

MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
PUBLIC AFFAIRS AND LEGISLATION COMMITTEE
June 20, 2016, 8:30 a.m.
Conference Room 101

Committee:

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

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

Ex Officio Member: W. Osborne

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

PUBLIC PARTICIPATION

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

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

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

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

DISCUSSION ITEMS

1. LEGISLATIVE ACTIVITIES
 - a. Federal Legislative Report (Barker)
 - b. State Legislative Report (BBK)
 - c. County Legislative Report (Lewis)
 - d. Legal and Regulatory Report (Ackerman)
 - e. MWDOC Legislative Matrix
 - f. Metropolitan Legislative Matrix (to be emailed separately)
2. UPDATE ON WATER MARKET LEGISLATION: AB 1755 (DODD) AND AB 2304 (LEVINE)

ACTION ITEMS

3. ADOPT LEGISLATIVE POSITIONS

- a. SB 554 (Wolk) – Delta Levee Maintenance
- b. SB 1298 (Hertzberg) – Prop 218 Omnibus Implementation Act
- c. AB 1755 (Dodd) – The Open and Transparent Water Data Act

4. EXTENSION OF CONSULTING CONTRACT WITH DICK ACKERMAN

5. EXTENSION OF CONSULTING CONTRACT WITH LEWIS CONSULTING GROUP

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. SB 163 (HERTZBERG) – WASTEWATER TREATMENT, RECYCLED WATER

7. SB 814 (HILL) – DROUGHT: EXCESSIVE WATER USE: URBAN RETAIL WATER SUPPLIERS

8. UPDATE ON POTENTIAL SAN JUAN CAPISTRANO UTILITIES CONSOLIDATION

9. RECAP ON WATER SUMMIT (MAY 20, 2016)

10. PUBLIC AFFAIRS ACTIVITIES REPORT

11. SCHOOL PROGRAM PARTICIPATION REPORT

- a. Elementary
- b. High School

OTHER ITEMS

12. 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
Alia Cardwell

Municipal Water District of Orange County, California
Washington Update
June 14, 2016

The Budget and Appropriations:

The House and the Senate are in a sprint to see how many of their Appropriations Bills can be passed through their respective bodies before the Congress adjourns for the National Party Presidential Conventions in mid-July.

As expressed in previous reports, there have been efforts in the House to roll back spending to last year's levels but none of these proposals generated enough support to warrant bringing them to the House Floor for a vote. As a result, the House started taking up individual spending bills in the middle of May. In the end, both the House and the Senate decided to honor the funding agreements that were put into place at the time of Speaker Boehner's departure last fall.

Broadly speaking, this Report is being written two days after the Orlando, Florida mass shooting. This week Congress is in the process of reacting to the event. Senate Democrats are intending to offer a full scale legislative push to keep suspected terrorists from buying weapons. Such language may be placed on the Commerce, State, and Department of Justice Appropriations Bill.

Senator Dianne Feinstein had legislation which would bar suspected terrorists from purchasing firearms or explosives which was considered last year. That bill was voted down in December 2015 by a vote of 45-51, after a married couple killed 14 people in San Bernardino.

We anticipate a major gun laws debate to ensue in the coming weeks on the House and Senate Floors.

Drought Update Appropriations:

Majority Leader McCarthy amended the House Energy and Water Appropriations Bill, HR 5055, with drought language taken from the House passed Congressman Valadao (R-Central Valley, Ca) Bill earlier this spring. In May, the full House considered this appropriations legislation on the House Floor, but the bill was rejected in the House after a Congressman added a Floor amendment barring discrimination against gay and transgender individuals with federal contractors.

In response to this effort, the House Leadership concluded that it will bring up the water spending bill again, under a more limited “Floor Procedure”, which will limit Floor amendments, in essence allowing House Leadership to determine which amendments would be ripe for a vote. Last year there was a flap over amendments dealing with the Confederate Flag and this year, given the vote that recently occurred, House Leaders are now more inclined than ever to limit extraneous Floor amendments on spending bills.

We anticipate that the House Energy and Water Bill will pass the House Floor before the mid July break and that will start a “Conference” with the Senate. In May the Senate was able to pass its own Senate Energy and Water Appropriations bill off the Senate Floor, however that bill was “silent” on any California related drought language.

Most observers here believe that the “real” negotiation on the resolution of the drought relief legislation and the management and operations of the Bay Delta region, and other drought related issues, will occur during the pendency of the Energy and Water Appropriation Bill “Conference” between the House and the Senate.

Of note here, Senator Feinstein has been quoted saying that she has a “plan” regarding the resolution of the drought legislation but as of yet, has not disclosed what her exact plan will be.

Drought Update Authorizations:

As previously reported, the House of Representatives has passed Congressman Valadao’s California Drought Relief Bill. On Senate side, Senator Feinstein’s bill, along with other western states’ drought bills received a Senate Hearing in May before the Senate Energy and Natural Resources Committee where Senator Murkowski of Alaska is the Chairwoman. There are plans to mark up this drought relief package through the Full Committee but it is uncertain at this time if this legislation will be considered on the Senate Floor. Senate Leadership will not want to take up bills this late into the session unless there are time agreements or unless Floor Managers have a certainty that they have the 60 vote majorities to pass their bills off the Senate Floor. At the present time, it is unclear if Senator Feinstein has the votes to pass the West wide drought relief package through the Senator Floor. For passage, it would take all the Republican Senators to vote to pass the bill plus six other Senate Democrats. In fact, it is unclear based upon conversations with key Senate Staff, if Senator Feinstein has the support of the Democratic Leader of the Senate Energy and Natural Resources Committee, Senator Cantwell (D-Wash.) for her legislation. As a result of these factors, at the moment the path for passage of Senator Feinstein’s bill is unclear.

This is why the “Appropriations” discussion that was provided earlier in the report is relevant. Most of the experts in the Washington water community believe that the resolution to the California Drought legislation will take place during the pendency of the Appropriations Conference—not through the traditional authorizations bill process.

Metropolitan's Activities:

The Chairman of the Metropolitan Water District of Southern California, Randy Record, was in town last week meeting with key offices and with Senator Feinstein. MET's CEO, Jeff Kightlinger, has also testified on the drought issues before the Senate. Metropolitan has continued to offer assistance with technical information for the committees of jurisdiction and key staff.

On related federal spending matters, MWDOC has been working with Metropolitan and the office of Senator Feinstein and with key staff on the Senate Energy and Water Appropriations Committee regarding the opening of the Section 5039 California Water / Environmental Infrastructure Account. Metropolitan has placed it as a priority on its Washington Legislative Platform of issues and met with Senator Feinstein on this issue.

MWDOC is working with various Hill offices and on encouraging more Metropolitan participation in the opening of this important water account for the entire state of California.

Obama Administration Drought Related Activities:

The U.S. Department of Interior's point man on water, Deputy Secretary Mike Connor, is headed to California this week for a slate of meetings with state officials and water users, as California's water crisis just keeps getting worse. He will be introducing the newest incoming Fish and Wildlife Service Regional Director Paul Souza.

The trip comes as California water users and their congressional allies were left dumbstruck by a pair of recent proposals that aim to protect endangered fish species - and Republican lawmakers in particular believe such plans are likely to worsen the water crisis for many users. The Fish and Wildlife Service wants to increase the amount of water that flows from the Sacramento-San Joaquin River Delta out to sea, in a bid to help Delta smelt, which a recent survey showed are hanging on by a thread. At the same time, the National Marine Fisheries Service is proposing to hold back more water at a key reservoir in the north, to protect cold water salmon. Together, the two proposed actions stand to leave long-parched Central Valley farmers even higher and drier, and California's Republican House members have presented such arguments in a letter to the Interior and Commerce Departments last week.

"The Water Resources Development Act (WRDA):

The Water Resources Development Act, known as the WRDA Bill has moved through the Senate Environment and Public Works Committee EPW and it would allow new types of water infrastructure and activities to qualify for EPA's State Revolving Funds, the primary source of federal assistance to communities for water programs. And it would create a number of new grant programs, including grants to help small and disadvantaged communities replace lead service lines, a \$100 million authorization for schools to test for lead, and a \$50 million annual authorization for innovative water technology grants. WRDA provides authorized spending for the Army Corps of Engineers. Senator Inhofe, the Chairman of the Senate EPW Committee, is working with Senate Leadership now to try

and bring his bill to the Senate Floor for consideration before the July break.

IRS Treatment of Conservation Measures:

MWDOC has met with several different offices on this issue, including representatives from Senator Feinstein office within the last month and we are advised that bi partisan legislation is being readied on this matter in the U.S. Senate.

Funding Scorecard:

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

General News Items and Political Updates of Interest

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

Clinton: 49%

Trump: 42%

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

JCB 6-14-16 See attachment of Funding Scorecard

FY 2016/2017 FUNDING OPPORTUNITIES for MWDOC (updated 06-13-16)						
No.	Program No./ Solicitation No.	OPPORTUNITY TITLE*	AGENCY	Applic. Available	Deadline	STATUS
1	F16AS00197	North American Wetlands Conservation Act 2017 U.S. Standard Grants	Fish & Wildlife	Yes	07/14/16	Open
2	L16AS00070	BLM CA 2016 Challenge Cost Share Project for California	BLM	Yes	06/20/18	Open
3	NOAA-NWS-NW-SPO-2017-2004858	NOAA Science Collaboration Program	Commerce	Yes	06/13/16	Open
4	USDA-NRCS-CA-16-0001	CA Conservation Innovation Grant	USDA	Yes	06/17/16	Open
5	F16AS00006	Coastal Program	Bureau of Rec	Yes	09/30/16	Open
6	USGS-FA-16-0255	Subtropical Back-barrier Ecological Responses to Environmental Changes	Geological Survey	Yes	06/24/16	Open
7	BOR-DO-16-015	Science and Technology Program Pitch to Pilot Project	Bureau of Rec	Yes	07/27/16	Open
8	F16AS00278	Research Grants (Generic)	Fish & Wildlife	Yes	06/15/16	Open
9	NPSNOILAMR1600900	Multi-use Trail System Project	Nat'l Park Service	Yes	06/23/16	Open
10	G16AS00082	Cooperative Ecosystem Studies Unit, Californian CESU	Geological Survey	Yes	06/24/16	Open
11	EPA-OLEM-OBLR-16-05	FY2017 BROWNFIELDS AREA-WIDE PLANNING GRANT	EPA	Yes	08/10/16	Open
12	F16AS00273	FY16 Aquatic Nuisance Species Task Force Regional Panels	Fish & Wildlife	Yes	Rolling	Open
13	P16AS00222	Vital Signs Water Quality Monitoring in GRSM and APHN Streams	Nat'l Park Service	Yes	06/15/16	Open
14	OES-OTE-16-007	Environmental Cooperation: Cleaner Production and Private Sector Partnerships	Ocean and International	Yes	07/18/16	Open
15	F16AS00252	Marine Communities Impacted by Extreme Climate Events	Fish & Wildlife	Yes	08/01/16	Open
16	G16AS00074	Cooperative Ecosystem Studies Unit, Desert Southwest CESU	Geological Survey	Yes	06/17/16	Open
17	NOAA-NOS-NCCOS-2017-200487	NOAA RESTORE Act Science Program	Commerce	Yes	09/27/16	Open
18	P16AS00199	Land and Water Conservation Fund State and Local Assistance Program	Nat'l Park Service	Yes	07/29/16	Open
19	EPA-OWOGWDW-16-01	Technical Assistance and Support for Improved Protection of Drinking Water Sources	EPA	Yes	07/15/16	Open
20	P16AS00170	National Maritime Heritage Grant Program	Nat'l Park Service	Yes	08/05/16	Open
21	L16AS00118	BLM CA Dos Palmas Geophysical Survey	BLM	Yes	07/18/16	Open
22	RFA-111-16-000004	Participatory Utilization and Resource Efficiency of Water (PURE-Water) Activity	USAID	Yes	07/13/16	Open
23	F16AS00222	ENDANGERED SPECIES GRANT PROGRAM	Fish & Wildlife	Yes	07/10/16	Open
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FY 2016/2017 FUNDING OPPORTUNITIES for MWDOC (updated 06-13-16)						
No.	Program No./ Solicitation No.	OPPORTUNITY TITLE*	AGENCY	Applic. Available	Deadline	STATUS
RECENTLY CLOSED GRANT OPPORTUNITIES						
24	BOR-UC-16-N009	Consultation to Develop UCRC Pilot Programs	Bureau of Rec	Yes	05/16/16	Closed
25	APS-OAA-15-00004-ADDENDUMZZKA	Engaging Communities in Responding to Zika Under the Integrating Community Health APS	Agency Int'l Dev	Yes	06/01/16	Closed
26	F16AS00190	USFWS Natural Resource Program Center (NRPC) WRIA Program 2017	Fish & Wildlife	Yes	06/01/16	Closed
27	BOR-DO-16-012	Salton Seawater Vertical Tube Evaporation & Brine Management Project	Bureau of Rec	Yes	05/05/16	Closed
28	M16AS00013	BOEM FY 2016 Environmental Studies Program	Ocean Energy Mngt	Yes	05/24/16	Closed
29	SOL-OAA-16-000084	Sustainable Water Partnership	Agency Int'l Dev	Yes	05/16/16	Closed
30	RFA-517-16-0000004	Climate Risk Reduction	USAID	Yes	05/31/16	Closed
31	RDRUS-16-RFP	Revolving Fund Program	USDA	Yes	05/31/16	Closed
32	EPA-HQ-OPPT-2016-003	FY 2016 and FY 2017 Source Reduction Assistance Grant Program	EPA	Yes	06/06/16	Closed
33	F16AS00152	Micronesian Mangrove Assessment	Fish & Wildlife	Yes	06/01/16	Closed
34	F16AS00155	Quagga/Zebra Mussel Action Plan for Western U.S. Waters 2016	Fish & Wildlife	Yes	06/03/16	Closed
35	F16AS00151	Develop Climate Change Adaptation Analysis	Fish & Wildlife	Yes	06/01/16	Closed
36	G16AS00043	Groundwater and Streamflow Information Program National Ground-Water Monitoring Network Round II	Geological Survey	Yes	05/31/16	Closed
37	L16AS00053	BLM CA California State Office Statewide Youth Corps Teams	BLM	Yes	05/27/16	Closed
38	L16AS00054	BLM CA - Statewide Youth Conservation Interns throughout California Public Lands	BLM	Yes	05/27/16	Closed
39	EPA-HQ-OPPT-2016-001	FY 2016 and FY 2017 Pollution Prevention Information Network (PPIN) Grants Program Education, Training and Capacity Development for Weather, Water and Climate Forecasting (ETCD)	EPA	Yes	05/17/16	Closed
40	NOAA-NWS-NW-SPO-2016-2004829	ENVIRONMENTAL EDUCATION TRAINING PROGRAM	Commerce	Yes	05/20/16	Closed
41	EPA-EE-16-02	FY 2016 and FY 2017 Pollution Prevention Grant Program	EPA	Yes	05/09/16	Closed
42	EPA-HQ-OPPT-2016-002	2017 Earthquake Hazards External Grants Program	Geological Survey	Yes	05/09/16	Closed
43	G16AS00024	NOAA Sea Grant Aquaculture Research Program 2016	NOAA	Yes	05/25/16	Closed
44	NOAA-OAR-SG-2016-2004807	Household Water Well Grant Program	USDA	Yes	05/12/16	Closed
45	RDRUS-16-01-HWWS	Conservation Innovation Grants	USDA	Yes	05/09/16	Closed
46	USDA-NRCS-NHQ-CIG-16-01	Land and Water Conservation Fund Outdoor Recreation Legacy Partnership Program	USDA	Yes	05/10/16	Closed
47	P16AS00065	Land and Water Conservation Fund Outdoor Recreation Legacy Partnership Program	Nat'l Park Service	Yes	05/20/16	Closed

FY 2016/2017 FUNDING OPPORTUNITIES for MWDOC (updated 06-13-16)						
No.	Program No./ Solicitation No.	OPPORTUNITY TITLE*	AGENCY	Applic. Available	Deadline	STATUS
48	P16AS00015	Land and Water Conservation Fund State and Local Assistance Program	Nat'l Park Service	Yes	04/29/16	Closed
49	NOAA-NMFS-HCPO-2016-2004800	Community-based Restoration Program Coastal and Marine Habitat Restoration Grants	NOAA	Yes	04/16/16	Closed
50	R16-FOA-DO-008	WaterSMART: Cooperative Watershed Management Program (CWMP) for fiscal year (FY) 2016	Bureau of Rec	Yes	05/04/16	Closed
51	EPA-G2016-STAR-A1	Integrating Human Health and Well-Being with Ecosystem Services	EPA	Yes	04/21/16	Closed
52	R16-FOA-DO-005	Drought Contingency Planning Frants for Fiscal Year 2016	Bureau of Rec	Yes	04/11/16	Closed
53	M16AS00006	BOEM FY 2016 Environmental Studies Program (ESP)	Ocean Energy Mngt	Yes	04/25/16	Closed
54	R16-FOA-DO-006	Drought Resiliency Project Grants for Fiscal Year 2016	Bureau of Rec	Yes	04/11/16	Closed
55	R16-FOA-DO-011	Water Reclamation Research under the Title XVI Water Reclamation and Reuse Program for Fiscal Year 2016	Bureau of Rec	Yes	04/20/16	Closed
56	BOR-MP-16-0003	Agricultural Water Conservation and Efficiency Grants Fostering District/Farmer Partnerships	Bureau of Rec	Yes	04/26/16	Closed
57	BOR-UC-16-N008	Colorado Basin States Salinity Control Projects	Bureau of Rec	Yes	04/15/16	Closed
58	CDC-RFA-EH15-150702CONT16	Support for Public Health Drinking Water Programs to Improve Efficiency & Effectiveness for Controlling Drinking Water Exposures	HHS/CDC	Yes	04/29/16	Closed
59	NNH16ZDA001N-WATER	ROSES 2016: Earth Science Applications: Water Resources	NASA Headquarters	Yes	05/02/16	Closed
60	USGS-FA-16-0098	Assessment of Larval Silver Carp Predator-prey Dynamic and Habitat Associations	Geological Survey	Yes	04/15/16	Closed
61	F16AS00164	Field test of plants and fungi on bioretention performance over time	Fish & Wildlife	Yes	04/15/16	Closed
62	DHS-16-GPD-042-09-01	Fiscal Year (FY) 2016 Emergency Management Performance Grant Program - Region 9	DHS, FEMA	Yes	03/18/16	Closed
63	EPA-G2016-ORD-B1	National Priorities: Impacts of Water Conservation on Water Quality in Premise Plumbing and Water Distribution Systems	EPA	Yes	03/17/16	Closed
64	EPA-EE-16-01	Environmental Education Local Grants Program -- Solicitation Notice for 2016	EPA	Yes	04/08/16	Closed
65	G16AS00016	Water Resources Research National Competitive Grants Program	Geological Survey	Yes	03/17/16	Closed
66	NSF 16-524	Innovations at the Nexus of Food, Energy and Water Systems	NSF	Yes	03/02/16	Closed
67	R16-FOA-DO-010	FY16 Desalination & Water Purification Research & Dev (DWPR) Pilot Projects	Bureau of Rec	Yes	02/08/16	Closed
68	R16-FOA-DO-009	FY16 Desalination & Water Purification Research & Dev (DWPR) Research	Bureau of Rec	Yes	02/08/16	Closed
69	R16-FOA-DO-004	WaterSMART: Water and Energy Efficiency Grants for FY 2016	Bureau of Rec	Yes	01/20/16	Closed
70	R16-FOA-DO-003	WaterSMART: Title XVI Water Reclamation and Reuse Program Funding for Fiscal Year 2016	Bureau of Rec	Yes	12/10/15	Closed

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

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



Memorandum

To: Municipal Water District of Orange County
From: Best Best & Krieger
Date: June 20, 2016
Re: Monthly State Political Report

LEGISLATIVE UPDATE

Legislation:

Water Transfers

AB 2909 (Levine)

History of the issue: Assemblyman Marc Levine (D-Santa Rosa), who is the chair of the Water Parks and Wildlife Committee, introduced AB 2304 dealing with water transfers at the start of the legislative cycle. That bill drew significant opposition, including an “oppose unless amended” from ACWA. Assm. Levine pulled it from the Appropriations committee in response, but indicated at that time that he intended to keep working on the issue. As a result, AB 2304 is now a dead bill. Last week he circulated amendments to AB 2909 which would delete the current language of the bill and insert some of the non-controversial (or so he thought) provisions of AB 2304. This update concerns the new language for AB 2909, which had not appeared in print at the time of this update being prepared.

Proposed bill language: The amended bill would address two issues. The first would direct DWR and SWRCB to develop an expedited review process (45 days) for recurring water transfers and environmentally beneficial transfers. The second part would establish the Water Market Task Force to make recommendations on making transfers more efficient, making more information about transfers available without disclosing matters under negotiation, and generating the necessary data to allow interested parties to track the progress of a transfer through the administrative process, among other provisions.

Comment: When ACWA brought the prior bill (AB 2304) to the State Legislative Committee (SLC), certain factions complained about the process and that neither this bill nor a related bill, AB 1755 (Dodd), was what they were hoping for. The SLC convened a subcommittee to consider both bills. During this process, Levine pulled his original bill and offered to amend AB 2909 as indicated above. These provisions were lifted almost verbatim from ACWA’s adopted principles for water transfer legislation. Despite this, on the recommendation of the subcommittee, the SLC went form “oppose unless amended” on the original bill (AB 2304), to a simple “oppose” on AB 2909.

At the meeting of the SLC on June 10th, several members of the subcommittee expressed regret over the decision to oppose AB 2909 (as proposed to be amended) and believed that ACWA

should support the bill. Nonetheless, out of a desire to have unity within ACWA, and for no policy-based reason, the SLC adopted the subcommittee's recommendation to oppose AB 2909.

The result is that ACWA's position on AB 2909 is the result of internal politics and not the merits of the bill. Solely on its merits, the bill deserves support. An appropriately constituted task force could make valuable recommendations about how the various state agencies should work together to benefit both the parties to a transfer and the public. Facilitating reoccurring transfers is an obvious benefit, and the language was almost entirely written by ACWA.

Other legislation

SB 554 (Wolk): this bill would remove the sunset on the state's 75% match for Delta levee maintenance and improvements. BB&K was directed to participate in a coalition effort to oppose the bill with MWD, and was—more than once—the only other lobbyist in the meetings besides the MWD lobbyist. The message was that the levee maintenance program is very important, but that the legislature should not permanently relinquish fiscal oversight of the fund. Due to Northern California interests being overrepresented on the Assembly water policy committee, the bill passed with only one 'NO' vote from Assemblyman Harper, which was due in no small part to Governmental Affairs Manager Baez.

SB 1318 (Wolk): this bill deals with Disadvantaged Unincorporated Communities (DUC's) and sought to prevent LAFCOs from approving an annexation or extension of services unless adjacent DUC's were addressed. This bill was brought before the PAL committee last month where an "oppose" position was adopted. Since then the author has indicated that the most objectionable parts of the bill will be deleted, and the bill will only address mapping and reporting on DUC's to the legislature. The bill is still unnecessary and there is no reason for MWDOC to change its position, but the specific harm that the oppose position was based on is no longer a threat.

AB 2202 (Gordon): this bill is sponsored by OCWD and Water Reuse to allow for a bottled water demonstration project for Direct Potable Reuse (DPR). The PAL Committee adopted a support position early in the year, but there has been no work to do as the bill passed through the Assembly on consent. That, however, may change. The author's staff has indicated that concerns have been expressed by SWRCB, which will report on DPR before the end of the year. As a result, the Chair of the Senate Environmental Quality Committee and key committee members were lobbied on behalf of MWDOC. The bill was heard in the Senate Environmental Quality Committee on June 15th.

AB 2488 (Dababneh): this is the MWD sponsored bill to deal with the fully protected species, the unarmored threespine stickleback, affected by the dewatering of MWD's Inland Feeder. The bill was moving with little effort until the Sierra Club filed opposition in the Senate Natural Resources and Water Committee. Nonetheless, the large coalition supporting the bill ramped up efforts and the bill moved out of committee with bipartisan support.

Legislature:

The Legislature managed to reach a compromise on the Budget ahead of schedule, although the Budget Bill had not been passed by the date this update was prepared. The deadline was June 15th. The conference committee process, which is never easy to follow, set new standards for opacity this year. Observers received a conference committee report with a series of one-line items, most of which simply referenced a Senate or Assembly budget subcommittee report, which were not available. As a result, few reports were available by the time of this update. BB&K will provide more information during the PAL Committee meeting.

The policy committee deadline for all bills is approaching on July 1st, which accounts for the increased activity inside the Capitol and the number bills addressed in this update and on the agenda. The Legislature will then go on break until August 1st.

Agencies:

SWRCB: Comments on the new fees for the Drinking Water Program are due on 6/22/16, which is also the day for the Board's hearing. ACWA is preparing an alternative fee proposal which was not available at time of this update, but will be available by the date of the PAL Committee meeting.

Offices Lobbied:

SB 163 (Oppose): Josh Tooker (Assm. E,S,&TS Committee consultant.), Office of Assm. Kevin McCarty.

SB 554 (Oppose): Assemblymembers, Levine (committee chair), Williams, Harper, and C. Garcia.

AB 2202 (Support): Senators Wieckowski (committee chair), Bates, Jackson, Pavley.

ACWA meetings on 5/20 & 6/10 for SLC, lobbyist meetings on 5/23, 6/6, & 6/13, and water transfers on 5/27.

AB 2909 Water Transfers

Author: Levine

Introduced: 02-10-16

Amended: as proposed to be amended

Sponsor:

Supporters:

Opposition:

Assigned to: Whitney Wiley/Kelly McBee

Current Position: NYC

Summary: As introduced on February 10 and amended on April 5, 2016, AB 2909 is authored by the Assembly Water, Parks, and Wildlife Committee and would clarify what information must be included in a cost projection for activities funded by the State Parks Revenue Incentive Subaccount, and would require the Department of Parks & Recreation to provide quarterly accounting to donors of record for all expenditures made from the donated funds. Assembly Member Levine, Chair of the Assembly Water, Parks, and Wildlife Committee, intends to gut and amend this bill to relate to water transfers.

Summary of Amendments: As proposed to be gutted and amended, AB 2909 would : 1) Direct the Department of Water Resources (DWR) and the State Water Resources Control Board (State Water Board) to develop an expedited 45-day review process for approval of applications for reoccurring water transfers and environmentally beneficial transfers; and 2) Establish a Water Market Task Force. Additionally, this bill would make a number of legislative declarations relating to water transfers.

