MEETING OF THE BOARD OF DIRECTORS OF THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Jointly with the

PUBLIC AFFAIRS AND LEGISLATION COMMITTEE

October 19, 2015, 8:30 a.m. Conference Room 101

Committee:

Director Barbre, Chairman Director Tamaribuchi Director Hinman

Ex Officio Member: L. Dick

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

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)
 - Legal and Regulatory Report (Ackerman)
 - e. MWDOC Legislative Matrix
 - f. Metropolitan Legislative Matrix

ACTION ITEMS

- TRAVEL TO WASHINGTON DC TO COVER FEDERAL INITIATIVES
- TRAVEL TO SACRAMENTO TO COVER STATE INITIATIVES
- 4. PUBLIC COMMENT LETTER ON CALIFORNIA WATERFIX PARTIALLY RECIRCULATED DRAFT EIR/SUPPLEMENTAL EIS

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

- 5. UPDATE ON THE TRANSFER OF ORANGE COUNTY SANITATION DISTRICT AREA 7
- 6. MWDOC LEGISLATIVE POLICY PRINCIPLES ANNUAL UPDATE
- 7. PUBLIC AFFAIRS ACTIVITIES REPORT
- 8. UPDATE ON THE STATE AND FEDERAL ADVOCACY RFP PROCESS (Oral Report)
- 9. CADIZ WATER BANKING PROJECT (Oral Report)

OTHER ITEMS

10. 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 October 13, 2015

Inside the House of Representatives: Historic levels of turmoil after Boehner's handpicked protégé drops out:

Since the last report was published in early September, there have many political developments occur in Washington, DC.

Speaker John Boehner, knowing that he couldn't get a majority of his caucus to support the Continuing Resolution to keep the government funded from October 1st till December 11th—decided to exit his position as positively as he could. He remains in control and has promised to stay on until a new Speaker has been chosen.

A quick rewind of the Republican Conference—there are 249 Republicans and it takes a vote of 218 to have a majority of votes on the House Floor (there are a total of 435 voting members in the House). Of the 249 House Members, roughly 30 to 50 of these Members are identified with what is known as the Freedom Caucus, and for the most part are relatively newly elected Members. They are conservative in their politics and are aggressive about trying to make changes in the House. As a block of voters on the House floor --they can prevent the Speaker from passing legislation without 218 House Republicans supporting it. Most recently, on September 30th, it is significant to note that 151 House Republicans voted against the Continuing Resolution to keep the government running until December 11th. The resolution was carried by a block vote of House Democrats and roughly 100 House Republicans.

As a result of this dynamic, on many votes, the Speaker has had to cross the aisle and ask the Democrats for votes to pass certain legislative measures—which in turn further escalates the tensions between the larger GOP Caucus and various segments within the Caucus, including the Freedom Caucus Members.

This group was ultimately one of the major reasons why Congressman Kevin McCarthy chose to withdraw from the race for Speaker. To take him at his word, he decided personally after much reflection—he wasn't the right person for the job.

This week the House of Representatives is in a District Recess Period. Congressman Paul Ryan is at home in Wisconsin weighing his own position over whether or not he wants to accept the Speakership which has virtually been handed to him on a "silver platter". To date, he is still considering his position. He is the current Chairman of the House Ways and Means Committee and

widely respected in the House. He was Mitt Romney's Vice Presidential running mate in 2012. He is a consensus choice but doesn't know personally if he wants the job.

With that background, some of the key dates ahead summarize the important items that have to be resolved in the House and the Senate:

October 29th—the Surface Transportation bill must be extended by this date or federal transportation dollars stop flowing.

End of October—This is the date when Speaker Boehner said he wanted to leave the Congress. He has since said he would stay until a new Speaker is chosen—and that date is uncertain at this time. There is pressure on Speaker Boehner to stay on until the Borrowing Authority and the final FY2016 Funding Bills have been approved.

November 5th—this is the current date when the borrowing authority of the federal government expires. Historically this date has been extended by "extraordinary measures"—but it can't be extended too many weeks. Congress needs to approve a new authority.

December 11th—this is the date when the current federal funding resolution, called the CR (for Continuing Resolution) runs out. Congress will need to pass a yearlong set of appropriations bills or pass another CR to keep the federal government running.

One of the difficult issues that has arisen in Washington deals with the selling of aborted fetal tissues and the decision by many lawmakers to defund Planned Parenthood in this year's appropriations process. Each political party has strong views on this topic. President Obama has said that he would veto legislation that defunded Planned Parenthood and this is one of the primary issues that has spilled over into the national funding debate this year.

This week in an effort to curb criticism, Planned Parenthood says its clinics will no longer accept reimbursement for fetal tissue donations, a decision the organization says is an attempt to shield itself from critics' attacks.

The organization has said that just two of its health centers have provided fetal tissue donations for research and they follow federal law allowing the clinics to recoup procurement costs. But following a series of undercover videos alleging that some clinics illegally profited from the donations, Planned Parenthood said its affiliates will no longer accept *any payment for such expenses*.

