

MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
PUBLIC AFFAIRS AND LEGISLATION COMMITTEE
July 20, 2015, 8:30 a.m.
Conference Room 101

Teleconference Site:
20989 Park Lane
Rollins, MT 59931
(406) 844-2282

(Members of the Public may attend and participate in the meeting at both locations.)

Committee:

Director Barbre, Chairman
Director Tamaribuchi
Director Hinman

Staff: R. Hunter, K. Seckel, M. Tuchman,
K. Davanaugh, H. Baez

Ex Officio Member: L. Dick

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

PUBLIC PARTICIPATION

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

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

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

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

DISCUSSION ITEMS

1. LEGISLATIVE ACTIVITIES
 - a. Federal Legislative Report (Barker)
 - b. State Legislative Report (Townsend)

- c. County Legislative Report (Lewis)
- d. Legal and Regulatory Report (Ackerman)
- e. MWDOC Legislative Matrix
- f. Metropolitan Legislative Matrix

2. DISCUSSION RE FUTURE OF WATER SUMMIT

ACTION ITEMS

- 3. ADOPT LEGISLATIVE POSITIONS
 - a. AB 1164 (Gatto)
 - b. SB 789 (Wieckowski)
- 4. TRAVEL TO WASHINGTON DC TO COVER FEDERAL INITIATIVES
- 5. TRAVEL TO SACRAMENTO TO COVER STATE INITIATIVES

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. FINANCIAL RECAP ON THE 8TH ANNUAL ORANGE COUNTY WATER SUMMIT
- 7. STATUS REPORTS
 - a. Water Policy Dinner (July 29, 2015)
 - b. Drought Outreach
 - c. Media Relations
- 8. SCHOOL PROGRAM PARTICIPATION REPORT
- 9. PUBLIC AFFAIRS ACTIVITIES REPORT
- 10. BUDGET TRAILER BILL UPDATE

OTHER ITEMS

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

ADJOURNMENT

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

Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Maribeth

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

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Nicholas Crockett
Alia Cardwell

Municipal Water District of Orange County, California
Washington Update
July 14, 2015

The Drought:

Clearly the drought in California has the attention of the Congress here in Washington.

Amid all the back and forth between the Democrats and Republicans in the House Natural Resources Committee last week, the panel reported out of Committee, HR 2898, the bill commonly known as the California Drought Bill.

The Bill passed the Committee by a vote of 23-12 with one Democrat supporting the bill, Congressman Jim Costa of the Central Valley.

There was a spirited debate in the committee regarding the legislation, the Deputy Interior Secretary Mike Connor wrote a letter to the Committee which said the Republican bill would not provide “additional meaningful relief” to parched portions of the state and that it would create further legal confusion. The Republicans dismissed his arguments quickly reflecting that the proposed legislative authorities were better than the status quo.

HR 2898 would rebalance water policies in California and the West. It would require federal and state agencies to use better science, rooting their regulatory decisions in that new science. When carried out, the supporters of the legislation argued that the new provisions would ultimately provide more water to our parched communities. It also enacts permitting reforms aimed at building infrastructure to capture water for humans and animal species. The provisions of the bill would enable the movement and storage of water throughout California to better prepare for future droughts.

At press time, the bill is expected to be on the House Floor on Wednesday and Thursday, July 15 and 16. Given the fact that the bill was only introduced several weeks ago, to move such a bill through Committee and through the House Floor—demonstrates that the legislation had the full support of House Leadership. The Majority Leader, Kevin McCarthy, has been instrumental in moving this bill so quickly through the House or Representatives.

MWDOC has been very helpful in providing key assistance and support for this legislation.

Senator Feinstein is working on her own drought relief measure in the Senate. In past years, she has objected to the way that the House has dealt with endangered species issues. The House bill does not change the provisions of the Endangered Species Act.

The Chairman of the Senate Energy and Natural Resources Committee, Senator Lisa Murkowski of Alaska, has said she is interested in passing “West Wide” water legislation this year. In order for the House measure to pass the Senate, due to the rules of the US Senate Floor procedures, there would need to be six Democratic Senators voting for the GOP package, assuming all 55 GOP Senators support the House bill.

Appropriations:

House Leadership pulled the Interior-EPA Appropriations bill from consideration by the full House after there were considerable amendments dealing with the “Confederate Flag”. The Confederate Flag has sparked widespread backlash since the killing last month of nine African Americans in a South Carolina Church. In the end, Congressman Calvert, the key House Manager of the bill, believed that current policies prohibit the sale and display of the Confederate Flag on National Park Services properties, with some educational related exceptions. Many described the debate over the flag issue as a “circus like atmosphere” on the House Floor. Many observers believe the House will return to the bill at some point in the future.

WIFIA Update:

Last year when the Congress passed the Water Resources Reform Development Act, commonly known as WRRDA, it contained a new loan provision for water infrastructure known as the WIFIA loan program. The WIFIA loan program would allow low interest loans to qualified water entities for water infrastructure. Depending upon the credit worthiness of the qualifying water agency, such low interest loans could be below “market rates”. There was a major challenge with the WIFIA loan program--it prohibited the use of tax free municipal bond financing if WIFIA loans were used as part of the overall loan package.

In this year’s consideration of the Surface Transportation bill, the Senate Environment and Public Works Committee, reported out of Committee a several hundred page bill dealing with transportation interests known as the DRIVE Act. This same committee had jurisdiction over the WRRDA Bill. In the DRIVE Act, there was legislative language which provided relief on the prohibition for the use of tax free municipal bond financing. Under the Committee passed language, the enabling WIFIA law was amended to allow tax free municipal bond financing. This would save water agencies additional monies over the length of a repayment loan.

We are also working with the Office of Congresswoman Mimi Walters on this provision. She sits on the House Transportation and Infrastructure Committee which has jurisdiction over these matters. This corrective language could also be ripe for consideration in an upcoming revision of the WRRDA bill to be considered during this Congress.

One observer has estimated that this provision would save an additional \$15 Million dollars over the life of a \$100 Million dollar loan package using a combination of WIFIA loans and tax free municipal bond financing. MWDOC has been very active in seeking this corrective language over the past year.

General News Items and Political Updates of Interest

On the national political stage, the Presidential Debate schedule is almost upon us. The first Republican Presidential Debate will be August 6, 2015 covered by FOX news. The debate will take place in Cleveland, Ohio. There are currently 15 GOP candidates in the field. To qualify to participate in the debate, only the top ten GOP candidates will be chosen from the average of five national public opinion polls.

Here are the top five GOP Contenders according to the most recent “average of national polls” (Source: *Real Clear Politics*, 7-14-15)

Bush 18%, Walker 10%, Trump 9%, Rubio, 9%, Carson 9%

And for the Democrats:

Clinton 63%, Sanders 14%, Biden 13%, Webb 2%, O’Malley 1%

While the National Democratic Party has said it will sanction six debates in the 2016 primary cycle, it has yet to release any further details about when they will take place or who will sponsor them. According to a recent response from a DNC spokesperson, more details will be coming soon.

To: Municipal Water District of Orange County
From: Townsend Public Affairs, Inc.
Date: July 14, 2015
Subject: Monthly Political and Activity Report

STATE POLITICAL UPDATE

All attention in the Capitol over the past several weeks has been centered on finalizing the State Budget and moving legislation through the second House. All bills will need to be reported to the floor by their policy committees by July 17. On July 18 the Legislature will adjourn for summer recess, and return on August 18. August 28 will be the last day for fiscal committees to report bills to the floor. The Legislature will adjourn on September 11.

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

The week of June 8, the Budget Conference Committee met to work out the differences in the budget actions that were taken by the Assembly and Senate Budget committees. On June 15, the Legislature passed a budget on party-line votes, thereby meeting their constitutional mandate to adopt a spending plan. The spending plan included \$117.5 billion in General Fund spending and established total reserves of \$5.7 billion (\$1.5 billion in regular reserve and \$4.2 billion in the State's rainy day fund). The budget spending level is based on the Legislative Analyst's Office revenue projections for the upcoming year, which are over \$3 billion above the projections from the Governor's Office. However, the action taken, to pass the main budget bill and four of the trailer bills, did not address many of the outstanding issues that were still pending between the Legislature and the Governor, including the drought trailer bill.

On June 16, an agreement on a spending plan was announced between the Governor and Legislative Leadership. The total spending in the budget agreement was approximately \$2 billion less than what the Legislature approved on June 15. The Governor signed the FY 2015-16 Budget Act as well as the Natural Resources and Environmental Protection Agency trailer bills on June 24.

The final budget package contained significant funding from Proposition 1 to provide resources to help address the drought and other related water infrastructure. Specifically, the budget contained:

- \$783 million for competitive grants and loans to address groundwater contamination
- \$210 million for competitive grants and loans for water recycling
- \$50 million for grants and loans for desalination projects
- \$180 million for public water system infrastructure improvements to meet safe drinking water standards
- \$160 million for grants for wastewater treatment projects
- \$100 million for grants for storm water management projects

Despite significant opposition from Republican members of both Houses, the final package included SB 88, a trailer bill related to the drought. The drought trailer bill contained:

- Language authorizing the SWRCB to require consolidation for water systems that are serving disadvantaged communities in unincorporated areas with unreliable and unsafe drinking water. This language was significantly narrowed in scope from its original version which would have authorized the SWRCB to require consolidation for any public water system that failed to provide an adequate supply of safe drinking water.
- A CEQA exemption, during a drought state of emergency, for building or expanding a recycled water pipeline and related groundwater replenishment infrastructure if it is within existing rights of way, does not impact wetlands, and where construction impacts are fully mitigated.
- Expanded local enforcement authority for local water agencies to issue penalties for violations of state water conservation requirements. The penalties can be up to \$1,000 for the first violation and increase for subsequent violations up to \$10,000 unless the residential user had actual notice of the requirement, the conduct was intentional, and the amount of water was substantial.
- Allows the SWRCB to account for penalties assessed for violations of the emergency conservation regulations and deposit the funds into an account to support for water conservation activities.

The Administration had proposed an additional item that the water community conducted a significant amount of advocacy on, which pertained to the structure of the state drinking water fee. While the Governor's original proposal would have provided the SWRCB broad authority and latitude to modify the fee structure in the best way they saw fit, the final language that was included in the resources trailer bill, SB 83, represented a compromise with the water community. The provisions in SB 83 maintain the existing drinking water fee structure for FY 15-16 and create a public stakeholder process to provide input on proposed changes moving



forward. The language requires the SWRCB to adopt the first round of changes through the complete Office of Administrative Law regulatory process, which will allow ample opportunity for public comment and input on the best way to amend the fee structure. Future modifications of the drinking water fee would be done through an emergency regulations process. In addition to the regulatory process, the trailer bill indicated that the revenue collection level of the drinking water fee would remain at its current level, and that future increases in the fee would be capped at 5 percent per year, as is currently the case.

The Governor has called special sessions to deal with issues surrounding the funding of transportation infrastructure and issues relating to healthcare. Proposals have been introduced in those special sessions and will be considered by the Legislature. The transportation funding special session dialogue will be focused around a special gas tax and fee increases on car registration in order to fund transportation infrastructure projects. The health care trailer bill talks will be centered around providing Medi-Cal coverage to undocumented children and extending Covered California's rule making authority while expanding board meeting transparency.

Cap and Trade Funding

The May Revise contained \$1.6 billion in funding for public transit, affordable housing, high-speed rail, and sustainable communities development through the Cap and Trade program. The Administration is currently in conversations with the Legislature to enact legislation to appropriate additional Cap and Trade funding before the end of the legislative session.

Local Mandate Payments

The Budget includes a trigger mechanism for repayment of outstanding state mandate claims. Under the current revenue estimates that were contained in the May Revise, the outstanding mandate trigger would be met and the state would repay \$765 million in outstanding pre-2004 mandate claims (would fully satisfy all outstanding pre-2004 claims). Of the \$765 million, approximately 77% would go to counties, 22% would go to cities, and 1% would go to special districts.

California Energy Commission: Water Energy Technology Program

The California Energy Commission, jointly with the Department of Water Resources and the State Water Resources Control Board will implement a Water Energy Technology (WET) Program to provide funding for innovation technologies that meet certain criteria such as:

- Display significant water savings, energy savings, and greenhouse gas emission reductions
- Demonstrate actual operation beyond the research and development stage
- Document readiness for rapid, large-scale deployment (but not yet widely deployed) in California

This program will be funded with \$30 million from the California Climate Investments Program and will be implemented in three phases:



1. Agricultural
 - Draft guidelines are available now
2. Industrial, Commercial, and Residential
 - Guidelines being developed, expected sometime in August 2015
 - Projects must result in on-site, direct GHG reduction
 - Embedded energy in water cannot count toward GHG reductions
 - Examples:
 - Integrated on-site use of recycled water coupled with reduction of on-site pumping energy or waste heat recovery
 - \$16 million available in competitive grant funds for industrial, commercial, and residential areas
 - \$7 million for industrial
 - \$7 million for commercial
 - \$2 million for residential
 - Potential grant amount \$500,000 to \$1 million
3. Renewable Energy Powered Desalination Grants
 - Projects must be commercially available, not conceptual
 - Projects must result in on-site, direct GHG emission reductions through the use of renewable energy integration while increasing water production efficiency
 - \$1-3\$ million for grant awards
 - Guidelines development will begin after the implementation of the Industrial, Commercial and Residential Program

Turf Replacement Initiative

On July 2, TPA monitored the Department of Water Resources (DWR) meeting on the statewide Turf Replacement Initiative— a partnership with local agencies that aims to collectively replace 50 million square feet of lawns and ornamental turf with drought tolerant landscapes. The main purpose of the meeting was to describe the programmatic components, receive public comments and seek assistance in further developing and refining the initiative, as well as to answer clarifying questions.

It is important to note that some of the higher level themes that came up from the comments include the dual program coordination. This was categorized as an important component, as it demonstrates DWR's responsibility in coordinating with local agencies, nonprofits, California Conservation Corps, EGIA and other possible groups to ensure they have been educated and provided the necessary tools.

Additionally, DWR stated that they would be very interested in receiving any comments or ideas in terms of assistance with coordination and outreach efforts. Setting standards for interagency coordination was also a strong theme throughout the meeting. This includes whether DWR should take more of a watershed approach, so that this program doesn't compete with local programs or conflict with the goals of the local agencies.



Concerns were also raised on the type of impact this program would have on soil health and how some of these materials contribute to solarization, soil compaction, and so forth. Finally, there were several comments that the project timeframe for completion should increase from 90 to 120 days.

Three potential programs were laid out at the workshop:

1. Residential Turf Rebates
 - a. \$2 per square foot
 - b. Capped at \$2,000 per household
2. Commercial, Industrial, and Institutional Turf Replacement
 - a. Partnering with the California Conservation Corps
 - b. Total number of projects will depend on the size of projects submitted
 - c. Projects will be prioritized based on benefit to the community and potential to provide water conservation educational opportunity
3. Statewide Campaign
 - a. Communicate benefits and importance of converting lawn to water-efficient landscapes
 - b. Specific activities will include outreach, community engagement and technical support for public participation at landscape conversion events

By August 2015, DWR plans to start giving out residential rebates applications, and begin Commercial, Industrial, and Institutional Turf Replacement.



The County of Orange Report

July 20, 2015
By Lewis Consulting Group

County Budget Adopted

On June 23rd, the Board of Supervisors adopted the 2015-2016 county budget in time for July 1st, the beginning of the new fiscal year.

Because of an improving economy the County's anticipated revenue for the year is nearly \$5.8 billion, over \$300 million more than the previous fiscal year. With an unemployment rate of 4.4% and significantly lower than other southern California counties, the upbeat Orange County economy is allowing for the anticipation of an increase of 4% in property tax revenues and 3% in the Proposition 172 portion of the sales tax.

County expenditures are led by Community Services at over 39% of the total budget, public protection at 21% and infrastructure and environmental resources at 19%.

With less than 18,000 budgeted positions, the county workforce has actually shrunk by 65 positions from last year.

Orange County Grand Jury Reports New Findings

The Orange County Grand Jury has been busy. Among the many reports they have released recently include two that should be of keen interest to the "water world".

The first of the two reports is an examination of Community Facilities District Financing. CFD's were authorized by the passage of the Mello-Roos Community Facilities Act of 1982. The alternative method of financing infrastructure including sewer, was a legislative response to the passage of California's historic Proposition 13.

CFD's can provide financing of infrastructure for new subdivisions based on a vote of 2/3rds of the property owners, the floating of bonds and the future debt payments made by new homeowners. There is currently \$2 billion of outstanding CFD bond indebtedness in Orange County, but with several large housing projects looming the debt should come close to \$3 billion.