Staff Comments: ACWA's Board-approved 2016 Strategic and Business Plan identifies the advancement of sound policy on water markets and water transfers as a policy-related priority action. At the direction of Immediate ACWA Past President John Coleman, and with input from the State Legislative Committee Water Transfers Workgroup, ACWA's Water Market Technical Advisory Committee (TAC) and Water Transfers Task Force (Task Force) prepared ACWA's Recommendations to Improve the Water Transfer Process and Enhance Access to Voluntary Water Markets in California (Recommendations). ACWA's Board of Directors approved the Recommendations on March 25, 2016.

On June 2, ACWA staff, along with State Legislative Committee chair Paul Bartkiewicz and committee member Brian Poulsen, met with Assembly Member Levine's chief of staff, Michael Miiller and Water, Parks & Wildlife senior consultant, Ryan Ojakian, to discuss the Assembly Member's direction and proposed bill amendments for new market legislation. The tenor and tone of that meeting was positive. Michael indicated the Assembly Member wants to have a market bill this year and lay the foundation for a more comprehensive bill next year. To that end, the Assembly Member has shared with ACWA and others his intent to amend AB 2909 with language that focuses on expediting two categories of transfers (reoccurring and environmental beneficial) and the task force concept previously recommended by ACWA.

As currently drafted and proposed to be amended, AB 2909 aligns with ACWA's Recommendations. Section 1 of the bill would require DWR and the State Water Resources Control Board (State Water Board) to develop an expedited (45 day) approval process for reoccurring water transfers and environmentally beneficial transfers. The former is consistent with ACWA's recommendation 1.3. While the latter is not addressed in the ACWA Recommendations, page 3 of the ACWA Recommendations indicates that improving access to voluntary water markets can "benefit the environment by enhancing the state's water supplies and potentially increasing the amount or improve the timing of water available for environmental uses." Section 2 of the bill, proposed Water Code Section 485, includes legislative findings, most of which are verbatim to the ACWA Recommendations. The only finding not included in the Recommendations is 485(d)(7), which would state that voluntary transfers are a way to benefit communities by reducing reliance on groundwater resources.

Proposed Section 486 would create the California Water Market Task Force (Task Force). There are some differences in the make-up of the Task Force in AB 2909 as compared to the version of the Task Force that ACWA originally proposed for AB 2304, including the agency that would house the Task Force. As proposed to be amended, AB 2909 would require the Secretary of the Natural Resources Agency (Secretary) to chair the Task Force, whereas ACWA's original proposal required DWR to convene the Task Force. Members of the Task Force would include the same members as requested by ACWA in prior proposed amendments, including entities that have participated in water transfers and representatives from agriculture and municipal water suppliers/ The AB 2909 proposal would specify that each member would be appointed by the Secretary. Overall, this language very closely resembles ACWA's original proposal.

Proposed Section 487 would require the Task Force to develop recommendations for the Governor and Legislature for changes in law or regulation to address several issues mostly aimed at information gathering and sharing. This section would require the Task Force to determine how to appropriately gather and disseminate water transfer information in order to improve access to the market but would not explicitly create a clearinghouse. The direction to the proposed Task Force is consistent with the ACWA Recommendations and some of the language is even verbatim language from ACWA's amendments. For example, 487(c)(2) would require that the Task Force develop recommendations on reducing transaction costs for transfers, and 487(e)(7) would authorize the Task Force to make recommendations for changes to water delivery systems that could increase the ability to transfer water among willing buyers and sellers within the state. Additionally, the bill would authorize the Task Force to make recommendations to the Legislature and the Governor that would address ACWA's Recommendations 1.2, 1.6, 1.7, 1.9, 1.10, and 2.3.

Chair Levine's staff said that the language is a working draft, and they want ACWA's feedback. It was clear from the meeting the Michael Miller and Ryan Ojakian are trying to write a scaled back bill that could garner ACWA's support. ACWA staff plans to hold a work group meeting during the week of June 6 (prior to the June 10 State Legislative Committee meeting) to explain the current status of and Chair Levine's plans for AB 2909, as well as gather ACWA member reactions to the proposed language.

At the June 3, 2016 ACWA Board of Directors meeting, Chair Bartkiewicz briefed the Board regarding the suggestion from the State Legislative Committee's work for ACWA to draft legislation that ACWA could sponsor that reflects ACWA's Recommendations. The Board agreed with this approach and also agreed that it was important for the Committee to review AB 2909 (as proposed to be amended) for consistency with ACWA's recommendations. It was emphasized in the discussion that the Chair of the Assembly Water committee has reached out to ACWA in a conciliatory way.

Recommended Position: Pending Committee Input

AB 2909 (Levine)
Water Transfers Bill

SECTION 1. Section _____ is added to the Water Code, to read:

_____. (a) The department and the board shall develop an expedited 45-day review process for approval of applications for reoccurring water transfers and environmentally beneficial transfers. Only reoccurring water transfers that are substantially similar in volume, time of year, and hydrologic conditions to those previously approved by the department or the board in the past 48 months may be eligible expedited approval.

(b) “Environmentally beneficial transfers” mean any of the following:

(1) Transfers between water users that are otherwise designed to benefit the environment.

(2) Transfers that protect habitat and sensitive wildlife or enhance managed wetland supply, wildlife refuges, ecosystems, and instream flow.

(3) Transfers that benefit local drinking water supplies by reducing local groundwater overdraft or improving water quality.

(4) Transfers that contribute to implementation of the Sustainable Groundwater Management Act in both the area of origin and the managed basin.

(c) This section may not be used for more than five consecutive reoccurring water transfers.

(d) This section applies in addition to any other law relating to water transfers and exchanges.

SEC. 2. Chapter 7.5 (commencing with Section 485) is added to Division 1 of the Water Code, to read:

CHAPTER 7.5. California Water Market Task Force

485. The Legislature finds and declares all of the following:

(a) An efficient water transfer process plays an important role in reducing uncertainty and water shortage impacts on the state’s economy now and in the future.

(b) The California Water Action Plan calls for making improvements to the water transfer process as part of a comprehensive, long-term water management policy.

(c) While numerous water agencies and water users currently participate in the water market, water transfer processes are complex and water market information may not be readily available to the public and to all potential sellers and buyers.

- (d) Voluntary water transfers are a proven and effective way to help meet California's water needs.
- (e) Improving the water transfer process can accomplish all of the following:
 - (1) Protect existing local and regional investments.
 - (2) Improve coordination among water agencies.
 - (3) Incentivize significant investments in water use efficiency projects and programs.
 - (4) Increase water supply and water supply reliability for urban and agricultural water users.
 - (5) Increase the quantities or improve the timing of water available for transfers by providing information to sellers and buyers who might not otherwise have sufficient information to participate in water markets.
 - (6) Benefit the environment by enhancing the state's water supplies and increasing the amount or improving the timing of water available for environmental uses.
 - (7) Benefit communities by bolstering water supplies and reducing reliance on groundwater resources.

486. (a) The California Water Market Task Force is hereby created.

(b) The California Water Market Task Force shall hold public meetings, be chaired by the Secretary of Natural Resources Agency, or his or her designee and shall be composed of the following members:

(1) One representative from each of the following state agencies:

- (A) The department.
- (B) The board.
- (C) The Department of Fish and Wildlife.
- (D) The Department of Food and Agriculture.
- (E) The Office of Planning and Research.

(2) Eleven members appointed by the Secretary of Natural Resources Agency as follows:

- (A) A representative from academia.
- (B) An agricultural water supplier.
- (C) A municipal water supplier.
- (D) A member representing disadvantaged communities.
- (E) A member representing environmental and conservation organizations.
- (F) A member representing groundwater management entities.
- (G) Three members representing entities that have participated in water transfers as sellers and buyers of water. These may include a member representing cities, counties and local production agricultural organizations.
- (H) A member representing Native American tribes in California.

- (I) A member representing an environmental justice organization.
- (c) The federal water and resources agencies shall be invited to have representatives participate in meetings of the California Water Market Task Force.

487. On or before December 31, 2017, the California Water Market Task Force shall make recommendations to the Governor and the Legislature for changes in law and administrative processes, if any changes are needed, to address all of the following:

(a) How to aggregate and disclose in a publicly accessible manner the information required to be submitted in support of an application to transfer water, without disclosing information that is subject to current negotiations. The information may include, but not be limited to, all of the following:

- (1) The origin and proposed point of use, place of use, new point of redirection and purpose of use of the transferred or exchanged water.
- (2) The proposed quantity of water to be transferred or exchanged.
- (3) The proposed time and duration of the water transfer or exchange.
- (4) The price of a completed transfer.
- (5) The nature of the underlying right to the water proposed to be transferred or exchanged.
- (6) The parties to the water transfer or exchange.
- (7) The state and federal conveyance and storage facilities used to complete the water transfer or exchange.

(b) The information required for water users and the public to readily track the progress of a proposed transfer through agency review to ensure expedient approval whenever possible.

(c) Procedures and standards designed to provide for all of the following:

- (1) Coordinated review of and action upon applications or proposals to transfer or exchange water, or both.
- (2) Reduce transaction costs of water transfers and exchanges.
- (3) Assure that transfers and exchanges protect environmental and community resources in areas of origin and in recipient areas.
- (4) Demonstrate that a transfer will not adversely affect groundwater conditions in any areas involved in the transfer.
- (5) Ensure expedient approval whenever possible

(d) Other information that the California Water Market Task Force deems significant. This may include recommendations regarding any or all of the following:

- (1) Consolidating places of use.

- (2) Incentivizing and facilitating water use efficiency-related water transfers, as well as transfers between environmental uses.
- (3) Developing and facilitating pilot transfers based on crop fallowing and other practices to quantify and validate consumptive water use rates and incorporating findings into water transfer guidelines.
- (4) Providing transparency regarding Delta carriage water loss analysis.
- (5) Establishing or documenting conveyance access protocols.
- (6) Creating market mechanisms for access to capital.
- (7) Changes to water delivery systems that could increase the ability to transfer water among willing buyers and sellers within the state.

The County of Orange Report

June 14, 2016
by Lewis Consulting Group

STUNNING Primary Results - Democrats Surge in Orange County



As of Tuesday, June 14, 2016, the vote counting continues as 625,000 ballots have been tabulated and another 72,000 ballots remain to be counted.

One thing is certain, political observers are stunned that our “famously red county” has held an election in which more Democrats than Republicans

voted. This has breathed optimism into Democrat leadership; that should they continue the momentum, they may capture one or more partisan seats from Republicans in November.

Republicans on the other hand are hoping the spirited Democrat Presidential campaigns drove up turnout, while many Republicans stayed home due to the certainty of a Donald Trump nomination. In any event Donald Trump cruised to victory and Orange County voters didn’t “feel the Bern” as Hillary Clinton holds a comfortable lead.

U.S. Senate

Even in Orange County, over 50% of all voters chose either Loretta Sanchez or Kamala Harris for the U.S. Senate seat. The polls leading up to the election were proven correct, and the Republican voters splintered among the many candidates.

PARTISAN RACES

For the most part, due to the turnout disparity, Republicans under performed. Here are the current vote percentages for Republican incumbents [only Orange County results].

U.S. Representative	Ed Royce	64%
	Dana Rohrbacher	57%
	Mimi Walters	42%** had a Republican Primary opponent
	Darrell Issa	59%
State Senate	John Moorlach	56%
	Ling Ling Chang	46%
State Assembly	Young Kim	47%
	Travis Allen	51%
	William Brough	100%
	Matthew Harper	40%** had a Republican Primary opponent

In other races of note. . .

46th Congressional District - it appears that *Lou Correa* will square off against *Bao Nguyen* in an all Democrat top two runoff.

55th Assembly District - *Phillip Chen* maintains a narrow lead over fellow Republican *Mike Spence* for the right to face Democrat *Gregg Fritchle* in November.

68th Assembly District - Either *Steven Choi* or *Harry Sidhu* will emerge as the lone GOP candidate on the November ballot against Democrat *Sean Jay Panahi*. This is a safe GOP seat.

69th Assembly District - *Tom Daly* will be easily re-elected in this safe Democrat seat.

Supervisor 1st District - Supervisor *Andrew Do* will be in the fight of his life seeking re-election in November after being held to 36% of the vote. He was narrowly out polled by Santa Ana Councilwoman *Michelle Martinez*.

Orange County Board of Education - in a setback for local teachers unions, it appears Board members *Robert Hammond* and *Ken Williams* will be re-elected. Although Hammond will have to hope that his 381 vote lead can withstand the thousands of provisional ballots yet to be counted. The third incumbent, *Jack Bedell*, was also re-elected; dashing the hopes for a Chris Norby political comeback.

BIGGEST SURPRISES!

29th Senate District - after donning a bear costume, Democrat *Josh Newman* out polled prohibitive favorite and fellow Democrat *Sukhee Kang* for the right to face Republican *Ling Ling Chang* in November.

Supervisor 1st District - *Andrew Do's* weaker than expected showing will galvanize Democrats to try to elect *Michelle Martinez* in November.

46th Congressional District - a late surge of Democrat ballots has apparently propelled *Bao Nguyen* into the run-off with *Lou Correa*, presenting an all Democrat affair in November.

County Faces Budget Challenges

Last week, three separate Board of Supervisor meetings were held as the Supervisors were first briefed on pending financial challenges. They discussed their options and opinions; culminating by taking a series of straw votes in open session.

In crafting this year's budget, the Supervisors are dealing with strain caused by the flattening of overall revenues as the economy has leveled off after a healthy rebound following the great recession. Another more specific challenge is the loss of close to \$20 million from Proposition 172 revenues; due to a new distribution formula from the State.



**A LOOK
at the
BUDGET**

The Proposition 172 Sales Tax Enhancement adopted by the voters creates a specific funding source for Public Safety. In Orange County, 172 dollars fund both the Sheriff's Department and the Office of District Attorney. Supervisor Spitzer has staked out the position that Public Safety should be the County's top priority. Other County Agencies make the case that their respective budgets should be protected. We may know how this settles out by our June PAL meeting.

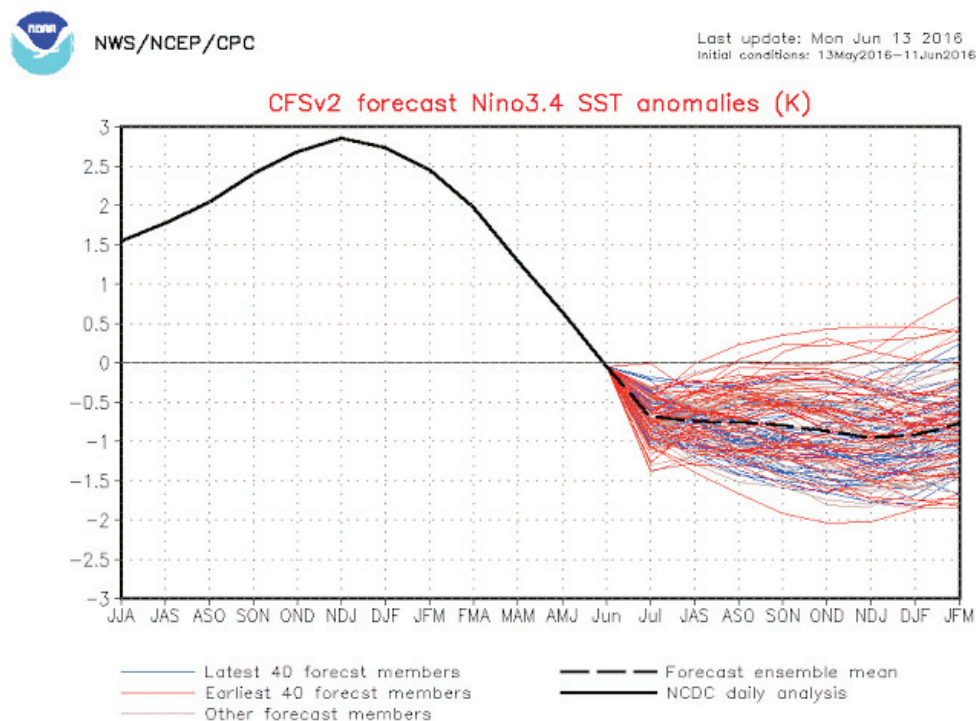
LAFCO Adopts Budget - Lists Priorities

At the June 8 meeting of LAFCO, the Directors unanimously approved the \$1.1 million budget for the coming fiscal year. As previously discussed, the budget includes funding for staff and consulting.

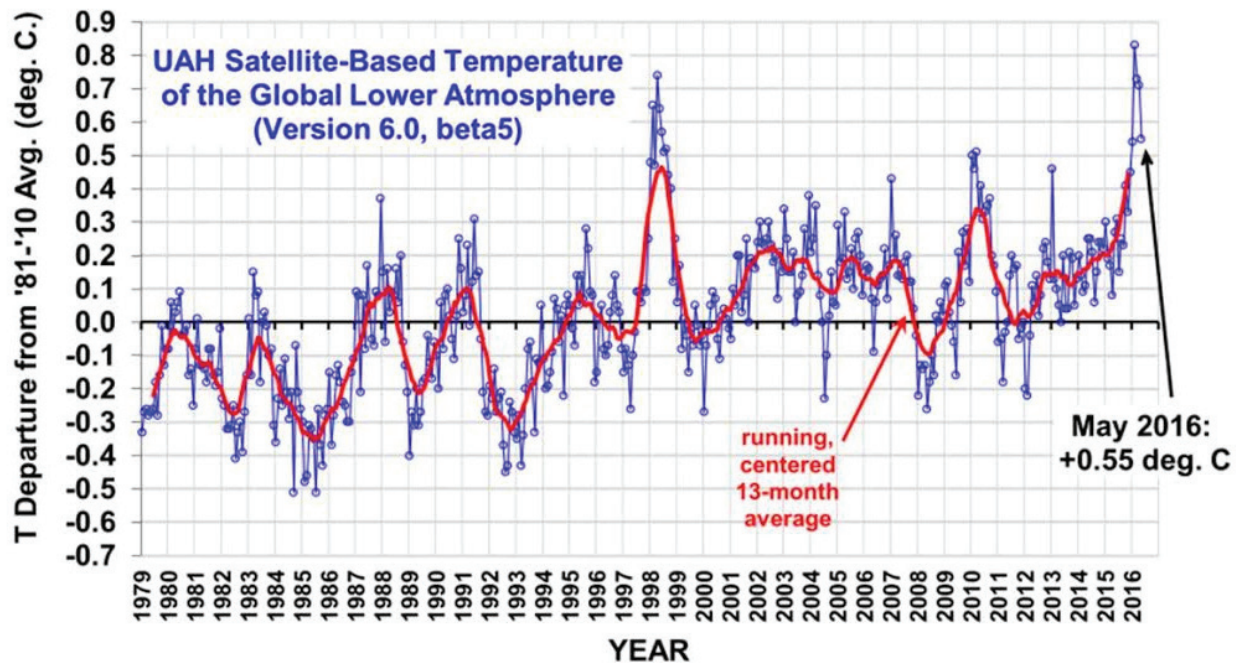
In discussion related to future work prioritization, South Orange County governance issues loomed large. The Commission unanimously approved the creation of two new study areas. The first is the "Ranch" area, that when fully built out will include 14,000 new homes. The second study area includes the unincorporated areas of Las Flores, Coto de Caza and Ladera Ranch. In addition, staff noted there seemed to be interest in dealing with some of the Anaheim island areas.

La Niña Forecast Scaled Back

As the tropical Pacific Ocean temperature continues to decline, more and more weather models are predicting a more moderate La Niña; unlike the monster La Niña predicted last month by the Scripps Institute of Oceanography. The graph below shows the combined predictions of 80 different La Niña models.



In addition, El Niño or La Niña cycles have a major impact on worldwide temperatures. The following chart of global temperature analysis clearly shows world-wide temperature spikes in powerful El Niño years 1998 and 2011. The peak month of the current El Niño was February 2016 as global temperatures spiked .83 degrees C over the base years (1981-2010) average. In May, the positive anomaly was .55 degrees C, but falling sharply. Look for more global cooling as this La Niña takes full effect.



ACKERMAN CONSULTING

Legal and Regulatory

June 20, 2016

1. **Irrigation-Drainage Bill:** Rep Jim Costa has put forth a bill to settle a long standing water battle in the Central Valley. The feud over irrigation drainage, infrastructure and debt, involves the federal Bureau of Reclamation, Westlands Water District and three smaller water districts and has been ongoing for decades. The proposal would relieve the Feds from their obligation to provide irrigation drainage and would forgive the sizeable debt of the water districts. The deal would turn over existing facilities to the water districts along with responsibility to operate the system. Westlands also agreed to fallow 100,000 acres of farmland. The settlement has not yet been approved by Congress and further challenges are expected.

2. **Drought v Water Quality:** As previously reported, the drought has worsened water quality throughout the state. San Diego has reported severe conditions due to the lack of flushing and churning normally occurring in streams and rivers. Bacteria, E. coli, nitrate, oxygen and other contaminant levels have been increasing making the water less suitable for fish, plant life and people.

3. **Fish and Water Releases:** Federal fish regulators are proposing reducing water to farmers this summer so they release water in the fall in another attempt to save certain fish species. This is at a time when many of the northern California reservoirs are nearly full and farmers were expecting an increased allocation this summer. As you may recall, this water release program has been tried twice in the last two years with the result of reducing the fish population instead of increasing it. The idea was to keep the water level up so the water temperature would be lower and better for the fish to spawn. However the science is very inexact and last two years release of warmer water did not help the fish. Also, the rice farmers in particular have fallowed fields for the last two years and are expecting, in light of the normal rain and snow, normal allocations. Delta salinity is also an issue if the Feds reduce flow in the summer and then try to make it up all at once. The other factor is the greatly reduced number of smelt as a result of the drought and other factors. Their decreased number may be past the point of no return.

4. **Bottled Water Battle:** The battle still continues to shut down the Nestles Arrowhead water plant in San Bernardino. Environmental groups in addition to the legal battle are trying to put pressure on grocers, in this case Sprouts Farmers Markets to take Arrowhead off their shelves. They have suggested an international boycott of Sprouts stores to make their point. Thus far Sprouts has not caved. The State Water Resources Control Board is also investigating Nestles water rights claim in the San Bernardino forest. Stay tuned.

5. **School Drinking Water Bad:** Many California schools (estimated 1000-1500 in total) may have unsafe drinking water. More than 100, primarily in the Central Valley, are severely impacted. Several schools in Fresno Unified have been without drinking water for two years. Lead and uranium are the primary culprits. The impacted schools are using filters or providing bottled water to resolve the issue. Legislative attempts to fix the problem have failed due to the extensive costs in replacing aging infrastructure. There is no requirement that schools test their water in California or any other state. The Flint Michigan issue and this one in our State may change that.

6. **El Nino Update:** The original prediction on the impact of El Nino on Southern California was wrong as we know now. The main surge hit Northern California and provided them with a large quantity of rain and snow. Weather experts say this was a result of the “blob”, the abnormal warming of the Pacific Ocean waters from Alaska to Baja California. These waters created a high pressure ridge in California which pushed El Nino to the north. Some experts opine that higher global temperatures impacted the jet stream over the Pacific which helped push the conditions northward. These factors may also impact La Nina which is expected to hit California next. In a normal La Nina, Southern California is 25% drier, Northern California 15% drier and further north above average rainfall. This also greatly increases fire danger. But we will see. Since El Nino predictions were a little off, expect the same for La Nina.

7. **Large Fine Gone:** You may recall that the State Water Board fined Byron Bethany Irrigation District \$1.5 million last year for exercising their senior water rights and withdrawing water from the Delta. Bethany serves 160 farmers and 15,000 people. Their water rights date back to 1914. The Board stated that their case was too weak to justify that large of fine. The hearing officers stated that there were problems with complex calculations and how that impacted different types of water right. This battle by the State against senior water right holders will most certainly continue.

8. **Conservation Targets Change:** The State Water Board recently retreated from its mandatory 25% conservation target for all water districts and entities that it set last year. The new edict allows each district to set its own target and based on individual water supply, demand and forecasts. Further they are required to self-certify that for a 3 years period there supply will meet the demand, and if not, what measures they plan to take to make that happen. The 400 plus water agencies in California will each have to have a plan to show sustainability for the three year period. Agencies are already starting to react. Districts in the Sacramento area which have received much needed water this year may back away from strict conservation rules. Riverside, Placer, and Coachella areas with good water supplies are likely to abandon such rules. MWD opined that they are in good shape storage wise and many of their agencies may ease up on restrictions. In contrast, many agencies in the Central Valley, such as New Melones, may have to increase their goals as a result of diminished supplies. Environmental group and others are criticizing the Boards position and want to maintain or enhance conservation goals. Most experts welcome their decision as the original “one size fits all” method did not recognize the individual circumstances of the many water districts in the State.

MWDOC PAL Committee Bill Report

June 20, 2016

Prepared by Best Best & Krieger

A. Priority Support/Oppose

AB 1755

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

Current Text: Amended: 6/13/2016 [pdf](#) [html](#)

Current Analysis: 05/28/2016 [Assembly Floor Analysis \(text 5/11/2016\)](#)

Last Amend: 6/13/2016

Status: 6/13/2016-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on N.R. & W.

Is Urgency: N

Summary: Would enact the Open and Transparent Water Data Act. The act would require the department, by January 1, 2018, to create, operate, and maintain a statewide integrated water data platform that, among other things, would integrate existing water and ecological data information from multiple databases and provide data on completed water transfers and exchanges. This bill contains other existing laws.

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

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

AB 2022

(Gordon D) *Advanced purified demonstration water.*

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

Current Analysis: 06/13/2016 [Senate Senate Environmental Quality \(text 3/31/2016\)](#)

Last Amend: 3/31/2016

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

Is Urgency: N

Summary: Would authorize the operator of a facility producing advanced purified demonstration water, as defined, to cause that water to be bottled and distributed as samples for educational purposes and to promote water recycling.

The bill would prohibit the advanced purified demonstration water from being distributed unless the water meets or is superior to all federal and state drinking water standards. The bill would authorize advanced purified demonstration water to be bottled at a licensed water-bottling plant in compliance with specified provisions.

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

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

Notes 1: Moving with unanimous support so far.

AB 2438

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

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

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

Status: 6/9/2016-Referred to Com. on E.Q.

Is Urgency: N

Summary: Would, until January 1, 2020, additionally exempt from CEQA a project for the construction and installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline, not exceeding 8 miles in length, for the distribution of recycled water within a public street, highway, or right-of-way and would require the lead agency to undertake specified activities,

including the filing of a notice of exemption for the project with the Office of Planning and Research and the office of the county clerk of each county in which the project is located.