While the organization's decision is unlikely to deter congressional Republicans' efforts to probe the group, this may quiet down some of the objections to the current plan to fund the federal government past December 11th. Many lawmakers have sought to zero out federal funding for Planned Parenthood – a group that receives approximately \$500 million per year in federal dollars.

The House just last week announced the creation of a special committee to investigate Planned Parenthood, in addition to the hearings that have already been held by several committees.

The larger issues vexing Congress this year in the appropriations process deal with the forced spending reductions established as a result of the Budget Control Act—an outgrowth of the Great Recession of 2009. The Obama Administration wants to "break the spending caps" ordered for

discretionary programs—like social programs and even water programs—and the GOP wants to break the spending caps for defense and national security issues.

This is the backdrop for the major Congressional debate leading up to the December 11th funding deadline. Most observers here believe there will be a "Grand Bargain" reached between the White House, the Democrats and the GOP on authorizing more federal borrowing authority and at the same time, break through the spending caps at the same time. This is all the more complicated due to the dynamics in the House of Representatives and the fact that when Representative Boehner leaves, there may be a leadership vacuum to carry such a program through the House of Representatives.

Update on Water Issues here in Washington:

The major water event in Washington this past month took place on Thursday, October 8th. The Senate—which had declined to hold a hearing on the western drought for the last two years, decided they would hold a hearing on Western Drought Issues—specifically including the Feinstein / Boxer Bill, S. 1894, and the House Valadao Bill, HR 2898.

All three members testified at the Senate Hearing. Notably after the testimony of both California Senators, both Senators left the room, in tow with their key aides, and Congressman Valadao was alone at the Witness Table providing his testimony. Unfortunately, many people saw that as a "slight" to the House.

Jeff Kightlinger of Metropolitan spoke strongly for loan financing programs such as WIFIA and RIFIA (the Bureau of Reclamation proposed loan program) and for operational flexibility.

The hearing also dealt with other state's bills in the West, most notably, New Mexico and Alaska. Comments were also made by Washington, Arizona and Oregon Senators.

MWDOC has since visited with the Chief Water Professional on the Senate Energy Committee and this staffer believes the challenge that lies ahead will deal with the ability of both the House and the Senate moving off of their existing positions.

For the Senate, they will likely need to accept some operational and or regulatory changes in the Delta and for the House, they will likely have to accept some innovative loan programs (read here feasibility study funding). And if there is new spending, per the rules of the House, there will have to be offsets found to pay for any new spending. In short, each body will have to give to reach a compromise bill.

There is a general belief here that there is a window of time this fall to get this none before the end of the year.

There is some concern if we have a wet water year next year, the motivation to come to a compromise may be lost—next year.

General News Items and political Updates of Interest

Presidential Nomination Updates:

For the Democrats, here are the current numbers per "Real Clear Politics Media"*:

Nationally

Clinton 43%

Sanders 25

Biden 17

In Iowa (first caucus state)

Clinton 39%

Sanders 27

Biden 17

In New Hampshire (first primary state)

Sanders 39%

Clinton 30

Biden 14

The first Democratic debate is this evening and these numbers may change in the coming days and weeks. Vice President Joe Biden has still not decided to run at press time.

For the Republican Nomination:

Nationally

Trump 24%

Carson 18

Rubio 10

Iowa (First Caucus State)

Trump 22%

Carson 17

Fiorina 10

New Hampshire (First Primary State)

Trump 26%

Fiorina 13

Carson 10

*Polling averages taken from different respected polling organizations over a common period of time in recent days/weeks.



To: Municipal Water District of Orange County

From: Townsend Public Affairs, Inc.

Date: October 12, 2015

Subject: Monthly Political and Activity Report

State Political Update

The first year of the 2015-16 Regular Session of the California Legislature officially ended at midnight on September 11th. The Legislature is now on interim recess and is scheduled to reconvene for the second year of the two year session on January 4, 2016. After the Legislature completed its work, all eyes shifted to the Governor as he had until October 11th to act on all bills pending before him. Ultimately, Governor Brown signed 808 bills and vetoed 133, a veto rate that is consistent with his prior actions in his second stint at Governor.

Among the hot topics that were debated during the final week of the legislative session were climate change, medicinal cannabis, redevelopment dissolution and physician-assisted suicide. Among the bills that the Legislature sent Governor Brown, the item that was the most controversial in the Legislature was a climate change bill authored by the Senate Pro Tem. SB 350 (de Leon), calls for the state to boost energy efficiency in buildings by 50 percent and requires California to get half of its electricity from renewable sources by 2030. In the final days of session, in order to ensure passage of the bill, Democrats were forced to drop a key provision of the bill that called for a 50% reduction in petroleum use in California. Once this provision was removed then the bill was able to secure the votes needed for passage, and was signed into law by the Governor on October 7th.

