective and cost-effective means to provide an adequate supply of safe drinking water.

116557(d). Upon mandating consolidation or extension of service, the State Water Resources Control Board shall:

- (1) As necessary and appropriate, make funds available to the receiving water system to complete the consolidation or extension of service, including replacing any capacity lost as a result of the consolidation or extension of service or providing additional capacity needed as a result of the consolidation or extension of service and other costs such as legal fees. For the purposes of this subdivision, funding is available if the State Water Resources Control Board provides appropriate financial assistance for the infrastructure needed for the consolidation or extension of service. Financial assistance shall be based on the State Water Resources Control Board's existing financial assistance guidelines and policies.
- ~~(1)~~(2) Ensure payment of any appropriate Local Agency Formation Commission fees caused by State Water Board-mandated consolidation or extension of service.
- (3) Adequately compensate the owners for the fair market value of the system as determined by the California Public Utilities Commission or the State Water Resources Control Board.
- ~~(2)~~(4) Coordinate with the appropriate Local Agency Formation Commission and other relevant local agencies to facilitate the change of organization or reorganization.

116557(e). For the purposes of this section, the consolidated water system shall not charge new customers more than the costs of providing them with water service as a consequence of the consolidation or extension of service.

116557(f). For purposes of this section, Division 3, Title 5, of the Government Code shall not apply to consolidation or extension of service required pursuant to this section.

§ 116557.5 Limitation on Liability For Consolidated Public Water Systems

116557.5(a). ~~Where the State Water Resources Control Board orders the consolidation of public water systems pursuant to section 116557, the~~ liability of ~~the a~~ consolidated water system, ~~wholesaler, or any other agency in the chain of distribution that delivers water to a consolidated water system~~ shall be limited as described in this section.

116557.5(b)(1) The ~~consolidated water system, wholesaler, or any other agency in the chain of distribution that delivers water to a consolidated water system, consolidated water system~~ shall not be held liable for claims by past or existing customers or those who consumed water provided through the subsumed water system concerning the operation and supply of water from the subsumed water system during the interim operation period specified in subdivision (~~ed~~) for any good faith, reasonable effort using ordinary care to assume possession of, to operate, or to supply water to the subsumed water system.

(2) The ~~consolidated water system, wholesaler, or any other agency in the chain of distribution that delivers water to a consolidated water system, consolidated water system~~ shall not be held liable for claims by past or existing customers or by those who consumed water provided through the subsumed water system for any injury that occurred prior to the commencement of the interim operation period specified in subdivision (~~de~~).

116557.5(c)(1)(A) The ~~consolidated water system, wholesaler, or any other agency in the chain of distribution that delivers water to a consolidated water system, consolidated water system~~ shall not be held liable for claims by past or existing customers or by those who consumed water provided through the subsumed water system concerning the provision of supplemental imported water supplies to the subsumed water system during the interim operation period specified in subdivision (~~ed~~) for any good faith, reasonable effort using ordinary care to supply water to the subsumed water system.

(B) The ~~consolidated water system, wholesaler, or any other agency in the chain of distribution that delivers water to a consolidated water system, consolidated water system~~ shall not be held liable for claims by past or existing customers or by those who consumed water provided through the subsumed water system concerning the operation and supply of water from the subsumed water system for any injury that occurred prior to the commencement of the interim operation period specified in subdivision (~~ed~~).

(2) This subdivision shall only apply if the water supplied by the consolidated water system through a temporary potable service pipeline to the subsumed water system meets or exceeds federal and state drinking water quality standards.

116557.5(d)(1) The interim operation period shall commence upon the connection of a temporary potable service pipeline by the consolidated water system to the subsumed water system, or upon the execution of an agreement between the consolidated water system, subsumed water system, and any other signatories to provide service to the customers of the subsumed water system, whichever occurs first.