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

Position	Priority
	A. Priority
	Support/Oppose

[AB 2488](#)

[\(Dababneh D\)](#) Protected species: unarmored threespine stickleback: taking or possession.

Current Text: Amended: 6/9/2016 [pdf](#) [html](#)

Current Analysis: 06/10/2016 [Senate Senate Natural Resources And Water \(text 6/9/2016\)](#)

Last Amend: 6/9/2016

Status: 6/9/2016-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on N.R. & W.

Is Urgency: N

Summary: Would permit the Department of Fish and Wildlife to authorize, under the California Endangered Species Act, the take of the unarmored threespine stickleback (*Gasterosteus aculeatus williamsoni*) attributable to the periodic dewatering, inspection, maintenance, modification, or repair of the Metropolitan Water District of Southern California's Foothill Feeder water supply facility from Castaic Dam to the Joseph Jensen Treatment Plant in the County of Los Angeles, as specified, if certain conditions are satisfied.

Laws: An act to amend Section 5515 of, and to add Section 2081.10 to, the Fish and Game Code, relating to fish.

Position	Priority
	A. Priority
Support	Support/Oppose

[SB 163](#)

[\(Hertzberg D\)](#) Wastewater treatment: recycled water.

Current Text: Amended: 6/8/2016 [pdf](#) [html](#)

Current Analysis: 06/13/2016 [Assembly Environmental Safety And Toxic Materials \(text 6/8/2016\)](#)

Last Amend: 6/8/2016

Status: 6/8/2016-From committee with author's amendments. Read second time and amended. Re-referred to Com. on E.S. & T.M.

Is Urgency: N

Summary: Would declare that, except in compliance with the bill's provisions, it is a waste and unreasonable use of water to discharge treated wastewater from an ocean or bay outfall, or for a water supplier or water replenishment district to not take treated wastewater made available for certain purposes. The bill would require the State Water Resources Control Board to promulgate regulations, on or before January 1, 2020, that would require each NPDES permit holder, on or before January 1, 2023, to submit to the state board the permit holder's plans to achieve beneficial reuse, to the maximum extent possible, of treated wastewater that would otherwise be discharged through ocean or bay outfalls.

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

Position	Priority
	A. Priority
	Support/Oppose

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

[SB 814](#)

[\(Hill D\)](#) Drought: excessive water use: urban retail water suppliers.

Current Text: Amended: 6/6/2016 [pdf](#) [html](#)

Current Analysis: 06/10/2016 [Assembly Water, Parks And Wildlife \(text 6/6/2016\)](#)

Last Amend: 6/6/2016

Status: 6/6/2016-From committee with author's amendments. Read second time and amended. Re-referred to Com. on W., P., & W.

Is Urgency: N

Summary: Would declare that excessive water use by a residential customer, as specified, is prohibited, if during a period when certain conditions exist, as prescribed. This bill would require each urban retail water supplier to establish a method to identify and discourage excessive water use. This bill would authorize as a method to identify and discourage excessive water use the establishment of a rate structure that includes block tiers, water budgets, or rate surcharges over and above base rates for excessive water use by residential customers.

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

Position	Priority
Oppose unless amended	A. Priority
	Support/Oppose

Notes 1: Although still an unnecessary mandate on water agencies, the more objectionable provision have been removed. Member agencies are pursuing amendments.

SB 919

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

Current Text: Amended: 5/31/2016 [pdf](#) [html](#)

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

Last Amend: 5/31/2016

Status: 6/2/2016-June 8 hearing postponed by committee.

Is Urgency: N

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

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

Position	Priority
Watch	A. Priority
	Support/Oppose

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

SB 1318

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

Current Text: Amended: 6/1/2016 [pdf](#) [html](#)

Current Analysis: 06/01/2016 [Senate Floor Analyses \(text 6/1/2016\)](#)

Last Amend: 6/1/2016

Status: 6/9/2016-Referred to Coms. on L. GOV. and E.S. & T.M.

Is Urgency: N

Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs the procedures for the formation and change of organization of cities and special districts. This bill would additionally authorize a local agency formation commission to initiate a proposal by resolution of application for the annexation of a disadvantaged unincorporated community, as specified. This bill contains other related provisions and other current laws.

Laws: An act to add Section 56378.5 to, and to amend Sections 56375, 56425, 56430, 56653, and 65302.10 of the Government Code, relating to local government.

Position	Priority
	A. Priority
	Support/Oppose

SB 1340

(Wolk D) Water Conservation in Landscaping Act.

Current Text: Amended: 6/8/2016 [pdf](#) [html](#)

Current Analysis: 06/10/2016 [Assembly Water, Parks And Wildlife \(text 6/8/2016\)](#)

Last Amend: 6/8/2016

Status: 6/8/2016-From committee with author's amendments. Read second time and amended. Re-referred to Com. on W., P., & W.

Is Urgency: N

Summary: Would, on or after July 1, 2018, require a local agency to require a permit for the installation of specified automatic irrigation systems, or the expansion of the same specified automatic irrigation systems to increase the irrigated area by 25% or more, for a landscape project. The bill would allow the governing body of a local agency to adopt an ordinance prescribing fees for filing an application for the permit, subject to the restrictions that the fees not exceed the amount reasonably required to review applications and issue the permits and that the fees not be levied for general revenue purposes.

Laws: An act to amend Section 65595 of the Government Code, relating to water conservation.

Position	Priority
	A. Priority
	Support/Oppose

B. Watch

AB 647

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

Current Text: Amended: 6/30/2015 [pdf](#) [html](#)

Current Analysis: 05/06/2015 [Assembly Floor Analysis \(text 5/5/2015\)](#)

Last Amend: 6/30/2015

Status: 7/17/2015-Failed Deadline pursuant to Rule 61(a)(10). (Last location was N.R. & W. on 6/30/2015)

Is Urgency: N

Summary: Current law declares that the storing of water underground, and related diversions for that purpose, constitute a beneficial use of water if the stored water is thereafter applied to the beneficial purposes for which the appropriation for storage was made. This bill would repeal that declaration and instead declare that the diversion of water to underground storage constitutes a beneficial use of water if the water so stored is thereafter applied to the beneficial purposes for which the appropriation for storage was made, or if the water is so stored consistent with a sustainable groundwater management plan, statutory authority to conduct groundwater recharge, or a judicial decree and is for specified purposes.

Laws: An act to repeal and add Section 1242 of the Water Code, relating to water.

Position

Priority

B. Watch

Notes 1: This bill is being closely followed as it could have impacts on member agencies, particularly those that actively manage groundwater. Not set to be heard until July at this time.

AB 938

(Rodriguez D) Sustainable Groundwater Management Act: adjudicated basins.

Current Text: Amended: 3/9/2016 [pdf](#) [html](#)

Current Analysis: 04/13/2015 [Assembly Water, Parks And Wildlife \(text 2/26/2015\)](#)

Last Amend: 3/9/2016

Status: 3/9/2016-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on N.R. & W.

Is Urgency: Y

Summary: Would authorize the watermaster or local agency administering an adjudicated basin to elect that the adjudicated basin be subject to the provisions of the Sustainable Groundwater Management Act. The bill would authorize the court with jurisdiction over the adjudicated basin to issue an order setting a hearing to determine whether the adjudicated basin shall be subject to the act, as prescribed. This bill contains other related provisions and other existing laws.

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

Position

Priority

B. Watch

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

AB 1242

(Gray D) Water quality and storage.

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

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

Last Amend: 9/1/2015

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

Is Urgency: N

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

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

Position Priority
B. Watch

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

AB 1463

(Gatto D) Onsite treated water.

Current Text: Amended: 6/6/2016 [pdf](#) [html](#)

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

Last Amend: 6/6/2016

Status: 6/13/2016-In committee: Hearing postponed by committee.

Is Urgency: N

Summary: Would authorize onsite treated water from a graywater or rainwater source, as prescribed, to be used for nonpotable uses in residential, commercial, or industrial buildings. The bill would require the State Water Resources Control Board, in consultation with the State Department of Public Health, the Department of Housing and Community Development, the California Building Standards Commission, and stakeholders, to establish monitoring and reporting requirements for the nonpotable use of onsite treated water from certain other sources prior to its use in the internal plumbing of multi family residential, commercial, or industrial buildings.

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

Position Priority
B. Watch

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

AB 1587

(Mathis R) Groundwater.

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

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

Last Amend: 4/14/2016

Status: 5/27/2016-Failed Deadline pursuant to Joint Rule 61(b)(8). (Last location was APPR. SUSPENSE FILE on 4/27/2016)

Is Urgency: N

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

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

Position Priority
B. Watch

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

AB 1588

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

Current Text: Amended: 5/31/2016 [pdf](#) [html](#)

Current Analysis: 06/01/2016 [Assembly Floor Analysis \(text 5/31/2016\)](#)

Last Amend: 5/31/2016

Status: 6/9/2016-Referred to Com. on E.Q.

Is Urgency: Y

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

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

Position Priority
B. Watch

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

AB 1749

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

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

Current Analysis: 05/20/2016 [Assembly Floor Analysis \(text 4/27/2016\)](#)

Last Amend: 4/27/2016

Status: 6/9/2016-Referred to Com. on E.Q.

Is Urgency: Y

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

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

Position

Priority

B. Watch

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

SB 20

(Pavley D) California Water Resiliency Investment Act.

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

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

Last Amend: 8/26/2015

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

Is Urgency: N

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

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

Position

Priority

Watch

B. Watch

Notes 1: The author has indicated that she will not pursue a public goods charge in this bill or any other.

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

ACWA is opposed.

Total Measures: 17

Total Tracking Forms: 17

**DISCUSSION ITEM**

June 20, 2016

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

Staff Contact: Heather Baez

SUBJECT: **Update on Water Market Legislation: AB 1755 (Dodd) and AB 2304 (Levine)****STAFF RECOMMENDATION**

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

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

Water transfers are an effective means of leveraging California's significant local and regional investments in conservation, water recycling, surface and groundwater storage, desalination and other water management strategies by moving water from where it is plentiful to where it is needed, especially during times of drought. Each year in California, hundreds of water transfers take place between willing sellers and buyers, primarily in the agricultural sector.

While numerous water agencies and water users currently participate in the water market, water transfer processes are complex and water market information may not be readily available to all potential buyers and sellers.

According to the Public Policy Institute of California, "Several changes could help California's water market function more smoothly. A top priority is improving information about water availability and how much can be safely traded without harming the

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

environment or other legal water users. Building a central repository of information on volumes and prices of trades can also improve transparency and market access.”

AB 1755 (Dodd) would be the first step in this direction by creating, operating, and maintaining a statewide integrated water transfers database. Having all of the water data in the state compiled and publicly available in a useable fashion will drive water policy innovation and likely produce many of the benefits that robust useable data can provide. AB 1755 was approved by the Assembly by a vote of 75-4 and will next be heard in the Senate.

AB 2304 (Levine) would Beginning January 1, 2018, establishes the California Water Market Exchange (Exchange) in the Natural Resources Agency to create a centralized water market platform. Specifically, this bill:

- 1) Establishes a governance structure for the Exchange.
- 2) Requires the Exchange to create a centralized water market platform and make that platform readily available to the public.
- 3) Requires the submission of specific data before and after a water transfer to be placed on the platform.
- 4) Requires the Exchange develop procedures to expedite water transfers and prioritize transfers that provide environmental and community benefits.
- 5) Creates the California Water Market Exchange Fund supported by fees on transfers upon appropriation by the Legislature.

ACWA requested that AB 2304 be amended to solely require the Department of Water Resources (DWR) to convene a Water Market Task Force to identify and report to the Legislature on opportunities for improving water transfers efficiency and access to water markets. As amended May 11, provisions within AB 2304 would contradict the intent behind the bill. For example, instead of making the process more efficient, the bill would require all transfers to submit information to the Clearinghouse as opposed to solely those that require a change of water rights and require payment of an administrative fee to process the submission of this information.

AB 2304 did not pass the Assembly by the House of Origin deadline on June 1, 2016. However, Assemblyman Levine intends to reintroduce the language, with ACWA’s requested amendments into a new legislative vehicle. While it is not yet in print (as of this packet’s deadline) the new bill number is rumored to be AB 2909.

**ACTION ITEM**

July 20, 2016

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

Staff Contact: Heather Baez

SUBJECT: SB 554 (Wolk) – Delta Levee Maintenance**STAFF RECOMMENDATION**

Staff recommends the Board of Directors vote to adopt an oppose position on SB 554 (Wolk).

COMMITTEE RECOMMENDATION

Committee recommends (To be determined by committee)

SUMMARY

SB 554 would make permanent the current 75% reimbursement rate for Sacramento-San Joaquin Delta (Delta) levee maintenance costs in excess of \$1,000 per mile. Specifically, this bill:

- 1) Eliminates the July 1, 2018, sunset on the current authorization of a 75% state cost-share in the Delta levee maintenance or improvement program.
- 2) Eliminates the effective date for returning to a 50% state cost-share.
- 3) Eliminates the July 1, 2018, sunset on advance reimbursement.

ARGUMENTS IN SUPPORT

According to the author's office, by continuing the current cost share formula, SB 554 ensures that Delta reclamation districts can afford to maintain and improve Delta levees.

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

Maintenance of the Delta levees is important to reduce flood risk and ensure the Delta can continue to serve its many valuable uses – as fertile farmland, a water conveyance, and a rich estuary ecosystem.

ARGUMENTS IN OPPOSITION

SB 554 is an inappropriate attempt to permanently encumber the state general fund for levee maintenance responsibilities on private lands in the Sacramento-San Joaquin Delta. Of the 1,100 levee miles in the Delta, 730 miles are privately owned.

The Delta Levees Maintenance Subventions Program dates back to the 1990s. The Legislature's clear intent was to reduce the state's financial exposure on this program from 75 percent to 50 percent within 10 years. Various reasons have been advanced in since the enactment of the program, including SB 554, to temporarily extend the subsidy level to 75 percent. In 2006, it was the Delta Risk Management Study that was not yet completed which called for an extension of the subsidy.

In 2012, it was the Delta Plan that was not yet completed (the Delta Stewardship Council's levee prioritization study still is unfinished) which was the justification for transitioning to the 50 percent subsidy in 2018. Now SB 554 seeks to extend the higher level of subsidy in perpetuity, in contradiction to the enacting legislation and rationales of previous temporary extensions.

COMMENTS

Support on file: Association of California Water Agencies (ACWA), Bethel Island Municipal Improvement District, California Central Valley Flood Control Association, Collinsville Levee District, Contra Costa County Board of Supervisors, Delta Counties Coalition, Delta Protection Commission, East Bay Municipal Utility District, Reclamation District No. 3, Reclamation District No. 150, Reclamation District No. 548, Reclamation District No. 756, Reclamation District No. 799, Reclamation District No. 2025, Reclamation District No. 2026, Reclamation District No. 2028, Reclamation District No. 2029, Reclamation District No. 2041, Reclamation District No. 2060, Reclamation District No. 2065, Sacramento County Board of Supervisors.

Opposition on file: Calleguas Municipal Water District, Cucamonga Valley Water District, Eastern Municipal Water District, Inland Empire Utilities Agency, Las Virgenes Municipal Water District, Long Beach Water Commission, Mesa Water District, Metropolitan Water District of Southern California, Upper San Gabriel Valley Municipal Water District, Walnut Valley Water District.

DETAILED REPORT

The full text of SB 554 is attached.

AMENDED IN SENATE JANUARY 4, 2016

SENATE BILL

No. 554

Introduced by Senator Wolk

February 26, 2015

An act to ~~add Section 167 to amend Section 12987.5 of, and to amend and repeal Section 12986 of, the Water Code, relating to water.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 554, as amended, Wolk. ~~California Water Commission: disqualifying financial interest: removal from office. Delta levee maintenance.~~

Existing law establishes a delta levee maintenance program pursuant to which a local agency may request reimbursement for costs incurred in connection with the maintenance or improvement of project or nonproject levees in the Sacramento-San Joaquin Delta. Existing law declares legislative intent to reimburse eligible local agencies under this program, until July 1, 2018, in an amount not to exceed 75% of those costs that are incurred in excess of \$1,000 per mile of levee. Existing law, until July 1, 2018, authorizes the board to provide funds to an eligible local agency under this program in the form of an advance in an amount that does not exceed 75% of the estimated state share. Existing law, on and after July 1, 2018, declares the intent of the Legislature to reimburse eligible local agencies under this program in an amount not to exceed 50% of those costs that are incurred in any year for the maintenance and improvement of levees.

This bill would declare legislative intent to reimburse up to 75% of those costs incurred in any year for the maintenance or improvement of levees in excess of \$1,000 per mile of levee and would authorize the

board to advance funds in an amount that does not exceed 75% of the estimated state share to an eligible local agency.

~~Existing law, the Political Reform Act of 1974, prohibits a public official at any level of state or local government from making, participating in making, or in any way attempting to use his or her official position to influence a governmental decision in which he or she knows, or has reason to know, that he or she has a financial interest. Existing law provides that a public official has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official, a member of his or her immediate family, or as specified.~~

~~This bill would remove a member of the California Water Commission from office if after trial a court finds that the commission member has knowingly participated in any commission decision in which the member has a disqualifying financial interest in the decision.~~

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

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

- 1 *SECTION 1. Section 12986 of the Water Code, as amended by*
- 2 *Section 3 of Chapter 549 of the Statutes of 2012, is amended to*
- 3 *read:*
- 4 12986. (a) It is the intent of the Legislature to reimburse an
- 5 eligible local agency pursuant to this part for costs incurred in any
- 6 year for the maintenance or improvement of project or nonproject
- 7 levees as follows:
- 8 (1) No costs incurred shall be reimbursed if the entire cost
- 9 incurred per mile of project or nonproject levee is one thousand
- 10 dollars (\$1,000) or less.
- 11 (2) Not more than 75 percent of any costs incurred in excess of
- 12 one thousand dollars (\$1,000) per mile of project or nonproject
- 13 levee shall be reimbursed.
- 14 (3) (A) As part of the project plans approved by the board, the
- 15 department shall require the local agency or an independent
- 16 financial consultant to provide information regarding the agency's
- 17 ability to pay for the cost of levee maintenance or improvement.
- 18 Based on that information, the department may require the local

1 agency or an independent financial consultant to prepare a
2 comprehensive study on the agency's ability to pay.

3 (B) The information or comprehensive study of the agency's
4 ability to pay shall be the basis for determining the maximum
5 allowable reimbursement eligible under this part. Nothing in this
6 paragraph shall be interpreted to increase the maximum
7 reimbursement allowed under paragraph (2).

8 (4) Reimbursements made to the local agency in excess of the
9 maximum allowable reimbursement shall be returned to the
10 department.

11 (5) The department may recover, retroactively, excess
12 reimbursements paid to the local agency from any time after
13 January 1, 1997, based on an updated study of the agency's ability
14 to pay.

15 (6) All final costs allocated or reimbursed under a plan shall be
16 approved by the Central Valley Flood Protection Board for project
17 and nonproject levee work.

18 (7) Costs incurred pursuant to this part that are eligible for
19 reimbursement include construction costs and associated
20 engineering services, financial or economic analyses,
21 environmental costs, mitigation costs, and habitat improvement
22 costs.

23 (b) Upon completion of its evaluation pursuant to Sections 139.2
24 and 139.4, by January 1, 2008, the department shall recommend
25 to the Legislature and the Governor priorities for funding under
26 this section.

27 (c) Reimbursements made pursuant to this section shall reflect
28 the priorities of, and be consistent with, the Delta Plan established
29 pursuant to Chapter 1 (commencing with Section 85300) of Part
30 4 of Division 35.

31 ~~(d) This section shall become inoperative on July 1, 2018, and,~~
32 ~~as of January 1, 2019, is repealed, unless a later enacted statute,~~
33 ~~that becomes operative on or before January 1, 2019, deletes or~~
34 ~~extends the dates on which it becomes inoperative and is repealed.~~

35 *SEC. 2. Section 12986 of the Water Code, as amended by*
36 *Section 2 of Chapter 549 of the Statutes of 2012, is repealed.*

37 ~~12986. (a) It is the intent of the Legislature to reimburse from~~
38 ~~the General Fund an eligible local agency pursuant to this part for~~
39 ~~costs incurred in any year for the maintenance or improvement of~~
40 ~~project or nonproject levees as follows:~~

~~(1) No costs incurred shall be reimbursed if the entire cost incurred per mile of levee is one thousand dollars (\$1,000) or less.~~

~~(2) Fifty percent of any costs incurred in excess of one thousand dollars (\$1,000) per mile of levee shall be reimbursed.~~

~~(3) The maximum total reimbursement from the General Fund shall not exceed two million dollars (\$2,000,000) annually.~~

~~(b) This section shall become operative on July 1, 2018.~~

SEC. 3. Section 12987.5 of the Water Code is amended to read:

12987.5. (a) In an agreement entered into under Section 12987, the board may provide for an advance to the applicant in an amount not to exceed 75 percent of the estimated state share. The agreement shall provide that no advance shall be made until the applicant has incurred costs averaging one thousand dollars (\$1,000) per mile of levee.

(b) Advances made under subdivision (a) shall be subtracted from amounts to be reimbursed after the work has been performed. If the department finds that work has not been satisfactorily performed or where advances made actually exceed reimbursable costs, the local agency shall promptly remit to the state all amounts advanced in excess of reimbursable costs. If advances are sought, the board may require a bond to be posted to ensure the faithful performance of the work set forth in the agreement.

~~(c) This section shall become inoperative on July 1, 2018, and, as of January 1, 2019, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2019, deletes or extends the dates on which it becomes inoperative and is repealed.~~

~~SECTION 1. Section 167 is added to the Water Code, to read:~~

167. (a) A member of the commission shall not participate in any commission decision in which the member has a disqualifying financial interest in the decision within the meaning of Section 87103 of the Government Code.

(b) Upon the request of any person, or on the Attorney General's own initiative, the Attorney General may file a complaint in the Superior Court for the County of Sacramento alleging that a commission member has knowingly violated this section and the facts upon which the allegation is based and asking that the member be removed from office. Further proceedings shall be in accordance as near as may be with rules governing civil actions. If after trial the court finds that the commission member has knowingly violated

- 1 ~~this section, it shall pronounce judgment that the member be~~
- 2 ~~removed from office.~~

O

**ACTION ITEM**

July 20, 2016

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

Staff Contact: Heather Baez

SUBJECT: SB 1298 (Hertzberg) – Prop 218 Omnibus Implementation Act**STAFF RECOMMENDATION**

Staff recommends the Board of Directors vote to adopt an oppose position on SB 1298 (Hertzberg).

COMMITTEE RECOMMENDATION

Committee recommends (To be determined by committee)

SUMMARY

SB 1298 is a legislative attempt to define key terms in Proposition 218 (1996) in order to allow water districts to establish lifeline rates, conservation-based pricing, and undertake storm water management as an aspect of sewer service. The bill purports to do this by placing in statute new definitions of the following terms used in the Constitution:

“Proportional cost of the service attributable to the parcel” would be defined to include providing water in an “equitable manner, including the cost of lifeline service.”

“Sewer service” would include the cost of storm water management.

This bill would also introduce a new distinction between “indispensable” uses of water, which would include cooking, sanitation, and reasonable irrigation, and “not indispensable” uses such as excessive indoor use and excessive irrigation. Charges for water use that was

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

“not indispensable,” which would effectively be conservation-based pricing, would then be defined as not being imposed as “an incident of property ownership” and, therefore, not subject to the requirements of Proposition 218.

ARGUMENTS IN SUPPORT

According to the author’s office, “SB 1298 makes changes in state law to help local governments finance storm water projects and provides options for water agencies to develop different rates to encourage conservation.”

ARGUMENTS IN OPPOSITION

Opponents fear the provisions of this bill are unconstitutional. While the bill does not seek to change the text Proposition 218, now in Article XIII of the State Constitution, it does seek to define key terms found in the Constitution to such an extent as to significantly change the meaning. Interpreting the Constitution, however, is the exclusive jurisdiction of the courts. Opponents argue that the uncertainty this bill will cause water districts outweighs any hypothetical benefit.

Opponents go to great lengths to make clear that they support the goals of the bill, but they believe that attempting to achieve the goals in the bill without amending the Constitution invites litigation. ACWA also notes that this bill lacks the safeguards that were included in the effort to amend Art. X of the Constitution to allow for lifeline rates and conservation-based rates. That effort included provisions making clear that those programs were strictly voluntary.

COMMENTS

The sponsor of the bill, the California Water Foundation, believes it is worthwhile to provide a way to implement conservation-based rates and lifeline rates, even if the way is highly uncertain. This could be the case if the bill actually did no harm to those agencies that were unwilling to risk litigation by not taking advantage of the opportunities created by the bill. If passed, however, any water agency could come under pressure from advocacy groups to implement lifeline rates and conservation-based rates, and few of those interests groups would believe that the legislature might pass a bill that was likely unconstitutional, or that the water agency was entirely justified in refusing to implement the desired programs. Rather, they would accuse the water district of seeking to evade its responsibility to the environment and the underprivileged by hiding behind false concerns over litigation.

Support: The California Water Foundation (sponsor)

Opposition: ACWA

DETAILED REPORT

The full text of SB 1298 is attached.

AMENDED IN ASSEMBLY JUNE 13, 2016

SENATE BILL

No. 1298

Introduced by Senator Hertzberg

February 19, 2016

~~An act to amend Section 846 of the Public Utilities Code, relating to electricity.~~ *An act to amend Sections 53750 and 53755 of, and to add Section 53756.5 to, the Government Code, relating to local government finance.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1298, as amended, Hertzberg. ~~Electrical restructuring: financing orders.~~ *Local government: fees and charges.*

Articles XIII C and XIII D of the California Constitution generally require that assessments, fees, and charges be submitted to property owners for approval or rejection after the provision of written notice and the holding of a public hearing. Existing law, the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with Articles XIII C and XIII D of the California Constitution and defines terms for these purposes.

Existing statutory law establishes notice, protest, and hearing procedures for the levying of new or increased fees or charges by local government agencies pursuant to Article XIII D of the California Constitution.

This bill would define the terms "proportional cost of the service attributable to the parcel" and "sewer service," and would recast the definition of "water" to mean "water service," for these purposes. The bill would additionally specify that one vote per parcel may be counted

in determining whether a proposed fee or charge is approved by a majority vote, as specified.

The bill would additionally authorize an agency to impose a conservation and efficiency fee or charge for water service, in addition to any property-related fee or charge imposed for water service, to achieve specified conservation and efficiency purposes. The bill would provide that a conservation and efficiency fee or charge may raise revenue as an incident to its regulatory purpose and would require the agency to use any revenue to pay the cost of providing the service or for lowering the rate or rate structure of the associated property-related fee or charge. The bill would require a conservation and efficiency fee or charge to bear a fair or reasonable relationship to the burdens imposed on the local agency or the benefits received from the water service based on the amount of water used by each customer or class of customers, as specified.