Despite the amendments taken to SB 350, the Governor has stated that he will continue to work with the California Air Resources Board on what regulatory actions can be taken to help achieve a reduction in petroleum use. This is consistent with many actions that the Governor has taken to empower state agencies to act, in lieu of legislative action. This strategy was most noticeable earlier in the year when the Governor called on the State Water Resources Control Board to enact statewide conservation measures in response to the drought.

In addition to the hundreds of bills that were being considered by the Legislature in the final weeks of session, there were actions taken to solidify the future leadership of the Legislature. On August 27th, the Senate Republican Caucus voted Senator Jean Fuller (R-Bakersfield) as its new Minority Leader. It had been announced several months earlier that Senator Fuller would be the next Minority Leader, but this change occurred two months before the previously announced transition, which was to take place in November. Under Senator Fuller's leadership, the Senate Republican Caucus were able to defeat proposals that were not in line with their priorities relating to transportation and health care, as those proposals contained new taxes and required a two-thirds vote for passage.

On September 1st, the Assembly Republican Caucus voted for their next leader, electing Chad Mayes (R-Yucca Valley) to replace Kristin Olsen as the next Assembly Minority Leader. Assembly Members Mayes and Olsen will work together to ensure a smooth transition and Mayes will assume the position when the Legislature reconvenes on January 4, 2016. Assemblyman Mayes was recently elected to the Legislature in 2014, so he will have the opportunity to serve as the Minority Leader for the foreseeable future, as he does not term out until 2026.

Two days after the Assembly Republicans selected their next leader, the Assembly Democratic Caucus voted to select Assemblyman Anthony Rendon (D-Lakewood) as their choice for the next Speaker of the Assembly. This vote followed months of speculation, and internal caucus politics, over who would lead the Lower House for the better part of the next decade. The current Speaker, Toni Atkins, will remain in her position until the new Speaker is officially voted upon by the entire membership of the Assembly. That vote is anticipated to occur in early-January 2016 and from there a formal transition schedule from Speaker Toni Atkins to Speaker-Designate Rendon will be announced. Once the new Speaker is in place, it is likely that there will be some change in committee membership, including potentially new committee chairs and vice-chairs. Should the new Speaker wish to make those changes, they will likely occur before policy committees begin hearing new bills in committee.

On Friday, September 11th, a bipartisan group of 47 state Assembly Members delivered a letter to Governor Brown asking him to declare a special session to tackle problems related to California's ongoing drought. Key topics of this proposed special session were the State's sluggish response to the supposed state of emergency and ongoing state actions that have failed to deliver as promised. "We have seen from widespread reports that as much as half of the \$687 million set aside to help drought-stricken communities remains unspent in state accounts — and will remain there until 2016," says the letter. "In addition, we are seeing the same slow and lethargic project pace with the funds raised as a result of last year's Proposition 1 ballot measure." A spokesman for the Governor's office stated that a sound process is in place to ensure assistance is distributed properly. The spokesman also went on to say that hundreds of millions of dollars of relief has been committed and distributed thanks to the bipartisan effort of both the Republicans and Democrats, but without the need of a special session. While a special session does not seem likely, the letter did demonstrate that there is still an strong desire, from members of both parties, for the State to step up its efforts in addressing the drought and ensuring that financial assistance is provided to help address those needs.

Cap and Trade

On the final day of session, the Legislature decided to postpone the discussion of Cap and Trade revenues until January 2016. Funding for programs such as the Water Energy Technology (WET) Program will be delayed until the Legislature returns from their holiday break. However, they did pass a budget trailer bill, SB 101, which includes funding for existing Cap and Trade and water programs at state agencies as well as other funds for infrastructure projects, education, and longterm care. SB 101 provisions include:

- 1. Strategic Growth Council (SGC): \$1.817 million that will count toward the continuously appropriated funds for SGC.
 - \$500,000 for technical assistance to disadvantaged communities.
- 2. Department of Water Resources: \$19 million to local agencies, JPAs, and nonprofits for water efficiency and energy efficiency programs, for continued implementation of the California Water Plan.

- 3. Air Resources Board: \$90 million for local assistance. \$18.686 million simply labeled "climate change."
 - \$1 million (of the \$18.6 million) to establish a tracking system to track projects funded through Cap-and-Trade
- 4. Department of Food and Agriculture: \$40 million for water and energy efficiency grants promoting water and energy savings.

Drought Update

AB 1164 (Gatto) Water Conservation: Drought Tolerant Landscaping

This bill, would prohibit cities and counties from enacting or enforcing any ordinance or regulation that prohibits the installation of drought tolerant landscaping, synthetic grass, or artificial turf on residential property. This bill was amended, as it came off of the Senate Appropriations Suspense File, to remove a \$300 million appropriation for local turf replacement programs that was previously in the bill. This bill has been signed into law by the Governor.

SB 355 (Lara) San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy

This measure modifies the composition of the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (RMC) by adding two members that are from cities located along the rivers. In its original form, the bill would have removed one of Orange County's two voting members of the RMC Board. After opposition from numerous entities in Orange County, the bill was amended to retain the two Orange County seats. The 15 member Board will include two members of the Orange County Division of the League of California Cities, both of whom shall be a mayor or a city council member. One member shall be appointed by a majority of the membership of the city selection committee of Orange County, and one member shall be appointed by the Governor from a list of members submitted by the city selection committee. This bill has been signed into law by the Governor.