The Grand Jury expresses concerns regarding the transparency of CFDs and in particular, whether homeowners "understand how and why they were formed, how long they lasted and how the funds were spent."

As a result of their research the Grand Jury made three principle findings which included a lack of transparency to homeowners, lack of appropriate oversight and auditing and concern regarding the ability of the CFDs to extend special taxes in perpetuity.

In furtherance of their findings the Grand Jury is requesting each local agency which has sponsored CFDs to create an oversight committee and an audit committee with audit information reported annually on a website.

Grand Jury Examines LAFCO

The Orange County Grand Jury released another report entitled “Orange County Local Agency Formation Committee (LAFCO) – It’s Time to Redraw the Lines”.

In its report, the Grand Jury called on LAFCO to speed up the pace of carrying out annexations for the remaining 33 county islands. Although that number is significantly lower than the 80 that had existed in 2000, the Grand Jury attributed that to the “plucking of low hanging fruit.”

In addition the Grand Jury chided LAFCO for not aggressively pursuing the merger and consolidation of special districts. Of the six Grand Jury recommendations, five dealt with the annexation process, but one called on LAFCO to “identify and prioritize special district consolidation and mergers.”

More Election Intrigue

A Los Angeles County resident, Heberto Sanchez, has filed paperwork to seek the Congressional seat being vacated by Loretta Sanchez. Apparently waiting in the wings to officially declare is also Anaheim Councilmember Jordan Brandman. Former State Senator and County Supervisor Lou Correa is still considered the frontrunner, but Brandman’s candidacy in particular could pose a major threat. What the effect of having another Sanchez on the ballot is unclear.

In the heavily Republican 68th Assembly District, two candidates have quickly emerged for the right to succeed termed out Assembly member Don Wagner. Former Anaheim Councilman Harry Sidhu has been gathering support for several months. However, former Villa Park City Councilmember Deborah Pauly has decided to enter into the fray as well. Both candidates have a less than stellar record on the campaign trail. Sidhu was defeated by Mimi Walters in a state senate bid and later beaten soundly by Shawn Nelson in the campaign for County Supervisor. Deborah Pauly was trounced in her race for County Supervisor against Todd Spitzer. Possible future entrants could be Irvine Mayor Steven Choi and perhaps other local government officials.

Incumbent Congressional Members Dodge a Political Bullet – More Consequential Decision Due Next Year

California Congress Members and Republican incumbents in particular collectively sighed in relief when the US Supreme Court upheld the Constitutionality of the State of Arizona’s use of an independent commission to draw their state Congressional maps. In doing so, the court by the slimmest 5-4 decision also validated the current California lines as well.

Once again, Justice Anthony Kennedy was the “swing” vote. Had he voted differently, the California Legislature would be scrambling to draw lines in time for the 2016 elections and several GOP incumbents would have been in for a long year.

However, redistricting mayhem may have only been delayed. The court decided to hold over until next year's session a decision on the Texas based *Evenwel v. Abbott* case. If the court ultimately finds for the plaintiff, with the exception of Congressional districts, the next round of redistricting could be based on the count of eligible voters, instead of the current count of all people. Such a redistricting would have a major impact on states like California because of their large number of youth and non-citizen population.

ACKERMAN CONSULTING

Legal and Regulatory

July 20, 2015

1. **Fish Over People, Again:** Lake Shasta flow will be restricted this summer in an attempt to save Sacramento Salmon according to California regulators. Water that was previously promised the farmers in the Central Valley will be cut off significantly during the growing season. The water is released into the Sacramento River in an attempt to cool down the water during the spawning season. There is no guarantee that this will work. In fact, this method was used unsuccessfully last year and ended up killing 95% of the baby salmon. The experts acknowledge the mistake made last year and admit that the same result may happen this year. But they are going ahead with the plan anyway at the expense of the farmers and anyone that eats their food.
2. **State Tightens Rules on Russian River:** The state is requiring 13,000 landowners in a 113 square mile area in the Russian River area to report all their water use from surface sources and wells in an attempt to save the coho salmon. This is being done even though the salmon population has been in steady decline since 1950. This new regulation would require reporting of all ground water usage even though water rights in this area date back to the Gold Rush days. Opponents of the measure claim there would be negligible positive impact on the salmon population.
3. **Reasons for Increased Water Use:** Many water agencies are having to explain increased water usage in light of the Governors order to cut use by 25%. California City in Kern County had a 28% increase. It also services a prison which had an 33% increase in inmates last year. Also it had not previously reported municipal facilities in its monthly reporting. Reports and comparisons are based on a month to month total with 2013 being used as the base year. Casitas Municipal Water District in Ventura County reported a 26% increase. This district has historically provided water to residential users. However, during the drought period, agricultural customers who were not receiving their normal surface allocations had the right to buy water from Casitas which they did. The present total sales from Casitas are 45 % agricultural. As you recall, the Governors order applied only to residential usage and not agricultural usage. The State Board has ordered Casitas to include the agricultural usage in their monthly reporting. Their numbers, without the agricultural factor, would show a 20% reduction. The debate continues. Other agencies reporting increases are stating that older, less precise systems are being replaced with newer systems which are more accurate. Thus comparisons are not really accurate.
4. **Kevin the Pool Man:** Kevin Wallace from Encinitas has become a hero in the pool repair business. He has developed a plaster based compound that can be applied underwater without the need for draining the pool. His technique has been used to repair cracks, drains, rebar and rust by making underwater repairs. Kevin puts on his SCUBA gear and takes his secret compound to the repair areas and does the job. He has been in business since 1985 but his workload has now taken off. With many agencies prohibiting pool filling and/or charging much

higher rates for filling pools, his services are in great demand. His client list includes large hotels, Camp Pendleton, UC San Diego and regular people.

5. **Recycled Oil Wastewater Clean:** Chevron has been recycling its oil field wastewater for some time and has finally received a clean rating showing no traces of methylene chloride, the most common solvent that has previously been hard to remove. The water is now being sold to Kern County farmers for irrigation. The current volume is 21 million gallons per day to the Cawelo Water District. While prior tests have been challenged by the environmental group, Water Defense, all have finally agreed that the water is in compliance with the Central Valley Regional Water Quality Control Board criteria. This development is significant for all of the oil industry and water world in the Valley.
6. **Let the Lawsuits Begin:** As reported in previous submissions, the State Water Resources Control Board has been expanding its jurisdiction and power into areas where senior water right holders have established legal rights. Many of these rights date back to the 1800s, while others are more current as a result of court actions or legal settlements. Some agencies have agreed or have attempted to negotiate with the State, while others will be seeking their day in court. Many legal experts think the State is going to have some problems with their position since the US Constitution and the California Constitution both have protections for property rights, which have been protected fairly routinely. The California Constitution has a provision for water law that says every water use must be reasonable and beneficial. The state Supreme Court has ruled that the definition of beneficial may change over time. Four irrigation districts have already filed suit. I am sure that number will grow substantially and will take many years before a final conclusion. I predict the US Supreme court will have the final say.
7. **Drought vs Birds:** The drought is causing a significant drop in breeding fowl populations. The drop in the Sacramento Valley is 19%, while the drop statewide is 30%. The survey for ducks alone showed a reduction from 448,000 in 2014 to an estimated 315,000 this year. The major factors were dry wetlands, lack of rice fields, less food sources and fallowed fields. To give some perspective, it should be noted that about 4 million birds fly into the Central Valley during annual migration along the Pacific Flyway.
8. **Drought vs Navy:** President Bush signed an Executive Order in 2008 which was expanded by President Obama mandating water reduction by federal agencies. Since 2007, water use at the 9 military bases in California and 1 in Nevada has been reduced by 23%. The vast majority of the water use as a result of land and people occurs in San Diego County. The region base commander, Rear Admiral Patrick Lorge has taken the order seriously replacing grass with drought tolerant plants, making water wise landscape decisions, reducing personal use, planning efficient construction and plumbing, educating the troops and working the City and County officials. The Regions total annual use is 3.7 billion gallons of potable water.
9. **CEQA Exemptions in Budget:** A trailer bill to the State Budget contained CEQA exemptions for certain groundwater replenishment projects and recycled water systems. This was less than the Governor proposed and much less than Republican Legislators requested. Both the Governor and Republicans had wanted greater CEQA reform during the legislative year, but that did not occur. A bill to grant an exemption to certain reservoir projects was defeated in Legislative committee.

10. **Drought vs Airport:** Next time you walk through the gangway bridge from the airport terminal to the airplane, realize that you are walking through a new water source. The air conditioning units that service the airplanes are located under those bridges and in the past, San Diego Airport has released the condensation on the ground to be evaporated into the atmosphere. The airport staff developed a way to capture that water to be reused for washing down the airfield and sidewalks. It also makes the area safer as workers have slipped on the pools of water and over time that water erodes the concrete. Newer installations of these systems are piping the condensation directly into a storage arrangement.
11. **Sacramento is Snitch Leader:** Sacramento area water agencies received more than 4000 complaints related to suspected water waste from customers during the month of April, 2015. This is more than triple the statewide average. A couple of the cities around Sacramento have reported numbers more than 10 times the state average. A local public relations person said that wasting water has become socially unacceptable. In addition, the city of Sacramento has 10 to 20 water police (they call them water patrol) on the look-out every day. Thus far most of the official action has been warnings and educational efforts, although some fines have been levied.
12. **COURT BLOCKS STATE:** In the first major ruling in the water right cases, a Sacramento Superior Court judge has issued a temporary restraining order blocking the states' efforts to force cutbacks on senior water right holders. This decision came down last week and is likely to have far reaching effects in water world. The case filed by an irrigation district was in response to the districts refusal to comply with the states notice not to divert water. The case could have a very narrow impact relating to adequacy of the notice or much larger impact upholding senior water rights of the district. Stay tuned.



Municipal Water District of Orange County Priority Legislation

BILL	AUTHOR	HIGH PRIORITY	SUMMARY	LATEST ACTION	POLICY AREA	MWDOC POSITION	OTHER POSITIONS
Proposed Legislation							
AB 1	Brown [D]		Drought: local governments: fines. Would prohibit a city, county, or city and county from imposing a fine under any local maintenance ordinance or other relevant ordinance for a failure to water a lawn or having a brown lawn during a period for which the Governor has issued a proclamation of a state of emergency based on drought conditions.	<u>7/13/15</u> Signed by the Governor	Local Water Resource	Support	
AB 10	Gatto [D]		Political Reform Act of 1974: economic interest disclosures. Would increase the thresholds at which a public official has a disqualifying financial interest in sources of income from \$500 to \$1,000, in investments in business entities from \$2,000 to \$5,000, and in interests in real property from \$2,000 to \$10,000. This bill contains other related provisions and other existing laws.	<u>7/13/15</u> From committee: Amend, and do pass as amended and re-refer to Com. on APPR. (Ayes 4, Noes 0.) (July 7).	Governance		
AB 149	Chavez [R]		Urban water management plans. The Urban Water Management Planning Act requires an urban water supplier to submit to the Department of Water Resources a copy of its urban water management plan and requires the department to prepare and submit to the Legislature, on or before December 31, in the years ending in 6 and 1, a report summarizing the status of plans adopted pursuant to the act. This bill, commencing January 1, 2017, would instead require an urban water supplier to update its plan at least once every 5 years on or before December 31 in years ending in 6 and one. The bill would instead require the department to submit its report to the Legislature, on or before December 31, in years ending in 7 and two.	<u>7/6/15</u> Chaptered by Secretary of State - Chapter 49, Statutes of 2015.	Governance	Support	ACWA - Favor MET-Support
AB 291	Medina [D]		California Environmental Quality Act: local agencies: notice of determination: water. Would authorize a local agency, for certain water projects, to file the notice with the county clerk of the county in which the local agency's principal office is located in lieu of the county clerk of each county in which the project is located and would, if the local agency exercises this authorization, require the local agency to file the notice with the Office of Planning and Research. This bill contains other existing laws.	<u>6/30/15</u> In committee: Set, second hearing. Hearing canceled at the request of author.	Governance	Support	ACWA - Support MET-Support



Municipal Water District of Orange County Priority Legislation

AB 300	Alejo [D]			Safe Water and Wildlife Protection Act of 2015. Would enact the Safe Water and Wildlife Protection Act of 2015, which would require the State Coastal Conservancy to establish and coordinate the Algal Bloom Task Force, in consultation with the Secretary of the Natural Resources Agency, and would prescribe the composition and functions and duties of the task force. The bill would require the task force to review the risks and negative impacts of toxic blooms and microcystin pollution and to submit a summary of its findings and recommendations to the secretary by January 1, 2017.	<u>6/25/15</u> Read second time and amended. Re-referred to Com. on E.Q.	Water Quality		
AB 307 (SPOT)	Mathis [R]			Graywater: groundwater recharge. Would state the intent of the Legislature to enact legislation to explicitly permit the usage of residential, commercial, and industrial graywater for the recharge of a groundwater basin or aquifer.	<u>Failed Deadline pursuant to rule 61(a)(3)</u>	Local Water Resource		
AB 308 (SPOT)	Mathis [R]			Graywater: agricultural use. Would state the intent of the Legislature to enact legislation to explicitly permit incorporated and unincorporated communities to sell graywater for agricultural purposes and agriculture to use graywater for agricultural purposes.	<u>Failed Deadline pursuant to rule 61(a)(3)</u>	Local Water Resource		
AB 311 (2 Year Bill)	Gallagher [R]			Environmental quality: Water Quality, Supply, and Infrastructure Improvement Act of 2014. Would require the public agency, in certifying the environmental impact report and in granting approvals for specified water storage projects funded, in whole or in part, by Proposition 1, including the concurrent preparation of the record of proceedings and the certification of the record of proceeding within 5 days of the filing of a specified notice, to comply with specified procedures. Because a public agency would be required to comply with those new procedures, this bill would impose a state-mandated local program.	<u>5/1/2015</u> Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 4/28/2015)	Local Water Resource		ACWA - Not Favor Unless Amended



Municipal Water District of Orange County Priority Legislation

AB 349	Gonzalez [D]		Common interest developments: property use and maintenance. Current law makes void and unenforceable any provision of the governing documents or architectural or landscaping guidelines or policies in a common interest declaration that prohibits use of low water-using plants, or prohibits or restricts compliance with water-efficient landscape ordinances or regulations on the use of water, as specified. This bill would also make void and unenforceable any provision of the governing documents or architectural or landscaping guidelines or policies that prohibits use of low water-using landscapes that require not more than a specified amount of water. This bill contains other existing laws.	<u>6/24/15</u> From committee: Do pass and re-refer to Com. on JUD. (Ayes 11, Noes 0.) (June 23). Re-referred to Com. on JUD.	Water Use Efficiency		
AB 356	Williams [D]		Oil and gas: groundwater monitoring. Would authorize the State Oil and Gas Supervisor to require a well operator to implement a monitoring program for belowground oil production tanks and facilities, and disposal and injection wells. Because a failure to comply with this requirement would be a crime, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.	<u>6/11/15</u> Reconsideration granted. (Page 1972.) Ordered to inactive file at the request of Assembly Member Williams.	Local Water Resource		ACWA - Favor
AB 434	Garcia, E [D]		Drinking water: point-of-entry and point-of-use treatment. Would specifically make the emergency regulations adopted by the State Department of Public Health before January 1, 2014, operative and would require that the emergency regulations remain in effect until repealed or amended by the State Water Resources Control Board. The bill would authorize the State Water Resources Control Board to award a grant for point-of-entry and point-of-use treatment, in lieu of centralized treatment, by a public water system that meets certain requirements. This bill contains other related provisions.	<u>7/9/15</u> In committee: Hearing postponed by committee.	Water Quality		ACWA - Favor
AB 478 (SPOT)	Harper [R]		Desalination. Current law provides that is it the intention of the Legislature that the Department of Water Resources shall undertake to find economic and efficient methods of desalting saline water so that desalted water may be made available to help meet the growing water requirements of the state. This bill would make a nonsubstantive change in these provisions.	<u>5/15/2015</u> -Failed Deadline pursuant to Rule 61(a)(3)	Desalination		