~~Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law relative to restructuring of the electrical industry authorizes an electrical corporation to apply to the commission for a determination that certain transition costs, as defined, may be recovered through fixed transition amounts, which would constitute transition property, as defined, and provides, until December 31, 2016, for the issuance of financing orders and provides for the issuance of rate reduction bonds to be paid out of rates.~~

~~This bill would extend the authorization for the issuance of financing orders from December 31, 2016, to December 31, 2017.~~

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

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

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The ongoing, historic drought has made clear that California
- 4 must invest in a 21st-century water management system capable
- 5 of effectively meeting the economic, social, and environmental
- 6 needs of the state.
- 7 (b) Sufficient and reliable funding to pay for local water projects
- 8 is necessary to improve the state's water infrastructure.

1 (c) Proposition 218, approved in 1996, was meant to improve
2 transparency and accountability of local government fees. Some
3 court interpretations of the law have constrained three important
4 tools that local governments need to manage water supplies and
5 address water pollution: stormwater management, rates to
6 encourage water conservation, and assistance for low-income
7 Californians.

8 (d) Stormwater is a key source of local water supply, and careful
9 management is necessary to reduce pollution. But a court decision
10 has required stormwater and flood control programs to meet a
11 higher standard than other water-related services to raise capital,
12 preventing many important projects from being built.

13 (e) One important way to encourage water conservation is to
14 charge higher rates to customers using excessive amounts of water.
15 This is a common practice throughout the world and a requirement
16 for California's private water agencies. Unfortunately, a recent
17 court decision has made it difficult and confusing for local agencies
18 to implement this necessary tool.

19 (f) The United States Environmental Protection Agency has
20 found that water rates exceeding 2 percent of monthly income are
21 unaffordable, which is the case for millions of Californians. Private
22 water and energy utilities are required to offer programs to make
23 rates affordable to low-income households. Local governments in
24 California, however, are concerned that recent court decisions
25 regarding Proposition 218 could prohibit them from providing
26 the same service.

27 (g) This act is intended to provide guidance to local agencies
28 and courts on the implementation of Articles XIII C and XIII D of
29 the California Constitution and shall not be construed to amend
30 those articles.

31 SEC. 2. Section 53750 of the Government Code is amended to
32 read:

33 53750. For purposes of Article XIII C and Article XIII D of
34 the California Constitution and this article:

35 (a) "Agency" means any local government as defined in
36 subdivision (b) of Section 1 of Article XIII C of the California
37 Constitution.

38 (b) "Assessment" means any levy or charge by an agency upon
39 real property that is based upon the special benefit conferred upon
40 the real property by a public improvement or service, that is

1 imposed to pay the capital cost of the public improvement, the
2 maintenance and operation expenses of the public improvement,
3 or the cost of the service being provided. "Assessment" includes,
4 but is not limited to, "special assessment," "benefit assessment,"
5 "maintenance assessment," and "special assessment tax."

6 (c) "District" means an area that is determined by an agency to
7 contain all of the parcels that will receive a special benefit from a
8 proposed public improvement or service.

9 (d) "Drainage system" means any system of public
10 improvements that is intended to provide for erosion control, for
11 landslide abatement, or for other types of water drainage.

12 (e) "Extended," when applied to an existing tax or fee or charge,
13 means a decision by an agency to extend the stated effective period
14 for the tax or fee or charge, including, but not limited to,
15 amendment or removal of a sunset provision or expiration date.

16 (f) "Flood control" means any system of public improvements
17 that is intended to protect property from overflow by water.

18 (g) "Identified parcel" means a parcel of real property that an
19 agency has identified as having a special benefit conferred upon
20 it and upon which a proposed assessment is to be imposed, or a
21 parcel of real property upon which a proposed property-related
22 fee or charge is proposed to be imposed.

23 (h) (1) "Increased," when applied to a tax, assessment, or
24 property-related fee or charge, means a decision by an agency that
25 does either of the following:

26 (A) Increases any applicable rate used to calculate the tax,
27 assessment, fee, or charge.

28 (B) Revises the methodology by which the tax, assessment, fee,
29 or charge is calculated, if that revision results in an increased
30 amount being levied on any person or parcel.

31 (2) A tax, fee, or charge is not deemed to be "increased" by an
32 agency action that does either or both of the following:

33 (A) Adjusts the amount of a tax, fee, or charge in accordance
34 with a schedule of adjustments, including a clearly defined formula
35 for inflation adjustment that was adopted by the agency prior to
36 November 6, 1996.

37 (B) Implements or collects a previously approved tax, fee, or
38 charge, so long as the rate is not increased beyond the level
39 previously approved by the agency, and the methodology

1 previously approved by the agency is not revised so as to result in
2 an increase in the amount being levied on any person or parcel.

3 (3) A tax, assessment, fee, or charge is not deemed to be
4 “increased” in the case in which the actual payments from a person
5 or property are higher than would have resulted when the agency
6 approved the tax, assessment, fee, or charge, if those higher
7 payments are attributable to events other than an increased rate or
8 revised methodology, such as a change in the density, intensity,
9 or nature of the use of land.

10 (i) “Notice by mail” means any notice required by Article XIII C
11 or XIII D of the California Constitution that is accomplished
12 through a mailing, postage prepaid, deposited in the United States
13 Postal Service and is deemed given when so deposited. Notice by
14 mail may be included in any other mailing to the record owner
15 that otherwise complies with Article XIII C or XIII D of the
16 California Constitution and this article, including, but not limited
17 to, the mailing of a bill for the collection of an assessment or a
18 property-related fee or charge.

19 (j) *“Proportional cost of the service attributable to the parcel,”*
20 *when applied to a fee or charge for water or sewer service, means*
21 *the share of the total cost of providing water or sewer service to*
22 *water or sewer users within the service area reasonably*
23 *attributable to the parcel. The total cost of providing water or*
24 *sewer service includes all costs of acquiring water and water*
25 *rights, costs of collecting, conveying, treating, and managing water*
26 *and wastewater, costs of satisfying all regulatory requirements*
27 *lawfully imposed on water and sewer service providers, and costs*
28 *of providing communitywide water service in an equitable manner,*
29 *including the cost of lifeline water rates.*

30 (j)

31 (k) “Record owner” means the owner of a parcel whose name
32 and address appears on the last equalized secured property tax
33 assessment roll, or in the case of any public entity, the State of
34 California, or the United States, means the representative of that
35 public entity at the address of that entity known to the agency.

36 (l) *“Sewer service” means services provided by all real estate,*
37 *fixtures, and personal property owned, controlled, operated, or*
38 *managed in connection with or to facilitate sewage collection,*
39 *treatment, or disposition for sanitary or drainage purposes,*
40 *including lateral and connecting sewers, interceptors, trunk and*

1 *outfall lines, sanitary sewage treatment or disposal plants or works,*
 2 *drains, conduits, outlets for surface or storm waters, and any and*
 3 *all other works, property, or structures necessary or convenient*
 4 *for the collection or disposal of sewage, industrial waste, or surface*
 5 *or storm waters. "Sewer system" shall not include a sewer system*
 6 *that merely collects sewage on the property of a single owner.*

7 ~~(k)~~

8 (m) "Registered professional engineer" means an engineer
 9 registered pursuant to the Professional Engineers Act (Chapter 7
 10 (commencing with Section 6700) of Division 3 of the Business
 11 and Professions Code).

12 ~~(l)~~

13 (n) "Vector control" means any system of public improvements
 14 or services that is intended to provide for the surveillance,
 15 prevention, abatement, and control of vectors as defined in
 16 subdivision (k) of Section 2002 of the Health and Safety Code and
 17 a pest as defined in Section 5006 of the Food and Agricultural
 18 Code.

19 ~~(m)~~ "Water"

20 (o) "Water service" means *services provided by* any system of
 21 public improvements intended to provide for the production,
 22 storage, supply, treatment, or distribution of water from any source.

23 SEC. 3. *Section 53755 of the Government Code is amended to*
 24 *read:*

25 53755. (a) (1) The notice required by paragraph (1) of
 26 subdivision (a) of Section 6 of Article XIII D of the California
 27 Constitution of a proposed increase of an existing fee or charge
 28 for a property-related service being provided to a parcel may be
 29 given by including it in the agency's regular billing statement for
 30 the fee or charge or by any other mailing by the agency to the
 31 address to which the agency customarily mails the billing statement
 32 for the fee or charge.

33 (2) The notice required by paragraph (1) of subdivision (a) of
 34 Section 6 of Article XIII D of the California Constitution of a
 35 proposed new fee or charge may be given in the manner authorized
 36 for notice of an increase of a fee or charge if the agency is currently
 37 providing an existing property-related service to the address.

38 (3) If the agency desires to preserve any authority it may have
 39 to record or enforce a lien on the parcel to which service is
 40 provided, the agency shall also mail notice to the recordowner's

1 address shown on the last equalized assessment roll if that address
2 is different than the billing or service address.

3 (b) One written protest per parcel, filed by an owner or tenant
4 of the parcel, shall be counted in calculating a majority protest to
5 a proposed new or increased fee or charge subject to the
6 requirements of Section 6 of Article XIII D of the California
7 Constitution.

8 (c) *One vote per parcel, filed by an owner or tenant of the*
9 *parcel, shall be counted in determining whether a proposed fee*
10 *or charge is approved by a majority vote pursuant to subdivision*
11 *(c) of Section 6 of Article XIII D of the California Constitution.*

12 (e)
13 (d) Any agency that bills, collects, and remits a fee or charge
14 on behalf of another agency may provide the notice required by
15 Section 6 of Article XIII D of the California Constitution on behalf
16 of the other agency.

17 SEC. 4. Section 53756.5 is added to the Government Code, to
18 read:

19 53756.5. (a) *The Legislature finds and declares all of the*
20 *following:*

21 (1) *Water service may be used for purposes that are*
22 *indispensable to the use of the property, including, but not limited*
23 *to, cooking, sanitation, and reasonable irrigation.*

24 (2) *Water service may also be used for purposes that are not*
25 *indispensable to the use of property, including, but not limited to,*
26 *excessive indoor use, unabated leakage, excessive irrigation, and*
27 *other activities that constitute an inefficient use of the water.*

28 (3) *The amount of water that is indispensable to the use of a*
29 *property may vary depending on the use to which the property is*
30 *put, local conditions, water shortages, environmental factors, and*
31 *other factors affecting water demand and supply availability.*

32 (4) *Local agencies should have the authority to determine the*
33 *amount of water that is indispensable for property use, given the*
34 *above conditions.*

35 (5) *Charges for water that is not indispensable for property use*
36 *are not imposed as an incident of property ownership and therefore*
37 *are not property-related charges as defined by Article XIII D of*
38 *the California Constitution.*

1 (6) *Charges for water that is not indispensable for property use*
2 *may be either specific benefits or specific government services*
3 *under Article XIII C of the California Constitution.*

4 (7) *Article XIII C of the California Constitution does not identify*
5 *the costs that may be associated with water service, define “a fair*
6 *or reasonable relationship” between the costs of the service and*
7 *the burdens or benefits associated with the service, or prescribe*
8 *a particular method for allocating the costs of providing*
9 *nonproperty-related water services or benefits.*

10 (b) *An agency may, in addition to any property-related fee or*
11 *charge imposed pursuant to Article XIII D of the California*
12 *Constitution and this article for water service, impose or increase*
13 *a separate and distinct conservation and efficiency fee or charge*
14 *for the same service to create price signals to encourage*
15 *conservation and increased efficiency in the use of water. A*
16 *conservation and efficiency fee or charge imposed pursuant to this*
17 *section may be imposed on water that is not indispensable for*
18 *property use. A conservation and efficiency fee or charge imposed*
19 *pursuant to this section may be imposed for purposes including,*
20 *but not limited to:*

21 (1) *Deterrence of excess consumption of water, as determined*
22 *by the local agency.*

23 (2) *Encouragement of the adoption of technologies that support*
24 *more efficient use of water.*

25 (3) *To encourage compliance with the goals of avoiding waste*
26 *and unreasonable use of water pursuant to Section 2 of Article X*
27 *of the California Constitution.*

28 (c) (1) *A conservation and efficiency fee or charge may raise*
29 *revenue as an incident to its intended purpose. Any revenue*
30 *produced shall only be used to pay the costs of providing water*
31 *service, to lower the rate or rate structure of the associated*
32 *property-related fee or charge for water service, or to provide*
33 *lower rates or rebates for disadvantaged households. The total*
34 *amount collected from the property-related fee or charge for water*
35 *service and the conservation and efficiency fee or charge shall not*
36 *exceed the reasonable costs incurred by the agency to provide the*
37 *water service.*

38 (2) *The rate of a conservation and efficiency fee or charge shall*
39 *bear a fair or reasonable relationship to the burden imposed on*
40 *the local agency or the benefits received from the water service*

1 based on the amount of water used by each customer or class of
2 customers. The agency may determine that the burden on, or the
3 benefits derived from, the provision of water service per unit of
4 water used is greater for customers who use relatively large
5 amounts of water for their type and size of real property. The
6 agency may establish a rate structure for a conservation and
7 efficiency fee or charge intended to encourage conservation and
8 increased efficiency of water use in order to bring the burdens of
9 providing water service to customers or classes of customers into
10 reasonable balance. The charges may be structured in a tiered,
11 ascending, or other incremental manner. In addition, the agency
12 may determine that the fairness of the rate structure is enhanced
13 if it provides for lower rates for disadvantaged households, also
14 known as lifeline rates.

15 (d) Consideration and imposition or increase of a conservation
16 and efficiency fee or charge shall comply with the notice, hearing,
17 protest, and election requirements, if any, required by Article
18 XIII D of the California Constitution. However, the requirements
19 of paragraph (3) of subdivision (b) of Section 6 of Article XIII D
20 shall not apply to any conservation and efficiency fee or charge
21 levied pursuant to this section.

22 (e) (1) For the purposes of this section, "reasonable costs" of
23 the specific benefit or specific government service shall include,
24 but are not limited to, costs that will, directly or indirectly, enable
25 an agency to meet water demands, reduce water demands, conserve
26 potable water supplies, procure water supplies to provide water
27 that is not indispensable to the use of property, and provide
28 communitywide water service in an equitable manner, including
29 lifeline water rates. The determination of reasonable costs may
30 consider the relative income of the payer of the fee or charge.

31 (2) For the purposes of this section and Article XIII C of the
32 California Constitution, "fair or reasonable relationship" may
33 include a relationship consistent with principles of equity that hold
34 that more affluent individuals benefit more from public services,
35 including water service, than less affluent individuals receiving
36 the same service.

37 SEC. 5. The provisions of this act are severable. If any
38 provision of this act or its application is held invalid, that invalidity
39 shall not affect other provisions or applications that can be given
40 effect without the invalid provision or application.

1 ~~SECTION 1. Section 846 of the Public Utilities Code is~~
2 ~~amended to read:~~

3 ~~846. The authority of the commission to issue financing orders~~
4 ~~pursuant to Section 841 shall expire on December 31, 2017. The~~
5 ~~expiration of the authority shall have no effect upon financing~~
6 ~~orders adopted by the commission pursuant to this article or any~~
7 ~~transition property arising therefrom, or upon the charges~~
8 ~~authorized to be levied thereunder, or the rights, interests, and~~
9 ~~obligations of the electrical corporation or a financing entity or~~
10 ~~holders of transition bonds pursuant to the financing order, or the~~
11 ~~authority of the commission to monitor, supervise, or take further~~
12 ~~action with respect to the order in accordance with the terms of~~
13 ~~this article and of the order.~~

**ACTION ITEM**

July 20, 2016

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

Staff Contact: Heather Baez

SUBJECT: AB 1755 (Dodd) – The Open and Transparent Water Data Act**STAFF RECOMMENDATION**

Staff recommends the Board of Directors vote to adopt a support position on AB 1755 (Dodd).

COMMITTEE RECOMMENDATION

Committee recommends (To be determined by committee)

SUMMARY

AB 1755, as amended on 5/11/16, would direct the Department of Water Resources (DWR), the State Water Resources Control Board (SWRCB) and the Department of Fish and Wildlife (DFW) to coordinate and integrate existing water and ecological data to provide adequate information to implement the Sustainable Groundwater Management Act (SGMA), improve water resource management, and bring greater transparency to the water transfer market.

ARGUMENTS IN SUPPORT

According to the author, AB 1755 does all of the following:

“[This bill] improves open and transparent access to water data by creating a statewide water data information system to integrate critical water data in a user friendly, publicly

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

accessible website that will simplify and expedite decision-making. Develops protocols for data sharing, transparency, documentation, and quality control that will promote greater compatibility among data sets and encourage the application of new methods to synthesize information to support better decision making. Creates an online water transfer information clearinghouse to improve access to information, an important step towards an effective water market.”

Other supporters point out that the current drought has revealed several barriers to accessing data to facilitate transfers and water management generally. Water agencies and users provide significant amounts of data on water quality and supply that is kept in separate databases. Some of this information is overlapping, and most of the information could be useful in a science-based water management system, but the data cannot be combined to create an integrated picture.

ARGUMENTS IN OPPOSITION

None on file

COMMENTS

The purpose of the bill is to give potential water buyers and sellers equal access to information on past and pending water transfers in order to facilitate future transfers, especially for parties that operate on a smaller scale, and to generate the information necessary to implement the Sustainable Groundwater Management Act. To accomplish this goal, this bill requires the SWRCB, the DWR, and the DFW to develop compatible protocols for data sharing, and then requires all recipients of state funding for water information collection and management to adhere to those protocols. Information on water transfers currently resides in multiple databases that cannot share data directly.

Interested parties raised several issues with the original bill that the May 11 version addressed with one exception; while the bill does not impose fees on water transfers, it also does not expressly forbid them as requested by ACWA and others.

AB 1755 is supported by:

Bay Area Council (Sponsor)
 American Rivers
 Association of California Water Agencies
 AquAlliance (if amended)
 CalTrout
 Community Water Center (if amended)
 Los Angeles Area Chamber of Commerce
 Metropolitan Water District of Southern California
 North Bay Leadership Council
 Northern California Water Association
 San Francisco Chamber of Commerce
 Sonoma County Water Agency
 The Bay Institute (TBI)
 Tuolumne River Trust
 The Nature Conservancy

Union of Concerned Scientists
Upper San Gabriel Valley Municipal Water District

DETAILED REPORT

The full text of AB 1755 is attached.

AMENDED IN SENATE JUNE 13, 2016

AMENDED IN ASSEMBLY MAY 11, 2016

AMENDED IN ASSEMBLY APRIL 5, 2016

AMENDED IN ASSEMBLY MARCH 1, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1755

Introduced by Assembly Member Dodd

February 2, 2016

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

LEGISLATIVE COUNSEL'S DIGEST

AB 1755, as amended, Dodd. The Open and Transparent Water Data Act.

Existing law imposes on the Department of Water Resources various duties with respect to water in the state. Under existing law, the State Water Resources Control Board administers a water rights program pursuant to which the state board grants permits and licenses to appropriate water. Existing law regulates water transfers and authorizes a permittee or licensee to change the point of diversion, place of use, or purpose of use due to a transfer or exchange of water or water rights if certain conditions are met.

This bill would enact the Open and Transparent Water Data Act. The act would require the department, by January 1, 2018, to create, operate, and maintain a statewide integrated water data platform that, among *other* things, would integrate existing water and ecological data

information from multiple databases and provide data on completed water transfers and exchanges.

The act would require the department, the state board, and the Department of Fish and Wildlife to develop protocols for data sharing, documentation, quality control, public access, and promotion of open-source platforms and decision support tools related to water data and to submit to the Legislature a report on those protocols. The act would ~~specify that~~ *require* a recipient of state funds for research or projects relating to the improvement of water data ~~shall~~ *to* adhere to those protocols or be ineligible for state funding.

The act would create the Water Data Administration Fund. The act would specify that moneys in the fund would be available, upon appropriation, to the department, the state board, ~~and or~~ the Department of Fish and Wildlife for the improvement of water data ~~and or~~ for certain other purposes of the act.

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. Part 4.9 (commencing with Section 12400) is added to Division 6 of the Water Code, to read:

PART 4.9. THE OPEN AND TRANSPARENT WATER DATA ACT

CHAPTER 1. GENERAL PROVISIONS

12400. This part shall be known, and may be cited, as the Open and Transparent Water Data Act.

12401. The Legislature finds and declares all of the following:

(a) The recent drought reveals that California needs to integrate existing water and ecological data into an authoritative open-access platform to help water managers operate California's water system more effectively and help water users make informed decisions based on water availability and allocation.

(b) State and federal leadership, increased awareness by business, governmental, and nongovernmental organizations through open and transparent access to data, and improved technology and availability of open-source platforms create a

1 unique opportunity that California should seize upon to integrate
2 and increase access to existing water data.

3 (c) California is working to increase access to water data
4 collected by state agencies. The state board is piloting a project to
5 make water quality datasets available online through an open data
6 portal. The portal creates an opportunity to foster collaboration
7 among state agencies, share and integrate existing datasets, improve
8 state agency operations through data-driven decisionmaking, and
9 improve transparency and accountability.

10 (d) State agencies should promote openness and interoperability
11 of water data. Making information accessible, discoverable, and
12 usable by the public can foster entrepreneurship, innovation, and
13 scientific discovery.

14 (e) Water data and research that is gathered using state funds
15 should be made publicly accessible. State delegation of data
16 management to contractors should not result in the public losing
17 access to its own information.

18 (f) The availability of open-source tools makes it easier to access
19 and explore water and ecological data and could facilitate the
20 creation of an online integrated water data platform without the
21 need to create an expensive new centralized database.

22 12402. Unless the context otherwise requires, the following
23 definitions govern the construction of this part:

24 (a) "Department" means the Department of Water Resources.

25 (b) "Metadata" means data that describes data.

26 (c) "Platform" means the statewide integrated water data
27 platform described in Section 12415.

28 (d) "State board" means the State Water Resources Control
29 Board.

30 CHAPTER 2. STATEWIDE WATER DATA INTEGRATION

31 Article 1. General Provisions

32
33
34
35 12405. The department, the state board, and the Department
36 of Fish and Wildlife shall coordinate and integrate existing water
37 and ecological data from local, state, and federal agencies. The
38 purposes for integrating water and ecological data are to provide
39 adequate information to implement the Sustainable Groundwater
40 Management Act (Part 2.74 (commencing with Section 10720)),

1 improve the management of the state's water resources, and bring
2 greater transparency to water transfers and the market.

3 12406. (a) The department, the state board, and the Department
4 of Fish and Wildlife shall develop protocols for data sharing,
5 documentation, quality control, public access, and promotion of
6 open-source platforms and decision support tools related to water
7 data. The agencies shall develop and submit to the Legislature, in
8 compliance with Section 9795 of the Government Code and before
9 the establishment of a statewide integrated water data platform
10 pursuant to Section 12410, a report describing these protocols.
11 The report shall be developed in collaboration with relevant federal
12 agencies and interested stakeholders, including, but not limited to,
13 technology and open data experts and water data users.

14 (b) Grant recipients for research or projects relating to the
15 improvement of water data that receive state funds shall adhere to
16 the protocols developed by state agencies pursuant to subdivision
17 (a) for data sharing, transparency, documentation, and quality
18 control.

19 (c) A researcher or grant recipient that does not comply with
20 subdivision (b) is not eligible for state funding until the researcher
21 or grant recipient complies with those requirements.

22 Article 2. Statewide Integrated Water Data Platform Creation

23 12410. (a) The department shall create, operate, and maintain
24 a statewide integrated water data platform in accordance with
25 Section 12415 by January 1, 2018.

26 (b) The department may partner with an existing nonprofit
27 organization, ~~or~~ with a new nonprofit organization that the
28 department creates, organized under paragraph (3) of subsection
29 (c) of Section 501 of Title 26 of the United States Code, or ~~may~~
30 partner with another state agency, *agency* to create, operate, ~~and~~
31 ~~maintain or maintain, or any combination thereof,~~ the platform.

32 (c) Notwithstanding subdivision (a), the department may enter
33 into an agreement with an existing nonprofit organization, ~~or~~ with
34 a new nonprofit organization that the department creates, organized
35 under paragraph (3) of subsection (c) of Section 501 of Title 26
36 of the United States Code, *or with another state agency* for that
37 nonprofit organization *or state agency* to create, operate, ~~and~~
38 ~~maintain or maintain, or any combination thereof,~~ the platform.
39
40

1 (d) A nonprofit organization that participates in creating,
2 operating, or maintaining the platform may receive public funds,
3 court-ordered mitigation funds, or other funds to assist in carrying
4 out the responsibilities for integrating and managing existing water
5 and ecological data as described in Section 12415.

6
7 Article 3. Statewide Integrated Water Data Platform Features

8
9 12415. The statewide integrated water data platform created
10 pursuant to Section 12410 shall, at a minimum, do all of the
11 following:

12 (a) Integrate existing water and ecological data information
13 from multiple autonomous databases managed by federal, state,
14 and local agencies and academia using consistent and standardized
15 formats.

16 (b) Integrate, at a minimum, the following datasets:

17 (1) The department's information on State Water Project
18 reservoir operations, groundwater use, and groundwater levels
19 through California Statewide Groundwater Elevation Monitoring
20 (CASGEM), urban water use, and land use.

21 (2) The state board's data on water rights, water diversions, and
22 water quality through California Environmental Data Exchange
23 Network (CEDEN).

24 (3) The Department of Fish and Wildlife's information on fish
25 abundance and distribution.

26 (4) The United States Geological Survey's streamflow
27 conditions information through the National Water Information
28 System.

29 (5) The United States Bureau of Reclamation's federal Central
30 Valley Project operations information.

31 (6) The United States Fish and Wildlife Service's, United States
32 Forest Service's, and National Oceanic and Atmospheric
33 Administration Fisheries' fish abundance information.

34 (c) Provide data on completed water transfers and exchanges,
35 including publicly available or voluntarily provided data on the
36 volume, price, and delivery method, identity of the buyers and
37 sellers, and the water right associated with the transfer or exchange.

38 (d) Provide clear and careful documentation of data quality and
39 data formats through metadata.

(e) Adhere to data protocols developed by state agencies pursuant to Section 12406.

(f) Be able to receive both spatial and time series data from various sources.

(g) Enable custom dashboards, visualizations, graphing, and analysis.