(2)(A) Except as provided in subparagraph (B), the interim operation period shall last until permanent replacement facilities are accepted by the consolidated water system with the concurrence of the State Water Resources Control Board and the facilities and water supply are up to drinking water and water quality standards.

(B) Upon the showing of good cause, the interim operation period shall be extended by the State Water Resources Control Board for up to three successive one-year periods at the request of the consolidated water system.

(3) The acceptance date of permanent replacement facilities shall be publicly noticed by the consolidated water system.

116557.5(e). Subdivision (eb) shall only apply if the consolidated water system provides water to the subsumed water system in accordance with all of the following conditions:

(1) Water provided by the consolidated water system through a temporary potable service pipeline to the subsumed water system shall meet or exceed federal and state drinking water quality standards.

(2) Reasonable water system flow and pressure through the temporary potable service pipeline shall be maintained during the interim operation period based upon the condition and integrity of the existing subsumed water system and any disruptions to water delivery resulting from construction related activities associated with the installation of permanent replacement facilities shall be minimal.

(3) The consolidated water system shall notify fire officials serving the subsumed water system service area of the condition and firefighting support capabilities of the existing subsumed water system and planned improvements with the installation of permanent replacement facilities thereto. The consolidated water system shall maintain or improve the condition and firefighting support capabilities of the existing subsumed water system during the interim operation period.

(4) Customers of the subsumed water system shall receive written notice upon any change in possession, control, or operation of the water system.

116557.5(f). Nothing in this section shall be construed to do any of the following:

(1) Relieve any water district, water wholesaler, or any other entity from complying with any provision of federal or state law pertaining to drinking water quality.

(2) Impair any cause of action by the Attorney General, a district attorney, a city attorney, or any other public prosecutor, or impair any other action or proceeding brought by or on behalf of a regulatory agency.

(3) Impair any claim alleging the taking of property without compensation within the meaning of either the Fifth Amendment to the United States Constitution or Section 19 of Article I of the California Constitution.

**ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)
CALIFORNIA ASSOC. OF LOCAL AGENCY FORMATION COMMISSIONS (CALAFCO)
CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION (CMUA)
CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA)
CALIFORNIA STATE ASSOCIATION OF COUNTIES (CSAC)
LEAGUE OF CALIFORNIA CITIES (LEAGUE)
RURAL COUNTY REPRESENTATIVES OF CALIFORNIA (RCRC)**

June 1, 2015

Chairman Mark Leno
Joint Budget Conference Committee
State Capitol, Room 5019
Sacramento, CA 95814

Vice-Chair Shirley Weber
Joint Budget Conference Committee
State Capitol, Room 6026
Sacramento, CA 95814

Senator Ricardo Lara
State Capitol, Room 5050
Sacramento, CA 95814

Assembly Member Melissa Melendez
State Capitol, Room 6031
Sacramento, CA 95814

Senator Jim Nielsen
State Capitol, Room 2068
Sacramento, CA 95814

Assembly Member Richard Bloom
State Capitol, Room 2003
Sacramento, CA 95814

RE: Drought Water System Consolidation Budget Trailer Bill Language #825 -- OPPOSE

Dear Chair Leno:

We oppose the Drought Water System Consolidation proposed budget trailer bill language #825.

This proposal is a “drought” budget trailer bill of major public policy significance that is not being heard through the regular policy and fiscal committee process. That process offers more transparency and safeguards over the course of several months. Instead, this proposal is being rapidly moved through the budget trailer bill process that does not provide adequate time for stakeholder comment or public input in the span of just a few short weeks. The organizations listed above want to work with the Administration on safe drinking water solutions in a policy bill.

The budget trailer bill language would authorize the State Water Resources Control Board (SWRCB) to mandate the consolidation of public water systems. The SWRCB houses experts in the field of drinking water, but it does not have expertise in Cortese-Knox-Hertzberg local government law or staff steeped in local agency organization. This is illustrated by the terms in the bill lacking specificity and being based on an over-simplification of the actual consolidation process as practiced on the ground in real time by water agencies and local agency formation commissions (LAFCOs.)