Municipal Water District of Orange County Priority Legislation

AB 585	Melendez [R]		Outdoor Water Efficiency Act of 2015: personal income tax credits: outdoor water efficiency. The Personal Income Tax Law allows various credits against the taxes imposed by that law. This bill, for taxable years beginning on or after January 1, 2015, and before January 1, 2021, or an earlier specified date, would allow a credit equal to 25% of the amount paid or incurred by a qualified taxpayer for water-efficiency improvements made to outdoor landscapes on qualified real property in this state, not to exceed \$2,500 per taxable year, as specified. This bill contains other related provisions.	7/13/15 Action From REV. & TAX SUSPENSE FILE: Do pass as amended. To APPR..	Water Use Efficiency		MET-Support
AB 603	Salas [D]		Income taxes: turf removal tax credit. Would, under Personal Income Tax Law and the Corporation Tax Law, for taxable years beginning on and after January 1, 2015, allow a credit to a taxpayer participating in a lawn replacement program, as defined, in an amount equal to \$2 per square foot of conventional lawn removed from the taxpayer's property. The bill would make findings and declarations in this regard. This bill contains other related provisions.	5/28/15 Joint Rule 62(a), file notice suspended. In committee: Held under submission.	Water Use Efficiency		MET-Support
AB 606	Levine [D]		Water conservation. Would require the Department of General Services to identify each public property added to the department's state property inventory beginning January 1, 2015, where it is feasible for water consumption to be reduced and water efficiencies to be achieved through replacement of landscaping, irrigation timers, or spray sprinkler heads, or any combination thereof, and would require the appropriate replacements where feasible, except as specified.	7/6/15 In committee: Hearing postponed by committee.	Water Use Efficiency		MET-Support
AB 647	Eggman [D]		Beneficial use: diversion of water underground. Would declare that the diversion of water underground constitutes a beneficial use of water for which an appropriation may be made if the diverted water is stored and thereafter applied to beneficial use or if beneficial use of the water, including, but not limited to, protection of water quality or recovery of groundwater levels, is made while the water is underground. This bill would provide that the period for the reversion of a water right does not apply to water being beneficially used in the aquifer or being held in storage for later beneficial use.	7/13/15 In committee: Set, first hearing. Hearing canceled at the request of author.	Water Transfers		
AB 656	Garcia, C [D]		Joint powers agreements: mutual water companies. Current law authorizes local public entities, as defined, to enter into a joint powers agreement for the purposes of providing risk-pooling, as specified. This bill would specifically authorize 2 or more mutual water companies, or 2 or more mutual water companies and one or more public agencies that operate a public water system, to participate in joint powers agreement for risk-pooling, technical support, and other similar services.	7/7/15 Read second time. Ordered to third reading.	Governance		



Municipal Water District of Orange County Priority Legislation

AB 723	Rendon [D]		Plumbing fixtures: WaterSense standards. Would, beginning January 1, 2017, prohibit manufacturers selling water closets, urinals, bathroom faucets, and shower heads from installing or selling any of the aforementioned plumbing fixtures that do not meet WaterSense standards set by the federal Environmental Protection Agency, as specified. The bill would require these manufacturers, by January 30 of each year, to inform, in writing, the California Energy Commission, the department, and the California Building Standards Commission of the number of WaterSense certified models it is offering for sale that year as compared to the years 2010 to 2014, inclusive.	<u>6/29/15</u> Re-referred to Com. on JUD..	Water Use Efficiency		ACWA-Move from Favor to Watch
AB 888	Bloom [D]		Waste Management: plastic microbeads. Would prohibit, on and after January 1, 2020, a person, as defined, from selling or offering for promotional purposes in this state a personal care product containing intentionally added plastic microbeads, as specified. The bill would exempt from those prohibitions the sale or promotional offer of a product containing less than 1 part per million (ppm) by weight of plastic microbeads, as provided. This bill contains other related provisions.	<u>7/13/15</u> From committee. Be placed on second reading file pursuant to <u>Senate Rule 28.8</u> .	Water Quality		
AB 935	Salas [D]		Integrated Regional Water Management Plans: conveyance projects: grants and expenditures. Would require the Department of Water Resources to provide grants and expenditures, consistent with an integrated regional water management plan, for the planning, design, and construction of local and regional conveyance projects that support regional and interregional connectivity and water management and provide certain benefits. The bill would authorize the department to adopt regulations to implement these provisions.	<u>6/24/15</u> Withdrawn from committee. Re-referred to Com. on N.R. & W.	Water Infrastructure Financing		
AB 954	Mathis [R]		Water Quality, Supply, and Infrastructure Improvement Act of 2014. Current law, the Water Quality, Supply, and Infrastructure Improvement Act of 2014, approved by the voters as Proposition 1 at the November 4, 2014, statewide general election, authorizes the issuance of general obligation bonds in the amount of \$7,545,000,000 to finance a water quality, supply, and infrastructure improvement program. This bill would state the intent of the Legislature to enact legislation to implement this bond act.	<u>7/6/15</u> From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on E.Q.	Water Infrastructure Financing		



Municipal Water District of Orange County Priority Legislation

AB 957 (2 Year Bill)	Mathis [R]		<p>Water Quality, Supply, and Infrastructure Improvement Act of 2014. The Water Quality, Supply, and Infrastructure Improvement Act of 2014, approved by the voters as Proposition 1 at the November 4, 2014, statewide general election, authorizes the issuance of general obligation bonds in the amount of \$7,545,000,000 to finance a water quality, supply and infrastructure improvement program. The bond act provides that the sum of \$520,000,000 is to be available, upon appropriation by the Legislature, for expenditures, grants, and loans for projects that improve water quality or help provide clean, safe, and reliable drinking water to all Californians. This bill would make nonsubstantive changes in these provisions.</p>	<u>5/1/2015</u> -Failed Deadline pursuant to Rule 61(a)(2). (Last location was W., P. & W. on 4/6/2015)	Water Infrastructure Financing		ACWA - Not Favor
AB 1077	Holden [D]		<p>Mutual water companies: open meetings. Would prohibit a mutual water company from meeting solely in an executive session without holding a meeting. The bill would require a board of directors of a mutual water company to allow an eligible person to personally attend a meeting of the board, if the eligible person gave the board at least 24 hours advance written notice of his or her intent to personally attend the meeting. This bill contains other existing laws.</p>	<u>6/24/15</u> Read second time. Ordered to third reading	Governance		ACWA - Not Favor
AB 1242	Gray [D]		<p>Water quality: impacts on groundwater basins: mitigation measures. Would require the State Water Resources Control Board to take into consideration any applicable groundwater sustainability plan or alternative in formulating state policy for water quality control and adopting or approving a water quality control plan that affects a groundwater basin. This bill contains other related provisions and other existing laws.</p>	<u>6/24/15</u> From committee: Do pass and re-refer to Com. on E.Q. (Ayes 6. Noes 0.) (June 23). Re-referred to Com. on E.Q.	Water Quality		
AB 1244 (2 Year Bill)	Gray [D]		<p>Water rights: small irrigation use. Current law authorizes any person to obtain a right to appropriate water for a small irrigation use upon registering the use with the State Water Resources Control Board and thereafter applying the water to reasonable and beneficial use with due diligence. This bill would require the board to adopt general conditions, in consultation with the Department of Food and Agriculture, the University of California Cooperative Extension, and others, including, but not limited to the Department of Fish and Wildlife, for small irrigation use, unless the board determines that sufficient funds are not available for that purpose.</p>	<u>5/1/2015</u> -Failed Deadline pursuant to Rule 61(a)(2). (Last location was W., P. & W. on 3/23/2015)	Water Use Efficiency		



Municipal Water District of Orange County Priority Legislation

AB 1454 (2 Year Bill)	Wagner [R]		State policy for water quality control: California Ocean Plan. Would require the plan to be reviewed at least every 4 years.	5/1/2015 Failed Deadline pursuant to Rule 61(a)(2). (Last location was RLS. on 4/23/2015)	Water Quality		
SB 7	Wolk [D]		Housing: water meters: multiunit structures. Would express the intent of the Legislature to encourage the conservation of water in multifamily residential rental buildings through means either within the landlord's or the tenant's control, and to ensure that the practices involving the submetering of dwelling units for water service are just and reasonable, and include appropriate safeguards for both tenants and landlords. This bill contains other related provisions and other existing laws.	7/7/15 From committee with author's amendments. Read second time and amended. Referred to Com. on W., P., & W.	Water Use Efficiency		
SB 47	Hill [D]		Environmental health: synthetic turf. Would require the Office of Environmental Health Hazard Assessment, by July 1, 2017, in consultation with the Department of Resources Recycling and Recovery, the State Department of Public Health, and the Department of Toxic Substances Control, to prepare and provide to the Legislature and post on the office's Internet Web site a study analyzing synthetic turf, as defined, for potential adverse health impacts. The bill would require the study to include certain information, including a hazard analysis of exposure to the chemicals that may be found in synthetic turf, as provided.	5/29/15 Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 5/28/2015)	Water Use Efficiency		
SB 122	Jackson [D]		California Environmental Quality Act: record of proceedings. CEQA establishes a procedure for the preparation and certification of the record of proceedings upon the filing of an action or proceeding challenging a lead agency's action on the grounds of noncompliance with CEQA. This bill would require the lead agency, at the request of a project applicant and consent of the lead agency, to prepare a record of proceedings concurrently with the preparation of a negative declaration, mitigated negative declaration, EIR, or other environmental document for projects. This bill contains other related provisions.	6/30/15 From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 1.) (June 29). Re-referred to Com. on APPR.	CEQA		ACWA - Not favor unless amended (Would open final EIR to public comment)



Municipal Water District of Orange County Priority Legislation

SB 127 (2 Year Bill)	Vidak [R]		Environmental quality: Water Quality, Supply, and Infrastructure Improvement Act of 2014. CEQA establishes a procedure by which a person may seek judicial review of the decision of the lead agency made pursuant to CEQA and a procedure for the preparation and certification of the record of proceedings upon the filing of an action or proceeding challenging a lead agency's action on the grounds of noncompliance with CEQA. This bill would require the public agency, in certifying the environmental impact report and in granting approvals for projects funded, in whole or in part, by Proposition 1, including the concurrent preparation of the record of proceedings and the certification of the record of proceeding within 5 days of the filing of a specified notice, to comply with specified procedures.	<u>5/1/2015</u> Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.Q. on 2/5/2015)	CEQA		ACWA - Not Favor
SB 143 (2 Year Bill)	Stone [R]		Diamond Valley Reservoir: recreational use. Current law, with certain exceptions, prohibits recreational use, in which there is bodily contact with water, in a reservoir in which water is stored for domestic use and establishes water standards for those exempted reservoirs. This bill would exempt from this prohibition recreational activity in which there is bodily contact with water by any participant in the Diamond Valley Reservoir if certain standards are met. This bill contains other related provisions.	<u>5/15/2015</u> Failed Deadline pursuant to Rule 61(a)(3). (Last location was E.Q. on 2/5/2015)	MET	Oppose	MET- Oppose ACWA- Not Favor
SB 208	Lara [D]		Integrated regional water management plans: grants: advanced payment. Would require a regional water management group, within 90 days of notice that a grant has been awarded, to provide the state entity administering the grant with a list of projects to be funded by the grant funds where the project proponent is a nonprofit organization, as defined or a disadvantaged community, as defined, or the project benefits a disadvantaged community. This bill contains other existing laws.	<u>6/30/15</u> From committee: Do pass and re-refer to Com. on APPR. (Ayes 15, Noes 0.) (June 30). Re-referred to Com. on APPR.	Fiscal Policy		
SB 355	Lara [D]		San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy. Would require that only one member of the Orange County Division of the League of California Cities be a voting member of the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, and would require that a resident of a city bordering the Lower Los Angeles River, appointed by the Senator Committee on Rules, be a voting member. The bill would also increase the number of nonvoting members to 9, and would require that one Member of the Senate, appointed by the Senate Committee on Rules, and one Member of the Assembly, appointed by the Speaker of the Assembly, serve as those nonvoting members. Amended to preserve OC seats.	<u>7/13/15</u> From consent calendar. Ordered to third reading.	Fiscal Policy	Oppose	



Municipal Water District of Orange County Priority Legislation

SB 385	Hueso [D]		Primary drinking water standards: variances: hexavalent chromium. Would authorize, until January 1, 2020, the State Water Resources Control Board, at the request of a public water system, to grant a variance from the primary drinking water standard for hexavalent chromium if the public water system prepares and submits a compliance plan, the state board approves the compliance plan, the public water system provides specified notice requirements regarding the compliance plan to its customers, and the public water system sends annual reports to the state board that updates the status of the approved compliance plan.	7/7/15 From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. (Ayes 10. Noes 0.) (July 7). Re-referred to Com. on APPR.	Water Quality		ACWA - Support/ Sponsor MET-Support
SB 442 (SPOT)	Hall [D]		Municipal water districts: revenue bonds. Current law, the Municipal Water District Law of 1911, provides for the formation of municipal water districts and grants to those districts specified powers, including the authority to issue revenue bonds for any purpose for which general obligation bonds may be issued. This bill would make nonsubstantive changes in those provisions.	5/15/15 Failed Deadline pursuant to Rule 61(a)(3). (Last location was RLS. on 3/5/2015)	Fiscal Policy		
SB 553	Wolk [D]		Water conservation. Would require the Department of General Services to identify each public property in the department's state property inventory where it is feasible for water consumption to be reduced and water efficiencies to be achieved through implementation of the relevant recommendations made in the model water efficient landscape ordinance and would require the department to implement the relevant recommendations where feasible, except as specified. This bill contains other existing laws.	5/29/15 Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 5/28/2015)	Water Use Efficiency		MET-Support
SB 555	Wolk [D]		Department of Water Resources: urban retail water suppliers: water loss audits. Would require each urban retail water supplier, on or before July 1, 2017, to conduct a water loss audit as prescribed by rules adopted by the Department of Water Resources on or before July 1, 2016. This bill would require an urban retail water supplier to submit a validated audit report to the department within 60 days of completion and the department to post the report on its Internet Web site in a timely manner after its receipt. This bill would require the department to provide technical assistance to guide urban retail water suppliers' water loss detection programs.	7/7/15 From committee with author's amendments. Read second time and amended. Referred to Com. on W., P., & W.	Governance		
Groundwater Legislation							
AB 452 (2 Year Bill)	Bigelow [R]		Water Rights Fund: Groundwater Regulation Subaccount. Would establish the Groundwater Regulation Subaccount in the Water Rights Fund and would provide that moneys in the subaccount are available, upon appropriation by the Legislature, to the State Water Resources Control Board for the purpose of board enforcement of the provisions of the Sustainable Groundwater Management Act. This bill contains other related provisions and other existing laws.	5/1/2015 -Failed Deadline pursuant to Rule 61(a)(2). (Last location was W., P., & W. on 4/22/2015)	Governance		



Municipal Water District of Orange County Priority Legislation

AB 453	Bigelow [R]		Groundwater management. Would authorize, until a groundwater sustainability plan is adopted, a local agency to amend an existing groundwater management plan in furtherance of, and consistent with, the groundwater management plan's objectives.	<u>7/6/15</u> 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.	Local Water Resource		
AB 454 (2 Year Bill)	Bigelow [R]		Sustainable groundwater management. Would require a high- or medium-priority basin that is not subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plan by January 31, 2023. This bill contains other related provisions and other existing laws.	<u>5/29/15</u> Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 4/14/2015)	Local Water Resource		ACWA - Favor
AB 455 (2 Year Bill)	Bigelow [R]		Groundwater sustainability plans: environmental impact reports. Would require the Judicial Council, on or before July 1, 2016, to adopt a rule of court to establish procedures applicable to actions or proceedings brought to attack, review, set aside, void, or annul the certification of an EIR for projects covered by a groundwater sustainability plan that require the actions or proceedings be resolved within 270 days of certification of the record of proceeding. The bill would also prohibit the court from staying or enjoining the construction or operation of the project unless the court makes a certain finding. This bill contains other existing laws.	<u>5/1/2015</u> Failed Deadline pursuant to Rule 61(a)(2). (Last location was W., P. & W. on 3/5/2015)	Local Water Resource		
AB 936 (2 Year Bill)	Salas [D]		Groundwater monitoring. If there is insufficient interest in establishing a management plan or ground watering association, and the county decides not to perform groundwater monitoring and reporting functions, the Department of Water Resources is required to perform the groundwater monitoring functions. In that event, specified entities with authority to assume groundwater monitoring functions with regard to a basin or subbasin for which the department has assumed those functions are not eligible for a water grant or loan awarded or administered by the state. This bill would create an exception from this eligibility restriction if the entity submits to the department for approval documentation demonstrating the water grant or loan project includes those actions needed to comply with groundwater monitoring functions.	<u>5/29/15</u> Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 5/28/2015)	Local Water Resource		
AB 937	Salas [D]		Groundwater recharge. Under current law, the right to water or to the use of water is limited to that amount of water that may be reasonably required for the beneficial use to be served. Current law declares that the storing of water underground, and related diversions for that purpose, constitute a beneficial use of water if the stored water is thereafter applied to the beneficial purposes for which the appropriation for storage was made. This bill would state the intent of the Legislature to enact legislation relating to groundwater recharge.	<u>6/18/15</u> Referred to Com. on N.R. & W.	Local Water Resource		