CHAPTER 3. WATER DATA ADMINISTRATION FUND

12420. The Water Data Administration Fund is hereby created. All moneys in the fund are available, upon appropriation, to the department, the state board, or the Department of Fish and Wildlife for the improvement of water data, for entering into an agreement with, or establishing, a nonprofit organization pursuant to Section 12410, or creating, operating, or maintaining the statewide integrated water data platform described in Section 12415, including the cost to verify data, and modernizing water information databases.

12421. (a) (1) The department, the state board, or the Department of Fish and Wildlife may enter into an agreement to accept funds or services from any person, educational institution, government entity, corporation or other business entity, or organization for the maintenance, development, improvement, or enhancement of a designated agencies' data, decision support tools, or information technology projects. Under the direction of the respective agency, the funds or services received shall supplement, but not replace, existing resources for the maintenance, development, improvement, or enhancement of designated agency data, decision support tools, or information technology systems. The respective agency and the sponsoring or donating person, entity, government, or organization shall specify in the agreement the level of service that is to be performed.

(b) Funds received pursuant to this section shall be deposited in the Water Data Administration Fund created pursuant to Section 12420.

**ACTION ITEM**

July 20, 2016

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

Robert Hunter, General Manager

Staff Contact: Heather Baez

SUBJECT: EXTENSION OF CONSULTING CONTRACT WITH DICK ACKERMAN**STAFF RECOMMENDATION**

Staff recommends the Board of Directors to consider extending the contract with Dick Ackerman for specialized services.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Dick Ackerman provides specialized, professional services to MWDOC Board of Directors and staff in the areas of CEQA reform/exemption, desalination, legal and regulatory matters and others on an as requested basis.

Specifically:

Legal and Regulatory Matters – Mr. Ackerman will advise the District on current legal, regulatory, or other events bearing on water issues.

CEQA Reform and Public Works – Mr. Ackerman will monitor and advise the District on CEQA reform initiatives and work with Public Works Coalition re: CEQA and other water related issues.

Budgeted (Y/N): Yes	Budgeted amount: \$36,000; 2016-2017 Fiscal year expenditure	Core X	Choice ____
Action item amount: \$36,000		Line item:	
Fiscal Impact (explain if unbudgeted):			

Member Agency Relations – Mr. Ackerman will monitor and advise the District on issues of concern to Member Agencies and work with the District and Member Agencies in JPA/regional ventures in Orange County.

Mr. Ackerman will continue working within the scope of services helping MWDOC identify priorities and opportunities in the outlined areas as needed. Compensation is to be on a “time and material” basis, not to exceed \$36,000.

STANDARD AGREEMENT FOR CONSULTANT SERVICES

Legal Consulting on Water Policy Issues

This **AGREEMENT** for consulting services, which includes all exhibits and attachments hereto, "**AGREEMENT**" is made on the last day executed below by and between **MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**, hereinafter referred to as "**DISTRICT**," and, Ackerman Consulting hereinafter referred to as "**CONSULTANT**" for legal consulting hereinafter referred to as "**SERVICES**."¹ **DISTRICT** and **CONSULTANT** are also referred to collectively herein as the "**PARTIES**" and individually as "**PARTY**", dated July 1, 2015. The **PARTIES** agree as follows:

I **PURPOSE AND SCOPE OF WORK**

A. Consulting Work.

DISTRICT hereby contracts with **CONSULTANT** to provide general or special **SERVICES** as more specifically set forth in **Exhibit "B"** attached hereto and incorporated herein. Tasks other than those specifically described therein shall not be performed without prior written approval of **DISTRICT's** General Manager.

B. Independent Contractor.

CONSULTANT is retained as an independent contractor for the sole purpose of rendering professional and/or special **SERVICES** described herein and is not an agent or employee of **DISTRICT**. **CONSULTANT** shall be solely responsible for the payment of all federal, state and local income tax, social security tax, Workers' Compensation insurance, state disability insurance, and any other taxes or insurance **CONSULTANT**, as an independent contractor, is responsible for paying under federal, state or local law. **CONSULTANT** is thus not eligible to receive workers' compensation, medical, indemnity or retirement benefits, including but not limited to enrollment in CalPERS. Unless, expressly provided herein, **CONSULTANT** is not eligible to receive overtime, vacation or sick pay. **CONSULTANT** shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of **DISTRICT**. **CONSULTANT** shall have the sole and absolute discretion in determining the methods, details and means of performing the **SERVICES** required by **DISTRICT**. **CONSULTANT** shall furnish, at his/her own expense, all labor, materials, equipment and transportation necessary for the successful completion of the **SERVICES** to be performed under this **AGREEMENT**. **DISTRICT** shall not have any right to direct the methods, details and means of the **SERVICES**; however, **CONSULTANT** must receive prior written approval from **DISTRICT** before using any sub-consultants for **SERVICES** under this **AGREEMENT**.

C. Changes in Scope of Work

If **DISTRICT** requires changes in the tasks or scope of work shown in **Exhibit "B"** or additional work not specified therein, **DISTRICT** shall prepare a written change order. If **CONSULTANT** believes work or materials are required outside the tasks or scope of work described in **Exhibit "B,"** it shall submit a written request for a change order to the **DISTRICT**. A change order must be approved and signed by the **PARTIES** before **CONSULTANT** performs any work outside the scope of work shown in **Exhibit "B."** **DISTRICT** shall have no responsibility to compensate **CONSULTANT** for such work without an approved and signed change order. Change orders shall specify the change in the budgeted amount for **SERVICES**.

II **TERM**

¹ Pursuant to Section 8002 of the District's Administrative Code, the District's "Ethics Policy" set forth at sections 7100-7111 of the Administrative Code is attached hereto as Exhibit "A" and incorporated herein by this reference.

This **AGREEMENT** shall commence upon the date of its execution and shall extend thereafter for the period specified in **Exhibit "B"** or, if no time is specified, until terminated on thirty (30) days notice as provided herein.

III BUDGET, FEES, COSTS, BILLING, PAYMENT AND RECORDS

A. Budgeted Amount for SERVICES

CONSULTANT is expected to complete all **SERVICES** within the Budgeted Amount set forth on **Exhibit "B."** The total compensation for the **SERVICES** to be performed under this **AGREEMENT** shall not exceed the Budgeted Amount unless modified as provided herein. Upon invoicing the **DISTRICT** 80% of the Budgeted Amount, **CONSULTANT** shall prepare and provide to **DISTRICT** a "cost to complete" estimate for the remaining **SERVICES**. The **PARTIES** shall work together to complete the project within the agreed-upon Budgeted Amount, but the obligation to complete the **SERVICES** within the Budgeted Amount lies with the **CONSULTANT**.

B. Fees

Fees shall be billed per the terms and conditions and at the rates set forth on **Exhibit "B"** for the term of the **AGREEMENT**. Should the term of the **AGREEMENT** extend beyond the period for which the rates are effective, the rates specified in **Exhibit "B"** shall continue to apply unless and until modified by consent of the **PARTIES**.

C. Notification Clause

Formal notices, demands and communications to be given hereunder by either **PARTY** shall be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing. If the name or address of the person to whom notices, demands or communication shall be given changes, written notice of such change shall be given, in accordance with this section, within five(5) working days.

Notices shall be made as follows:

Municipal Water District of Orange County
Robert J. Hunter, General Manager
18700 Ward Street, P.O.Box 20895
Fountain Valley, CA 92708

Ackerman Consulting
Dick Ackerman, President
2 Mineral King
Irvine, CA 92602-1075

D. Billing and Payment

CONSULTANT's fees shall be billed by the 10th day of the month and paid by **DISTRICT** on or before the 10th of the following month. Invoices shall reference the Purchase Order number from the **DISTRICT**.

DISTRICT shall review and approve all invoices prior to payment. **CONSULTANT** agrees to submit additional supporting documentation to support the invoice if requested by **DISTRICT**. If **DISTRICT** does not approve an invoice, **DISTRICT** shall send a notice to **CONSULTANT** setting forth the reason(s) the invoice was not approved. **CONSULTANT** may re-invoice **DISTRICT** to cure the defects identified in the **DISTRICT** notice. The revised invoice will be treated as a new submittal. If **DISTRICT** contests all or any portion of an invoice, **DISTRICT** and **CONSULTANT** shall use their best efforts to resolve the contested portion of the invoice.

E. **Billing Records**

CONSULTANT shall keep records of all **SERVICES** and costs billed pursuant to this **AGREEMENT** for at least a period of seven (7) years and shall make them available for review and audit if requested by **DISTRICT**.

IV **DOCUMENTS**

All **MATERIALS** as defined in Paragraph XI below, related to **SERVICES** performed under this **AGREEMENT** shall be furnished to **DISTRICT** upon completion or termination of this **AGREEMENT**, or upon request by **DISTRICT**, and are the property of **DISTRICT**.

V **TERMINATION**

Each **PARTY** may terminate this **AGREEMENT** at any time upon thirty (30) days written notice to the other **PARTY**, except as provided otherwise in **Exhibit "B."** In the event of termination: (1) all work product prepared by or in custody of **CONSULTANT** shall be promptly delivered to **DISTRICT**; (2) **DISTRICT** shall pay **CONSULTANT** all payments due under this **AGREEMENT** at the effective date of termination; (3) **CONSULTANT** shall promptly submit a final invoice to the **DISTRICT**, which shall include any and all non-cancelable obligations owed by **CONSULTANT** at the time of termination, (4) neither **PARTY** waives any claim of any nature whatsoever against the other for any breach of this **AGREEMENT**; (5) **DISTRICT** may withhold 125 percent of the estimated value of any disputed amount pending resolution of the dispute, consistent with the provisions of section III D above, and; (6) **DISTRICT** and **CONSULTANT** agree to exert their best efforts to expeditiously resolve any dispute between the **PARTIES**.

VI **INSURANCE REQUIREMENTS**

CONSULTANT shall obtain prior to commencing work and maintain in force and effect throughout the term of this **AGREEMENT**, all insurance set forth below.

A. **Workers' Compensation Insurance**

By his/her signature hereunder, **CONSULTANT** certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that **CONSULTANT** will comply with such provisions before commencing the performance of the **SERVICES** under this **AGREEMENT**.

CONSULTANT and sub-consultant will keep workers' compensation insurance for their employees in effect during all work covered by this **AGREEMENT**. An ACORD certificate of insurance or other certificate of insurance satisfactory to **DISTRICT**, evidencing such coverage must be provided (1) by **CONSULTANT** and (2) by sub-consultant's upon request by **DISTRICT**.

B. Professional Liability Insurance

CONSULTANT shall file with **DISTRICT**, before beginning professional **SERVICES**, an ACORD certificate of insurance, or any other certificate of insurance satisfactory to **DISTRICT**, evidencing professional liability coverage of not less than \$1,000,000 per claim and \$1,000,000 aggregate, requiring 30 days notice of cancellation (10 days for non-payment of premium) to **DISTRICT**.

Such coverage shall be placed with a carrier with an A.M. Best rating of no less than A: VII, or equivalent. The retroactive date (if any) of such insurance coverage shall be no later than the effective date of this **AGREEMENT**. In the event that the **CONSULTANT** employs sub-consultants as part of the **SERVICES** covered by this **AGREEMENT**, **CONSULTANT** shall be responsible for requiring and confirming that each sub-consultant meets the minimum insurance requirements specified herein.

C. Other Insurance

CONSULTANT will file with **DISTRICT**, before beginning professional **SERVICES**, ACORD certificates of insurance, or other certificates of insurance satisfactory to **DISTRICT**, evidencing general liability coverage of not less than \$1,000,000 per occurrence for bodily injury, personal injury and property damage; automobile liability (owned, scheduled, non-owned or hired) of at least \$1,000,000 for bodily injury and property damage each accident limit; workers' compensation (statutory limits) and employer's liability (\$1,000,000) (if applicable); requiring 30 days (10 days for non payment of premium) notice of cancellation to **DISTRICT**. For the coverage required under this paragraph, the insurer(s) shall waive all rights of subrogation against **DISTRICT**, and its directors, officers, agents, employees, attorneys, consultants or volunteers. **CONSULTANT's** insurance coverage shall be primary insurance as respects **DISTRICT**, its directors, officers, agents, employees, attorneys, consultants and volunteers for all liability arising out of the activities performed by or on behalf of the **CONSULTANT**. Any insurance pool coverage, or self-insurance maintained by **DISTRICT**, and its directors, officers, agents, employees, attorneys, consultants or volunteers shall be excess of the **CONSULTANT's** insurance and shall not contribute to it.

The general liability coverage shall give **DISTRICT**, its directors, officers, agents, employees, attorneys, consultants and authorized volunteers additional insured status using ISO endorsement CG2010, CG2033, or equivalent. Coverage shall be placed with a carrier with an A.M. Best rating of no less than A: VII, or equivalents. In the event that the **CONSULTANT** employs sub-consultant as part of the work covered by the **AGREEMENT**, it shall be the **CONSULTANT's** responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified herein.

D. Expiration of Coverage

If any of the required coverages expire during the term of the **AGREEMENT**, **CONSULTANT** shall deliver the renewal certificate(s) including the general liability additional insured endorsement to **DISTRICT** at least ten (10) days prior to the expiration date.

INDEMNIFICATION

To the fullest extent permitted by applicable law, **CONSULTANT** shall indemnify, defend and hold harmless **DISTRICT**, its officers, Directors and employees and authorized volunteers, and each of them from and against:

- a. When the law establishes a professional standard of care for the **CONSULTANT's** services, all claims and demands of all persons that arise out of, pertain to, or relate to the **CONSULTANT's** negligence, recklessness or willful misconduct in the performance (or actual or alleged non-performance) of the work under this agreement. **CONSULTANT** shall defend itself against any and all liabilities, claims, losses, damages, and costs arising out of or alleged to arise out of **CONSULTANT's** performance or non-performance of the work hereunder, and shall not tender such claims to **DISTRICT** nor its directors, officers, employees, or authorized volunteers, for defense or indemnity.
- b. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of **CONSULTANT**.
- c. Any and all losses, expenses, damages (including damages to the work itself), attorney's fees and other costs, including all costs of defense, which any of them may incur with respect to the failure, neglect, or refusal of **CONSULTANT** to faithfully perform the work and all of the **CONSULTANT's** obligations under the agreement. Such costs, expenses, and damages shall include all costs, including attorneys' fees, incurred by the indemnified parties in any lawsuit to which they are a party.

CONSULTANT shall defend, at **CONSULTANT's** own cost, expense and risk, any and all such aforesaid suits, actions, or other legal proceedings of every kind that may be brought or instituted against **DISTRICT** or its directors, officers, employees, or authorized volunteers with legal counsel reasonably acceptable to **DISTRICT**.

CONSULTANT shall pay and satisfy any judgment, award or decree that may be rendered against **DISTRICT** or its directors, officers, employees, or authorized volunteers, in any and all such suits, actions, or other legal proceedings.

CONSULTANT shall reimburse **DISTRICT** or its directors, officers, employees, or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing indemnity herein provided.

CONSULTANT's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by **DISTRICT**, or its directors, officers, employees, or authorized volunteers.

VII FINANCIAL DISCLOSURE AND CONFLICTS OF INTEREST

Although **CONSULTANT** is retained as an independent contractor, **CONSULTANT** may still be required, under the California Political Reform Act and **DISTRICT's** Administrative Code, to file annual disclosure reports. **CONSULTANT** agrees to file such financial disclosure reports upon request by **DISTRICT**. Further, **CONSULTANT** shall file the annual summary of gifts required by Section 7105 of the **DISTRICT's** Ethics Policy, attached hereto as **Exhibit "A."**

Failure to file financial disclosure reports upon request and failure to file the required gift summary are grounds for termination of this **AGREEMENT**. Any action by **CONSULTANT** that is inconsistent with **DISTRICT's** Ethic's Policy current at the time of the action is grounds for termination of this **AGREEMENT**. The Ethics Policy as of the date of this **AGREEMENT** is attached hereto as **Exhibit "A."**

VIII **PERMITS AND LICENSES**

CONSULTANT shall procure and maintain all permits, licenses and other government-required certification necessary for the performance of its **SERVICES**, all at the sole cost of **CONSULTANT**. None of the items referenced in this section shall be reimbursable to **CONSULTANT** under the **AGREEMENT**. **CONSULTANT** shall comply with any and all applicable local, state, and federal regulations and statutes including Cal/OSHA requirements.

IX **LABOR AND MATERIALS**

CONSULTANT shall furnish, at its own expense, all labor, materials, equipment, tools, transportation and other items or services necessary for the successful completion of the **SERVICES** to be performed under this **AGREEMENT**. **CONSULTANT** shall give its full attention and supervision to the fulfillment of the provisions of this **AGREEMENT** by its employees and sub-consultant and shall be responsible for the timely performance of the **SERVICES** required by this **AGREEMENT**. All compensation for **CONSULTANT's SERVICES** under this **AGREEMENT** shall be pursuant to **Exhibit "B"** to the **AGREEMENT**.

Only those **SERVICES**, materials, administrative, overhead and travel expenses specifically listed in **Exhibit "B"** will be charged and paid. No other costs will be paid. **CONSULTANT** agrees not to invoice **DISTRICT** for any administrative expenses, overhead or travel time in connection with the **SERVICES**, unless agreed upon and listed in **Exhibit "B"**.

X **CONFIDENTIALITY AND RESTRICTIONS ON DISCLOSURE**

A. Confidential Nature of Materials

CONSULTANT understands that all documents, records, reports, data, or other materials (collectively "**MATERIALS**") provided by **DISTRICT** to **CONSULTANT** pursuant to the **AGREEMENT**, including but not limited to draft reports, final report(s) and all data, information, documents, graphic displays and other items that are not proprietary to **CONSULTANT** and that are utilized or produced by **CONSULTANT** pursuant to the **AGREEMENT** are to be considered confidential for all purposes.

B. No Disclosure of Confidential Materials

CONSULTANT shall be responsible for protecting the confidentiality and maintaining the security of **DISTRICT MATERIALS** and records in its possession. All **MATERIALS** shall be deemed confidential and shall remain the property of **DISTRICT**. **CONSULTANT** understands the sensitive nature of the above and agrees that neither its officers, partners, employees, agents or sub-consultants will release, disseminate, or otherwise publish said reports or other such data, information, documents, graphic displays, or other materials except as provided herein or as authorized, in writing, by **DISTRICT's** representative. **CONSULTANT** agrees not to make use of such **MATERIALS** for any purpose not related to the performance of the **SERVICES** under the **AGREEMENT**. **CONSULTANT** shall not make written or oral disclosures thereof, other than as necessary for its performance of the **SERVICES** hereunder, without the prior written approval of **DISTRICT**. Disclosure of confidential **MATERIALS** shall not be made to any individual, agency, or organization except as provided for in the **AGREEMENT** or as provided for by law.

C. Protections to Ensure Control Over Materials

All confidential **MATERIALS** saved or stored by **CONSULTANT** in an electronic form shall be protected by adequate security measures to ensure that such confidential **MATERIALS** are safe from theft, loss, destruction, erasure, alteration, and any unauthorized viewing, duplication, or use. Such security measures shall include, but not be limited to, the use of current virus protection software, firewalls, data backup, passwords, and internet controls.

The provisions of this section survive the termination or completion of the **AGREEMENT**.

XI OWNERSHIP OF DOCUMENTS AND DISPLAYS

All original written or recorded data, documents, graphic displays, reports or other **MATERIALS** which contain information relating to **CONSULTANT's** performance hereunder and which are originated and prepared for **DISTRICT** pursuant to the **AGREEMENT** are instruments of service and shall become the property of **DISTRICT** upon completion or termination of the Project. **CONSULTANT** hereby assigns all of its right, title and interest therein to **DISTRICT**, including but not limited to any copyright interest. In addition, **DISTRICT** reserves the right to use, duplicate and disclose in whole, or in part, in any manner and for any purpose whatsoever all such data, documents, graphic displays, reports or other **MATERIALS** delivered to **DISTRICT** pursuant to this **AGREEMENT** and to authorize others to do so.

To the extent that **CONSULTANT** utilizes any of its property (including, without limitation, any hardware or software of **CONSULTANT** or any proprietary or confidential information of **CONSULTANT** or any trade secrets of **CONSULTANT**) in performing **SERVICES** hereunder, such property shall remain the property of **CONSULTANT**, and **DISTRICT** shall acquire no right or interest in such property.

XII EQUAL OPPORTUNITY

DISTRICT is committed to a policy of equal opportunity for all and to providing a work environment that is free of unlawful discrimination and harassment. In keeping with this commitment, **DISTRICT** maintains a policy prohibiting unlawful discrimination and harassment in any form based on race, religious creed, color, national origin, ancestry, physical or mental disability, medical condition, pregnancy or childbirth, marital status, gender, sex, sexual orientation, veteran status or age by officials, employees and non-employees (vendors, contractors, etc.).

This policy applies to all employees, consultants and contractors of the **DISTRICT** whom the **DISTRICT** knows or has reason to know are violating this policy. Appropriate corrective action will be taken against all offenders, up to and including immediate discharge or termination of this **AGREEMENT**. During, and in conjunction with, the performance of this **AGREEMENT**, **CONSULTANT** shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, marital status or national origin.

XIII INTEGRATION OF ALL OTHER AGREEMENTS

This **AGREEMENT**, including any Exhibits and Addenda, contains the entire understanding of the **PARTIES**, and there are no further or other agreements or understandings, written or oral, in effect between the **PARTIES** hereto relating to the subject matter hereof. Any prior understanding or agreement of the **PARTIES** shall not be binding unless expressly set forth herein and, except to the extent expressly provided for herein, no changes of this **AGREEMENT** may be made without the written consent of both **PARTIES**.

XIV ATTORNEYS' FEES

In any action at law or in equity to enforce any of the provisions or rights under this **AGREEMENT**, the prevailing **PARTY** shall be entitled to recover from the unsuccessful **PARTY** all costs, expenses and reasonable attorney's fees incurred therein by the prevailing **PARTY** (including, without limitations, such costs, expense and fees on any appeals), and if such prevailing **PARTY** shall recover judgment in any such action or proceeding, such costs, expenses, including those of expert witnesses and attorneys' fees, shall be included as part of this judgment.

XV JURISDICTION AND VENUE SELECTION

In all matters concerning the validity, interpretation, performance, or effect of this **AGREEMENT**, the laws of the State of California shall govern and be applicable. The **PARTIES** hereby agree and consent to the exclusive jurisdiction of the courts of the State of California and that venue of any action brought hereunder shall be in Orange County, California.

IN WITNESS WHEREOF, the **PARTIES** have hereunto affixed their names as of the day and year thereafter, which shall be and is the effective date of this **AGREEMENT**.

APPROVED BY:

CONSULTANT ACCEPTANCE:

Date _____

Date _____

Robert J. Hunter, General Manager
Municipal Water District of Orange County
18700 Ward Street
Fountain Valley, CA 92708
(714) 963-3058

Dick Ackerman
Ackerman Consulting
2 Mineral King
Irvine, CA 92602-1075
Phone: (714) 322-2710
Tax I.D. #

EXHIBIT "A"

ETHICS POLICY	§7100-§7111
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§7100 PURPOSE

The policy of MWDOC is to maintain the highest standards of ethics from its Board members, officers and employees (all shall be referred to as employees for the purposes of this section). The proper operation of MWDOC requires decisions and policy to be made in the proper manner, that public office not be used for personal gain, and that all individuals associated with MWDOC remain impartial and responsible toward the public. Accordingly, all employees are expected to abide by the highest ethical standards and integrity when dealing on behalf of MWDOC with fellow Board members or employees, vendors, contractors, customers, and other members of the public.

§7101 RESPONSIBILITIES OF BOARD MEMBERS

Board members are obliged to uphold the Constitution of the United States and the Constitution of the State of California and shall comply with all applicable laws regulating Board member conduct, including conflicts of interest and financial disclosure laws. No Board member or officer shall grant any special consideration, treatment, or advantage to any person or group beyond that which is available to every other person or group in the same circumstances.

§7102 PROPER USE OF MWDOC PROPERTY AND RESOURCES

Except as specifically authorized, no employee shall use or remove or permit the use or removal of MWDOC property, including MWDOC vehicles, equipment, telephones, office supplies, and materials for personal convenience or profit. No employee shall require another MWDOC employee to perform services for the personal convenience or profit of another employee. Each employee must protect and properly use any MWDOC asset within his/her control, including information recorded on paper or in electronic form. Employees shall safeguard MWDOC property, equipment, monies, and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust.

Employees are responsible for maintaining written records, including expense reports, in sufficient detail to reflect accurately and completely all transactions and expenditures made on MWDOC's behalf. Creating a document with misleading for false information is prohibited.

Motion - 1/17/96;

§7103 CONFLICT OF INTEREST

All MWDOC Directors, officers, and employees at every level shall comply with the requirements of Section 1090 of the California Government Code which prohibits such persons from being financially interested in any contract made by them in their official capacity, or by any body or board of which they are members, or from being a purchaser at any sale or a vendor at any purchase made by them in their official capacity.

All Directors and employees designated under MWDOC's Conflict of Interest Code ("designated employees") and employees required to report under Chapter 7, Article 2 of the Political Reform Act (Government Code Section 7300 et seq.) shall promptly and fully comply with all requirements thereof.

MWDOC employees who are not designated employees under MWDOC's Conflict of Interest Code shall refrain from participating in, making a recommendation, or otherwise attempting to influence MWDOC's selection of a contractor, consultant, product, or source of supply if the non-

designated employee, or an immediate family member, has a direct or indirect financial interest in the outcome of the selection process. No employee shall use his/her position with MWDOC in any manner for the purpose of obtaining personal favors, advantages or benefits for him/herself or an immediate family member from a person or entity doing business or seeking to do business with MWDOC. Such favors, advantages, or benefits would include, but are not limited to: 1) offers of employment; 2) free or discounted goods or services; or 3) gifts.

§7104 GIFTS

No employee shall accept, directly or indirectly, any compensation, reward or gift from any source except from MWDOC, for any action related to the conduct of MWDOC business, except as set forth below:

1. Acceptance of food and refreshments of nominal value on infrequent occasions in the ordinary course of a breakfast, luncheon or dinner meeting or other meeting or on an inspection tour where the arrangements are consistent with the transaction of official business.*
2. Acceptance of transportation, lodging, meals or refreshments, in connection with attendance at widely attended gatherings sponsored by industrial, technical or professional organizations; or in connection with attendance at public ceremonies or similar activities financed by nongovernmental sources where the employee's participation on behalf of MWDOC is the result of an invitation addressed to him or her in his/her official capacity, and the transportation, lodging, meals or refreshment accepted is related to, and is in keeping with, his/her official participation.*
3. Acceptance of unsolicited advertising or promotional materials such as pens, pencils, note pads, calendars, or other items of nominal value.*
4. Acceptance of plaques and commemorative mementoes, of nominal value, or of value only to the recipient, such as service pins, recognition awards, retirement mementoes.
5. Acceptance of incidental transportation from a private organization provided it is furnished in connection with an employee's official duties and is of the type customarily provided by the private organization.