While the title of this language is “Drought Water System Consolidation,” the language goes way beyond emergency relief – it would authorize a state agency to mandate consolidation of two local entities

under a broad scope of circumstances. Currently, communities running out of drinking water are being provided with trucked-in potable water in mutual aid-type arrangements. A voluntary, mutual aid cooperative comprised of public and private water agencies called CalWARN (California Water and Wastewater Agency Response Network) could be utilized for drought assistance in impacted communities. Consolidations of water purveyors are complex and take time. The SWRCB-mandated consolidations proposed in this language are long-term scenarios that would take an extended period of time and are not immediate fixes to an emergency situation like the current drought.

The best example of a recent consolidation bill that successfully passed through the Legislature and was signed into law by Governor Brown, is Senate Bill 1130 (Roth) Chapter 173, Statutes of 2014. This bill provided limited immunity from liability in order to facilitate the consolidation of the County Water District of Riverside, a small private entity serving approximately 100 customers, by Eastern Municipal Water District and Elsinore Valley Municipal Water District.

That intense effort involved not only the retail water districts, but also the wholesale water agencies to hold them harmless against potential claims brought by customers of the system that was subsumed. This budget trailer bill language lifts the concept out of SB 1130 as a one-size-fits-all panacea. The bill was tailored to fit that particular consolidation, and no two consolidations are exactly alike. The proposed language based on that bill would also provide that there would not be liability relief if there were water pressure problems during the interim period, but those are the type of physical problems that can occur when infrastructure is installed to combine systems. Such physical issues should not preclude liability protection during a consolidation. The specter of litigation hangs onto an insufficient immunity from liability.

Another critical issue that is affected by this proposal is the water rights of the subsumed system or domestic well users and the consolidating system. During a consolidation process the subsumed system is examined to see if their water rights would need to be transferred, or could be transferred or if their water rights would be adequate to provide service to a certain service area. Requiring the transfer of any water rights, including individual water rights, would be an extremely complex and potentially controversial issue.

Any subsumed water system that is non-compliant with respect to safe drinking water or water quality laws, could endanger the consolidating system and instead of bringing the subsumed entity into compliance, could potentially bring both into non-compliance.

Finally, this proposed budget trailer bill language fails to acknowledge that there are existing solutions in current law that address consolidation of public water systems. The state has the authority to exercise receivership in Health & Safety Code, Section 116665, and LAFCOs can already remedy threats to health and safety through Government Code Section 56133. These solutions have been working as demonstrated through the rise of voluntary consolidations. This proposal would toss out decades of local government public policy development after less than one month of review and consideration.

As the stakeholders that would ultimately be responsible for implementing this policy, we request the opportunity to work together with the Legislature and the Administration on measures to help reduce

the technical, financial, and legal barriers to consolidations where appropriate. Proposing a broad new state authority for mandating consolidations could lead to significant unintended consequences and should not be done through a budget trailer bill. Because these and other complicated and technical policy issues noted above are not solved by the proposed budget trailer bill, we must oppose the proposal.

cc: The Honorable Edmund G. Brown Jr., Governor
Members, Joint Budget Conference Committee
Nancy McFadden, Executive Secretary
Martha Guzman-Aceves, Deputy Legislative Secretary, Office of Governor Brown
Liz Haven, Deputy Director, Division of Financial Assistance, SWRCB
Mark Ibele, Staff Director, Senate Budget and Fiscal Review Committee
Catherine Freeman, Consultant, Senate Budget and Fiscal Review Committee
Rocel Bettencourt, Senate Republican Consultant
Christian Griffith, Chief Consultant, Assembly Budget Committee
Gabrielle Meindl, Consultant, Assembly Budget Committee
Chris Holtz, Fiscal Consultant, Assembly Republican Caucus



Item No. 5

ACTION ITEM

May 17, 2015

TO: Board of Directors

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

Staff Contact: Robert Hunter
General Manager

SUBJECT: RESOLUTION HONORING DON CALKINS ON HIS RETIREMENT FROM THE CITY OF ANAHEIM

RECOMMENDATION

Staff recommends the Board of Directors approve an honorary resolution for Don Calkins on his retirement from the City of Anaheim, and direct staff to prepare the resolution for presentation at the upcoming MWDOC Water Policy Dinner on July 29th, 2015.