Municipal Water District of Orange County Priority Legislation

AB 938	Salas [D]		Groundwater: basin reprioritization: establishment of groundwater sustainability agency. The Sustainable Groundwater Management Act requires a local agency, any time the Department of Water Resources changes basin priorities and elevates a basin to a medium- or high-priority basin after January 31, 2015, to either establish a groundwater sustainability agency within 2 years of reprioritization and adopt a groundwater sustainability plan within 5 years of reprioritization, or to submit an alternative to the department that the local agency believes satisfies the objectives of these provisions within 2 years of reprioritization. This bill would impose the requirement to establish a groundwater sustainability agency or submit an alternative after reprioritization on a local agency or combination of local agencies overlying a groundwater basin.	6/15/15 In committee: Set, first hearing. Hearing canceled at the request of author.	Local Water Resource		
AB 939	Salas [D]		Groundwater sustainability agency: financial authority. The Sustainable Groundwater Management Act authorizes a groundwater sustainability agency to impose fees to fund the costs of a groundwater sustainability program and requires a groundwater sustainability agency to hold at least one public meeting prior to imposing or increasing a fee. The act requires, at least 10 days prior to the meeting, a groundwater sustainability agency to make available to the public data upon which the proposed fee is based. This bill would require a groundwater sustainability agency to make the data upon which the proposed fee is based available 20 days prior to the public meeting to impose or increase a fee.	7/8/15 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.	Local Water Resource		
AB 1243 (2 Year Bill)	Gray [D]		Groundwater recharge: grants. Would establish the Groundwater Recharge Grant Fund and would provide that moneys in the fund are available, upon appropriation by the Legislature, to the State Water Resources Control Board to provide grants to local governments and water districts for groundwater recharge infrastructure projects. This bill contains other related provisions and other existing laws.	5/1/2015 -Failed Deadline pursuant to Rule 61(a)(2). (Last location was W., P. & W. on 3/23/2015)	Local Water Resource		
SB 13	Pavley [D]		Groundwater. Would provide a local agency or groundwater sustainability agency 90 or 180 days, as prescribed, to remedy certain deficiencies that caused the State Water Resources Control Board to designate a groundwater basin as a probationary basin. This bill would authorize the board to develop an interim plan for certain probationary basins one year after the designation of the basin as a probationary basin. This bill contains other related provisions and other existing laws.	7/6/15 Read second time and amended. Re-referred to Com. on APPR.	Local Water Resource		ACWA - Favor and Amend



Municipal Water District of Orange County Priority Legislation

SB 173 (2 Year Bill)	Nielsen [R]		Groundwater: de minimis extractors. Current law generally excepts a de minimis extractor from the requirement that a person who extracts groundwater from a probationary basin, as prescribed, or extracts groundwater on or after July 1, 2017, in an area within a basin that is not within the management area of a groundwater sustainability agency and where the county does not assume responsibility to be the groundwater sustainability agency has to file a report of groundwater extraction by December 15 of each year for extractions made in the preceding water year with the State Water Resources Control Board. This bill would define a de minimis extractor for the purposes of these provisions as a person who extracts, for domestic purposes, 10 acre-feet or less per year.	5/1/2015-Failed Deadline pursuant to Rule 61(a)(2). (Last location was N.R. & W. on 3/24/2015)	Local Water Resource		
SB 226	Pavley [D]		Sustainable Groundwater Management Act: groundwater rights. Would provide, under the Sustainable Groundwater Management Act, that a groundwater sustainability plan or coordinated groundwater sustainability plans establishes a timely method for determining rights to groundwater in furtherance of the objectives of the act. This bill would require the process to be available to any court of competent jurisdiction. This bill would require the boundaries of a basin to be as identified in Bulletin 118, unless other basin boundaries are established, as specified	7/7/15 From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 3.) (July 7). Re-referred to Com. on APPR.	Local Water Resource		ACWA - Not Favor Unless Amended
SB 228 (2 Year Bill)	Cannella [R]		Groundwater storage: beneficial use. Would declare that the recharging of a groundwater basin by a local groundwater management agency or a local groundwater sustainability agency for the purposes of repelling saline intrusion and recovering basin groundwater levels constitutes a beneficial use of water if the recharge is consistent with the local agency's groundwater management plan or groundwater sustainability plan.	5/1/2015-Failed Deadline pursuant to Rule 61(a)(2). (Last location was N.R. & W. on 2/26/2015)	Local Water Resource		
SB 487	Nielsen [R]		Sustainable Groundwater Management Act: California Environmental Quality Act: exemptions. Would exempt from the requirements of CEQA the formation of a groundwater sustainability agency, the amendment of a groundwater sustainability plan or coordinated groundwater sustainability plan, and the implementation of those plans, except to the extent that the implementation requires the construction or installation of a new facility. Because a lead agency would be required to determine the applicability of this exemption, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.	5/1/2015-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.Q. on 3/12/2015)	CEQA		
SB 568	Fuller [R]		Groundwater management. Would declare the intent of the Legislature to enact legislation relating to the Sustainable Groundwater Management Act.	5/15/2015-Failed Deadline pursuant to Rule 61(a)(3). (Last location was RLS. on 3/12/2015)	Local Water Resource		
ACWA Monitored Legislation							



Municipal Water District of Orange County
Priority Legislation

SB 20	Pavley [D]		Wells: reports: public availability. Current law requires a person who digs, bores, or drills a water well, cathodic protection well, or a monitoring well, or abandons or destroys a well, or deepens or re-perforates a well, to file a report of completion with the Department of Water Resources. Current law prohibits those reports from being made available to the public, except under certain circumstances. This bill would instead require the department to, upon request, make the reports available to the public. The bill would require the department to provide specified disclaimers when providing the reports to the public.	<u>6/15/15</u> Referred to Com. on W., P., & W.	Water Quality		
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Metropolitan Water District of Southern California
State Legislation Matrix 7/8/2015

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 149 Chavez (R) Sponsor: San Diego County Water Authority	Amended 6/11/15 Signed by Governor; Chapter 49, Statutes of 2015	Urban Water Management Plans: Amends UWMP Act to require urban water suppliers to submit 2020 plan to DWR by July 1, 2021. All requires DWR to submit its 2015 report to Legislature by July 1, 2017, and its 2020 report by July 1, 2022.	SUPPORT [based upon past support for AB 2067 (Weber) from 2013/14 legislative session]	Delay of UWMP submittal is necessary to capture retail water use data for full year of 2020 to meet requirements of SBX7-7 (2009). Additionally, updated population data from 2020 census will be available in spring of 2021. Delaying UWMP submittal will provide time to accommodate inclusion of comprehensive census data by wholesale and retail water suppliers.
AB 291 Medina (D) Sponsor: ACWA and McGeorge Law School Policy and Legislative Clinic	Amended 6/10/15 Senate Environmental Quality Committee; two- year bill	CEQA: Local Agencies: Notice of Determination: Amends CEQA to authorize local agency for multi-county water transfers to file notice of determination with county clerk in county of local agency's principal office and with Office of Planning and Research.	SUPPORT (based upon April 2013 board-adopted CEQA policy principles)	Would streamline filing of CEQA notices of determination for multi-county water transfers and improve public access to those notices. Notice of multi-county water transfers would be made available on CEQAnet for broader public access.
AB 349 Gonzalez (D) Sponsor: San Diego County Water Authority	Amended 6/17/15 Senate Judiciary Committee – 7/14/15 hearing	Common Interest Developments: Amends Davis-Stirling Common Interest Development Act to prevent homeowners' associations from prohibiting use of artificial turf or any other synthetic surface that resembles grass.	SUPPORT (based upon August 2011 board-adopted water use efficiency policy principles)	Removes existing loophole with homeowners' associations in regards to converting water intensive landscape to more sustainable landscapes. Would encourage conservation and, at association level, could save significant amounts of water.

**Metropolitan Water District of Southern California
State Legislation Matrix 7/8/2015**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 501 Levine (D) Sponsor: Author	Amended 4/22/15 Assembly Appropriations Committee; suspense file; two-year bill	Resources: Delta Research: Requires person conducting state-funded research to take specified actions to share primary data, samples, physical collections and other supporting materials created or gathered in the course of the research with the Delta Science Program (DSP).	SUPPORT IF AMENDED (based upon June 2007 board-adopted Delta Action Plan)	Metropolitan has strongly supported, and has argued for, more transparency regarding data collected or used for Delta science. Metropolitan will seek amendments to ensure data comparability; to confirm that data is easily discoverable, accessible and usable; to ensure existing state repositories are used by the DSP; and include the development of web services for larger state databases in existence.
AB 585 Melendez (D) Sponsor: Author	Amended 3/16/15 Assembly Revenue and Taxation Committee; suspense file; two-year bill	Outdoor Water Efficiency: Personal Income Tax Credit: For taxable years beginning on January 1, 2015 to January 1, 2021, or until Governor rescinds current drought state of emergency, authorizes personal income tax credit equal to 25% of amount paid for water-efficiency improvements for outdoor landscapes.	SUPPORT (based upon August 2011 board-adopted water use efficiency policy principles)	Will incentivize homeowners to make improvements to outdoor landscapes during current drought emergency, which would reduce residential water demand.

**Metropolitan Water District of Southern California
State Legislation Matrix 7/8/2015**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 603 Salas (D) Sponsor: Author	Amended 5/21/15 Assembly Appropriations Committee; suspense file; two-year bill	Income Taxes: Turf Removal Tax Credit: Allows tax credit equal to \$2 per square foot of lawn removed by taxpayer who participates in water utility's incentive program.	SUPPORT (based upon August 2011 board-adopted water use efficiency policy principles)	Will incentivize homeowners and businesses to make improvements to outdoor landscapes, which would reduce residential and commercial water demand.
AB 606 Levine (D) Sponsor: Author	Amended 5/12/15 Senate Appropriations Committee – 7/13/15 hearing	Water Conservation: Requires Dept. of General Services to increase water efficiencies when repairing, replacing or installing landscaping or irrigation on state properties, including implementation of recycled water irrigation.	SUPPORT (based upon August 2011 board-adopted water use efficiency policy principles)	Would reduce water use on state-owned properties where irrigation equipment is installed or replaced.

**Metropolitan Water District of Southern California
State Legislation Matrix 7/8/2015**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 647 Eggman (D) Sponsor: Author	Amended 6/30/15 Senate Natural Resources and Water Committee – 7/14/15 hearing	Beneficial Use: Storing of Water Underground: Would amend California Water Code to state that diversion of water underground to protect water quality, prevent land subsidence or prevent or remediate chronic lowering of groundwater levels is a beneficial use. Also states that existing forfeiture provisions for non-use of water for period of longer than five years would not apply to water being beneficially used for these specific purposes.	Recommendation to SUPPORT for consideration by board on 7/14/15	Recent amendment includes safeguards to ensure that permanent underground storage is implemented in reasonable manner. Amendments provide that SWRCB must confirm that flows are not already appropriated or diverted at times when federal Central Valley Project, State Water Project or other permitted reservoir releases are required to release supplemental project water to meet water quality objectives in Delta watershed.
AB 888 Bloom (D) Sponsors: Californians Against Waste, CASA, Clean Water Action	Amended 4/22/2015 Senate Appropriations Committee – 7/13/15 hearing	Waste Management: Plastic Microbeads - Prohibits sale of personal care products containing plastic microbeads by January 1, 2020, as specified.	SUPPORT (based upon board action in June 2015)	Would protect Sacramento/San Joaquin Bay Delta, Colorado River and other watersheds from microbead pollution and mitigate impacts to the aquatic environment.

**Metropolitan Water District of Southern California
State Legislation Matrix 7/8/2015**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 1139 Campos (D) Sponsor: Author	Amended 3/26/15 Assembly Revenue and Taxation Committee; two- year bill	Personal Income Tax Credit: Turf Removal: For taxable years beginning on January 1, 2015, authorizes tax credit to taxpayer participating in lawn replacement program in amount equal to \$2 per square foot of conventional lawn removed up to \$50,000 per taxable year.	SUPPORT (based upon August 2011 board-adopted water use efficiency policy principles)	Will incentivize homeowners to make improvements to outdoor landscapes, which would reduce residential water demand.
AB 1164 Gatto (D) Sponsor: Author	Amended 7/1/15 Senate Natural Resources and Water Committee- 7/14/15 hearing	Water Conservation: Prohibits enacting or enforcing local ordinances or regulations that prohibit installation of synthetic turf on residential property. Also continuously appropriates \$300 million from General Fund to DWR, over three fiscal years, as matching funds to incentivize residents to replace water inefficient landscaping with drought-tolerant landscaping.	SUPPORT (based upon August 2011 board-adopted water use efficiency policy principles)	AB 1164 not only provides critical funding for immediate drought response, but also provides long-term benefits by focusing public attention on necessary transition to more drought tolerant landscapes throughout California.
AB 1201 Salas (D) Sponsor: Author	Amended 7/7/15 Senate Natural Resources and Water Committee – 7/14/15 hearing	Delta: Predation: Directs Department of Fish and Wildlife to develop science-based approach that addresses predation in the Delta.	SUPPORT (based upon June 2007 board- adopted Delta Action Plan)	Aligns with Metropolitan's broader efforts to base management decisions in Delta on science. Places responsibility on appropriate state agency to manage statewide problem.

Metropolitan Water District of Southern California
State Legislation Matrix 7/8/2015

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 1325 Salas (D) Sponsor: Author	Introduced 2/27/15 Assembly Water, Parks and Wildlife Committee; failed passage; granted reconsideration; two year-bill	Delta Smelt Preservation: Would establish Delta Smelt Preservation and Restoration Act of 2016 to require Dept. of Fish and Wildlife to develop delta smelt fish hatchery program to help preserve species.	SUPPORT IN CONCEPT [based upon board action in May 2008 on SB 994 (Florez)]	Delta smelt generally live only one year, making its long-term survival dependent on each year's offspring. Recent monitoring trawls indicate smelt population has declined to lowest levels in recorded history.
SB 143 Stone (R) Sponsor: Author	Introduced 1/27/15 Senate Environmental Quality Committee; two- year bill	Diamond Valley Lake: Recreational Use: Would exempt Diamond Valley Lake (DVL) in Riverside County from statutory protections for drinking water reservoirs.	OPPOSE (based upon board action in February 2015)	Body-contact recreation at DVL will increase risk of waterborne disease to downstream consumers. By excluding body-contact recreation at DVL, as was decided by Metropolitan's Board in 1998, Metropolitan has provided high- quality boating experience while protecting public health of downstream water consumers.

**Metropolitan Water District of Southern California
State Legislation Matrix 7/8/2015**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
SB 385 Hueso (D) Sponsor: ACWA	Amended 6/18/15 Assembly Appropriations Committee	Primary Drinking Water Standards: Hexavalent Chromium: Compliance Plan: Authorizes SWRCB to grant public water system period of time to achieve compliance with hexavalent chromium, as specified. Will protect public water system from being deemed in violation while implementing SWRCB-approved compliance plan.	SUPPORT (based upon board action in April 2015)	An extended implementation period is sound public policy that balances need to protect public health with practical implementation constraints.
SB 471 Pavley (D) Sponsor: Author	Amended 7/7/15 Assembly Natural Resources Committee -- 7/13/15 hearing	Water, Energy and Reduction of Greenhouse Gas Emissions (GHG): Would authorize SWRCB, in cooperation with the CEC, CARB, PUC and DWR, to establish grant and loan program for water projects that result in net reduction of water-related GHGs. Also directs CEC, in cooperation with SWRCB, CARB, PUC and DWR to conduct study of water-related energy use in California.	SUPPORT AND SEEK AMENDMENTS (based upon August 2008 board-adopted energy policy principles)	While energy use has always been key factor in water resource planning, measure would provide new opportunities for accessing funding for projects that reduce water-related GHG emissions.