* Nothing herein shall be deemed to relieve any Director or designated employee from reporting the value of such meals, transportation, lodging or gifts and abstaining from participation in any decision of MWDOC which could foreseeably have a material financial effect on the donor when the value of such gifts reaches the limits set forth in MWDOC's Conflict of Interest Code and the Political Reform Act.

In no event shall any employee accept gifts from any single source, the cumulative value of which exceeds the applicable gift limit under California law.

A gift or gratuity, the receipt of which is prohibited under this section, shall be returned to the donor. If return is not possible, the gift or gratuity shall be turned over to a public or charitable institution without being claimed as a charitable deduction and a report of such action and the reasons why return was not feasible shall be made on MWDOC records. When possible, the donor also shall be informed of this action.

Motion - 1/17/96;

§7105 PERSONS OR COMPANIES REPORTING GIFTS

All persons and companies doing business with MWDOC, with the exception of public agencies, shall submit a summary, by January 31 of each calendar year, of all gifts claimed for internal vendor audits (including meals) made to, or on behalf of, employees or Directors of MWDOC, or their immediate family members, that have occurred in the normal course of business during the previous calendar year. Failure to provide this information to MWDOC may result in the termination of MWDOC business with that person or company.

Motion - 7/21/93; Motion - 8/18/93;

§7106 USE OF CONFIDENTIAL INFORMATION

Confidential information (i.e., information which is exempt from disclosure under the California Public Records Act) shall not be released to unauthorized persons unless the disclosure is approved by the Board, President of the Board, or General Manager. Employees are prohibited from using any confidential information for personal advantage or profit.

§7107 POLITICAL ACTIVITIES

Employees are free to endorse, advocate, contribute to, or otherwise support any political party, candidate, or cause they may choose; however, employees are prohibited from soliciting political funds or contributions at MWDOC facilities. In any personal political activity an employee may be involved in, it shall be made clear that the employee is acting personally and not for MWDOC.

§7108 IMPROPER ACTIVITIES

Employees shall not interfere with the proper performance of the official duties of others, but are strongly encouraged to fulfill their own moral obligations to the public, MWDOC, and its member agencies by disclosing, to the extent not expressly prohibited by law, improper activities within their knowledge. No employee shall directly or indirectly use or attempt to use the authority or influence of his/her position for the purpose of intimidating, threatening, coercing, commanding, or influencing any person with the intent of interfering with that person's duty to disclose improper activity.

§7109 VIOLATION OF POLICY – STAFF AND STAFF OFFICERS

If an employee is reported to have violated MWDOC's Ethics Policy, the matter shall be referred to the General Manager for investigation and consideration of any appropriate action warranted which may include employment action such as demotion, reduction in salary, or termination. If a Board appointed officer (Secretary, Treasurer or General Manager) is reported to have violated MWDOC's Ethics Policy, the matter shall be referred to the Executive Committee for investigation and consideration of any appropriate action.

Motion - 1/17/96;

§7110 VIOLATION OF POLICY -- DIRECTORS

A perceived violation of this policy by a Director should be referred to the President of the Board or the full Board of Directors for investigation, and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to MWDOC, including, but not limited to: (a) adoption of a resolution expressing disapproval of the conduct of the Director who has violated this policy, (b) injunctive relief, or (c) referral of the violation to MWDOC Legal Counsel and/or the Grand Jury.

§7111 PERIODIC REVIEW OF CONFLICT OF INTEREST AND ADMINISTRATIVE GUIDELINES

During the first quarter of the year immediately following an election (every two years), the Board shall meet to review and/or receive a presentation that addresses principles relating to reporting guidelines on compensation, conflict of interest issues, and standards for rules of conduct.

EXHIBIT "B"

SCOPE OF WORK, TERMS OF AGREEMENT AND TERMS AND CONDITIONS FOR BILLING

Dick Ackerman Ackerman Consulting 2 Mineral King Irvine, CA 92602-1075 Phone: (714) 322-2710 Tax I.D. #
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1. **Term** – Commencement: July 1, 2016 Termination: June 30, 2017
2. **Fees/Rates** to be billed - \$250/hour
3. **Budgeted Amount** – Compensation is to be on a “time and material” basis, not to exceed \$36,000.00. **CONSULTANT’s** fees shall be billed by the 25th day of the month and paid by the **DISTRICT** on or before the 15th of the following month. Invoices shall reference the Purchase Order number from the **DISTRICT**.
4. Upon invoicing **DISTRICT** 80% of the contract amount, **CONSULTANT** shall prepare and provide to **DISTRICT** a “cost to complete” estimate for the remaining work.
5. **Scope of Work/Services** –

Task 1 - Legal and Regulatory Matters
Advise District on current legal, regulatory, or other events bearing on water issues.
Task 2 - CEQA Reform & Public Works
Monitor and keep MWD OC informed on opportunities to participate in strategic CEQA Reform and public works initiatives.
Task 3 - Member Agency Relations
Monitor and advise District on issues of concern to Member Agencies. Work with District and Member Agencies in JPA/regional ventures in OC
6. **Consultant Representative:** Dick Ackerman

**ACTION ITEM**

July 20, 2016

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

Staff Contact: Heather Baez

SUBJECT: EXTENSION OF CONSULTING CONTRACT WITH LEWIS CONSULTING GROUP**STAFF RECOMMENDATION**

Staff recommends the Board of Directors consider extending the contract with Lewis Consulting Group for specialized services through the remainder of 2016.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Lewis Consulting Group provides specialized, professional services to MWDOC Board of Directors and staff on matters related to the County of Orange, local government, and regional issues. They will continue to assist the Board and staff, as requested, in the coordination and preparation for meetings with the County of Orange officials and staff, assisting with strategy development on local policy issues that may arise and other requests as needed.

Specifically:

Budgeted (Y/N): Yes	Budgeted amount: \$48,000; 2016-2017 Fiscal year expenditure	Core <u>X</u>	Choice
Action item amount: \$24,000, July-December 2016.		Line item:	
Fiscal Impact (explain if unbudgeted):			

Provide strategic issue consultation to MWDOC on legislative, organizational and political issues of interest as requested.

Monitor, track, and analyze issues, proactively and as requested, that relate to MWDOC.

Provide strategic guidance and recommendations to assist MWDOC and maximize its policy influence and achieve goals and objectives.

Update on selected issues related to MWDOC.

Lewis Consulting Group will continue working within the scope of services helping MWDOC identify priorities and opportunities in the outlined areas as needed. Compensation is to be on a "time and material" basis.



INFORMATION ITEM

June 20, 2016

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contact: Heather Baez

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

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

SB 163 was brought to the Public Affairs & Legislation Committee last month where the committee voted to Oppose Unless Amended, and to work with Orange County Water District on this measure. Since that time, the bill has been amended and is being brought back to the committee for an update.

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

In declaring the discharge of treated wastewater through ocean outfalls a waste and unreasonable use of water, this bill would require a National Pollutant Discharge Elimination System (NPDES) permit holder authorized for the discharge of wastewater through an ocean outfall as of January 1, 2016, to submit a compliance plan by 1/1/2020 to meet the following provisions:

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

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

AS AMENDED JUNE 8, 2016

This bill would require the State Water Board to develop regulations requiring the NPDES permit holders to submit plans for maximized beneficial reuse of ocean outfall by 2020 that would achieve beneficial reuse of 50% of treated ocean outfall by 2033. The bill would authorize the State Water Board to convene an advisory group to inform the development of the regulations.

The bill would also make a legislative declaration that it is a waste and unreasonable use of water under the California Constitution to discharge treated wastewater from an ocean or bay outfall, or for a water supplier or water replenishment district to not take treated wastewater made available to the supplier or district for groundwater recharge, surface water augmentation, or landscape irrigation.

COMMENTS

Increasing production of California's recycled water would be met most effectively through independent initiatives at the local level, not through a top-down state-driven mandate. SB 163, as in print on June 8, has an unachievable mandate.

It ignores cost and feasibility realities. In order to comply with this mandate, ocean dischargers would be required to undergo massive treatment facility upgrades to add advanced treatment infrastructure, expand distribution piping, and develop additional storage capacity. The cost imposed by this bill would be in the billions of dollars and would be borne by the local ratepayers as the bill provides no financial mechanism to assist agencies with compliance.

The California Association of Sanitation Agencies has taken the lead on the coalition to oppose SB 163. The coalition includes ACWA, CSDA, IRWD, IEUA and WateReuse.

DETAILED REPORT

The full text of SB 163 is attached along with Metropolitan's Board Letter on SB 163 from June 13, 2016.



- **Board of Directors**
Communications and Legislation Committee

6/14/016 Board Meeting

8-9

Subject

Express opposition, unless amended, to SB 163 (Hertzberg, D-Van Nuys) - Wastewater treatment: recycled water

Executive Summary

With the ongoing drought in California and continued constraints on deliveries from the Bay-Delta, the need for alternative water supplies continues to grow. SB 163 focuses on one such supply – recycled water. SB 163, as amended June 8, 2016, would find and declare that it is a waste and unreasonable use of water to discharge treated wastewater from an ocean or bay outfall or for a water supplier or water replenishment district to refuse to accept treated wastewater for groundwater recharge, surface water augmentation or landscape irrigation purposes. SB 163 also would require holders of National Pollutant Discharge Elimination System permits to develop plans by January 1, 2023, to beneficially reuse “to the maximum extent possible” treated wastewater that would otherwise be discharged through ocean or bay outfalls. Finally, SB 163 would require that by January 1, 2033, at least 50 percent of all treated wastewater be beneficially reused.

Though Metropolitan supports the goal of encouraging the use of recycled water, staff is concerned that SB 163’s approach is too restrictive and does not allow for consideration of local conditions and circumstances in determining whether and to what extent treated wastewater can be beneficially reused. Moreover, SB 163 raises a host of legal and policy questions. Ultimately, decisions regarding the development and reuse of treated wastewater are best made on a case-by-case basis that takes into account all relevant environmental, economic and technological factors. Accordingly, staff recommends expressing opposition to SB 163 unless amended.

Details

Although recent winter rains and snow have helped to lessen the severity of the drought in some parts of California, dry conditions persist in many areas of the state, with limited drinking water supplies in some communities, diminished water for agricultural production and environmental habitat, and severely depleted groundwater basins. Indeed, extreme or exceptional drought conditions continue throughout the Central Valley and in most of Metropolitan’s service area. Moreover, while allocations from the State Water Project (SWP) have increased, environmental restrictions on pumping in the Delta continue to adversely impact water deliveries from the project. Since October 2015, it is estimated that these restrictions have reduced available SWP supplies by approximately 700,000 acre-feet (AF).

Given these conditions, the need and desire for alternative water supplies continues to grow, with much of the focus being on the development of local supplies. For Metropolitan, the development of such supplies is an essential component of its water reliability strategy. As set forth in the 2015 Integrated Water Resources Plan (IRP) Update, Metropolitan’s target for local supplies is 2.31 million AF (MAF) by 2020 and 2.43 MAF by 2040.

SB 163 ([Attachment 1](#)) is ostensibly aimed at fostering the development of one particular local supply, namely, recycled water. As amended on June 8, 2016, SB 163 would find and declare that it is a waste and unreasonable use of water, within the meaning of Section 2, Article X of the California Constitution, to discharge treated wastewater from an ocean or bay outfall or for a water supplier or water replenishment district to refuse to accept treated wastewater for groundwater recharge, surface water augmentation or landscape irrigation purposes.

Consistent with this declaration, SB 163 would direct the State Water Resources Control Board (State Board) to promulgate regulations requiring each holder of a National Pollutant Discharge Elimination System permit to: (1) on or before January 1, 2023, develop plans to beneficially reuse “to the maximum extent possible” treated wastewater that would otherwise be discharged through ocean or bay outfalls; and (2) on or before January 1, 2033, beneficially reuse at least 50 percent of all treated wastewater relative to the inflow to the permit holder’s treatment plant. These regulations must “provide operational and compliance flexibility in the event of an emergency, scheduled maintenance or repairs, extreme weather events, or any other factors that the board determines warrants consideration.” But apart from this directive, SB 163 would appear to provide the State Board with a fair amount of discretion in promulgating regulations governing the reuse of treated wastewater. Finally, SB 163 would allow the State Board to impose “reasonable fees” on permit holders to recover its administrative costs.

In contrast, SB 163 is silent on how the requirement for water suppliers and water replenishment districts to accept any treated wastewater made available to them by permit holders would be implemented. It does not provide any guidance or parameters concerning the terms and conditions under which treated wastewater would have to be accepted nor does it expressly charge the State Board with the task of promulgating regulations to implement this portion of SB 163’s mandate.

Metropolitan fully supports the goal of developing alternatives to imported water supplies. Metropolitan’s 2015 IRP Update envisions that over the next 25 years 40 to 50 percent of the Southern California region’s retail demands will be met using local supplies and another 20 to 25 percent will be met through conservation. And as Metropolitan’s Board is well aware, Metropolitan has devoted and continues to devote significant resources toward meeting these targets.

Likewise, Metropolitan is specifically committed to the development and use of recycled water. That commitment was most recently demonstrated with Metropolitan’s approval of the Regional Recycled Water Program Agreement between Metropolitan and the Sanitation Districts of Los Angeles County (Districts). This agreement authorizes construction and operation of a one million gallon per day (MGD) pilot treatment plant, as well as various financial and technical studies, to determine the feasibility of moving forward with a full-scale facility capable of producing up to 150 MGD of advanced treated water using secondary effluent from the Districts’ Joint Water Pollution Control Plant in Carson.

Despite Metropolitan’s commitment to development of local supplies, staff has significant concerns with SB 163. Among other things, imposing a statewide mandate is not a practical or efficient method to promote water recycling and could cost local public agencies billions of dollars, most of which would be borne by ratepayers. Likewise, establishing a blanket 50 percent beneficial reuse requirement seems premature. It does not allow for consideration of local conditions and circumstances that affect whether and to what extent treated wastewater can be beneficially reused in any given situation. Furthermore, SB 163 is ambiguous regarding how its mandates are to be carried out and places significant discretion in the hands of the State Board for implementation. Ultimately, decisions regarding the development and reuse of treated wastewater are best made by local agencies on a case-by-case basis that takes into account all relevant environmental, economic and technological factors.

SB 163 raises a host of legal and policy questions. For example, the extent to which the Legislature can statutorily define what is or is not a waste and unreasonable use of water under Section 2, Article X of the California Constitution remains unclear. It is unclear whether development of recycled water should be elevated to a constitutional priority over the development of other local supplies or the implementation of other water supply projects and strategies. For instance, ocean or brackish water desalination in some areas may be a better approach than recycling as a way of achieving supply reliability.

Accordingly, staff recommends opposing SB 163 unless the bill is amended to address these policy concerns and questions. This position is consistent with the Board’s Policy Principle on Water Recycling adopted in 1997. This policy generally calls for the support of legislation that expands the development and use of recycled water, but also states that such legislation should encourage “voluntary cooperation and partnership among involved agencies to foster workable strategies for recycled water project implementation.” This position also is consistent with the 2016 legislative priorities adopted by the Board last December, which calls on Metropolitan to support

“legislative action to promote recycled water, and stormwater, and desalination as water resources, without compromising the operational, financial, water quality, regulatory and customer interests of Metropolitan and other water and wastewater agencies.”

To that end, staff is committed to working with the author to advance legislation that achieves the overarching intent behind SB 163, while still recognizing the various constraints faced by local agencies, including Metropolitan, to ensure continued water supply reliability for their constituents.

Policy

Metropolitan Board-Adopted Policy Principles: Water Recycling, M.I. 42287 (February 11, 1997) and M.I. 42820 (February 10, 1998)

Metropolitan’s Legislative Priorities for 2016, M.I. 50328 (December 8, 2015)

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves legislative proposals that do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (CEQA Section 21605 and Sections 15378(b)(1) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not defined as a project under CEQA pursuant to CEQA Section 21065, as well as Section 15378(b)(1) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and
Authorize the General Manager to express opposition to SB 163, unless amended.

Fiscal Impact: Unknown

Business Analysis: Expressing opposition to SB 163, unless amended, would allow Metropolitan to pursue changes to the legislation with the aim of ensuring that the development and use of recycled water occurs in a manner that is cost-effective and sensitive to local conditions and constraints.

Option #2

Take no position SB 163.

Fiscal Impact: Unknown, but potentially significant.


Business Analysis: Metropolitan’s costs could increase if SB 163 is enacted, depending on how the requirement for water suppliers to purchase recycled water is implemented.

Staff Recommendation

Option #1



Dee Zinke, Assistant General
Manager/Chief External Affairs Officer
6/9/2016
Date



Jeffrey Kightlinger
General Manager
6/9/2016
Date

Attachment 1 – Senate Bill 163, as amended June 8, 2016

Ref# ea12644194

AMENDED IN ASSEMBLY JUNE 8, 2016

AMENDED IN ASSEMBLY SEPTEMBER 3, 2015

AMENDED IN SENATE JUNE 2, 2015

SENATE BILL

No. 163

Introduced by Senator Hertzberg

February 4, 2015

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

LEGISLATIVE COUNSEL'S DIGEST

SB 163, as amended, Hertzberg. Wastewater treatment: recycled water.

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

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

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

on or before January 1, 2026, would require a wastewater treatment facility discharging through an ocean outfall to achieve at least 50% reuse of the facility's actual annual flow, as defined, for beneficial purposes. This bill, on and after January 1, 2036, would prohibit the discharge of treated wastewater through ocean outfalls, except as backup discharge, as defined, and would require a wastewater treatment facility to achieve 100% reuse of the facility's actual annual flow for beneficial purposes. This bill, on and after January 1, 2022, would authorize a NPDES permitholder subject to these requirements to petition the state board for a partial exemption to the above-described requirements. This bill would require the state board to determine, after notice and opportunity for comment, whether the petition demonstrates that the NPDES permitholder cannot comply with these reuse requirements and would provide that an exemption from these reuse requirements is valid for a period of no more than 5 years, at which point the NPDES permitholder is required to reapply for an exemption or comply with these reuse requirements. This bill would prohibit a NPDES permitholder subject to these provisions from being eligible for state grants or loans if they receive a partial exemption to these reuse requirements, unless the state grant or loan is solely for the purpose of achieving compliance with these reuse requirements. *water to discharge treated wastewater from an ocean or bay outfall, or for a water supplier or water replenishment district to not take treated wastewater made available for certain purposes. The bill would require the state board to promulgate regulations, on or before January 1, 2020, that would require each NPDES permitholder, on or before January 1, 2023, to submit to the state board the permitholder's plans to achieve beneficial reuse, to the maximum extent possible, of treated wastewater that would otherwise be discharged through ocean or bay outfalls. The bill would require these regulations to require, on or before January 1, 2033, the beneficial reuse of at least 50% of treated wastewater that the NPDES permitholder would otherwise discharge though ocean or bay outfalls relative to the inflow to the treatment plant. The bill would require the regulations to provide operational and compliance flexibility, as specified. The bill would authorize the state board to convene an advisory group and to consider any other recommendations or testimony provided during the regulation adoption process. The bill would authorize the state board to adopt reasonable fees payable by a holder of an NPDES permit to recover costs incurred in administering these provisions.*

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

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

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

1 SECTION 1. Section 13557.5 is added to the Water Code, to
2 read:
3 13557.5. (a) The Legislature hereby finds and declares that,
4 except in compliance with the provisions of this section, it is a
5 waste and unreasonable use of water within the meaning of Section
6 2 of Article X of the California Constitution to discharge treated
7 wastewater from an ocean or bay outfall, or for a water supplier
8 or water replenishment district to not take treated wastewater
9 made available to the supplier or district for groundwater
10 recharge, surface water augmentation, or landscape irrigation.
11 (b) On or before January 1, 2020, the state board shall
12 promulgate regulations to require both of the following:
13 (1) On or before January 1, 2023, each holder of an NPDES
14 permit to submit to the state board the permitholder's plans to
15 achieve beneficial reuse, to the maximum extent possible, of treated
16 wastewater that would otherwise be discharged through ocean or
17 bay outfalls.
18 (2) On or before January 1, 2033, the beneficial reuse of at
19 least 50 percent of treated wastewater that the NPDES
20 permitholder would otherwise discharge through ocean or bay
21 outfalls relative to the inflow to the treatment plant.

1 (c) The regulations promulgated pursuant to subdivision (b)
2 shall provide operational and compliance flexibility in the event
3 of an emergency, scheduled maintenance or repairs, extreme
4 weather events, or any other factor that the board determines
5 warrants consideration.

6 (d) In developing the regulations pursuant to subdivision (b),
7 the state board may convene an advisory group for the purpose
8 of preparing a report or recommendations to the state board about
9 how to implement this section and the state board may consider
10 any other recommendations or testimony provided during the
11 regulation adoption process.

12 (e) Consistent with Section 3 of Article XIII A of the California
13 Constitution, the state board may adopt reasonable fees payable
14 by a holder of an NPDES permit to recover costs incurred in
15 administering this section.

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

18 ~~(a) Severe drought conditions have persisted for the last three~~
19 ~~years in California, and 2013 was the state's driest calendar year~~
20 ~~on record.~~

21 ~~(b) California's water supplies have dipped to alarmingly low~~
22 ~~levels indicated by the very limited snowpack in the Sierra Nevada~~
23 ~~Mountains, declining water levels in the state's largest water~~
24 ~~reservoirs, reduced surface water flows in major river systems,~~
25 ~~and historically low groundwater levels. These water supplies~~
26 ~~continue to be severely depleted despite a limited amount of winter~~
27 ~~precipitation in 2014.~~

28 ~~(c) The duration of the drought is unknown, but based on the~~
29 ~~projected impact of climate change on California's snowpack,~~
30 ~~extremely dry conditions will likely continue beyond this year and~~
31 ~~occur more regularly in the future.~~

32 ~~(d) Continuous severe drought conditions present urgent~~
33 ~~challenges across the state, including, but not limited to, water~~
34 ~~shortages in communities and for agricultural production, increased~~
35 ~~risk of wildfires, degraded habitat for fish and wildlife, and threat~~
36 ~~of saltwater contamination in large fresh water supplies.~~

37 ~~(e) Water reuse is one of the most efficient and cost-effective~~
38 ~~ways to improve the drought resilience of California communities.~~

39 ~~(f) The State Water Resources Control Board has established~~
40 ~~goals of recycling 1,500,000 acre-feet of wastewater by 2020 and~~

1 2,500,000 acre-feet of wastewater by 2030. However, California
2 is not on track to meet the board's goals:

3 ~~(g) The discharge of treated wastewater from ocean outfalls~~
4 ~~constitutes waste and unreasonable use of water within the meaning~~
5 ~~of Section 2 of Article X of the California Constitution, in light of~~
6 ~~the opportunities to recycle this water for further beneficial use.~~

7 ~~(h) By prohibiting ocean discharges from wastewater treatment~~
8 ~~plants, California could dramatically accelerate the adoption of~~
9 ~~water recycling and thus increase water supply available for~~
10 ~~beneficial use.~~

11 ~~(i) Water recycling can reduce California's dependence on~~
12 ~~diversions from surface rivers and streams that are subject to~~
13 ~~variable climate and regulatory conditions.~~

14 ~~(j) In addition to water supply benefits, requiring water recycling~~
15 ~~for further beneficial use eliminates ocean wastewater discharges,~~
16 ~~decreasing pollutant loadings to ocean waters and improving~~
17 ~~coastal water quality, thereby benefitting the aquatic environment~~
18 ~~and local economies that depend on those coastal resources.~~

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

20 13557.5. (a) The Legislature hereby finds and declares that
21 the discharge of treated wastewater from ocean outfalls, except in
22 compliance with the provisions of this section, is a waste and
23 unreasonable use of water within the meaning of Section 2 of
24 Article X of the California Constitution in light of the cost-effective
25 opportunities to recycle this water for further beneficial use,
26 including both potable and nonpotable uses.

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

31 (c) On and after January 1, 2036:

32 (1) A wastewater treatment facility shall not discharge treated
33 wastewater through ocean outfalls, except as a backup discharge.
34 A backup discharge may occur only during periods of reduced
35 demand for reclaimed water in the reuse system, such as a period
36 of wet weather.