State Water Use: August 2015

For the third month in a row, California beat the Governor's 25 percent mandate, reducing their overall water use by 27 percent in August. Californian's are now halfway to meeting its goal of 1.2 million acre-feet of water saved by February 2016. The cumulative water savings from June, July, and August, when compared to the same months in 2013, is now 28.7 percent.

In August:

- 38,601 water waste complaints were reported statewide (by 379 suppliers) -- compared with 38,882 complaints reported in July (by 385 suppliers);
- 39,008 formal warnings were issued for water waste statewide (by 330 suppliers) -compared with 37,471 formal warnings in July (by 329 suppliers);
- 14,975 penalties were issued statewide (by 84 suppliers) -- compared with 16,287 penalties issued in July (by 82 suppliers).

MET and LACSD Recycled Water Project

The Metropolitan Water District (MET) and the Los Angeles County Sanitation Districts (LACSD) have been engaging in talks regarding the construction of a recycled water plant capable of producing up to 150 million gallons a day of drinking water. The project will be partially modeled after the Groundwater Replenishment System, with LACSD providing the necessary flows to a recycled water plant funded and operated by MET. A memorandum of understanding (MOU) is currently under development between MET and LACSD, and Board action by MET to initiate a feasibility study could happen as soon as November. If the MET Board approves the MOU, they could launch a "demonstration project" that would treat up to 1 million gallons a day while officials conduct additional studies and develop a financing plan for the full project.

The County of Orange Report

October 12, 2015
By Lewis Consulting Group

San Onofre Nuclear Waste Finds Home - HERE

At its October 5th meeting, the California Coastal Commission approved a plan to allow nuclear waste to be encased in concrete and stored on-site for a minimum of 20 years.

The controversial decision was largely necessitated by federal inaction in developing a plan for storage of spent nuclear material.

There is agreement that the new plan of encasing the materials in concrete is safer than the current storage in spent fuel pools.

However critics strongly oppose the placement of the concrete encasements within 100 feet of the San Onofre Storm Wall. Critics argue that there were safer locations in both Arizona and Texas. Southern California Edison contends that there were too many practical and legal obstacles to presently choose that as an alternative.

Construction of the new concrete encasements will begin next year and it is anticipated the work would conclude in 2019. One of the challenges upon completion is how to monitor the structural integrity of the encasement going forward. According to the Nuclear Regulatory Commission, technology is rapidly developing new generations of tiny robots that will be able to check for cracks or other problems.

In the meantime, Orange Countians have one more reason to cross their fingers and hope we avoid the "the BIG one" or any major Tsunami.

Orange County's Criminal Justice System Gets national Rebuke

Sometimes you just can't make this stuff up . . . In 2011 Scott Dekraii went on a shooting spree which resulted in 8 deaths. He pled guilty in 2014. However, as part of the sentencing hearing, Mr. Dekraii's public defender filed a massive motion detailing prosecutorial misconduct and unconstitutional acts. This centered on the inappropriate use of a jail informant. Using an informant is prohibited after someone had been charged with a crime. The *New York Times* in a September 30, 2015 editorial noted "Mr. Dekraii's defense lawyer discovered the Sheriff's department kept secret a computer file showing where jailhouse informants were placed, that went back decades. The Prosecutor's office kept separate files on informants and their deals. Some of the informants have helped law enforcements repeatedly in exchange for favors, a fact that is highly relevant in weighing their credibility!!"

The judge in the case, Thomas Goethels, was so appalled he ordered the removal of the entire District Attorney's Office from the case and ordered the case to be reassigned to the California Attorney General Kamala Harris. Apparently, wanting to avoid the hot potato her office is appealing that order.

In the meantime, ramifications from the illegal use of jailhouse informants continue to unfold. First, District Attorney Tony Rackauckas has attempted to remove Judge Goethels from dozens of cases.

In a separate murder case two judges who were both former county prosecutors were issued subpoenas to testify about their knowledge of past use of informants but the subpoenas were quashed by Superior Court Justice Greg Pickett.

In yet another case, convicted murderer Eric Ortiz is engaged in an evidentiary hearing to determine whether a new trial is warranted. At the October 6th hearing, two Sheriff Deputies, Ben Garcia and Seth Tunstall invoked their 5th amendment privilege against self-incrimination.

Finally in the case of alleged Mexican Mafia gang leader Peter Ojeda, Ojeda recently withdrew his guilty plea and is preparing to go to federal trial. In that case, federal prosecutors are doing their best to make sure that allegations of inappropriate use of informants are not allowed in as evidence.

As a result of the Orange County legal tumult, new legislation was just signed into law by Governor Brown which makes it easier for judges to remove individual prosecutors or departments for withholding evidence and also requires judges to report said activities to the State Bar.