**Metropolitan Water District of Southern California
State Legislation Matrix 7/8/2015**

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
SB 485 Hernandez (D) Sponsor: LA County Sanitation District	Introduced 7/7/15 Assembly Local Government Committee – 7/15/15 hearing	County of Los Angeles: Sanitation Districts (LACSD) – Allows sanitation districts in LA County to divert, manage and treat stormwater and dry weather runoff. Water would then be discharged into stormwater system or receiving water body for beneficial use. Would clarify that bill does not alter any existing water rights or water rights law.	SUPPORT (based upon board action in May 2015)	Provides another alternative for cities and Los Angeles County Flood Control District (LACFCD) to comply with LA Region Municipal Separate Storm Sewer System (MS4) permit. Metropolitan does discharge into storm drain system as conditionally exempt essential public service and through approval by LACFCD. By managing stormwater and dry-weather runoff, LACSD could help reduce concentration of various constituents via treatment prior to discharge into receiving water body.
SB 553 Wolk (D) Sponsor: Author	Introduced 2/26/15 Senate Appropriations Committee; suspense file; two-year bill	Water Conservation: Requires Dept. of General Services to identify each public property in department's property inventory and, where feasible, implement water demand reductions to comply with model water efficient landscape ordinance developed by Dept. of Water Resources.	SUPPORT (based upon August 2011 board-adopted water use efficiency policy principles)	Will result in state-owned property contributing to statewide water savings by utilizing water efficient improvements for outdoor irrigation.



DISCUSSION ITEM

July 20, 2015

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

FROM: Robert Hunter
General Manager

SUBJECT: DISCUSSION RE FUTURE OF WATER SUMMIT

STAFF RECOMMENDATION

Staff recommends the Public Affairs & Legislation Committee:

Continue support of the Water Summit for next year with a theme of Reliability.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

The Executive Committee recommended the Board hold a discussion regarding the value of the OC Water Summit, and whether this endeavor should be continued. The PAL Committee discussed this issue in June, and suggested staff provide:

- historical figures for the event, e.g., cost, attendance, a breakdown of water professionals v. non-water, etc.,
- an overview of the process on how sponsorships are solicited
- a discussion of both the purpose and target audiences for the Summit,
- a proposal for the theme of next year's Summit

DISCUSSION

On May 15, 2015 the 8th Annual OC Water Summit was held at the Grand Californian Hotel Disneyland Resort in Anaheim, CA. MWDOC and OCWD alternate the primary responsibility for the summit with the primary responsibility being OCWD's in 2015. Data on

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

the past six summits are summarized in the attached table with detailed information presented for the last four years. The average attendance for the four year period has been 356 attendees with a drop to 302 this year. Individual ticket sales average 28.0% of the total revenue over the four years but only 24.7% last year. The largest sponsor category is generally the table sponsors which include both utilities and corporate purchases of full tables. Each year, sponsorships are solicited from previous sponsors, member agencies and the business community. There is not a comprehensive process to broadly solicit industry segments for sponsorships or identify new sponsors. This table does not include the unquantified cost of staff time in planning, organizing and producing the summit by MWDOC and OCWD staff.

Also summarized below is the breakdown of information on summit attendees.

For 2015, there were 302 attendees and this number represents approximately 50/50 water/business (138 from the water community, 148 from the business community, 7 legislative, and 9 educational.). Of the business community attendance, it appears that 57% were from the water community (consultants, etc.) and 43% were not directly water related (So Cal Gas, SCE, etc.).

Purpose & Target Audience

There has been some debate as to the purpose and target audience of the Water Summit. The consensus opinion is that the primary purpose is to bring new, relevant, water-related information to individuals outside the water community. This audience can include the local government, business, agriculture and institutional communities. A secondary purpose is to increase the interaction between these groups and the water community. The water community itself has ample opportunity to meet and discuss water issues through a well-established series of organizations, dinners, meetings, conferences and hearings. The goal is to involve those organizations and individuals who are impacted by but not primarily focused on water.

Recent summits have attempted to address these audiences by segmenting the presentations into broad categories of water, agriculture and business. This has been partially successful.

The information from recent summits indicates that they have been only marginally successful with reaching the target audiences with substantial room for improvement.

Summit Themes

Last year the summit theme was intended to be focused on the impending vote on the Water Bond (Prop 1). This became somewhat problematic as the bond proposal was not finalized until late in the process. This year the focus was on progress and sustainability through investment. The program was significantly impacted by the drought. In both years, the programs seemed to have internal conflicts between addressing the overall theme, the three programmatic targets (water, business, and agriculture) and secondary interest topics. The audiences may have learned a great deal but were sometimes confused as to how topics were related or why topics were included (e.g., how does The Old Farmer's Almanac relate to Masdar City and almonds? How does the Water Bond relate to Hurley's Hydration

Nation and the BDCP?). Great and interesting topics but not necessarily reinforcing one clear theme.

We have the opportunity this coming year to experiment with an approach to unify every presentation under one clear theme. Every presentation and every speaker should be focused on the theme with messages that can be either supporting or in opposition. The goal should be to provide a thorough treatment of the theme with applications to all the target audiences. We believe that the theme should be based on Reliability. There are a number of events which are converging on this theme. MWDOC will be completing the first phase of our countywide reliability study around the end of the year. The conclusions will be applicable to all of Orange County and all the target audiences. We will be able to include discussions of the CA Water Fix (formerly known as BDCP), Poseidon (projected to be in front of the Coastal Commission in the same timeframe), seismic event impacts, Prop 1 funding, legislative proposals, local projects, storage and a wide range of other facets of reliability.

MWDOC can also implement actions to modify attendance by the target audience and the process for sponsor solicitation.

The critical factor in moving this process forward is that the MWDOC Board of Directors reaches fundamental agreement on the purpose and target audiences. Once agreement is reached staff can propose metrics to assess how well those goals have been met. That performance should be the basis for decisions regarding future years.

OC WATER SUMMIT SUMMARY OF INCOMES, EXPENSES AND REGISTRATION						
O.C. Water Summit Budget	2015 Actuals	2014 Actuals	2013 Actuals	2012 Actuals	2011 Actuals	2010 Actuals
	42,107.00					
Income:						
Registration:						
Individual Tickets	19,533.40	20,635.00	18,570.00	21,970.00	N/A	N/A
Sponsorships:						
Luncheon	7,500.00	7,500.00	51,000.00	7,500.00		
Program Sponsor	6,000.00	7,000.00		8,000.00		
Table Sponsor	20,700.00	19,200.00		12,500.00		
Breakfast	3,000.00	4,000.00		3,000.00		
Associate	12,000.00	10,000.00		14,500.00		
Supporter/Other	*	2,400.00		2,000.00		
Shuttle	In-kind	In-kind	In-kind	In-kind	In-kind	In-kind
Carry-Over Sponsorship from Previous Years	10,252.00					
Total Income:	78,985.40	70,735.00	69,570.00	69,470.00	0.00	0.00
				47,500.00		
Expenses:						
Food & Beverage (including gratuity and taxes)	35,584.11	24,964.56	27,583.46	25,451.90		
Facilities & Parking (including taxes & tipping)	8,522.16	9,561.08	10,389.75	8,815.93		
Audio Visual Service, Equipment Rental and Editing	19,830.00	18,572.66	15,877.00	20,597.46		
Printing & Postage (Minimal and In-house)	*		0.00	0.00		
PayPal/ Registration Fees (+chargeback fee)	1,968.52	578.66	-18.27	635.80		
Speaker & Staff /Travel/ Fees/Dinner Option/ Rooms	356.01	5,908.39	11,555.03	8,351.59		
Paid Advertising	*	0.00	0.00	0.00	0.00	0.00
Programs, Envelopes & Insert Papers	2,581.20	2,640.60	3,526.20	5,627.78		
Signage & Name Tags		399.47	53.97	1,543.88		
Emergency/Misc/Supplies/Radios	202.80	761.17	154.21	373.40		
Décor, Graphics & Some Signs	In-Kind		In-Kind	In-Kind	In-Kind	In-Kind
Total Expenses:	69,044.80	63,386.59	69,121.35	71,397.74	0.00	0.00
TOTAL NET shared by OCWD & MWDOC	9,940.60	7,348.41	448.65	-1,927.74	0.00	0.00
MWDOC individual agency costs						
Attendance						

Registered	134	168	181	168		
Water Related	134					
Business Community	168					
Water Consultants	84					
Non-Water Professionals	64					
Other	20					

**ACTION ITEM**

August 19, 2015

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

Staff Contact: Heather Baez

SUBJECT: AB 1164 (Gatto) – Water Conservation: Drought Tolerant Landscaping**STAFF RECOMMENDATION**

Staff recommends the Board of Directors vote to support AB 1164 (Gatto) and send a letter to the author indicating our support.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

AB 1164 would prohibit a city, including a charter city, county, or city and county, from enacting any ordinance or regulation, or enforcing any existing ordinance or regulation, that prohibits the installation of synthetic grass or artificial turf on residential property.

Additionally, it would make a continuing appropriation of \$300 million from the General Fund to the Department of Water Resources to be expended in equal shares of \$100 million for each of the 2015-16, 2016-17, and 2017-18 fiscal years to provide matching funds to any city, county, city and county, public water agency, or private water agency to provide incentives to residents to replace water inefficient landscaping with drought tolerant landscaping.

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

ARGUMENTS IN SUPPORT

According to the author's office, "AB 1164 would give Californians more tools to do their part to save water during the state's continuing drought. The measure would roll back local ordinances that take away a homeowner's option to install drought resistant landscaping, such as artificial turf, on their lawn. It also provides funding for local governments and water districts to give homeowners incentives to make such water saving changes."

"One of the areas with the highest potential water use savings is landscape irrigation, which accounts for nearly 43% of urban water use in California—making it the largest user of urban water. Reducing this type of use, whether by decreasing watering of lawns, replacing lawns with drought tolerant landscapes, or replacing lawns with turf will be necessary to meet water reduction goals.

Some Californians seeking to do their part to save water during this drought, however, are finding these types of efforts obstructed by local ordinances that ban the use of artificial turf in front lawns or fine residents who allow their lawns to go brown. It is imperative that such ordinances are lifted and residents are able to take the steps to reduce water use and contribute to helping their cities meet the 25% water use reduction goals."

The Governor's Executive Order from April 1, 2015 directed the State Water Resources Control Board to impose restrictions to achieve a statewide 25% reduction in potable urban water usage through February 28, 2016. Additionally, it directed the Department of Water Resources (DWR) to lead a statewide initiative, in partnership with local agencies, to collectively replace 50 million square feet of lawns and ornamental turf with drought tolerant landscapes. AB 1164 will help achieve both of these goals.

ARGUMENTS IN OPPOSITION

This measure appropriates \$300 million from the state's General Fund over the next three fiscal years. That is a significant amount of money, however, since it comes from the General Fund, it is "pay as you go" and will not result in any increased or new taxes or fees. There has been no discussion from the Governor's office about funding this program with General Fund money, and none was included in this year's budget. This issue will certainly be discussed in the Senate Appropriations Committee should the measure pass out of the next policy committee – Senate Natural Resources & Water Committee.

COMMENTS

Support: California Association of Realtors, American Planning Association, Three Valleys MWD, Metropolitan Water District of Southern California, City of Los Angeles, and Coachella Valley Water District.

Opposition: None on file

DETAILED REPORT

See attachment for complete bill language.

AMENDED IN SENATE JULY 1, 2015
AMENDED IN SENATE JUNE 22, 2015
AMENDED IN ASSEMBLY APRIL 21, 2015
AMENDED IN ASSEMBLY MARCH 26, 2015
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1164

**Introduced by Assembly Member Gatto
(Principal coauthor: Assembly Member Gonzalez)**

February 27, 2015

An act to add Section 53087.7 to the Government Code, relating to water conservation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1164, as amended, Gatto. Water conservation: drought tolerant landscaping.

Existing law generally authorizes every city and county, including a charter city, in this state to make and enforce within its limits all local, police, sanitary, and other ordinances and regulations that are not in conflict with general laws.

This bill would prohibit a city, including a charter city, county, and city and county, from enacting or enforcing any ordinance or regulation that prohibits the installation of synthetic grass or artificial turf on residential property. The bill would additionally state that this is an issue of statewide concern.

The bill would continuously appropriate \$300,000,000 from the General Fund to the ~~State Water Resources Control Board~~ *Department*

of *Water Resources* in equal amounts of \$100,000,000 for each of the 2015–16, 2016–17, and 2017–18 fiscal years, to provide matching funds to specified local agencies to provide incentives to residents to replace water inefficient landscaping with drought tolerant landscaping.

~~The bill would state the intent of the Legislature to streamline the installation of infrastructure that collects graywater for the purposes of recycling water to be used for nonpotable uses.~~

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.

State-mandated local program: no.

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

1 SECTION 1. The Legislature hereby finds and declares:

2 (a) With the lowest snowpack ever recorded, California finds
3 itself in 2015 in the fourth year of a historic, prolonged, and
4 potentially devastating drought.

5 (b) Governor Edmund G. Brown Jr. issued an Executive order
6 on April 1, 2015, which, for the first time in California history,
7 directs the State Water Resources Control Board to implement
8 mandatory water reductions across the state to reduce water usage
9 by 25 percent.

10 (c) One component of the Governor’s Executive order compels
11 the replacement of 50 million square feet of lawns throughout the
12 state with drought tolerant landscaping.

13 (d) Among a wide variety of drought tolerant landscaping are
14 a variety of native plants and landscaping alternatives, including
15 the installation of synthetic grass or artificial turf.

16 (e) According to the Department of Water Resources, landscape
17 irrigation represents 43 percent of urban water use. The installation
18 of synthetic grass or artificial turf, in lieu of conventional lawns
19 and landscapes, can directly reduce outdoor water use to help meet
20 the Governor’s mandated 25-percent statewide water use reduction.

21 (f) The vast majority of Californians may today elect to install
22 synthetic grass or artificial turf in their single-family residential
23 landscapes.

24 ~~SEC. 2. It is the intent of the Legislature to streamline the~~
25 ~~installation of infrastructure that collects graywater for the purposes~~
26 ~~of recycling water to be used for nonpotable uses.~~

1 ~~SEC. 3.~~

2 *SEC. 2.* Section 53087.7 is added to the Government Code, to
3 read:

4 53087.7. A city, including a charter city, county, or city and
5 county, shall not enact any ordinance or regulation, or enforce any
6 existing ordinance or regulation, that prohibits the installation of
7 synthetic grass or artificial turf on residential property.

8 ~~SEC. 4.~~

9 *SEC. 3.* The Legislature finds and declares the prolonged
10 drought, along with climate change, requires the state to address
11 water conservation goals that will have long-term impacts in this
12 state. The Legislature further finds and declares that drought
13 tolerant landscaping, including the installation of synthetic grass
14 or artificial turf, is a viable landscaping alternative that will further
15 the goal of addressing long-term water conservation. Therefore,
16 allowing property owners in this state to install synthetic grass or
17 artificial turf on their residential properties is a matter of statewide
18 concern, not a municipal affair as that term is used in Section 5 of
19 Article XI of the California Constitution.

20 ~~SEC. 5.~~

21 *SEC. 4.* Notwithstanding Section 13340 of the Government
22 Code, the sum of three hundred million dollars (\$300,000,000) is
23 hereby continuously appropriated from the General Fund to the
24 ~~State Water Resources Control Board~~ *Department of Water*
25 *Resources* to be expended in equal shares of one hundred million
26 dollars (\$100,000,000) for each of the 2015–16, 2016–17, and
27 2017–18 fiscal years to provide matching funds to any city, county,
28 city and county, public water agency, or private water agency to
29 provide incentives to residents to replace water inefficient
30 landscaping with drought tolerant landscaping.

31 ~~SEC. 6.~~

32 *SEC. 5.* This act is an urgency statute necessary for the
33 immediate preservation of the public peace, health, or safety within
34 the meaning of Article IV of the Constitution and shall go into
35 immediate effect. The facts constituting the necessity are:

36 In order to address the historic, prolonged, and potentially
37 devastating drought, it is necessary that residents of this state be
38 able to replace water inefficient landscaping with drought tolerant

- 1 landscaping as quickly as possible; therefore, it is necessary that
- 2 this act take effect immediately.

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**ACTION ITEM**

July 20, 2015

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

Staff Contact: Heather Baez

SUBJECT: SB 789 (Wieckowski) – Sale of water by local public entities: excise tax**STAFF RECOMMENDATION**

Staff recommends the Board of Directors vote to oppose SB 789 (Wieckowski) and send a letter to the author indicating our opposition.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

SB 789 would authorize a local retail or wholesale water supply entity to impose up to a 300% tax on excessive water use. The bill would allow the local agency or water district to choose the appropriate level of the tax.

The revenue from the tax is to be used for efficiency and conservation programs, with half going to the State Water Resources Control Board and the other half staying with the local agency.

ARGUMENTS IN SUPPORT

According to the author's office, "Local water agencies are prohibited from using pricing mechanisms or "tiered rates" to provide incentives to water users to modify behavior. Many

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

public water agencies have imposed severe water use and watering restrictions and have imposed severe penalties. Despite those extraordinary measures, excessive use and abuse of water in a severe public emergency continues.”