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

39 (d) (1) A holder of a NPDES permit authorizing the discharge
40 of wastewater through an ocean outfall as of January 1, 2016, shall

1 submit, on or before July 1, 2020, a plan to meet the requirements
2 of this section, directly or by contract, to the executive director of
3 the state board that contains all of the following:

4 (A) ~~An identification of all land acquisition and facilities~~
5 ~~necessary to provide for treatment, transport, and reuse of treated~~
6 ~~wastewater.~~

7 (B) ~~An analysis of the costs to meet the requirements of this~~
8 ~~section.~~

9 (C) ~~A financing plan for meeting the requirements of this~~
10 ~~section, including identifying any actions necessary to implement~~
11 ~~the financing plan, such as bond issuance or other borrowing,~~
12 ~~assessments, rate increases, fees, charges, or other financing~~
13 ~~mechanisms.~~

14 (D) ~~A detailed schedule for the completion of all necessary~~
15 ~~actions.~~

16 (E) ~~Supporting data and other documentation accompanying~~
17 ~~the plan.~~

18 (2) ~~On or before January 1, 2024, the plan described in~~
19 ~~paragraph (1) shall be updated and submitted to the executive~~
20 ~~director of the state board by the permit holder to include any~~
21 ~~refinements or changes in the costs, actions, or financing necessary~~
22 ~~to achieve full recycling of all wastewater and thereby eliminate~~
23 ~~the ocean outfall discharge in accordance with this section or a~~
24 ~~written statement that the plan is current and accurate.~~

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

34 (1) ~~Evaluation of reuse and disposal options.~~

35 (2) ~~Preparation of preliminary design reports.~~

36 (3) ~~Preparation and submission of permit applications.~~

37 (4) ~~Construction initiation.~~

38 (5) ~~Construction progress milestones.~~

39 (6) ~~Construction completion.~~

40 (7) ~~Initiation of operation.~~

1 ~~(8) Continuing operation and maintenance.~~

2 ~~(f) (1) On or before July 1, 2021, and by July 1 every five years~~
3 ~~thereafter, the state board shall submit a report to the Governor~~
4 ~~and the Legislature on the implementation of this section. The~~
5 ~~report shall summarize the progress up to date, including the~~
6 ~~increased amount of reclaimed water provided and potable water~~
7 ~~offsets achieved, and shall identify any obstacles to continued~~
8 ~~progress, including all instances of substantial noncompliance.~~

9 ~~(2) A report to be submitted pursuant to paragraph (1) shall be~~
10 ~~submitted in compliance with Section 9795 of the Government~~
11 ~~Code.~~

12 ~~(g) (1) On and after January 1, 2022, a NPDES permitholder~~
13 ~~subject to the requirements of this section, may petition the state~~
14 ~~board for a partial exemption to the requirements of this section.~~
15 ~~The petition shall include the information required in subdivisions~~
16 ~~(d) and (e), and shall demonstrate that the NPDES permitholder~~
17 ~~cannot comply with the requirements of this section for one of the~~
18 ~~following reasons:~~

19 ~~(A) The state board has failed to adopt regulations that approve~~
20 ~~the indirect potable reuse of wastewater.~~

21 ~~(B) Upgrading the wastewater treatment plant to achieve~~
22 ~~recycled water standards produces recycled water that costs more~~
23 ~~than twice the cost per acre foot as compared with other new~~
24 ~~surface and groundwater supplies.~~

25 ~~(C) The wastewater treatment plant has achieved water quality~~
26 ~~standards for recycled water, but there is not sufficient demand~~
27 ~~for this water within the region.~~

28 ~~(2) The state board shall determine, after notice and opportunity~~
29 ~~for comment, whether the petition demonstrates that the NPDES~~
30 ~~permitholder cannot comply with the requirements of this section~~
31 ~~pursuant to paragraph (1). If the state board approves the partial~~
32 ~~exemption to the requirements of this section, that exemption shall~~
33 ~~be valid for a period of no more than five years, at which point the~~
34 ~~NPDES permitholder shall reapply for an exemption or comply~~
35 ~~with the requirements of this section.~~

36 ~~(3) A NPDES permitholder subject to the requirements of this~~
37 ~~section shall not be eligible for state grants or loans if they receive~~
38 ~~a partial exemption to the requirements of this section pursuant to~~
39 ~~this subdivision, unless the state grant or loan is solely for the~~

1 ~~purpose of achieving compliance with the requirements of this~~
2 ~~section.~~

3 ~~(h) As used in this section:~~

4 ~~(1) “Actual annual flow” means the annual average flow of~~
5 ~~treated wastewater discharging through a facility’s ocean outfall~~
6 ~~as determined by the state board using monitoring data available~~
7 ~~for calendar years 2009 to 2014, inclusive.~~

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



INFORMATION ITEM

June 20, 2016

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: SB 814 (Hill) – Drought: Excessive water use: Urban retail water suppliers

STAFF RECOMMENDATION

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

SUMMARY

In its original form, SB 814 would require each urban retail water supplier to establish a local definition of excessive water use. This bill would prohibit excessive water use under the local definition by a residential customer and would make a violation of this prohibition an infraction punishable by a fine of at least \$500 per 100 cubic feet of water used above the excessive water use definition in a billing cycle. It would provide that these provisions apply when emergency regulations based on drought are in effect.

In addition, SB 814 would require information about residential customers that violate the prohibition on excessive water use to be made available under the California Public Records Act upon request.

It would also require each urban retail water supplier to establish a process for nonpayment through a fine that is consistent with the water supplier's existing process for nonpayment of a water bill. This bill would state that a water user with a demonstrable water leak, and where a fix to the leak is underway, is not to be charged for a violation of the excessive water use definition.

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

Senator Hill and his staff have been working with ACWA, the California Municipal Utilities Association (CMUA) and East Bay Municipal Utilities District (EBMUD) who have been leading the efforts on behalf of the opposition. At its February board meeting, MWDOC voted to oppose SB 814 in its original form.

SUMMARY OF AMENDMENTS

On March 30, the author removed the section requiring disclosure of the home address of residential customers that violate the prohibition on excessive water use to be made available under the Public Records Request Act.

The June 6 amendment would remove the proposed fine of up to \$500 for a violation of an excessive water use ordinance and specify that a violation would be based on conditions identified by the water supplier. This bill would clarify that a water supplier's process for nonpayment of a fine would be consistent with due process and would be reasonably similar to the water supplier's existing process for nonpayment of a water bill.

ACWA, CMUA and EBMUD also requested that the bill acknowledge the work local water agencies have done to ensure adequate water resources in the event of emergencies and drought by requiring a local declaration of drought or emergency *before* the bill's provisions would take effect. The June 6 amendments provide three scenarios in which the bill would take effect and require active drought conditions: 1) During a period for which the Governor has declared a state of emergency based on statewide drought conditions and an urban water retailer has moved to a stage of action in response to a local water supply shortage condition under their water supply contingency plan that requires mandatory water use reductions; 2) During a period in which an urban water retailer has moved to a stage of action in response to a local water supply shortage condition under their water supply contingency plan that requires mandatory water use reductions; or 3) During a period for which the Governor has declared a state of emergency based on local drought conditions that affect the water utility. This bill would specify that its provisions would be in addition to, and would not supersede or limit, any other measure or remedy implemented by an urban retail water supplier.

This amendment will ensure that excessive use provisions are not implemented in locations where a local need has not been identified.

DETAILED REPORT

The full text of SB 814 with amendments is attached.

AMENDED IN ASSEMBLY JUNE 6, 2016

AMENDED IN SENATE MARCH 30, 2016

AMENDED IN SENATE MARCH 17, 2016

SENATE BILL

No. 814

Introduced by Senator Hill

January 4, 2016

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

LEGISLATIVE COUNSEL'S DIGEST

SB 814, as amended, Hill. Drought: excessive water use: urban retail water suppliers.

The California Constitution declares the policy that the water resources of the state be put to beneficial use to the fullest extent of which they are capable, that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use of the waters in the interest of the people and for the public welfare. Existing law requires the Department of Water Resources and the State Water Resources Control Board to take all appropriate proceedings or actions to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water in this state. Existing law authorizes any public entity, as defined, that supplies water at retail or wholesale for the benefit of persons within the service area or area of jurisdiction of the public entity to, by ordinance or resolution, adopt and enforce a water conservation program to reduce the quantity of water used for the purpose of conserving the water supplies of the public entity. Existing law provides that a violation of a requirement of a water

conservation program is a misdemeanor punishable by imprisonment in a county jail for not more than 30 days, or by a fine not exceeding \$1,000, or both.

This bill would declare that excessive water use ~~during a state of emergency based on drought conditions~~ by a residential customer, as specified, is ~~prohibited~~. *prohibited, if during a period when certain conditions exist, as prescribed.* This bill would require each urban retail water supplier to establish a method to identify and ~~restrict~~ *discourage* excessive water use. This bill would authorize as a method to identify and ~~restrict~~ *discourage* excessive water use the establishment of a rate structure that includes block tiers, water budgets, ~~penalties for prohibited uses~~, or rate surcharges over and above base rates for excessive water use by residential customers. This bill would authorize as a method to identify and ~~restrict~~ *discourage* excessive water use the establishment of an excessive water use ordinance, rule, or tariff condition that includes a definition of *or procedure to identify and address* excessive water use, as prescribed, and would make a violation of this excessive water use ordinance, rule, or tariff condition an ~~infraction punishable by a fine of at least \$500 per 100 cubic feet of water or per 748 gallons used above the excessive water use threshold established by the urban retail water supplier in a billing cycle.~~ *infraction or administrative civil penalty and would authorize the penalty for a violation to be based on conditions identified by the urban retail water supplier.* By creating a new infraction, this bill would impose a state-mandated local program.

~~This bill would provide that these provisions apply only during a period for which the Governor has issued a proclamation of a state of emergency based on drought conditions.~~

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

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

- 1 SECTION 1. Chapter 3.3 (commencing with Section 365) is
- 2 added to Division 1 of the Water Code, to read:

CHAPTER 3.3. EXCESSIVE RESIDENTIAL WATER USE DURING
DROUGHT

365. (a) The Legislature finds and declares that this chapter furthers important state policies of encouraging water conservation and protecting water resources in the interest of the people and for the public welfare.

(b) For the purposes of this chapter, “urban retail water supplier” has the same meaning as provided in Section 10608.12.

366. (a) Excessive water use during a ~~state of emergency-based on drought conditions~~ *periods described in Section 367* by a residential customer in a single-family residence or by a customer in a multiunit housing complex in which each unit is individually metered or submetered by the *urban retail* water supplier is prohibited.

(b) Each urban retail water supplier shall establish a method to identify and ~~restrict~~ *discourage* excessive water use, through one of the following options:

(1) Establishing a ~~rate-structure~~ *structure, subject to applicable constitutional and statutory limitations*, that includes block tiers, water budgets, ~~penalties for prohibited uses~~, or rate surcharges over and above base rates for excessive water use by a residential water customer.

(2) (A) Establishing an excessive water use ordinance, rule, or tariff condition, or amending an existing ordinance, rule, or tariff condition, that includes a definition of *or a procedure to identify and address* excessive water use by *metered* single-family residential customers and customers in multiunit housing complexes in which each unit is individually metered or submetered and may include a process to issue written warnings to a customer and perform a site audit of customer water usage prior to deeming the customer in violation. Excessive water use shall be measured in terms of either gallons or hundreds of cubic feet of water used during the urban retail water supplier’s regular billing cycle. In establishing the definition of excessive use, the *urban retail* water supplier may consider factors that include, but are not limited to, all of the following:

- (i) Average daily use.
- (ii) Full-time occupancy of households.
- (iii) Amount of landscaped land on a property.

1 (iv) Rate of evapotranspiration.

2 (v) Seasonal weather changes.

3 (B) A violation of an excessive use ordinance, rule, or tariff
 4 condition established pursuant to subparagraph (A) ~~is shall result~~
 5 ~~in an infraction punishable by or administrative civil penalty. The~~
 6 ~~penalty for a violation may be based on conditions identified by~~
 7 ~~the urban retail water supplier and may include, but is not limited~~
 8 ~~to, a fine of up to five hundred dollars (\$500) per for each hundred~~
 9 ~~cubic feet of water, or per 748 gallons, used above the excessive~~
 10 ~~water use threshold established by the urban retail water supplier~~
 11 ~~in a billing cycle. Any fine imposed pursuant to this subparagraph~~
 12 ~~shall be added to the customer's water bill and is due and payable~~
 13 ~~with that water bill. Each urban retail water supplier shall have a~~
 14 ~~process for nonpayment of the fine, which shall be consistent with~~
 15 ~~due process and reasonably similar to the water supplier's existing~~
 16 ~~process for nonpayment of a water bill.~~

17 ~~(C) A violation of an excessive water use ordinance, rule, or~~
 18 ~~tariff condition where a demonstrable water leak at the residence~~
 19 ~~occurred and a repair to eliminate that leak is underway shall be~~
 20 ~~considered as a basis for granting an appeal and shall be considered~~
 21 ~~for waiver of the charges consistent with the urban retail water~~
 22 ~~supplier's excessive water use ordinance and existing policies for~~
 23 ~~leak adjustments. Other reasonable justifications for excessive~~
 24 ~~water use shall be considered by the urban retail water supplier~~
 25 ~~consistent with clause (i) of subparagraph (D).~~

26 ~~(D)~~

27 (C) (i) ~~An~~ Consistent with due process, an urban retail water
 28 supplier shall establish a process and conditions for the appeal of
 29 a fine imposed pursuant to subparagraph (B) whereby the customer
 30 may contest the imposition of the fine for excessive water use.

31 (ii) As part of the appeal process, the customer shall be provided
 32 with an opportunity to provide evidence of a bona fide reason for
 33 the excessive water use, including evidence of a water leak in
 34 ~~accordance with subparagraph (C); leak~~, a medical reason, or any
 35 other reasonable justification for the water use, as determined by
 36 the urban retail water supplier.

37 (c) (1) The provisions of subdivision (b) do not apply to an
 38 urban retail water supplier that is not fully metered in accordance
 39 with Section 527. An urban retail water supply shall comply with
 40 the provisions of subdivision (b) when all of the water supplier's

1 *residential water service connections are being billed based on*
 2 *metered water usage.*

3 *(2) An urban retail water supplier that is not fully metered shall*
 4 *prohibit water use practices by an ordinance, resolution, rule, or*
 5 *tariff condition that imposes penalties for prohibited uses of water*
 6 *supplied by the water supplier. The urban retail water supplier*
 7 *may include a process to issue written warnings prior to imposing*
 8 *penalties as well as increased penalty amounts for successive*
 9 *violations.*

10 367. (a) This chapter applies only ~~during~~ as follows:

11 (1) *During a period for which the Governor has issued a*
 12 *proclamation of a state of emergency under the California*
 13 *Emergency Services Act (Chapter 7 (commencing with Section*
 14 *8550) of Division 1 of Title 2 of the Government Code) based on*
 15 ~~*drought conditions.*~~ *statewide drought conditions to an urban retail*
 16 *water supplier that has moved to a stage of action in response to*
 17 *a local water supply shortage condition under the water supplier's*
 18 *contingency plan pursuant to paragraph (1) of subdivision (a) of*
 19 *Section 10632 that requires mandatory water use reductions.*

20 (2) *To an urban retail water supplier during a period in which*
 21 *the water supplier has moved to a stage of action in response to*
 22 *a local water supply shortage condition under the water supplier's*
 23 *contingency plan pursuant to paragraph (1) of subdivision (a) of*
 24 *Section 10632 that requires mandatory water use reductions.*

25 (3) *To an urban retail water supplier affected during a period*
 26 *for which the Governor has issued a proclamation of a state of*
 27 *emergency under the California Emergency Services Act (Chapter*
 28 *7 (commencing with Section 8550) of Division 1 of Title 2 of the*
 29 *Government Code) based on local drought conditions.*

30 (b) *The provisions of this chapter are in addition to, and do not*
 31 *supersede or limit, any other measures or remedies implemented*
 32 *by an urban retail water supplier.*

33 SEC. 2. No reimbursement is required by this act pursuant to
 34 Section 6 of Article XIII B of the California Constitution because
 35 the only costs that may be incurred by a local agency or school
 36 district will be incurred because this act creates a new crime or
 37 infraction, eliminates a crime or infraction, or changes the penalty
 38 for a crime or infraction, within the meaning of Section 17556 of
 39 the Government Code, or changes the definition of a crime within

- 1 the meaning of Section 6 of Article XIII B of the California
- 2 Constitution.

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**INFORMATION ITEM**

June 20, 2016

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

Staff Contact: Jonathan Volzke

SUBJECT: Update on Potential San Juan Capistrano Utilities Consolidation**STAFF RECOMMENDATION**

Staff recommends the Board of Directors receive and file report.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

“Reliability of Supply” and “Cost/Rate Impact” top the list of 15 recommended criteria drafted by a subcommittee of the City of San Juan Capistrano Utilities Commission for consideration by the Local Agency Formation Commission in determining whether another agency should assume ownership or operations of the City’s utilities.

Other recommended criteria on the list include that the agency must own wells, treatment plants and recycling plants, as well as providing SJC officials one seat on the agency’s board of directors. A full list of the recommendations is attached.

The Utilities Commission is scheduled to meet June 21 to discuss the recommendation and forward a final list to the City Council.

The subcommittee includes Utilities Commissioner Jack Hunt and Ray Miller.

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

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

The City Council is expected to submit a formal application to LAFCO for a Focused Municipal Services Review.

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

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

DRAFT

CRITERIA FOR EVALUATING A POTENTIAL CHANGE IN UTILITY ORGANIZATION FOR THE CITY OF SAN JUAN CAPISTRANO TO A NEW PROVIDER

(Note: all these criteria apply to both potable and non-potable water systems currently operated/planned by the City)

1. **Reliability of Supply:** New Provider must provide a measurable increase in water supply reliability during periods of drought and/or physical disruption in supply. New Provider must be able to meet water needs of new growth in demand by the residents and businesses in San Juan Capistrano.
2. **Cost/Rate Impact:** The new Provider must provide evidence that current water rates for the water users in San Juan Capistrano will stabilize. Any adjustments in those rates will be comparable to rate changes of other customers in all service areas of the Provider.
3. **Ownership of Facilities and Assets:** Provider must oversee and protect all City interests in all water and wastewater facilities.
4. **Water and Capacity Rights:** City will remain owner of record of those rights which will be assigned to the new Provider as necessary. In the event the Provider propose or takes action that might devalue or otherwise negatively affect those rights the City will have the right to object and contest such actions.
5. **Financial Structure:** New Provider must be capable of meeting all financial obligations related to the operation of the water and sewer assets, and providing for an “industry best practices” program of capital improvements and on-going maintenance to those facilities. New Provider will be responsible for initiating a new agreement for those who benefit and will be responsible for all City water and wastewater assets.
6. **Provider Experience;** Provider must own wells, treatment plants, recycled water facilities, and demonstrate the ability to maximize the potential of the City’s GWRP and recycled water facilities.
7. **OCLAFCO:** Importantly, Provider and its staff must demonstrate experience with annexation and have worked with OCLAFCO in past.
8. **Customer Service:** The new Provider will provide a level of customer service that meets or exceeds best industry practices and will have a local office accessible to San Juan Capistrano residents for both billing and service requirements.
9. **CIP/Asset Maintenance:** The new Provider will agree to fund and perform all future water and sewer capital expenditures currently underway or forecasted by the City and its consultants.

10. **Governance:** San Juan Capistrano officials will be provided at least one Board of Directors Seat on the Board of the Provider entity as well as one seat on the San Juan Basin Authority.
11. **Employee's Pension Benefits:** Current vested pensions for employees will be retained.
12. **Employee/Salary and Benefits:** The transition to the new Provider for retained employees will be seamless in terms of salary scales, and other benefits (credit for time in-service, health coverage, vacation and sick leave, etc.).
13. **Routine services will be provided by Provider's Employees.** Any outside contractors used must meet the same or better standards that Provider would utilize in the normal course of business on all assets within its service areas.
14. **Provider Expertise:** The Provider must have extensive experience in all aspects of the operations of the City waste and drinking water assets as well as in the operation and use of non-potable water systems. The Provider must have demonstrable ability to plan for and comply with complex and evolving regulatory requirements. Provider must have a good track record of compliance with regulatory requirements at all levels. All outside contractors utilized must demonstrate these same qualities.
15. **Provider Location:** It would be desirable for the Provider's service area to be adjacent to that of the City of San Juan Capistrano.



INFORMATION ITEM

June 20, 2016

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contacts: J. Volzke/T. Baca

SUBJECT: 2016 Water Summit Recap

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive and file report.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

The 2016 OC Water Summit, held on May 20, was a success by all available metrics.

The Summit attracted more than 300 attendees, more than \$74,600 in revenues against \$70,700 in expenditures and positive reviews from attendees, despite a change in venue forced by a lack of available dates at the Grand Californian Disney property.

The revenues include \$57,000 in sponsorships, the highest received in the Summit's nine years. A copy of the revenue/expense report is attached.

The event was held at the Westin South Coast Plaza, which survey respondents found to be a very good location. Parking was cited as being more convenient. Speakers were arranged to tell the story of Orange County's water through these "Turbulent Times" of drought and rate challenges. Each panel was designed with two participants and a

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

moderator, to give each speaker adequate time to make their presentation. Survey respondents rated the panelists highly. The survey responses are attached.

The Summit Committee, chaired by Director Thomas for MWDOC, is scheduled to meet on June 27 to review the event in depth. The committee will also begin discussions for the 2017 event.

Orange County Water District, MWDOC's partner in the Summit, has reached out to Disney officials and learned the Grand Californian is not likely to be available on a suitable date for next year's Summit. OCWD staff has indicated a willingness to again hold the event at the Westin South Coast Plaza, because of the success of this year's event and to establish continuity for the event.

Next year's event is the 10th year of the Summit, and staff intends to ensure the event commemorates the anniversary.

2016 O.C. Water Summit Budget	2016 Actuals	Projections/Goals
Income:		
Registration:		
Individual tickets (218 @ \$130 before 5/6; \$80 student rate)	\$ 13,780.00	\$ 28,340
\$150 after 5/6	\$ 3,150.00	
	\$ 16,930.00	
Sponsorships:		
Title	\$ -	
Luncheon	\$ 7,500.00	\$ 7,500
Program Sponsor	\$ 6,000.00	\$ 6,000
OC Cities Sponsor		\$4,000
Session Sponsor (\$3,500 each; 5 sessions)	\$ -	\$ 14,000
Associate Sponsor (\$2000 each)	\$ 14,000.00	\$ 6,000
Table Sponsor (\$1,600 each)	\$ 27,200.00	\$ 16,000
Breakfast (\$1,000 each)	\$ 3,000.00	\$ 1,000
Supporter/Other	\$ -	\$ 1,000
Carry-Over Sponsorship from 2015	\$ -	\$0
MWDOC/OCWD in @\$5000 each to cover \$0 carryover from previous years		
Total Sponsorships:	\$ 57,700.00	
Total Income:	\$ 74,630.00	\$ 83,840
Expenses:		
Food & Beverage (Total banquets and catering including gratuity and taxes)	\$ 36,076.52	\$ 33,000
Hotel Parking (including taxes) (negotiated \$8 self-park)	\$ 2,196.00	\$ 2,000
Audio Visual Service, Equipment Rental and Editing	\$ 19,529.00	\$ 25,500
AV - Load in and out fee hotel	\$ 1,000.00	
AV - Equipment and personal truck parking	\$ 113.00	
AV Team- Hotel rooms	\$ 565.08	
AV- Acrylic Podium Rental	\$ 350.00	
Printing & Postage (Minimal and In-house)		\$ 1,500
• Print flyers and sponsorship brochures	\$ 193.81	
• 200 copies for centerpieces	\$ 160.00	
PayPal/ Registration Fees	\$ 1,000.00	\$ 1,000
Speaker/Travel/ Fees/Dinner Option		\$ 10,000
• Wilson Speaker Fee	\$ 2,500.00	
• Wilson Hotel	\$ 499.60	
• Wilson Transportation	\$ 339.96	
• Thompson Hotel	\$ 282.54	
• Weitzner Hotel	\$ 290.31	
• Goulet Hotel	\$ 282.54	
• Gunson Transportation	\$ 33.50	
• Tags, Bags for Speakers Gifts	\$ 28.03	
• Video Clips Editing for Chapman University	\$ 300.00	
Paid Advertising	\$ 10.00	\$ -
Programs, Envelopes & Insert Papers		\$ 4,000
• Programs	\$ 2,192.40	
• Centerpiece Inserts Paper	\$ 22.89	
Name Tag (Inserts) and Meal Ticket Stock	\$ 281.79	\$ 300
• Badge Holders	\$ 205.15	
Radios	\$ 194.40	\$ 1,500
Décor, Graphics & Signs		\$ 5,000
• Step and Repeat	\$ 383.40	
• Red Carpet rental	\$ 20.09	
• VIP Ropes	\$ 57.78	
• Tealights	\$ 28.99	
• Signs	\$ 712.80	
• 3 Stage Banners	\$ 624.78	

• Red Umbrellas	\$ 166.32	
• Shutterstock piece graphic elements	\$ 29.00	
Wyland award winner plate	\$ 25.00	
Emergency/Misc/Supplies		\$ 100
Total Expenses:	\$ 70,694.68	\$ 83,900
TOTAL NET shared by OCWD & MWDOC		
OCWD and MWDOC individual agency costs		

Constant Contact Survey Results

Survey Name: 2016 OC Water Summit Satisfaction Survey

Response Status: Partial & Completed

Filter: None

Jun 14, 2016 10:30:39 AM

1. Please rate your overall satisfaction with the 9th Annual OC Water Summit.

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.	Very Unsatisfied	Somewhat Unsatisfied	Neutral	Somewhat Satisfied	Very Satisfied
	5 16%	2 6%	0 0%	6 19%	18 58%

10 Comment(s)

2. If you have attended a previous OC Water Summit, how would you compare the Westin South Coast Plaza Hotel to the Disneyland Grand Californian Hotel? (If you are dissatisfied with any element, or would like to expand your response, please use the Comment box to explain.) *No response is required if this is your first time attending an OC Water Summit.

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.	Prefer the Grand Californian Hotel	Prefer the Westin Hotel	No preference
Parking	1 4%	18 64%	9 32%
Conference Facilities	5 19%	13 48%	9 33%
Food	3 11%	12 44%	12 44%
Audio Visual - Acoustics and Screens	6 22%	11 41%	10 37%

8 Comment(s)

3. The venue - Westin South Coast Plaza Hotel. Please rate your satisfaction with each of the following items. (If you are dissatisfied with any element, please explain in the Comment box.)

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.

	Very Dissatisfied	Somewhat Dissatisfied	Neutral	Somewhat Satisfied	Very Satisfied
Parking	0 0%	0 0%	3 10%	1 3%	27 87%
Registration	1 3%	0 0%	2 6%	0 0%	28 90%
Conference Facilities	0 0%	2 6%	2 6%	5 16%	22 71%
Food	0 0%	1 3%	2 6%	7 23%	21 68%
Date: Friday, May 20	0 0%	0 0%	5 16%	4 13%	22 71%
Start Time: 7:30 a.m.	0 0%	1 3%	4 13%	5 16%	21 68%
Audio Visual - Acoustics and Screens	0 0%	4 14%	4 14%	7 24%	14 48%
9 Comment(s)					

4. In your opinion, was the duration of the Summit (7:30 a.m. - 1:30 p.m.) too short, too long, or about right?

	Number of Response(s)	Response Ratio
Too short	0	0.0%
Too long	3	9.6%

About right	27	87.0%
No Responses	1	3.2%
Total	31	100%
5 Comment(s)		

5. Please rate your level of satisfaction with each of the sessions. (If you are dissatisfied with any session, please explain why in the Comments box.)

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.	Very Dissatisfied	Somewhat Dissatisfied	Neutral	Somewhat Satisfied	Very Satisfied
Program Emcee, Peter Weitzner	0 0%	1 3%	3 10%	4 14%	21 72%
"The Perfect Storm" (Orange County's Water Supply Portfolio): Rob Hunter, John Kennedy	1 3%	2 7%	2 7%	6 20%	19 63%
"Storms on the Horizon" (Threats to Our Water Supply): Dr. David Feldman, Dr. Wilson, Scott Maloni, Debra Man	1 3%	1 3%	2 7%	8 27%	18 60%
"The Forecast" (Sunshine Ahead): Charley Wilson, Scott Maloni, Debra Man	0 0%	1 3%	2 7%	7 23%	20 67%
"Singing in the Rain" (Adapting to a Changed Climate): Michael Battaglia, Jeff Thompson, Wyland Foundation: National Mayor's Challenge for Water Conservation - Award	0 0%	3 10%	4 14%	6 21%	16 55%
"Tropical Depression" (Surviving Turbulent Times): Jennifer Farrell, Kelly Salt, Richard	1 3%	3 10%	2 7%	7 24%	16 55%
11 Comment(s)					

6. In your opinion, was the amount of time allocated for each speaker too short, too long, or about right?

	Number of Response(s)	Response Ratio
Too short	1	3.2%
Too long	2	6.4%
About right	27	87.0%
No Responses	1	3.2%
Total	31	100%
6 Comment(s)		

7. For future OC Water Summit events, which of the following event formats would you prefer?

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.