The New York Times did not pull any punches in its editorial. It led off with "blatant and systematic misconduct in the Orange County's District Attorney's office in Southern California stands out". The Times quoted respected Federal Appeals Court judge Alex Kozinsky who has written "the withholding of exculpatory evidence has reached epidemic levels". The New York Times concluded by calling on the U.S. Justice Department to conduct a thorough investigation.

Birthing Pains for OC Ethics Panel

It wasn't pretty to watch but by the end of the October 6th Board of Supervisors meeting, with four affirmative votes, the Board adopted the creation of a new Orange County Ethics Commission. The Board must still vote to place the matter on the ballot, presumably June 2016 and it would need to be affirmed by Orange County voters.

As Otto Von Bismark once notably stated "those who have respect for the law and sausage, should watch neither being made".

This meeting got off to a rocky start stemming from prior unflattering quotes Supervisors directed at each other. For years the Board of Supervisors had rejected attempts by Orange County's Shirley Grindle, author of the TINCUP Ordinance, to create an ethics commission. However, fearing local unions would finance Grindle's newest attempt for ballot qualification incentivized Supervisors to reach consensus on a deal. Because of the Brown Act only two supervisors could work jointly and the two that started the negotiation with Grindle and her allies were Shawn Nelson and Todd Spitzer.

In the days leading up to the Board meeting Supervisor Andrew Do offered his own alternative plan. This led to a public rancor rarely seen between Supervisors. Supervisor

Todd Spitzer, in a phone interview accused Supervisor Do of plagiarism. Do fired back, calling out Spitzer for "straight out dishonesty" and even called Spitzer a "liar".

However by the time the hearing commenced the rhetoric calmed down and elements of Do's proposal were incorporated with the Spitzer/Nelson proposal. Only Supervisor Michelle Steel opposed the proposal stating "it's not ethical to waste taxpayer's dollars in order for you to make symbolic gestures".

County Wins New Battle over Musick Jail Expansion

For the fourth time courts have ruled against lawsuits by the City of Irvine attempting to block expansion of the James A. Musick Branch Jail.

The lawsuit was predicated on inadequate environmental review but Judge William Bedsworth made short shrift of that argument.

As a result the County plans to add 896 beds to the already existing 1200 beds. In addition the County will be able to recoup legal costs from the City of Irvine.

WHAT A DIFFERENCE A WEEK MAKES!

Check out the one week change in drought conditions in the states of Virginia, North Carolina and South Carolina. While no one wants 20" of rain dropped on our heads in a three day period, hopefully El Nino can find a happy medium.

U.S. Drought Monitor

CONUS

U.S. Drought Monitor

CONUS

September 29, 2015 (Released Thursday, Oct. 1, 2015) Valid 8 a.m. EDT

Drought Conditions (Percent Area) None D0-D4 D1-D4 D2-D4 D3-D4 55.09 31.36 20.09 Current 44.91 11.45 3.00 Last Week 9/22/2015 31.47 19.79 45.19 54.81 11.35 3.00 3 Months Ago 61.47 25.88 15.54 6.76 2.86 38.53 Start of Calendar Year 53.20 46.80 28.68 16.93 8.96 2.54 Start of Water Year 52.22 47.78 30.57 18.66 9.41 3.85 One Year Ago 9/30/2014 52.22 47.78 30.57 18 66 3.85 9 41



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author(s):

Eric Luebehusen

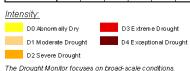
U.S. Department of Agriculture

October 6, 2015

(Released Thursday, Oct. 8, 2015) Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	48.99	51.01	31.58	21.45	12.02	3.06
Last Week 929/2015	44.91	55.09	31.36	20.09	11.45	3.00
3 Months Ago 7/7/2015	63.45	36.55	25.94	17.15	7.47	2.86
Start of Calendar Year 12/3/02/014	53.20	46.80	28.68	16.93	8.96	2.54
Start of Water Year 9/29/2015	44.91	55.09	31.36	20.09	11.45	3.00
One Year Ago 107/2014	53.03	46.97	30.51	18.66	9.46	3.87



Local conditions may vary. See accompanying text summary for forecast statements.

Author(s):