ARGUMENTS IN OPPOSITION

Local agencies already have the ability to place a measure on the ballot to levy taxes on their customers for certain uses. They don't need additional means to do so. And by going this route, they would be required to send half of the money collected to the SWRCB where it wouldn't be used locally. It would likely be used in areas where the ratepayers do NOT have the additional tax.

While there is no contesting we're in a severe drought, taxing people to curb their water use or help an agency make up for lost revenue is not the way to get through it. Conservation outreach efforts have been successful and residents across California are responding to the call to cut back. Going around the California Constitution to squeeze more money out of the taxpayers is the wrong approach.

COMMENTS

This measure was heard in the Assembly Local Government Committee on July 1st for testimony only. At that time, the author indicated he might be willing to make some amendments to the bill, including how much of the collected tax is sent to the SWRCB.

Support on file: California League of Conservation Voters (in concept), Clean Water Action (in concept), and the Sierra Club California (in concept).

Opposition on file: California Apartment Association, California Business Properties Association, California Chamber of Commerce, California Farm Bureau Federation, California Manufacturers and Technology Association, California Taxpayers Association, Family Business Association, & the Howard Jarvis Taxpayers Association.

DETAILED REPORT

See attachment for complete bill language.

AMENDED IN ASSEMBLY JUNE 8, 2015

AMENDED IN SENATE MAY 11, 2015

SENATE BILL

No. 789

Introduced by Senator Wieckowski

February 27, 2015

~~An act to amend, repeal, and add Section 16072 of the Vehicle Code, relating to driver's licenses. An act to add Chapter 3.1 (commencing with Section 7287.20) to Part 1.7 of Division 2 of the Revenue and Taxation Code, relating to water.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 789, as amended, Wieckowski. ~~Driver's license suspension: restricted privilege. Sale of water by local public entities: excise tax.~~

The California Constitution prohibits the Legislature from imposing taxes for local purposes, but allows the Legislature to authorize local governments to impose them.

This bill would authorize a local public entity that supplies water at retail or wholesale for the benefit of persons within the service area or area of jurisdiction of that public entity to impose, by ordinance, an excise tax on an excessive user of water, at a rate not to exceed 300% of the purchase price of the water, if the ordinance proposing the tax is approved by ²/₃ of the electors voting on the measure and the revenue from the tax is equally distributed between the public entity and the State Water Resources Control Board for water conservation efforts within the jurisdiction of the public entity.

~~Existing law requires the Department of Motor Vehicles to suspend the driving privilege of a person who is involved in an accident and fails to provide evidence of financial responsibility, as specified, at the time of the accident. Under existing law, the suspension period is one~~

year, as specified, except that the suspension must be reinstated if the person fails to maintain proof of financial responsibility for 3 years. However, upon application and if certain criteria are met, the department may restrict the person's driving privilege, in lieu of suspending it pursuant to this provision, in specified situations.

~~This bill would, commencing July 1, 2016, also authorize the department to restrict a person's driving privilege, in lieu of suspending it, in order to allow the person to drive to school. For purposes of this authorization, the bill would define "school" to mean a California community college campus, a California State University campus, a University of California campus, or a private postsecondary educational institution.~~

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. Chapter 3.1 (commencing with Section 7287.20)
2 is added to Part 1.7 of Division 2 of the Revenue and Taxation
3 Code, to read:

4
5 CHAPTER 3.1. EXCISE WATER TAX
6

7 7287.20. (a) A local public entity that supplies water at retail
8 or wholesale for the benefit of persons within the service area or
9 area of jurisdiction of that public entity may impose, by ordinance,
10 an excise tax on an excessive user of water, at a rate not to exceed
11 300 percent of the purchase price of the water, if both of the
12 following conditions are met:

13 (1) The ordinance proposing that tax is approved by two-thirds
14 of the electors voting on the measure pursuant to Article XIII C of
15 the California Constitution.

16 (2) The revenue from the tax is equally distributed between the
17 public entity and the State Water Resources Control Board for
18 local water conservation efforts within the jurisdiction of that
19 public entity. The local water conservation efforts may have
20 cobenefits with other regions in the state.

21 (b) A tax imposed pursuant to this section may be in addition
22 to any other tax authorized by this division.

1 ~~SECTION 1. Section 16072 of the Vehicle Code is amended~~
2 ~~to read:~~

3 ~~16072. (a) The suspension of the driving privilege of a person~~
4 ~~as provided in Section 16070 shall not be terminated until one year~~
5 ~~has elapsed from the date of actual commencement of the~~
6 ~~suspension and until the person files proof of financial~~
7 ~~responsibility as provided in Chapter 3 (commencing with Section~~
8 ~~16430), except that the suspension shall be reinstated if the person~~
9 ~~fails to maintain proof of financial responsibility for three years.~~
10 ~~However, in lieu of suspending a person's driving privilege~~
11 ~~pursuant to this section, the department, upon application, if the~~
12 ~~person files and thereafter maintains proof of financial~~
13 ~~responsibility as provided in this section and pays a penalty fee to~~
14 ~~the department of two hundred fifty dollars (\$250), may restrict~~
15 ~~the person's driving privilege to any of the following situations:~~

16 ~~(1) Necessary travel to and from that person's place of~~
17 ~~employment.~~

18 ~~(2) Driving that is required in the person's course of~~
19 ~~employment, when driving a motor vehicle is necessary in order~~
20 ~~to perform the duties of the person's primary employment.~~

21 ~~(3) Necessary travel to transport a minor dependent in that~~
22 ~~person's immediate family to and from an institute of primary or~~
23 ~~secondary instruction, if the chief administrative officer or principal~~
24 ~~of the educational institution certifies in writing to the department~~
25 ~~that the minor dependent is enrolled in the educational institution~~
26 ~~and no form of public transportation or schoolbus is available~~
27 ~~between the applicant's place of residence and the educational~~
28 ~~institution.~~

29 ~~The restriction shall remain in effect for the period of suspension~~
30 ~~required by this section, so long as proof of financial responsibility~~
31 ~~is maintained.~~

32 ~~(b) If a suspension has been imposed under Section 16070 and~~
33 ~~one year has elapsed from the date the suspension actually~~
34 ~~commenced, that suspension shall be terminated if the driving~~
35 ~~privilege is suspended under Section 16370 or 16381 as the result~~
36 ~~of a judgment arising out of the accident for which proof of~~
37 ~~financial responsibility was required to be established. The~~
38 ~~department may reimpose the suspension of the driving privilege~~
39 ~~of a person under Section 16070 if the suspension under Section~~
40 ~~16370 or 16381 is later set aside for a reason other than that the~~

1 person has satisfied the judgment in full or to the extent provided
2 in Chapter 2 (commencing with Section 16250) and has given
3 proof of ability to respond in damages as provided in Chapter 3
4 (commencing with Section 16430).

5 (e) Notwithstanding Chapter 2 (commencing with Section
6 42200) of Division 18, all revenues derived from the penalty fees
7 provided in subdivision (a) shall, after deduction by the department
8 of the costs incurred by the department in administering this
9 section, be deposited in the Financial Responsibility Penalty
10 Account in the General Fund. The balance in this fund on each
11 July 1, which is not subject to appropriation as provided in Section
12 12980 of the Insurance Code, shall revert to the General Fund.

13 (d) (1) Subdivision (a) does not apply to a commercial driver's
14 license holder.

15 (2) A commercial driver's licenseholder whose driving privilege
16 is otherwise suspended under this chapter is not entitled to a
17 restricted license, unless that person surrenders his or her
18 commercial driver's license and is issued a noncommercial class
19 C or M driver's license.

20 (e) This section shall become inoperative on July 1, 2016, and,
21 as of January 1, 2017, is repealed, unless a later enacted statute,
22 that becomes operative on or before January 1, 2017, deletes or
23 extends the dates on which it becomes inoperative and is repealed.

24 SEC. 2. Section 16072 is added to the Vehicle Code, to read:

25 16072. (a) The suspension of the driving privilege of a person
26 as provided in Section 16070 shall not be terminated until one year
27 has elapsed from the date of actual commencement of the
28 suspension and until the person files proof of financial
29 responsibility as provided in Chapter 3 (commencing with Section
30 16430), except that the suspension shall be reinstated if the person
31 fails to maintain proof of financial responsibility for three years.
32 However, in lieu of suspending a person's driving privilege
33 pursuant to this section, the department, upon application, if the
34 person files and thereafter maintains proof of financial
35 responsibility as provided in this section and pays a penalty fee to
36 the department of two hundred fifty dollars (\$250), may restrict
37 the person's driving privilege to any of the following situations:

38 (1) Necessary travel to and from that person's place of
39 employment.

1 ~~(2) Driving that is required in the person's course of~~
2 ~~employment, when driving a motor vehicle is necessary in order~~
3 ~~to perform the duties of the person's primary employment.~~

4 ~~(3) Driving himself or herself to or from school. For purposes~~
5 ~~of this paragraph, "school" means a California community college~~
6 ~~campus, a California State University campus, a University of~~
7 ~~California campus, or a private postsecondary educational~~
8 ~~institution.~~

9 ~~(4) Necessary travel to transport a minor dependent in that~~
10 ~~person's immediate family to and from an institute of primary or~~
11 ~~secondary educational instruction, if the chief administrative officer~~
12 ~~or principal of the educational institution certifies in writing to the~~
13 ~~department that the minor dependent is enrolled in the educational~~
14 ~~institution and no form of public transportation or schoolbus is~~
15 ~~available between the applicant's place of residence and the~~
16 ~~educational institution.~~

17 ~~(b) The restriction shall remain in effect for the period of~~
18 ~~suspension required by this section, so long as proof of financial~~
19 ~~responsibility is maintained.~~

20 ~~(c) If a suspension has been imposed under Section 16070 and~~
21 ~~one year has elapsed from the date the suspension actually~~
22 ~~commenced, that suspension shall be terminated if the driving~~
23 ~~privilege is suspended under Section 16370 or 16381 as the result~~
24 ~~of a judgment arising out of the accident for which proof of~~
25 ~~financial responsibility was required to be established. The~~
26 ~~department may reimpose the suspension of the driving privilege~~
27 ~~of a person under Section 16070 if the suspension under Section~~
28 ~~16370 or 16381 is later set aside for a reason other than that the~~
29 ~~person has satisfied the judgment in full or to the extent provided~~
30 ~~in Chapter 2 (commencing with Section 16250) and has given~~
31 ~~proof of ability to respond in damages as provided in Chapter 3~~
32 ~~(commencing with Section 16430).~~

33 ~~(d) Notwithstanding Chapter 2 (commencing with Section~~
34 ~~42200) of Division 18, all revenues derived from the penalty fees~~
35 ~~provided in subdivision (a) shall, after deduction by the department~~
36 ~~of the costs incurred by the department in administering this~~
37 ~~section, be deposited in the Financial Responsibility Penalty~~
38 ~~Account in the General Fund. The balance in this fund on each~~
39 ~~July 1, which is not subject to appropriation as provided in Section~~
40 ~~12980 of the Insurance Code, shall revert to the General Fund.~~

- 1 ~~(e) (1) Subdivision (a) does not apply to a commercial driver's~~
2 ~~license holder.~~
3 ~~(2) A commercial driver's licenseholder whose driving privilege~~
4 ~~is otherwise suspended under this chapter is not entitled to a~~
5 ~~restricted license, unless that person surrenders his or her~~
6 ~~commercial driver's license and is issued a noncommercial class~~
7 ~~C or M driver's license.~~
8 ~~(f) This section shall become operative on July 1, 2016.~~

O

**ACTION ITEM**

August 19, 2015

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

Staff Contact: Heather Baez

SUBJECT: TRAVEL TO WASHINGTON D.C. TO COVER FEDERAL INITIATIVES**STAFF RECOMMENDATION**

Staff recommends the Board of Directors receives and files the report.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

For the fourth quarter of fiscal year 2014-2015, two trips occurred:

- April (Director Barbre)
- May (Director Barbre)

The meetings and discussions have revolved around what Congress and the various Committees will do with respect to California specific drought legislation, earmarking of projects and/or how to deal with the prohibition on earmarking as well as implementation of WIFIA, and drought and other water related legislation.

In working with MWDOC's Washington D.C. advocate, we have outlined the following goals for 2015:

Budgeted (Y/N): Yes	Budgeted amount: \$7,500 – 5 trips; 2014-2015 Fiscal year expenditure	Core <u>X</u>	Choice <u> </u>
Action item amount:		Line item:	
Fiscal Impact (explain if unbudgeted): Approximately \$1,500 over budget for FY 2015/16			

1. Continue to meet with and educate the US House Members from Orange County and the two US Senate Offices on Water Issues affecting the District.
2. Monitor the EPA's implementation of the WIFIA rules and regulations regarding this loan program and where possible, offer assistance to the EPA so that the program is workable.
3. Submission of an Appropriations Request centered on asking the EPA to prepare a Report on what the costs of allowing tax free municipal bonds to be included in a WIFIA loan package—like the TIFIA Transportation Program currently allowsTrack and assist with California drought related legislation.
4. Allow California, and other states, to receive funds through the Army Corps water environmental infrastructure accounts.

Meetings with House and Senate staff will focus on these goals.

FISCAL IMPACT

The following was budgeted for fiscal year 2014/2015:

Washington Legislative Advocacy (5 trips) - \$7,500 for directors.

- 8 trips were taken this fiscal year (September, November, January, February (2 trips), March, April & May)
- Total cost estimate for fiscal year 14/15: \$8,929.81 (\$1,429.81 over budget)
- Total cost estimate for this quarter:
 - April - \$1,501.74
 - May - \$1,584.76

Projecting out for 1st Quarter of fiscal year 2015/2016

- One trip has been scheduled by Director Barbre for September

Due to MWDOC's increased advocacy and outreach efforts, we were approximately \$1,500 over budget in Washington Legislative Advocacy. Staff has reflected this via a larger travel budget to accommodate these efforts in fiscal year 2015/2016.

**ACTION ITEM**

August 19, 2015

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

Staff Contact: Heather Baez

SUBJECT: TRAVEL TO SACRAMENTO TO COVER STATE INITIATIVES**STAFF RECOMMENDATION**

Staff recommends the Board of Directors receives and files the report.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

For the fourth quarter of fiscal year 2014-2015, three trips have been taken:

- April (Heather Baez)
- May – (Heather Baez)
- June – (Heather Baez)

The majority of the Sacramento travel revolves around ACWA's State Legislative Committee (SLC) which is comprised of 40 members (four members from each of our 10 geographic regions) and recommends official state legislative policy positions on behalf of the Association. Committee members review relevant introduced and amended legislation,

Budgeted (Y/N): Yes	Budgeted amount: Sacramento Legislative Advocacy - \$1,600 – 4 trips;	Core <u>X</u>	Choice ____
Action item amount:		Line item:	
Fiscal Impact (explain if unbudgeted): Overages for staff travel for Sacramento advocacy, approximately \$2,700, is anticipated to be offset by under expenditures in other areas.			

develop positions and provide recommendations to the Board of Directors regarding ballot measures and other major statewide policy issues. This allows MWDOC to be more engaged at the state level as well as within our own region.

The State Legislative Committee meeting typically runs two hours, and staff uses the remainder of the day to meet with legislative and committee staff.

In working with MWDOC's Sacramento advocates, we have outlined the following goals for 2015:

1. Continue to meet with and educate the Orange County delegation on Water Issues affecting the District and region as a whole.
2. Secure support and potential funding for the Doheny Desalination Project and other reliability efforts in Orange County.
3. Monitor, track, and assist with Prop 1 implementation guidelines
4. Monitor, track and respond to related legislation outlined in MWDOC's Legislative Policy Principles approved by the Board in January 2015.
5. Other issues as directed by the Board.

Meetings with members of the Orange County delegation, committee staff and other involved parties focus on these goals.

SUMMARY OF APRIL, MAY & JUNE TRIPS

In the last quarter of fiscal year 2014/15, Heather traveled to Sacramento on:

April 10th, May 1st & June 26th for ACWA State Legislative Committee & other related legislative meetings.

FISCAL IMPACT

The following is budgeted for fiscal year 2014/2015:

Sacramento Legislative Advocacy (4 trips) - \$1,600 for staff.

- 8 trips have been taken so far this fiscal year (October, January, February, March, April, May & June)
- Total cost estimate so far for fiscal year 14/15: \$2,700 (over budget)
- Total cost estimate for this quarter:
 - April - \$500
 - May - \$500
 - June – \$500

Projecting out for 1st Quarter of fiscal year 2015/2016

- Upcoming trips:

July 17
August 28

We are projected to be approximately \$2,700 over budget for this fiscal year. Due to our increased advocacy and outreach efforts in both Sacramento and Washington D.C., the Board approved a larger travel budget for fiscal year 15/16.