DETAILED REPORT

Don Calkins retired earlier this year from the City of Anaheim after a 19-year career in the Water Services Department where he served as Assistant General Manager. In addition, Mr. Calkins had served as a director on the Metropolitan Water District of Southern California's Board of Directors representing the City of Anaheim. As a token of our thanks for his years of service and his support for water reliability for Anaheim and Orange County, staff has drafted an honorary resolution recognizing his contributions and support. The draft resolution follows and is intended to be presented to Mr. Calkins at MWDOC's upcoming Water Policy Dinner, which will be held on July 29, 2015.

Budgeted (Y/N): Y	Budgeted amount: \$5,000	Core _X_	Choice __
Action item amount: \$150.00	Line item: 32-7040		
Fiscal Impact (explain if unbudgeted):			

A Resolution of the Board of Directors
Recognizing Don Calkins
On the occasion of his retirement from the
City of Anaheim

WHEREAS, Don Calkins has retired from the City of Anaheim after a 19-year career in the Water Services Department where he served as Assistant General Manager; and

WHEREAS, Don, during his tenure, was responsible for managing the City's water operations and maintenance, its water resources and conservation programs, as well as the department's long-range planning, project design and construction; and

WHEREAS, Don's efforts resulted in numerous infrastructure improvements throughout the City, including the addition of the Nohl Canyon Tank, which helps improve water quality and service reliability to better meet customer demands, the rehabilitation of the Walnut Canyon Reservoir, which serves Anaheim's hill and canyon areas, and the Linda Vista Complex, which provides one-third of the City's groundwater supply to West, Central and East Anaheim; and

WHEREAS, Don oversaw the design and development of the Water Sustainability Campus, the first decentralized small-scale water recycling plant built in an urban environment in Southern California; and

WHEREAS, Don spearheaded the procurement of a number of water emergency response tools and related equipment to better prepare the Water Services Department to safely and quickly respond to water outages during emergencies to minimize the impact to residents and businesses; and

WHEREAS, Don also oversaw the replacement of the existing Supervisory Control and Data Acquisition System, a vital component of the City's water delivery system, and the development of Water Use Efficiency and Water System Master Plans that serve as roadmaps for Anaheim's water conservation programs and drought response; and

WHEREAS, Don has helped ensure cost-effective, long-term water reliability for the City of Anaheim and throughout north and central Orange County through his leadership as Chair of the Orange County Water District Groundwater Producers Committee; and

WHEREAS, Don served as a Director on the Metropolitan Water District of Southern California Board representing the City of Anaheim; and

WHEREAS, Don was a senior project manager for CH2MHill from 1973-1996; and

NOW, THEREFORE, BE IT RESOLVED, that the Municipal Water District of Orange County offers a heartfelt thanks to Don for his service to the residents of Anaheim, Southern California and the California Water Community for his leadership, stewardship and contributions in enhancing Southern California's water reliability and a heartfelt congratulations on his retirement.