NOAA/NWS/NCEP/CPC













ACKERMAN CONSULTING

Legal and Regulatory

October 19, 2015

- 1. **City Orders Disposable Plates in Restaurants:** The City of Fort Bragg has ordered its upscale restaurants to use disposable plates, cups and utensils to save water. The Noyo River which supplies the city is extremely low and is experiencing salt water intrusion from the ocean. Residents and businesses are being asked to cut back an additional 30% (on top of the Governors 25% order) water usage. Restaurants are complaining that you cannot cut steak with a plastic knife. The City Council is reconsidering part of their order. The city is dependent on tourism and their largest business, North Coast Brewing Co, which makes beer and uses a lot of water. The city does have a new reservoir under construction but it will not be completed until next year.
- 2. **Drought Revives Rapids:** The Stanislaus River, once known for its raging rapids, is making a comeback as a result of the drought. This river feeds the New Melones Reservoir, or more accurately, used to feed the Reservoir. The reservoir is now at 10% of capacity. This greatly reduced water level and the lessened flow of the river has created a rapids condition in the original river bed. Local residents say they have not seen this for decades and welcome the return to the good old days.
- 3. **Drought is Driving Bees Out:** The drop in total crops in California is stressing the beekeeping industry. Bees depend on growing crops to do their pollination services and to produce honey for us. The change is so severe that some beekeepers are developing alternative food for the bees to maintain the hives. Sugar syrup and pollen and oil mixtures are being used but they are very expensive. Many beekeepers are picking up their hives and moving out of state. This can become a problem when the drought ends as certain crops depend on the bees and the pollination process to ensure successful growing seasons.
- 4. **Historic Water Rights Winning??:** The State Water Resources Control Board lifted some of its controversial restrictions on senior water rights. The Board removed the sanctions for water rights established between 1903 and 1914 in the Sacramento River watershed and the Sacramento-San Joaquin River Delta. This announcement does not impact other watersheds or areas, many of which are in litigation. The rationale was that demand was dropping in the stated areas and supplies were exceeding expectations. This action will be worth following as the litigations progresses.

Item 1d

- 5. The "Yuck" Factor and Recycling: While Orange County continues to lead the way with its state of the art groundwater replenishment system, some of our friends in Northern California are still discussing and basing decisions on the "yuck" factor. That factor is that is must be impossible to process sanitation district water into a condition that is safe to drink. We all know that it is possible and that with proper public education, it is acceptable. While many Bay Area water districts are doing test projects, the process does not have adequate public support to go full steam ahead. The Dublin-San Ramon water district actually built a plant in the late 1990s which never got on line due to the "yuck" factor with its residents. Even Los Angeles County sanitation district if finalizing a deal with MWD to install a system much like Orange County. The LA system would become the largest in the world when it comes operational. The Santa Clara Valley Water District, a leader in Northern California, completed a \$72 million purification center last year to demonstrate to its customers the feasibility on the science.
- 6. **Wastewater Reuse for Vineyards:** Wineries in Napa and Lodi have completed a 2 year study using winery wastewater for irrigation. UC Davis researchers have found that using treated wastewater meets all standards for irrigation water quality and is urging other agricultural producers to follow suit. Treatment processes vary by area, based on the salt content of soil and cleansers, other natural chemical conditions and types of cleansers used in the wine making process.
- 7. **Water Agencies Buying the Delta:** Westlands Water District and MWD are considering buying certain Islands in the Delta region. The general purposes include obtaining the water rights associated with each parcel and aiding the negotiation of a Delta solution such as the Twin Tunnels project. The islands in question are owned by Zurich American Corp, a subsidiary of the Swiss insurance company. Zurich originally purchased the parcels with the intention of converting them into large for- profit reservoirs. They have been trying to do this for 20 years with no success to date. The four islands in question are within the proposed route of the twin tunnels. Both Westland and MWD have been quiet on the proposal but both agencies have discussed it in closed sessions.
- 8. **High Tech Ag:** The drought has offered an opportunity for farmers and the high tech community to develop new ideas on irrigation and monitoring water and climate. A visit to a modern day California farm will show an array of soil monitors, moisture monitors, temperature gauges, humidity devices, flow monitors and many more that probably go unnoticed. The impact of all of these is watering techniques that watch every drop of water used in growing crops. Farmer's crops range from those that use large amount of water to those that use much less. In all cases high tech is being used to save water while at the same time making sure each plant gets the correct amount. In general, high value crops require more water than lower value ones. That rule is broke in the case of alfalfa which is a low value crop which uses a lot of water.

The reason they are still in the mix is the importance of the dairy industry to the State and hence food for the cows.

9. **Who Uses 1300 Gallons per Hour?:** Someone in Bel-Air, a residence, is using 1300 gallons per hour, that is 11.8 million gallons per year. That is the same amount used by approximately 90 regular households. Steve Lopez of the LA Times is trying to find the house but so far has been unsuccessful. While some houses in the area are in the 60,000 to 80,000 square feet size and have 20 or so bedrooms and multiple pools, that is still a lot of water. LA DWP has not publicly identified the person but has asked them-he



OTHER POSITIONS			ACWA-Favor	ACWA - Favor	
OTHER			ACW	ACWA	
MWDOC POSITION		Support		Support	
POLICY AREA		Local Water Resource	Governance	Governance	Water Quality
LATEST ACTION		AB 1 has been signed into law Local Water Resource Support by the Governor	AB 10 has been vetoed by the Governor	AB 149 has been signed into law by the Governor	AB 300 is a two-year bill
SUMMARY	Proposed Legislation	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.	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.	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.	Safe Water and Wildlife Protection Act of 2015. Would enact the Safe AB 300 is a two-year bill 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.
HIGH PRIORITY					
AUTHOR		Brown [D]	Gatto [D]	Chavez [R]	Alejo [D]
BILL		AB 1	AB 10	AB 149	AB 300 (Two Year Bill) Bill) Page 18 of