	Least Preferred	Somewhat Less Preferred	Neutral	Somewhat Preferred	Most Preferred
Presentation Format	1 4%	1 4%	1 4%	12 44%	12 44%
Panel Format	1 4%	1 4%	3 11%	9 33%	13 48%
Debate Format	2 9%	3 13%	7 30%	6 26%	5 22%
Moderated Discussion Format	1 4%	2 8%	2 8%	14 56%	6 24%
Extended Q&A Format	3 13%	4 17%	7 30%	7 30%	2 9%

8. Are there specific topics or speakers you would like to see featured at future OC Water Summits?

13 Response(s)

9. Do you believe the Summit registration fee was appropriate for the value you received?

	Number of Response(s)	Response Ratio
Yes	30	96.7%
No	1	3.2%
No Responses	0	0.0%
Total	31	100%
3 Comment(s)		

10. How likely are you to attend future OC Water Summits?

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.

Very Unlikely	Somewhat Unlikely	Neutral	Somewhat Likely	Very Likely
2 6%	0 0%	0 0%	5 16%	24 77%

2 Comment(s)

11. Do you have any suggestions for how we can improve future OC Water Summits, or is there anything else you would like to tell us?

15 Response(s)

Constant Contact Survey Results

Survey Name: 2016 OC Water Summit Satisfaction Survey

Response Status: Partial & Completed

Filter: None

Jun 14, 2016 10:30:39 AM

1. Please rate your overall satisfaction with the 9th Annual OC Water Summit. - Comments

Answer

Great overall program. Very timely and educational Great speakers, and the ambiance was wonderful.

Great topics - really liked the roving reporter.

Great topics - excellent graphics. I would enjoy more information regarding coming discussions of Colorado River as well as even larger effects from larger watersheds that feed into the system, e.g. Klamath River settlement, etc.

well organized, great guests. Moved along.

Rob Hunter's presentation was the best.

The speakers were a bit dull this time, the rest of the event was good. Two of the speakers I found very interesting, though - Kelly Salt and Richard Wilson. They were great. Richard Wilson was fantastic. Also, Scott Maloney was very good.

Outstanding event! Speakers were very good and interesting.

This was a well paced program, with pertinent topics (not sure about the relevance of the beer presentation) interspaced with the great 'man on the street' portion. Nice to have screens on both sides of the room and a sound system that worked even when the speakers forgot to speak into the mike. At the morning break, I would have liked to have OJ still available at the coffee stations. Tiffany, I thought that you and all who helped did a very good job....

This was far and away the BEST water conference I've attended this year.

2. If you have attended a previous OC Water Summit, how would you compare the Westin South Coast Plaza Hotel to the Disneyland Grand Californian Hotel? (If you are dissatisfied with any element, or would like to expand your response, please use the Comment box to explain.) *No response is required if this is your first time attending an OC Water Summit. - Comments

Answer

Could have used one more screen.

Much prefer the Disneyland Grand California Hotel over the Westin. More room, and freedom of movement that facilitates networking. Also a much more spectacular experience overall.

I like both, but it is easier for me to get to the Westin and parking is super convenient. I don't recall the food at the Grand Californian, but the Westin has the best food of pretty much any venue - it is a cut above. Good overall, and amazing berries.

Getting to the Disneyland Grand Californian is definitely more of a hassle. Much more traffic to contend with because of tourists at Disneyland, and the freeway on the way much more crowded. Little traffic getting to the Westin, no parking problems, easy to get inside the hotel. Probably wouldn't have attended if the Water Summit was held at the Grand Californian.

Never attended the event at the Grand California. But at the Westin, the food was great, parking was easy, room was fine (a little cold at times), and the acoustics were fine, but audio visual was a little challenging for the presenters at times).

The Westin was far less congested people-wise and traffic-wise. Parking and conference facilities were much more convenient to access at the Westin!!!
 The Westin is very conveniently located and the parking is very easy. The food is excellent.
 This was my first attendance

3. The venue - Westin South Coast Plaza Hotel. Please rate your satisfaction with each of the following items. (If you are dissatisfied with any element, please explain in the Comment box.) - Comments

Answer

Start time should be adjusted to 0800 due to traffic in area. ☐
 Speakers should be projected to the side screens so that everyone can see and hear from all points in the room.
 The Power Points were a little distracting. Many errors and the fact that their animations didn't work was unfortunate.
 Could have used one more screen - from my vantage point one was too far away and the other was behind me.
 Being at a center table I had to look to either side to view the screens; very uncomfortable and too far to look with a lot of people in-between.
 The Westin So. Coast Plaza is a great venue.
 Very well done!
 The speaker system was blocking the view from the side tables. Speakers could be moved back behind the podium to make for an unobstructed view.
 A great location and an excellent change of pace from the perpetual "confusion" at Disneyland!!
 XLNT :-)

4. In your opinion, was the duration of the Summit (7:30 a.m. - 1:30 p.m.) too short, too long, or about right? - Comments

Answer

Finishing closer to 1 pm would be good.
 This cannot be improved.
 The length of the program was good. Anything longer is too much to sit through.
 I like the half day format.
 Given the topics and the scope of issues involved, I would recommend extending the conference out to at least a full day.

5. Please rate your level of satisfaction with each of the sessions. (If you are dissatisfied with any session, please explain why in the Comments box.) - Comments

Answer

In the final session, Ms. Salt's presentation was good and informative, but Mr. Wilson's presentation lacked any substance - just another professional speaker...
 The Perfect Storm was exceptionally basic information for all those in the field, which should have been most in the audience. And i was very monotone.
 Everything was good except for the 218 presentation - UHG!
 Great topics and more than effective speakers. ☐
☐ Unfortunately, some graphics did not receive full attention due to lack of motion with visuals. Help should have been provided rather than allowing a speaker to be distracted from the presentation

First and last sessions were the best. It would be good for Kelly to update her presentation with current issues like Referendums being filed to protest Prop 218s. ☐

☐ Would like to have a presentation about changing the discussion from selling "water" to selling water "service".

The speakers were a bit dull this time - except for Scott Maloney, Kelly Salt, and Richard Wilson, they were great, very interesting. The dull ones were underwhelming I think because the speakers weren't very dynamic, didn't make the information as interesting as it could be. I think the topics were fine. Rob Hunter's presentation was excellent. The information was really good, and the audio visuals were outstanding. Best presentation of the day. He really kept everyone's interest and just the right length of time!

Loved the Chapman University student interviews between sessions. Very clever and entertaining. Peter Weitzner was great. ☐

Great set of speakers. Glad that Debra Mann attended in particular as well as GMs for OCSD and OCWD. ☐

Nice that Wyland attended.

Peter Weitzner's "candid camera" style video clips of Chapman students, plus Charley Wilson's updated and [humorous Water Dude quotes were well worth the price of admission!!

I think Richard Wilson was excellent, but Kelly Salt's talk was too legal and technical for a conference like this. The MC was excellent - right amount of humor, enthusiasm, knowledge and especially, remembering everyone's name! I would like to get the PPTs for the presentations if possible.

6. In your opinion, was the amount of time allocated for each speaker too short, too long, or about right? - Comments

Answer

I liked when the moderators gave a simple introduction of the people and then said more can be found in our materials - this gave the speakers more time. For 7 below - I think that there should be different formats - maybe not for each one, but a little mix up.

Hard to tell, though - I guess I wish Scott Maloney had had more time and all the dull ones had had less? I don't think this is a time allocation issue, though.

Some went over a bit. Loved the thunder sound as the time keeping bell.

Dependent on the quality of the speaker

Really liked that speakers were aware of time and kept it moving.

The speakers were all excellent. That was one of the best features of the Summit.

7. For future OC Water Summit events, which of the following event formats would you prefer? - Comments

Answer

[No Responses]

8. Are there specific topics or speakers you would like to see featured at future OC Water Summits? - Responses

Answer

Rate setting issues. Update on State Water Resources issues.

Jay Famiglietti speaking on groundwater ☐

☐ Review of economics of past water bonds and effective use of funds. ☐

It also could include where the money was spent (areas of state)

Reaching population limits due to water scarcity and what that would look like. Is there a population limit? What would water cost on average with an without delta reliance?

sustainability

Richard Wilson again - this time talking about how to get the message out about long-term drought, that drought not a temporary thing, that we have to change our ways for the long term. He would probably have some fantastic ideas.

Presentation from SAWPA. ☐

Perhaps presentation from Bureau of Reclamation ☐

SWRCB talk on IPR regulations/progress

Keep it current.

Maybe you could have presenters from the design side talking about the newest innovations in design solutions.

Creative approaches to using storm water, Twin Tunnel/Bay Delta update, drought impacts upon OC agriculture; Felicia Marcus update on effects of latest SWRCB reg changes.

Long range planning, water and demographics, changing water use patterns, indirect and direct potable reuse

Water Rights

1. A more comprehensive review of the UWMP. ☐
2. "Will Serve" letters and new development with respect to the impacts of the drought on ratepayers. ☐
3. The pros and cons of building moratoriums and the availability of elx and water (at affordable rates). ☐
3. Does the impact of Solar Industry in SOCAL mean higher rates for those not on solar?

More definite discuss on cost to rate payers on Ocean, Desal, inland desalters and cost to produce, O&M and energy of GWRF and Desalination. ☐

I believe Desal is getting a bad publicity on cost when GWRF producers like MWD and OCWD will not disclose true cost to treat, inject, extract and retreat GW.

9. Do you believe the Summit registration fee was appropriate for the value you received? - Comments

Answer

Yes, but my company decided to sponsor a table after I registered as an individual and no refund was offered for the individual fee. This is a little annoying, especially since I have attend almost all of these events over the past several years. But the fee is reasonable.

I sat at a table sponsored by my company

The Summit should've been at least one day long for this price.

10. How likely are you to attend future OC Water Summits? - Comments

Answer

If they continue to be as good as this year's, I'll definitely be there.

I especially enjoyed the technical presentations.

11. Do you have any suggestions for how we can improve future OC Water Summits, or is there anything else you would like to tell us? - Responses

Answer

- ☐ No need for "spiffs" they are a waste of money, most have the tote bags, the key chains, etc. ☐
- ☐ More material with suggestions for cities, hOA's, etc. to help with possible conservation grants. ☐
- ☐ Student ideas for saving water and/or energy to deliver water, could be a contest.
- Great event. Class act.
- Have news coverage of events.
- The only detail would be to have a dedicated networking time during the morning portion. Either round table focused networking or a session with a couple different topics to have specified networking time, with like-minded attendees.
- It all comes down to how interesting the speakers are - good speakers can make any topic interesting. More interactive formats are probably best for those speakers who aren't as dynamic. Presentations and panels work well for super dynamic speakers.
- I think this year's Water Summit was very good. Keep up the great work! The format worked well, the time for each speaker was good, interesting topics, all good.
- Enjoyed the summit. Hope to attend next year.

Please see my comments above...also, it is a large room, remind the speakers to speak into the mike. This day most did so... Everything was great. One could see that a lot of great planning occurred. I loved that you invited the city officials. Having more chance to network with these people and having each group of people wearing different color-coded badges so we can tell who is a city rep, who is a water district rep, ad who is a vendor. Keep it at the Weston for now! Like the JPL, UCJ, UCR involvement - great to hear their perspective. I think it must be frustrating that you are trying to broaden your outreach, but most of the people in attendance are water industry wonks. Perhaps it would help to sit down with OCBC and see what would bring in their membership? Bring more non water people from various opinion leader groups, particularly elected officials. Please keep me on your mailing list. Have a panel on P3 v. Traditional water infrastructure facilities

Public Affairs Activities Report May 10, 2016 – June 15, 2016

Member Agency Relations	<p>Heather attended El Toro Water District's Board Meeting where Director Tamaribuchi presented their Board with a resolution commending them for meeting their water conservation goal set by the State Water Resources Control Board.</p> <p>Tiffany and Bryce assisted Joe Berg with a Retail Water Agency Meter Testing and Calibration survey which was distributed to Member Agency contacts.</p> <p>Jonathan attended the South Coast Water District meeting with Director Hinman to present a proclamation for the District's water conservation. Jonathan wrote specific talking points for each District presentation.</p> <p>Jonathan attended the Trabuco Canyon Water District water awareness event.</p> <p>Laura attended the Water Use Efficiency Workgroup Meeting and provided an update on the Water Awareness Ceremony, Value of Water pages, and the South County Water Expo with Supervisor Bartlett's office.</p>
Community Relations	<p>Bryce staffed the annual Orange County Water Association golf tournament fundraiser.</p> <p>Bryce and Jonathan volunteered at the 2016 Solar Cup at Lake Skinner. MWDOC sponsored two teams, Laguna Beach High School and Coast High School.</p> <p>Bryce coordinated with, and supported, Melissa to host of a girl scout troop visit to MWDOC.</p>
Education	<p>Jonathan and Laura met with the Inside the Outdoors staff to review the first year of the High School program and discuss changes for the upcoming year.</p> <p>Jonathan and Laura and the Inside the Outdoors staff met with the member agencies currently participating in the High</p>

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	<p>School program to get feedback on the program and discuss the changes for the upcoming year.</p> <p>Laura tallied votes out of nearly 725 entries, and Laura, Tiffany and Bryce selected winning Water Awareness Contest winners for the 2016 Poster & Slogan, and Photography & Digital Arts contests.</p> <p>Laura, Bryce, Tiffany, Jonathan and Ivan are preparing for the 2016 Water Awareness Contest Awards Ceremony at the Discovery Cube Orange County on June 14th. The Public Affairs team has coordinated with the Discovery Cube staff, winners and their families and teachers, researched and purchased prizes, coordinated with MWDOC Member Agencies for goody bucket conservation items for our winners, prepared an awards ceremony presentation and other graphic materials for the event. Heather has coordinated with legislative staffers throughout the county to request certificates for our winners from their districts. Director Barbre will be the event emcee.</p> <p>Laura attended the Water Effect High School Expo at Dana Hills High School with Director Hinman.</p> <p>Laura worked with the respective agencies with student overage requests and adding new schools to the education program.</p> <p>Jonathan attended a MET quarterly education coordinators meeting.</p> <p>Jonathan attended a MET quarterly PIO meeting.</p>
Media Relations	<p>Jonathan facilitated an interview between GM Rob Hunter and OC Register reporter Aaron Orlowski. Mr. Hunter's quotes on water conservation were published June 6.</p> <p>Jonathan facilitated an interview between GM Rob Hunter and LA Times reporter Matt Stevens for a story on the Yorba Linda water dispute. Mr. Hunter's quotes were included in a May 22 article.</p>

<p>Special Projects</p>	<p>Jonathan attended a meeting with South County water agencies and Supervisor Lisa Bartlett/staff to organize a South County Water Expo in Mission Viejo on October 1.</p> <p>Jonathan provided staff support for a meeting with Supervisor Bartlett and Directors Hinman and Thomas.</p> <p>Heather & Laura staffed the ISDOC Executive Committee meeting. Director Finnegan also attended.</p> <p>Heather attended the ACC-OC Water Committee meeting where they went over the Governor's recent Executive Order; released a White Paper on the Use of Water Fine & Penalty Revenue; SMWD presented on their groundwater recharge project with the San Juan Basin, SCWD, MNWD and the City of SJC. They also shared information on Trampas and the conversion of Lake Mission Viejo from potable to recycled water. Director McKenney also attended.</p> <p>Heather staffed the monthly WACO meeting featuring guest speaker Karl Seckel. Directors Barbre, Osborne, Hinman, Tamaribuchi, Ackerman & McKenney attended.</p> <p>Jonathan and Joe Berg met with a representative from the Orange County Association of Realtors and a home-inspection firm to discuss a potential water efficiency project. Jonathan and Joe also held a conference call with other representatives to discuss a potential program.</p> <p>Heather coordinated with June WACO speaker, Curt Schmutte, and set up a meeting for him & Director Tamaribuchi, and made dinner arrangements for him and the WACO Planning group.</p> <p>Bryce and Tiffany updated several pages on the MWDOC website.</p> <p>Bryce assembled bids for the MWDOC entryway displays and provided a detailed report to Rob.</p> <p>Tiffany has been coordinating with MWDOC/Met Directors and Met staff to finalize proposed trip types and dates for the 2016-17 Inspection Trip season.</p> <p>Tiffany, Jonathan and Bryce participated in a WEROC Joint Member Agency and EOC staff tabletop exercise.</p>
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	<p>Bryce participated in a Save Our Water Webinar to discuss the public education needs of partners as well as to get a sense of local conservation marketing campaigns across the state. He wrote a memo afterward for distribution to member agencies.</p> <p>Tiffany, Jonathan and Ivan met to discuss upcoming and future goals for Ivan's internship program.</p> <p>Ivan has begun updating and organizing outdated contact information in the district ACT! database.</p> <p>Ivan researched a variety of promotional items, compiling a list of suggested vendors and products, and worked with a chosen few merchants to order the selected items. These promotional items are distributed throughout a variety of standard Public Affairs outreach occurrences including community and special events, inspection trips, and informational meetings.</p>
Legislative Affairs	<p>Heather participated in the Southern California Water Committee Legislative Task Force meetings/conference calls.</p> <p>Heather attended the CSDA Chapter Presidents Dinner on behalf of ISDOC in Sacramento. Each county sent a representative.</p> <p>While in Sacramento, Heather met with Kathy Cole of MWD and discussed various pieces of legislation and how MWDOC can be of assistance to them.</p> <p>Heather attended CSDA's Legislative Days in Sacramento. It included a legislators panel including Senator Robert Hertzberg and Assembly Members Ling Ling Chang and Susan Eggman. CSDA provided a legislative briefing on their three top priority bills: AB 2613 (Achadjian), SB 885 (Wolk) and SB 1292 (Stone). Groups then visited with their assigned legislative offices. Heather and her group met with Assemblyman Matt Harper, Vance Jarrod from Assemblywoman Ling Ling Chang's office, and David Monroy from Senator Bob Huff's office.</p> <p>Heather participated in the Met Legislative Coordinators conference call.</p>

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	<p>Jonathan, Laura, Director Dick and Director Thomas attended the ACC-OC Water Committee meeting featuring Kathy Tiegs, ACWA President.</p> <p>Jonathan attended the BIA Infrastructure Committee meeting.</p>
Water Summit	<p>On May 20, MWDOC and OCWD hosted the 2016 OC Water Summit. Some 350 attendees registered for the event, 313 attended. \$57,700 was secured in committed sponsorships. This was the highest number of committed sponsorships in the event's 9 year history.</p> <p>The Public Affairs teams from both agencies coordinated the event. MWDOC staff coordinated, prepared and finalized hotel, audio/visual and speaker logistics, registration, and guest and reserved table needs. Several email invitations and a confirmation emails were developed and emailed to attendees, and a post-event survey was distributed following the event. Graphic materials such as event signs, stage backdrop, table centerpieces, and the 20 page on-site program were developed in-house by MWDOC staff. MWDOC staff also coordinated with the City of Laguna Beach Mayor Steve Dicterow, and the nationally recognized marine wildlife artist Wyland, to present an award to the City of Laguna Beach for winning the 2016 Wyland National Mayors Challenge for Water Conservation in their population category. Tiffany, Jonathan, Bryce, Laura, Ivan, Heather, Kelly, Melissa, Hilary, Mary, Maribeth, Pari, Rachel and Patrick staffed the event. An event write up with attendee breakdown and a preliminary financial report will be submitted to June PAL.</p>

The Water Effect - Inside the Outdoors School Visits

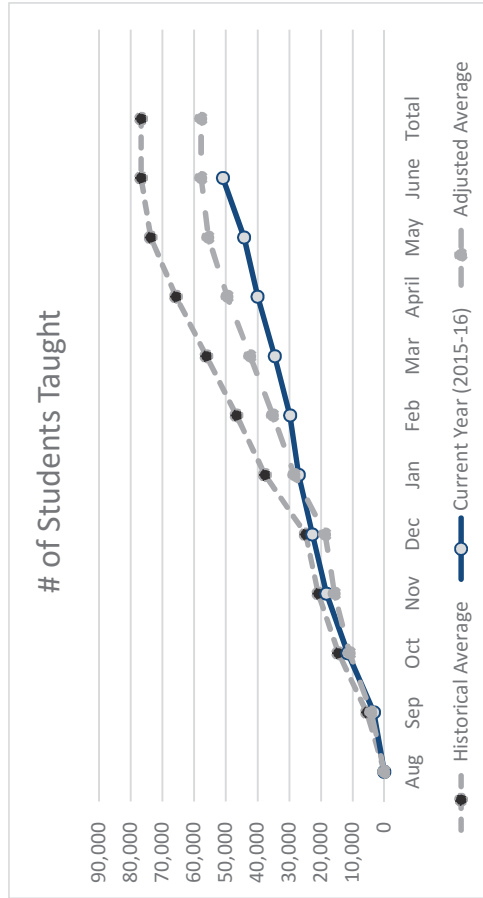
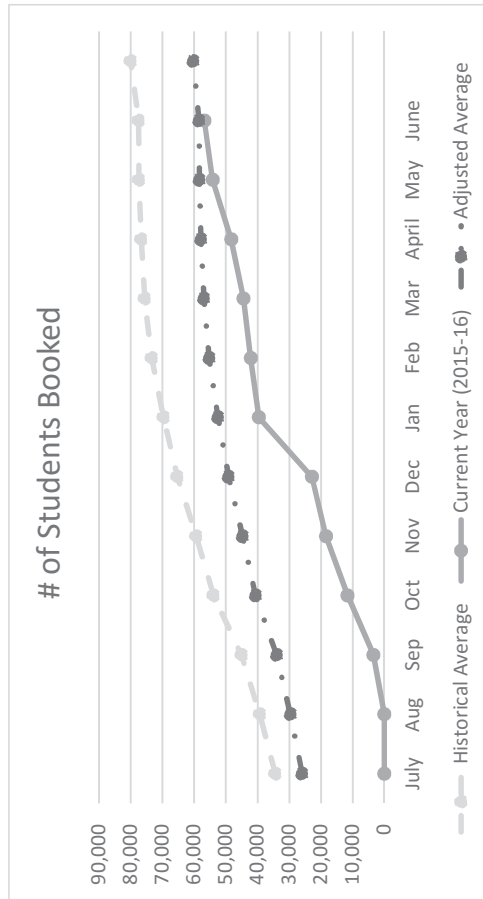
Year 1 - 2015/2016

Agency	High School	Intro Email	Admin. School Meeting	1st Visit - student	1st Visit Enrollment	2nd Visit - student	2nd Visit Enrollment	School Expo	Expo School Enrollment	Total Students
Anaheim	Anaheim High School	X	10/27/15	12/14/15	56	2/7/16	52	3/7/16	2,850	2,958
Brea	Brea Olinda High School	X	9/8/15	12/1/15	174	12/15/15	191	5/19/15	1,800	2,165
Buena Park	Buena Park High School	X	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
East Orange	Foothill High School (shared with Tustin)	X	10/9/15	11/12/15	29	1/14/15	28	3/25/16	2,800	2,857
El Toro	El Toro High School	X	10/6/15, 2/19/16	3/9/16	193	4/4/16	159	4/21/16	2,502	2,854
El Toro	Los Alisos Junior High	X	10/13/15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fountain Valley	Harbor Learning Center	X	4/1/16	4/14/16	77	5/12/16	71	6/9/16		148
Garden Grove	Pacifica High School	X	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Golden State	Valencia High School	X	9/23/15	9/30/15	166	10/19/15	117	6/2/16	2,719	3,002
Golden State	Los Alamitos High School	X	9/15/15	1/13/16	92	3/25/16	33	5/20/16	3,300	3,425
Huntington Beach	Marina High School	X	1/11/16, 2/2/16	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Laguna Beach	Laguna Beach High School	X	12/4/15, 1/27/16	3/2/16	93	3/9/16	90	4/6/16	1,050	1,233
Mesa Water	Costa Mesa High School	X	9/23/15	11/17/15, 11/18/15	79	1/11/16, 1/12/16	78	4/18/16	1,750	1,907
Moulton Niguel	Capistrano Valley High School	X	11/2/15	12/7/15, 12/8/15	562	1/11/16, 1/12/16	641	2/22/16	2,241	3,444
San Clemente	San Clemente High School	X	10/29/15	12/17/15	21	2/25/16	36	3/31/16	2,971	3,028
San Juan Capistrano	San Juan Hills High School	X	11/19/15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Santa Ana	Rio Contiguo School	X	3/25/16	4/12/16	78	5/25/16	14	pending		92
Santa Margarita	Tesoro High School	X	9/30/15, 2/5/16	3/30/16	25	5/3/16	17	5/17/16	2,450	2,492
South Coast	Dana Hills High School	X	11/2/15	11/19/15	82	3/29/16	82	5/31/16, 6/1/16	2,649	2,813
Tustin	Tustin High School (Foothill High School shared with EOCWD)	X	10/22/16	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total					1,727		1,609		29,082	32,418
	Teacher Workshops		8/26/15	11/7/15	12/11/15	2/4/16	3/12/16			Total
			11	24	59	19	12			125
	Student Events		3/5/16	3/19/16	3/25/16	4/8/16	4/16/16			Total
			53	50	70	87	102			362

2015-16 Water Education School Program

# of Students Booked	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Target
Historical Average	34,405	39,319	45,070	53,900	59,337	65,269	69,616	73,332	75,563	76,726	77,411	77,523	80,000
Adjusted Average	25,921	29,624	33,957	40,610	44,706	49,175	52,451	55,250	56,931	57,807	58,323	58,407	60,274
Current Year (2015-16)	0	0	3,446	11,640	18,417	22,873	39,556	42,137	44,405	48,304	54,149	56,782	60,274

# of Students Taught	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Total
Historical Average	0	5,526	14,522	20,838	24,823	37,676	46,625	56,093	65,692	73,691	76,705	80,000
Adjusted Average	0	4,163	10,941	15,700	18,702	28,386	35,128	42,262	49,494	55,521	57,791	57,791
Current Year (2015-16)	0	3,304	11,641	18,247	22,703	26,990	29,725	34,583	39,950	44,190	50,925	60,274



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