Status of Public Affairs Programs

June 2015

Program	Lead Agency	Status	Scheduled Completion or Event Date	Comments
8th Annual OC Water Summit	OCWD	Completed	May 15, 2015	<p>The 8th annual OC Water Summit, was held on Friday, May 15, at Disney's Grand Californian Resort and Hotel. Some 298 people attended, the majority being elected officials, business leaders, water industry professionals, community leaders and agricultural representatives.</p> <p>Fully one-third of the registrants, 35%, were first-time attendees. When attendees were surveyed on how they heard about the event, 54% had received an email invitation, 20% were invited by a friend or colleague, and 13% were asked to attend by their employer. Post-survey responses from event attendees have been included in the packet.</p> <p>Financial information is still being tabulated. However, preliminary numbers show \$78,985.40 in total income, \$69,044.80 in total expenses.</p> <p>Saigon TV was only media outlet in attendance; Dir. Green, OCWD, and Dir. Thomas, MWDOC, were interviewed.</p>
Water Policy Dinner featuring keynote speaker Felicia Marcus, Chair, State Water Resources Control Board	MWDOC	In Progress	July 29, 2015	<p>The Water Policy Dinner will be held at the Westin South Coast Plaza on Wednesday, July 29. The hotel conference room and keynote speaker have both been confirmed. Invitations will be sent electronically once the invitation has been finalized and approved.</p>

Program	Lead Agency	Status	Scheduled Completion or Event Date	Comments
Value of Water Communications Plan	MWDOC	Ongoing	Ongoing	There is no new information to report as emphasis has been placed on drought outreach.
2015 Poster & Slogan Contest and Photography & Digital Arts Contest	MWDOC	Completed	June 1, 2015	Nearly 600 entries were submitted by OC students for the 2015 Poster & Slogan Contest and Photography & Digital Arts Contest. Thirty students were selected as winners through an online judging process that was open to MWDOC and member agency representatives. The winning students, their parents and teachers were recognized at a special Awards Ceremony at Discovery Science Center on June 1. A total of 107 guests attended the event. Ricki the Rambunctious Raindrop also made an appearance to celebrate with the winners.
Drought Outreach	MWDOC	Ongoing	Ongoing	<p>During the period of May 14 –June 8, 2015, the following drought outreach activities were conducted:</p> <ul style="list-style-type: none"> • May 20, 2015: Fraser Communications; Michelle and Tiffany participated; discussed drought outreach/messaging/conservation efforts; and a 30-second PSA and bus shelter creative. • May 20, 2015: Harvey gave a presentation on Water Supply and the Drought; Presentation location: Dana Point with Dir. Hinman • May 27, 2015: Saigon TV interview with Joe Berg. Video aired Sunday, June 7. Video link: https://youtu.be/qVV9ZyOGgNY • May 29, 2015: Tiffany created a drought outreach Dropbox hub for sharing vendor information, messaging materials, presentations, signage templates, upcoming event materials, outreach handouts and talking points between all agencies.

Program	Lead Agency	Status	Scheduled Completion or Event Date	Comments
				<ul style="list-style-type: none"> • June 1, 2015: Update, Fraser Communications; Michelle and Tiffany participated; discussed drought outreach/messaging/conservation efforts. 30-second PSA and bus shelter creative. • June 2, 2015: Michelle finalized a 3 minute drought PowerPoint presentation that has been loaded into the shared member-agency Dropbox account. • June 3, 2015: MWD PIO Meeting; Michelle and Tiffany participated; MET presented its new summer drought outreach campaign and discussed the variety of ways member agency could use these new materials. • Ongoing: Compiling information on member agencies' drought-outreach activities. Goal: Present information at Public Affairs Workgroup meetings to help ensure consistent and/or complementary messages throughout Orange County. • June 6, 2015: Save Water Expo, sponsored by City of Anaheim at ARTIC.