INFORMATION ITEM

July 20, 2015

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

FROM: Robert Hunter Staff Contact: Michelle Tuchman
General Manager

SUBJECT: Financial Recap on the 8th Annual Orange County Water Summit

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive and file the Eighth Annual Orange County Water Summit financial recap and attendee survey information.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

While overall attendance at the Eighth Annual Orange County Water Summit was down 21% from the previous year (302 vs 380), the event still attracts a significant number of participants – 56% – from the business community, our primary target audience.

This year's event was held on Friday, May 15, at the Disney Grand Californian Hotel. The purpose of the Summit was to provide relevant information on water issues, projects and emerging technologies to the business community; survey results indicate the goals of the Summit were met.

Following are the detailed survey results from this year's Summit. Questions cover specific key areas, including Value, Program and Logistics. Open-ended questions are also asked to garner suggestions and other comments from attendees.

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

1. Please rate your overall satisfaction with the 8th Annual OC Water Summit.

1 = Very Unsatisfied, 2 = Unsatisfied, 3 = Neutral, 4 = Satisfied, 5 = Very Satisfied

11 Respondents – Weighted Average 4.2

2 Comments: Good networking opportunities; very good crowd; food was very good.

2. Please rate your satisfaction with each of the following items. (If you are unsatisfied with any element, please explain in the comments box.)

1 = Very Unsatisfied, 2 = Unsatisfied, 3 = Neutral, 4 = Satisfied, 5 = Very Satisfied

Pre-registration **12 Respondents – Weighted Average 4.5**

Parking **12 Respondents – Weighted Average 4.0**

Registration / Check-in **12 Respondents – Weighted Average 4.6**

Conference Facilities **12 Respondents – Weighted Average 4.8**

Breakfast **12 Respondents – Weighted Average 4.5**

Lunch **12 Respondents – Weighted Average 4.5**

Date: Friday, May 15 **12 Respondents – Weighted Average 4.6**

Start Time: 7:30 a.m. **12 Respondents – Weighted Average 4.2**

2 Comments: It is a bit far to walk; The start time is good – it allows you to beat traffic. Friday is always dicey in terms of traffic, though.

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

1 = Too long, 2 = Too short, 3 = Just right

12 Respondents – Weighted Average 4.2

3 Comments: It's very interesting, but also VERY compressed; Either make it longer or shorter; The length was fine with me, but I thought we had a tendency to lose people immediately after lunch.

4. Please rate your level of satisfaction with each of the sessions. (If you were unsatisfied with any session, please explain why in the comments box.)

1 = Very unsatisfied, 2 = Unsatisfied, 3 = Neutral, 4 = Satisfied, 5 = Very Satisfied

Necessity is the Mother of Invention: Janice Stillman, Stephen Arakawa

12 Respondents – Weighted Average 4.2

What Happens in California Doesn't Stay in California: Joel Perler, John Chandler, Paul Parreira **12 Respondents – Weighted Average 4.2**

Ocean Desalination: Moving in the Right Direction?: Tom Pankratz, Sean Bothwell, Bob Yamada, Karl W. Seckel

12 Respondents – Weighted Average 4.2

The City of the Future: Jay Witherspoon

12 Respondents – Weighted Average 3.2

A Tale of Two Cities: Benjamin Edwards, David Graham, Mayor Robert Silva

12 Respondents – Weighted 3.4

3 Comments: For the City of the Future, it would have been nice to see or hear about how some of the technology is being developed or implemented locally and how it would be relevant to what we may see in California in upcoming years.; It would have been nice to have Poseidon attend to counter the negativity of the session regarding desalination.; Farmers Almanac? What is that doing here? Also, those tale of the two cities were boring and unrelated. Seawater desal was a pitch for Poseidon, with no new information. Presenters were average. What happens in CA doesn't stay in CA was the only water related to the current times, and it was too short. We would have liked to hear about the water hogs, pre 2014.

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

1 = Too long, 2 = Too short, 3 = Just right

12 Respondents – Weighted Average 2.9

2 Comments: For some too long, for others too short. I wished to have heard more from the farmers, and less from others; I thought the sessions were about the right length. As usual, speakers had a tendency to run long although we seemed to stay pretty well on schedule overall.

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

1 = least preferred; 5 = most preferred

Presentation format **12 Respondents – Weighted Average 3.0**

Panel format **12 Respondents – Weighted Average 3.4**

Debate format **12 Respondents – Weighted Average 2.8**

Moderated discussion format **12 Respondents – Weighted Average 3.9**

Extended Q&A format **12 Respondents – Weighted Average 1.8**

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

9 Comments: NPDES - what is being done to prevent polluting the ocean waters around OC

What are some ways that public/private orgs are conserving water -- Best Practices; water pumping allocations; Sustainable Groundwater Management Act from different perspectives (geographic challenges, joint powers representatives, etc); Farmers Almanac presenter was fantastic and relevant; Orange County infrastructure; drought-related topics on how water districts are coping with regulation demands.; Water Law Water Rates

Economy vs Water

Recycled Water; Direct potable reuse!!; I found it difficult to get my legislators and other elected to the event (ostensibly due to the time of day,) but they would all agree with us anyway. We need state-level policy and regulatory faces

It would also be good to have break-out sessions for smaller groups (e.g. public outreach, marketing, legislative, etc.);

Status on ocean desalination project is always interesting.

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

Yes **10 Responses 76.9%**

No **2 Responses 15.3%**

No Response **1 Response 7.6%**

1 Comment: Too much time wasted. I would pay more if there were better subjects and speakers. The moderator lost his touch. He used to be funny and dynamics. Time to bring the old Larry.

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

1 = Very Unlikely, 2 = Unlikely, 3 = Neutral, 4 = Likely, 5 = Very Likely

12 Respondents – Weighted score 4.2

1 Comment: Not sure, it depends on the program and speakers. I could not avoid a lot of water buffalos missing from the place. I understand why!

10. 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?

6 Comments: This was my first OC Water Summit and it was very informative. I enjoyed the sessions that specifically tied discussions to how the discussion related to Orange County (or Southern California). I believe the discussion of what is happening elsewhere is relevant when I know how that information could be used to help improve what is occurring in Orange County. To gain from the knowledge of others' experiences is invaluable. I enjoyed the discussions that involved a specific problem, possible solutions, and lessons learned.

The location and artwork design were great.

Additional notes/suggestions: the programs were single sided. I would have preferred to see the program printed double-sided. And I would like to suggest considering a recycle bin/bowl/tub for nametags. I would guess that most people would be willing to recycle, which saves on waste and cost from summit to summit; At least one major speaker would be nice; Ask MWDOC to organize it; More local focus; This is a good event; it's been largely the same format for the past several years that I've attended. It may be time to shake the format up a bit and offer a broader array of some specific, in-depth discussions as I outlined above.

Thanks for the great work; Overall, I am very satisfied with the OC Water Summits and particularly like the great job the organizers do in organizing around a theme or slogan.

The only thing about this past year's OC Water Summit was I thought the lunch hour speaker(s) were a little weak in importance. I noticed many people left early after eating lunch. You do need someone captivating and directly relatable to the audience to encourage their sticking around through the end of the summit program

The following is the financial recap of the event as of July 9, 2015

2015 O.C. Water Summit Budget	
Income:	
Registration:	
Individual tickets	\$ 19,533.40
Sponsorships:	
Title	\$ -
Luncheon	\$ 7,500.00
AV Sponsor	\$ -
Program Sponsor	\$ 6,000.00
Program Session	\$ -
Table Sponsor (12 at \$1,600 each; 1 at \$1,500 irwd)	\$ 20,700.00
Breakfast (3 at \$1,000 each)	\$ 3,000.00
Associate (6 at \$2,000 each)	\$ 12,000.00
Supporter/Other	\$ -
Shuttle	In-kind
Carry-Over Sponsorship from 2014	\$ 10,252.00
Total Income:	\$ 78,985.40

Expenses:	
Food & Beverage (including gratuity and taxes)	\$ 35,584.11
Facilities, Hotel Rooms & Parking (including taxes)	\$ 8,522.16
Audio Visual Service, Equipment Rental and Editing	\$ 19,830.00
Printing & Postage (Minimal and In-house)	\$ -
PayPal/ Registration Fees (+chargeback fee)	\$ 1,968.52
Speaker/Travel/ Fees/Dinner Option	\$ 356.01
Paid Advertising	\$ -
Programs, Envelopes & Insert Papers	\$ 2,581.20
Signage & Name Tags	\$ -
Radios	\$ 182.80
Décor, Graphics & Some Signs	In-Kind
Emergency/Misc/Supplies	\$ 20.00
Total Expenses:	\$ 69,044.80

Total Revenue: \$9,940.60

Traditionally, MWDOC and the Orange County Water District (OCWD) have taken turns as the leading agency for the Summit. This year, OCWD took the lead. The lead agency provides accounting services, coordinates all vendors, and manages all aspects of the registration process and sponsorship logistics. Staffs from both agencies are responsible for managing expenses, securing speakers, coordinating the theme, soliciting sponsorships and executing the event. This year, the event earned a \$9,940.60 surplus.

Although neither MWDOC nor OCWD contribute financially to this event, it is estimated that for MWDOC in the lead agency role a total of nearly 600 total staffing hours are provided. This includes planning meetings, administrative duties, graphic support, outreach, sponsorship outreach, on-site setup and execution, accounting and post event reporting.

July 2015

Description	Lead Agency	Status % Complete	Scheduled Completion or Renewal Date	Comments
Water Policy Dinner	MWDOC	In progress	July 29, 2015	Last-minute details for the Water Policy Forum and Dinner featuring keynote speaker Felicia Marcus, SWRCB chair, are being completed. As of July 10, more than 200 people have registered for the event, which will be held at the Westin South Coast Plaza. Some 12 tables have also been reserved. Local legislators and their staffs received special invitations.
Drought Outreach	MWDOC	Ongoing	Ongoing	<p>Our drought messages continue to be displayed on Caltrans freeway message boards. The latest one, "Severe Drought – Limit Outdoor Watering," ran throughout the week of July 6-10.</p> <p>MWDOC's ad "Cut Outdoor Water Use in Half Now!" ran in three local newspapers, Orange City News (July 8), Dana Point News (July 9) and Yorba Linda Star (July 10). Value of Water ads had been slated to run in these three publications. However, with drought messaging taking precedence, "Cut Outdoor Water Use in Half Now!" was substituted.</p> <p>MWDOC will also run drought-messaging ads in the OC Register and the LA Times (OC edition). These ads include the logos of all member agencies (with the exception of Mesa Water, who requested its logo not be included) as well as the cities of Anaheim, Fullerton and Santa Ana.</p>

Status of Public Affairs Programs

Item 7 a-c

July 2015

Description	Lead Agency	Status % Complete	Scheduled Completion or Renewal Date	Comments
				<p>The new 30-second "Cut Outdoor Water Use in Half Now!" public service announcement is now being shown in movie houses in Buena Park, Huntington Beach, La Habra, Orange, San Clemente and San Juan Capistrano. The PSA is being shown on a total of 123 screens. The same PSA is now being shown on gas-pump toppers in the following district service areas: Brea, El Toro, Fountain Valley, Garden Grove, Moulton Niguel, Newport Beach, Orange, Santa Margarita, Trabuco Canyon and Tustin. These movie-house locations and gas stations were selected as part of the Value of Water program.</p> <p>Items for the Dropbox account continue to be submitted by member agency staff. The account was established by the Public Affairs Department as a hub where all member agencies can share drought outreach materials and other information, including vendors, upcoming events, water supply reports, and items of special interest for water use efficiency staff. Information on member agency drought outreach efforts is being used to prepare a matrix of countywide efforts. Tracking information of this kind was requested by member agency general managers during their June meeting; they were happy to learn this effort is already taking place. In addition to items submitted by member agencies, the Dropbox account includes shared marketing materials and graphics created by MWD and ACWA/DWR. These items, such as lawn signs, infographics, posters, door hangers, bill stuffers and more,</p>

Status of Public Affairs Programs

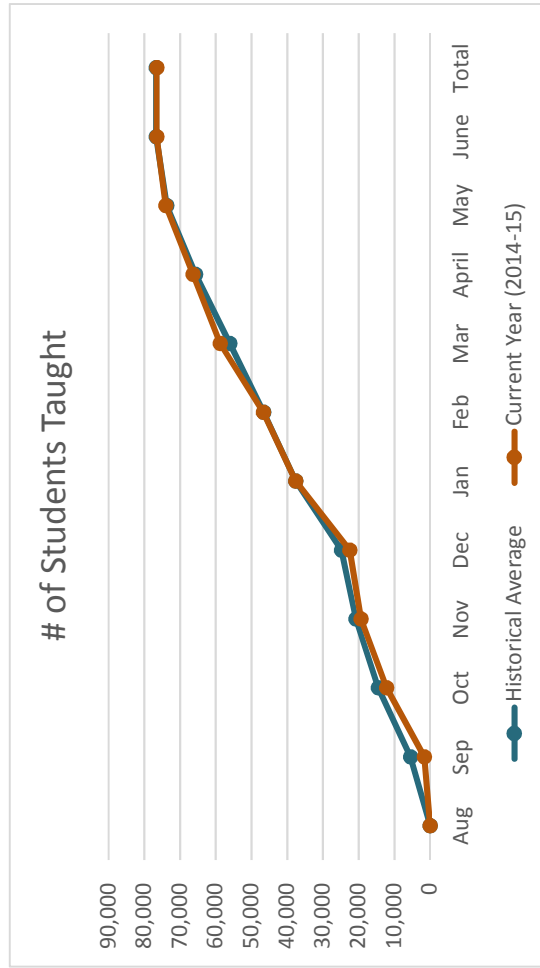
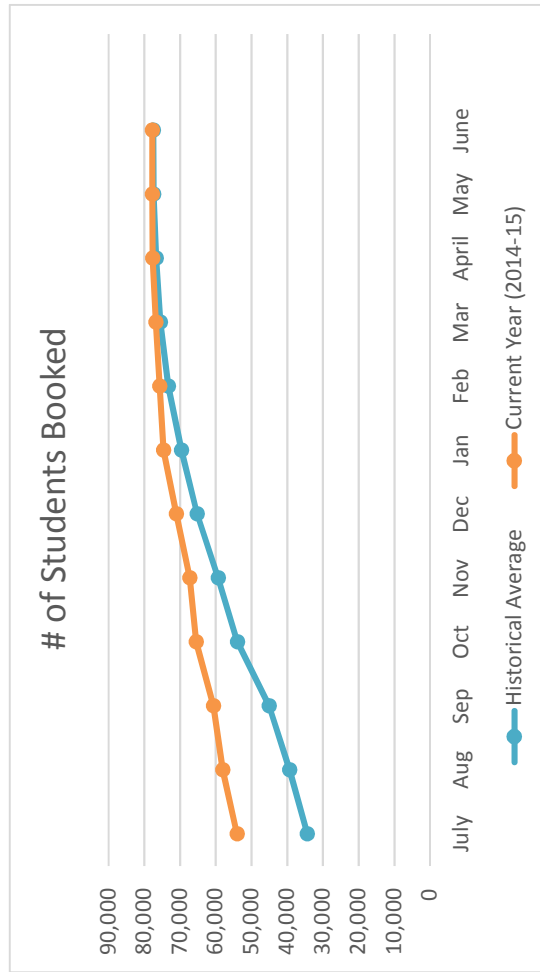
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July 2015

Description	Lead Agency	Status % Complete	Scheduled Completion or Renewal Date	Comments
				<p>can be customized by MWDOC and our member agencies, and used for additional drought outreach.</p> <p>An update on ACWA, MET and MWDOC's drought-outreach efforts was presented to the member agency general managers at their June 18 meeting and to member agency Water Use Efficiency staff at their June 30 meeting in San Clemente.</p> <p>The MWDOC Public Affairs Workgroup meeting (PAW) was held on Thursday, June 25, with 24 member-agency PIOs attending. The meeting included a review of ACWA's and MET's drought advertising campaign efforts. The majority of the meeting was spent discussing countywide drought messaging, including individual member agency efforts. PIOs discussed what messages are resonating with customers and which communications vehicles are most effective.</p> <p>Member-agency PIOs were also sent links and log-in information to MET's drought advertising campaign and to ACWA's advertising campaign. Both sites allow other water providers to access and customize advertising pieces.</p>
Media Relations		Ongoing	Ongoing	<p>The Register continues to call MWDOC for drought-related information. Two recent articles, "O.C., state sharply cut water use," was the front-page story in the July 2 Register and included quotes from Joe Berg. A second front-page article, "As demand soars, Southern California water district's turf rebate program tapped dry," was published July 10 and included a quote from Rob Hunter.</p>