ACWA- Favor	ACWA - Favor	MET-Support ACWA- Favor	MET-Support ACWA- Favor
Water Use Efficiency	Water Quality	Water Use Efficiency	Water Use Efficiency
AB 349 has been signed into law by the Governor	AB 434 has been signed into law by the Governor	8/27/15 In committee: Held under submission.	<u>5/28/15</u> Joint Rule 62(a), file notice suspended. In committee: Held under submission.
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 development declaration that prohibits use of low water-using plants, or prohibits or restricts compliance with waterefficient 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.	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.	Outdoor Water Efficiency Act of 2015: personal income tax credits: 8127115. In committ outdoor water efficiency. The Personal Income Tax Law allows various under submission. 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.	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.
Gonzalez [D]	Garcia, E [D]	Melendez [R]	Salas [D]
AB 349	AB 434	AB 585	Page 10 of



MET-Support ACWA-Favor			ACWA- Favor
Water Use Efficiency	Water Transfers	Governance	Water Use Efficiency
AB 606 has been signed into law by the Governor	AB 647 is a two-year bill	AB 656 has been signed into law by the Governor	AB 723 is a two-year bill
Water conservation. Would require the Department of General Services AB 606 has been signed into to identify each public property added to the department's state property law by the Governor 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.	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.	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.	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.
Levine [D]	Eggman [D]	Garcia, C [D]	Rendon [D]
AB 606	AB 647 (Two year bill)	AB 656	AB 723 (Two Year Bill)



		ACWA - Not Favor	ACWA- Favor
	ture		
Water Quality	Water Infrastructure Financing	Governance	Turf Removal
AB 888 has been signed into law by the Governor	AB 935 is a two-year bill	AB 1077 has been signed into Governance law by the Governor	AB 1164 has been signed into law by the Governor
Waste Management: plastic microbeads. Would prohibit, on and after AB 888 has been signed into 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.	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.	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.	Water conservation: drought tolerant landscaping. This bill would prohibit a city, including a charter city, county, and city and county, from lenacting or enforcing any ordinance or regulation that prohibits the installation of synthetic grass or artificial turf on residential property, as specified. The bill would continuously appropriate \$300,000,000 from the General Fund to the 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. Amended to remove fiscal appropriation.
Bloom [D]	Salas [D]	Holden [D]	Gatto (D)
AB 888	AB 935 (Two Year Bill)	AB 1077	AB 1164



ACWA- Favor				ACWA - Not favor unless amended (Would open final EIR to public comment) changed to Watch
Water Quality	Water Use Efficiency	Water Use Efficiency	Water Use Efficiency	СЕФА
AB 1242 is a two-year bill Wi	AB 1244 is a two-year bill Wa	SB 7 is a two-year bill W.	SB 47 is a two-year bill W.	SB 122 is a two-year bill CE
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.	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.	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.	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.	California Environmental Quality Act: record of proceedings CEQA SB 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.
Gray [D]	Gray [D]	o Wolk [D]	[Q]	Jackson [D]
AB 1242 (Two Year Bill)	AB 1244 (Two Year Bill)	SB 7 (Two Year Bill)	SB 47 (Two Year Bill)	SB 122 Bill) Year Bill) Year D 2 C 2 C 2 C 2 C 2 C 2 C 2 C 2 C 2 C 2



ACWA - Not Favor	ACWA-Not Favor	ACWA-Favor	
	oppose		Oppose
CEQA	MET	Fiscal Policy	Fiscal Policy
SB 127 is a two-year bill C	SB 143 is a two-year bill N	SB 208 has been signed into law by the Governor	SB 355 has been signed into Filaw by the Governor
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 proceedings and the citing of a specified notice, to comply with specified procedures.	Diamond Valley Reservoir: recreational use. Current law, with certain St 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.	Integrated regional water management plans: grants: advanced payment. Would require a regional water management group, within 90 landays 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.	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.
Vidak [R]	Stone [R]	Lara [D]	Lara [D]
SB 127 (Two Year Bill)	SB 143 (Two Year Bill)	SB 208	SB 355



SB 385	Hueso [D]	Primary drinking water standards: variances: hexavalent chromium, SB 385 has been signed into Would authorize, until January 1, 2020, the State Water Resources law by the Governor 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.	SB 385 has been signed into law by the Governor	Water Quality	ACWA - Support' Sponsor MET-Support	_
SB 553 (Two Year Bill)	Wolk [D]	Water conservation. Would require the Department of General Services SB 553 is a two-year bill 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.	s SB 553 is a two-year bill	Water Use Efficiency	MET-Support ACWA- Favor	
SB 555	Wolk [D]	Department of Water Resources: urban retail water suppliers: water SB 555 has been signed into loss audits. Would require each urban retail water supplier, on or before law by the Governor 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.	SB 555 has been signed into law by the Governor	Governance		
AB 452 (Two Year Bill)	Bigelow [R]	Water Rights Fund: Groundwater Regulation Subaccount. Would establish the Groundwater Regulation Subaccount and 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.	AB 452 is a two-year bill	Governance	ACWA-Favor	
AB 453 (Two Year Bill)	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.	AB 453 is a two-year bill	Local Water Resource	ACWA-Favor	