Public Affairs Activities Report
May 20, 2015 – June 17, 2015

Member Agency Relations	<p>Heather attended Manager's Meeting and provided information on the Trailer Bill that would change the fee structure and significantly increase the fee to agencies for the Public Water System Operating Fees.</p> <p>Tiffany has been working with all four MWDOC/Metropolitan Directors and Metropolitan staff to submit inspection tour requests for next season.</p> <p>Tiffany has been working with Director Dick, MWD staff and JPL to finalize the trip itinerary for a one-day inspection trip to Weymouth and JPL scheduled for July 17. The guest list will include MWD Board members and members of the WACO group. A trip invite has been prepared and has been sent out to prospective attendees.</p> <p>Tiffany has been working with Director Dick, Assemblyman Travis Allen's office, and MWD staff to approve a State Water Project inspection trip scheduled for August 15-16. The guest list will include business and community leaders selected by the Assemblyman office.</p> <p>Tiffany created and populated a Dropbox account to utilize as a member agency hub where all agencies can share resources. Currently the Dropbox account includes folders for Drought Messaging (subfolders for marketing materials, messaging/talking points, outreach handouts and briefing papers, signage, stock photos and drought updates), Shared Vendors, Upcoming Events, Water Supply Reports, and a folder for shared Water Use Efficiency items.</p> <p>Upon request by the member agencies, Michelle developed a three minute Drought presentation. Tiffany distributed the presentation to Yorba Linda Water District and Brea, and uploaded the document to the member agency shared Dropbox account.</p> <p>Michelle and Tiffany are working with MWDOC member agencies to compile all drought messages being used, any drought campaign efforts, and any marketing materials being used by each agency. This data will be collated, dropped into a matrix format, and provided via Dropbox to all member agencies. Additionally, Melissa Baum-Haley and Joe are compiling each agency's water restrictions and fines which will also be included in the final matrix. Tiffany and Michelle participated in the MWDOC Member Agencies Managers Meeting held on May 28. Michelle provided a Drought Messaging update to the managers.</p>
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Community Relations	<p>Heather met with Anaheim City Councilwoman Kris Murray and discussed ways the City of Anaheim and MWDOC could continue to work together.</p> <p>Tiffany B., Bryce, Tiffany F. and Marey implemented MWDOC's social media activities through Facebook, Twitter, and Pinterest during this period.</p> <p>Tiffany updated several pages on the MWDOC website.</p> <p>MWDOC partnered with Anaheim Public Utilities Agency to host the 2015 Save Water Expo held at the Arctic on June 6. MWDOC promoted the event through social media efforts, flyer distribution, and coordination with our member agencies to provide materials, donate a raffle item, or host a booth. MWDOC interns Bryce and Marey attended the event and interacted with 450 event attendees at a MWDOC sponsored booth. Melissa Baum-Haley attended and gave a presentation to attendees on conservation efforts. Ricki the Rambunctious Raindrop was also in attendance.</p>
Education	<p>Tiffany B and Tiffany F have prepared two flyers for the new Ricki books, promoting the annual Water Awareness Poster & Slogan and Digital Arts & Photography Contests.</p> <p>Tiffany coordinated an additional flyer from Imersiv Media for the new Ricki books to promote the soon-to-launch new OC Water Hero Program.</p> <p>Karl led, and Tiffany participated in, a school program update with MWDOC member agencies, Discovery Science Center, Inside the Outdoors and the Ecology Center on June 8.</p>
Media Relations	<p>Tiffany coordinated an interview with Saigon TV and Joe Berg which aired on June 7. Joe spoke on the turf removal program and updates regarding water savings and turf removal program logistics.</p>
Special Projects	<p>Heather, Tiffany & Michelle participated in the countywide emergency exercise – SurfQuake on May 21.</p> <p>Heather coordinated certificates from the Orange County delegation for MWDOC's Poster Slogan Contest.</p> <p>Heather attended the ISDOC Executive Committee and coordinated efforts to secure July's speaker – Jennifer Muir. She also mailed out ISDOC's updated bylaws to all members.</p> <p>Heather and Kelly are working together to schedule two Elected Officials Emergency Training classes for ISDOC members. The dates have been secured for August 11th & 26th. Heather will send out invitations and coordinate the catered lunch.</p>