2014-15 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	
Current Year (2014-15)	54,053	58,028	60,691	65,453	67,314	71,036	74,656	75,743	76,754	77,661	77,773	77,773	83,952
# 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	76,705	
Current Year (2014-15)	0	1,673	12,161	19,355	22,514	37,603	46,730	58,787	66,379	74,025	76,553	76,553	83,952



Public Affairs Activities Report
June 18, 2015 – July 15, 2015

Member Agency Relations	<p>Heather hosted a Legislative Coordinators luncheon briefing for MWDOC member agencies. There were approximately 10 different agencies represented.</p> <p>The July 17 inspection trip to Weymouth and JPL is full with 33 participants, including MWD Board members, legislative staffers, and members of the WACO group. Director Dick will be the host. Tiffany, who will be the MWDOC staff member attending the trip, worked with Director Dick, MET staff and JPL on trip plans and associated details.</p> <p>Tiffany has also been working with Director Dick, Assemblyman Travis Allen's office, and MWD staff to finalize trip logistics, send invitations, and register guests for a State Water Project inspection trip Aug. 14-15. The guest list will include business and community leaders selected by the Assemblyman's office.</p> <p>Two additional inspection trips have been added to better accommodate the Orange County Grand Jury. Tiffany has been working with MWD staff to finalize the inspection trip schedule for this season.</p> <p>Items for the Dropbox account continue to be submitted by member agency staff. The account was established by the Public Affairs Department as a member-agency hub where all agencies can share outreach materials and other information, including vendors, upcoming events, water supply reports, and items of special interest for water use efficiency staff. Tiffany has primary responsibility for uploading items submitted by member agencies. Information on member agency drought outreach efforts is being used to prepare a matrix of countywide efforts. Tracking information of this kind was requested by member agency general managers during their June meeting; they were happy to learn this effort is already taking place. In addition to items submitted by member agencies, the Dropbox account includes shared marketing materials and graphics created by MWD and ACWA/DWR. These items, such as lawn signs, infographics, posters, door hangers, bill stuffers and more, can be customized by MWDOC and our member agencies, and used for additional drought outreach.</p> <p>An update on ACWA, MET and MWDOC's drought-outreach efforts was presented by Michelle to the member agency general managers at their June 18 meeting and to member agency Water Use Efficiency staff at their June 30 meeting in San Clemente.</p> <p>The MWDOC Public Affairs Workgroup meeting (PAW) was held on</p>
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	<p>Thursday, June 25. Michelle and Tiffany led the meeting, which was attended by 24 member agency PIOs. The meeting included an update on the turf removal program by Joe Berg and a review of ACWA's and MET's drought advertising campaign efforts. Updates were also presented on the School Program. The majority of the meeting was spent discussing countywide drought messaging, including individual member agency efforts. PIOs discussed what messages are resonating with customers and which communications vehicles are most effective. At the conclusion of the meeting, participants commented on how beneficial it was to share ideas.</p>
Community Relations	<p>Heather attended ACC-OC's City Leader's Reception hosted at the Disneyland Hotel.</p> <p>Tiffany B., Bryce, Tiffany F. and Marey implemented MWDOC's social media activities through Facebook, Twitter, and Pinterest during this period.</p> <p>Tiffany updated several pages on the MWDOC website.</p> <p>MWDOC partnered with OCSD and OCWD to staff a booth at the 2015 Fountain Valley Summerfest, June 25 - 28. MWDOC provided printed materials and giveaways that promote water conservation, available rebates, and information about the drought. MWDOC interns Bryce, Marey at Trevor staffed the booth. More than 30,000 people attended the event.</p>
Education	<p>The new Ricki books have been finalized, printed and delivered to Discovery Science Center.</p> <p>Working with MWDOC member agencies, the Discovery Science Center, Inside the Outdoors and The Ecology Center, Tiffany has scheduled the first two of several working groups to provide feedback and suggestions regarding content and approach for the 2015-2016 school program. The first two workgroups will be held on July 23.</p>
Media Relations	<p>The Register continues to call MWDOC (with Michelle the primary contact) for drought-related information. The latest article, "O.C., state sharply cut water use," was the front-page story in the July 2 Register and included quotes from Joe Berg.</p>
Special Projects	<p>Plans and details for the July 29 Water Policy Forum and Dinner are well underway. Felicia Marcus, SWRCB Chair, will be keynote speaker. Tiffany has been working with Felicia's assistant to determine specific travel, presentation and AV needs for the event. As of July 8, more than 200 people had already registered for the event. This number includes 12 reserved tables. Print invitations have been created and distributed, as have special invitations to local legislators and their staff.</p>

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	<p>Tiffany B. and Tiffany F. prepared the July cover image for social media and the website.</p> <p>MWDOC's new drought PSA has been uploaded to the agency's YouTube account, website, Dropbox account, and has been shared on social media.</p> <p>ACWA has created a new drought response webpage, http://droughtresponse.acwa.com/. Michelle and Tiffany coordinated content for the MWDOC "badge."</p> <p>WEROC is hosting a Disaster Cost Recovery Training workshop on Aug. 19. Tiffany generated the registration content and form.</p> <p>Heather participated in the ISDOC monthly Executive Committee meeting. She also prepared and sent out the invitation for the Quarterly Luncheon scheduled for July 30.</p> <p>Heather participated in the Southern California Water Committee's Energy Efficiency Task Force meeting on July 8.</p> <p>Heather staffed the monthly WACO meeting.</p>
Water-Use Efficiency Marketing	<p>Tiffany coordinated with MWD and MWDOC member agencies to prepare the final order of MWD restaurant conservation placards. Once received, these will be distributed to member agencies per their request.</p> <p>Heather, Joe and Melissa coordinated efforts to work with Orange County cities to update the Model Water Efficient Landscape Ordinance. Heather & Melissa attended and presented at the first meeting on July 9 hosted by ACC-OC. Future meetings will be hosted here at MWDOC.</p>
Legislative Affairs	<p>Heather participated in a conference call on AB 647 (Eggman) a groundwater bill, to iron out some differences between OCWD and MWD. The issue has since been resolved amicably.</p> <p>Heather met with Peter DeMarco, the legislative affairs manager for the County of Orange to discuss how we can work together collaboratively in the future.</p> <p>Heather participated in MWD's member agency legislative coordinators conference calls on June 25 and July 9.</p> <p>Heather attended ACWA's State Legislative Committee meeting in Sacramento. While in Sacramento, she also met with Senate Housing & Transportation Committee consultant, Ted Morley. Additionally, along with MWD's Kathy Cole and TPA's Casey Elliott, she met with Assemblyman Mike Gatto's Legislative Director, Aaron Moreno and Fellow, Nardos Girma to discuss their bill AB 1164 which would prohibit cities from banning artificial turf and provide funding for turf removal rebates.</p>



INFORMATION ITEM

July 20, 2015

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: Budget Trailer Bill Update

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive and file report.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

As part of his May Revision, Governor Jerry Brown proposed several trailer bills intended to accelerate projects and improve state and local agencies' ability to respond to the drought. Two of the trailer bills that received the most attention and debate were the Public Drinking Water Program Fee and the Consolidation measure.

The Public Drinking Water Program Fee went through the most changes. Included in the packet is a matrix that shows the evolution from current law, the State Water Resources Control Board's proposal, the stakeholders' compromise proposal and what eventually was signed into law.

The consolidation budget trailer bill that the MWDOC Board opposed in June, unfortunately, did not see any amendments or changes to the initial proposal and was signed into law. A fact sheet is included for your information.

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

The Budget Trailer Bills were passed by the Legislature on a party-line vote on Friday, June 19, 2015. They were signed into law by Governor Brown the following Wednesday, June 24, 2015.

UPDATE

Senator Wolk has amended her bill SB 552 to be a technical clean-up bill for the Consolidation Bill for public water systems in disadvantaged communities. No policy changes will be made ... it is clean-up language only. Specifically, the bill:

- Adds to the definition of “affected residence” that the residence must be within a “disadvantaged community.”
- Adds mobilehome parks to the definition of a “disadvantaged community.”
- Specified that the Water Board can require the extension of services to an area only within a “disadvantaged community.”
- Fees and charges imposed on a customer of a subsumed water system must not exceed the cost of consolidating the water system with the receiving system.

In addition to the clean-up language, the State Water Resources Control Board (SWRCB) has released a framework document that outlines their goals for implementing this controversial measure.

Senator Hertzberg’s office is working with Senator Wolk’s office the Administration, and the SWRCB along with stakeholders such as CSDA, ACWA, LAFCO, and others who have been asked to provide feedback on the most urgent issues that need to be fixed.

DETAIL

See attachments: Public Drinking Water Fee evolution matrix
Consolidation Fact Sheet
SWRCB “Safe Drinking Water” (consolidation) Framework document



Resilient, Affordable, Safe Drinking Water for Disadvantaged Communities Framework



All Californians have a right to safe, clean, affordable and accessible water adequate for human consumption, cooking, and sanitary purposes. Yet some Californians are still unable to turn on their tap and enjoy this basic human right. Drought has exacerbated existing conditions and left new communities entirely without water. State, Federal, and local agencies, non-profits, and community groups continue to work to remedy this public health and safety problem, but existing tools are not sufficient to reach a solution in every case. For the most part, existing state and federal funding programs are available to cover the costs of rehabilitating or installing new infrastructure. The greatest challenge lies in the daily system operations when a system's service area is entirely disadvantaged and lacks the economy of scale and ratepayer base to cover the ongoing costs of operations and maintenance (O&M) without making the water rates unaffordable for the customers. Often these systems do not have sufficient technical, managerial, and financial capacity. And although there may be economies of scale developed through regionalization, no one is responsible for building the necessary economies of scale within a region and the lack of scale has continued to persist. This framework provides a responsible agency and pathway to ensuring that everyone in California has adequate, safe water for basic human needs.

Goal

Ensure that every Californian has access to an adequate supply of safe water for daily human needs. This goal will be achieved by:

- Making more strategic use of existing funding resources
- Improving technical, managerial, and financial capacity where possible, consolidating as a second option, and if neither of those work, contracting with a third party to manage the system with a commitment to transitioning the system to a sustainable condition
- Easing the burden on local governments by limiting the proliferation of new, unsustainable systems



Use Existing Funding Sources More Strategically

Existing funding comes from many sources, some listed below. Some of these funding streams can be used exclusively for infrastructure and a few can be used to cover the cost of O&M. There are opportunities to expand the use of some of these funding sources, particularly those that may be used to cover O&M, and there are opportunities to better leverage the infrastructure funds.

Use existing funding more strategically, including:

- State Grants and Loans: Proposition 1, Drinking Water State Revolving Fund, Cleanup and Abatement Account, Drought Funding, Housing and Community Development Funding Programs;
- Federal Grants: USDA Rural Development, US Bureau of Reclamation, CDBG (state and federal), and others;
- Polluter Funds: Discharge penalties, settlement amounts for groundwater cleanup, mitigation fees, alternative means of compliance fees (ie. UST);
- Local property tax assessments;
- Ratepayer dollars;
- Responsible Parties [Clean-up and Abatement Orders, settlements, etc.].

Address the Needs of Public and State Small Water Systems

This initiative will enhance the State Water Board's existing ability to provide technical assistance and add a management contract option tool. The State Water Board will work to bring a system into compliance through technical assistance first. If technical assistance fails the State Water Board will consider opportunities to consolidate the system, if appropriate. If consolidation is infeasible or impossible the State Water Board will include the system in a group management contract committed to moving the systems toward a sustainable outcome within ten years.



The State Water Board may opt for one or more of the following options:

1

Build Physical, Financial and Technical Capacity

In Option 1, the Board will use existing authority to seek to maintain existing systems whenever feasible and effective in providing adequate, safe drinking water. In these cases, the State Water Board would:

- Move unsustainable systems to sustainability through technical and financial assistance including funding for capital infrastructure needed to connect or improve system(s).
- Incentivize consolidation (physical or managerial) of systems that are not independently sustainable as described below under “Consolidation.”

2

Consolidation, if Appropriate

In Option 2, the Board will use its new authority to require consolidation of water systems within disadvantaged communities, as defined, if voluntary measures do not result in assurance of adequate, safe drinking water and it is appropriate and feasible to consolidate the system with a public water system.

- The Board will first consult with the local agency formation commission, and with the California Public Utilities Commission, if appropriate.
- The Board will make various findings, hold a hearing, and provide adequate financial assistance for the needed infrastructure.
- Liability relief will be provided to the receiving system.

3

Grouped Management Contract Administrative Receivership for Sustainable Systems

In Option 3, the Board would be given new authority to provide management assistance via contracted services that would ensure delivery of adequate, affordable, safe drinking water. Contracted entities could be non-profit organizations, counties, special districts, investor-owned utilities, or others. Use of a contracted entity would provide technical and managerial capacity, economies of scale, and other efficiencies such as web-based operating systems. Financial capacity would be addressed through:

- Providing funding for capital infrastructure needed to provide adequate, safe water;
- Setting water rates at an affordable rate for basic needs;
- Providing funding (maximum duration ten years), through the contracted resources, for O&M costs to cover the gap between ratepayer dollars and the costs of O&M in a manner that prevents fraud, waste, and abuse; and
- Working with communities served by the contracted entity to equip them to transition to a sustainable structure by the end of the ten-year funding period.

Limit Proliferation of New, Unsustainable Systems

Ease the burden on local governments with new tools to limit the proliferation of new, unsustainable systems by:

- Requiring hookup to existing public water systems if feasible, rather than creation of new systems.
- Adding a requirement that the State Water Board must concur in permits issued by Local Primacy Agencies for the creation of a new water system.
- Reducing the threshold size of proposed residential development subject to Government Code 66473.7 from 500 to 15 dwelling units/service connections, to match the threshold for community public water systems.
- Barring approval of new communities that would rely on hauled water for a permanent water supply.



FACT SHEET: CONSOLIDATION BUDGET TRAILER BILL

GENERAL PROVISIONS

When a public water system, or state small water system serving a disadvantaged unincorporated community or a water mutual serving a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water, the Water Board may order that system to consolidate with, or receive an extension of service from, another public water system referred to as the receiving system. The receiving system would not be held liable for claims resulting from the subsumed system's actions prior to the consolidation or extension of service. Before ordering consolidation or extension of service the

Board must notify the systems, consult with various entities, and allow time to negotiate another means of providing an adequate supply of safe drinking water. The Board must also make certain findings prior to mandating consolidation or extension of service.

Prior to formally considering consolidation, the Board must:

1. Encourage voluntary consolidation or extension of service;
2. Consider other enforcement remedies;
3. Consult with the relevant LAFCO;
4. Consult with the relevant county SB 244 analysis;
5. Consult with the CPUC if the potential consolidation involves a public water system under its jurisdiction;
6. Notify the systems under consideration for consolidation or extension of service and give them no less than six months, unless a shorter period is justified, to achieve an alternative resolution. The Board may also extend this period upon the showing of good cause;
7. Provide technical assistance and work with both systems to develop a financing package that benefits both systems;
8. Obtain written consent from any domestic well owner for consolidation or extension of service;
9. Hold at least one public meeting at the initiation of the process in a place as close as feasible to the affected areas, making reasonable efforts to provide at least 30-day notice.

Upon expiration of the deadline, the Board must:

1. Consult with the potentially receiving water system and the potentially subsumed system;
2. Conduct a public hearing, in a location as close as feasible to the affected communities, making reasonable efforts to provide a 30-day notice.

Before mandating consolidation, the Board must find all of the following:

1. The potentially subsumed water system has consistently failed to provide an adequate supply of safe drinking water;
2. All reasonable efforts to negotiate consolidation or extension of service were made;
3. Consolidation or extension of service is appropriate and technically and economically feasible;
4. There is no pending LAFCO process that is likely to resolve the problem in a reasonable amount of time;
5. Concerns regarding water rights and water contracts of both systems have been adequately addressed;
6. Consolidation or extension of service is the most effective and cost-effective means to provide an adequate supply of safe drinking water;
7. The capacity of the proposed interconnection needed to accomplish the consolidation is limited to serving the current customers of the subsumed water system.

Upon mandating consolidation, the Board must:

1. Make funds available for the cost of completing the consolidation or extension of service;
2. Ensure payment of standard LAFCO fees caused by the Board-ordered consolidation;
3. Adequately compensate the owners of a privately owned subsumed water system for the fair market value of the system;
4. Coordinate with the LAFCO and other relevant local agencies to facilitate the change of organization and reorganization.