	<p>Tiffany and Michelle have met with Fraser Communications, and have participated in several phone conversations and email discussions, to finalize materials for a regional drought campaign, including a 30-second PSA and a bus shelter advertisement.</p> <p>Tiffany and Marey prepared the June cover image for social media, eCurrents, and the website.</p> <p>Tiffany and Bryce are continuing to work with Immersiv Media on the OC Water Hero Program phone app.</p> <p>Tiffany prepared a photo and video release form for the Water Awareness Poster & Slogan and Digital Arts & Photography Contests Awards Ceremony. This release form can be manipulated for other uses such as social media, the MWDOC website, community events, and any additional outreach materials.</p> <p>Tiffany requested a media usage breakdown from Fraser Communications which provides insight on outreach materials that are most effective in the Orange County region. Data was provided to the General Manager and Michelle.</p> <p>Michelle, Tiffany B, Tiffany F, Bryce, Marey and Leah presented the 2015 Water Awareness Poster & Slogan and Digital Arts & Photography Contests Awards Ceremony at Discovery Science Center on June 1. 107 contest winners, their teachers, and families attended. Ricki the Rambunctious Raindrop was also on hand to celebrate with the winners. Tiffany F and Marey prepared the ceremony presentation and Michelle was the emcee. Prizes were awarded to all the winners including a new addition this year, certificates awarded by each of the winner's district Orange County delegation.</p> <p>Tiffany and Michelle met with OCTA marketing staff on June 2 to discuss bus advertisement options.</p> <p>Tiffany and Michelle attended the MWD PIO meeting on June 3. MWD is launching their new summer Drought campaign which was presented and discussed by PIO attendees. MWD will offer all marketing artwork files, video content, radio spots, and print materials to MWD member agencies free of charge to use in coordination with their own campaigns.</p> <p>Tiffany, Karl, and Joe met with SCE mediator and department heads on May 29 to discuss a variety of partnership opportunities between agencies including: marketing, education and outreach, water education in schools, water loss control and leak detection.</p> <p>Tiffany is working with July 29 Water Policy Dinner keynote speaker SWRCB Chair, Felicia Marcus's assistant to determine specific travel, presentation and AV needs required for the event. Tiffany</p>
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	<p>has prepared and sent out the first event invitation.</p> <p>Tiffany is working with MWD and MWDOC member agencies to identify local facility tour opportunities for a group of educators. Tiffany and Bryce prepared the final layout for approved Resolutions: Dan Griset, Glenn Brown, Gil Ivey & Thomas Evans.</p>
Water-Use Efficiency Marketing	<p>Tiffany coordinated with MWD and MWDOC member agencies to prepare an order of MWD hotel and restaurant conservation placards. Once received, these will be distributed to member agencies per their request.</p>
Legislative Affairs	<p>Heather attended CSDA's Legislative Days in Sacramento on May 19-20. Assemblywoman Marie Waldron, Assemblyman Ken Cooley & Assemblyman Richard Gordon addressed the group on the first day. Legislative office visits included: Assemblyman Matthew Harper, Assemblyman Don Wagner (staff), Senator John Moorlach (staff), Senator Janet Nguyen (staff), and Assemblywoman Young Kim. We also had the opportunity to hear from CSDA's Legislator of the Year, Assemblyman Katcho Achadjian and California State Controller, Betty Yee.</p> <p>Heather participated in Metropolitan Member Agency Legislative Coordinators conference calls on May 21, May 28 and June 11.</p> <p>Heather coordinated a response to Assemblyman Bill Brough's office to assist with constituent questions about the BDCP.</p> <p>Heather visited Assemblywoman Ling Ling Chang's new office in Brea and met with her and her staff.</p> <p>Heather participated in Southern California Water Committee's Legislative Task Force conference calls.</p> <p>Heather participated in the ACWA Region 10 State Legislative Committee (SLC) conference call in advance of the ACWA SLC meeting on June 5th.</p>