ACWA - Favor changed to watch		ACWA-Favor	ACWA-Favor
Local Water Resource	Local Water Resource	Local Water Resource	Local Water Resource
AB 454 is a two-year bill	AB 455 is a two-year bill	AB 936 is a two-year bill	AB 937 is a two-year bill
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.	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.	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.	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.
Bigelow [R]	Bigelow [R]	Salas [D]	Salas [D]
AB 454 (Two Year Bill)	AB 455 (Two Year Bill)	AB 936 (Two Year Bill)	AB 937 (Two Year Bill)



ACWA-Favor			ACWA - Favor and Amend
Local Water Resource	Local Water Resource	Local Water Resource	Local Water Resource
AB 938 is a two-year bill	AB 939 has been signed into law by the Governor	AB 1243 is a two-year bill	SB 13 has been signed into law by the Governor
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 affer 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.	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 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.	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.	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.
Salas [D]	Salas [D]	Gray [D]	Pavley [D]
AB 938 (Two Year Bill)	AB 939	AB 1243 (Two Year Bill)	Page 2



SB 226 SB 226 (Two Year Bill) SB 228 (Two Year Bill)	Nielsen [R] Cannella [R]	ctors. Current law generally excepts a linement that a person who extracts basin, as prescribed, or extracts 117, in an area within a basin that is not groundwater sustainability agency and le responsibility to be the groundwater report of groundwater extraction by ractions made in the preceding water ces Control Board. This bill would he purposes of these provisions as a purposes, 10 acre-feet or less per timely method for determining rights to objectives of the act. This bill would et o any court of competent jurisdiction. Irries of a basin to be as identified in oundaries are established, as specified. al use. Would declare that the new ya local groundwater management stainability agency for the purposes of wering basin groundwater levels fer if the recharge is consistent with the gement plan or groundwater.	SB 226 has been signed into law by the Governor SB 228 is a two-year bill	Local Water Resource Local Water Resource	
SB 487 (Two Year Bill) Dace	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.	SB 487 is a two-year bill	CEQA	
(Two Year Bill)	Fuller [R]	Groundwater management. Would declare the intent of the Legislature SB 56 to enact legislation relating to the Sustainable Groundwater Management Act.	SB 568 is a two-year bill	Local Water Resource	



esoddO	
Sale of Water	Water Quality
SB 789 is a two-year bill	SB 20 is a two-year bill
Sale of water by local public entities: excise tax: 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.	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 reperforates 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.
Wieckowski (D)	wley [D]
SB 789 Wi (Two Year Bill)	SB 20 (Two Pavley [D] Year Bill)

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 multicounty 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 8/17/15 Signed by Governor; Chapter 266, Statutes of 2015	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.

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 7/15/15 Assembly Appropriations Committee; suspense file; two-year bill	Outdoor Water Efficiency: Personal Income Tax Credit: For taxable years beginning on January 1, 2015 to January 1, 2021, or until Governor rescinds current drought state of emergency, authorizes personal income tax credit equal to 25% of amount paid for water-efficiency improvements for outdoor landscapes.	SUPPORT (based upon August 2011 board-adopted water use efficiency policy principles)	Will incentivize homeowners to make improvements to outdoor landscapes during current drought emergency, which would reduce residential water demand.
AB 603 Salas (D) Sponsor: Author	Amended 5/21/15 Assembly Appropriations Committee; suspense file; two-year bill	Income Taxes: Turf Removal Tax Credit: Allows tax credit equal to \$2 per square foot of lawn removed by taxpayer who participates in water utility's incentive program.	SUPPORT (based upon August 2011 board-adopted water use efficiency policy principles)	Will incentivize homeowners and businesses to make improvements to outdoor landscapes, which would reduce residential and commercial water demand.

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 606 Levine (D) Sponsor: Author	Amended 8/25/15 Signed by Governor; Chapter 665,	Water Conservation: Requires Dept. of General Services to increase water efficiencies when building, purchasing land, or making irrigation changes on state property.	SUPPORT (based upon August 2011 board-adopted water use efficiency policy principles)	Would reduce water use on state-owned properties where irrigation equipment is installed or replaced.
AB 647 Eggman (D) Sponsor: Author	Amended 6/30/15 Senate Natural Resources and Water Committee; two- year bill	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.	SUPPORT (PENDING)	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.

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 888 Bloom (D) Sponsors: Californians Against Waste, CASA, Clean Water Action	Amended 9/3/15 Signed by Governor; Chapter 594,	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.
AB 935 Salas (D) Sponsor: Author	Amended 9/4/15 Senate Inactive File; two-year bill	Water Projects: Requires DWR to fund two specified projects on Friant-Kern Canal and San Joaquin River, under certain conditions. Funding shall not exceed \$75 million and is subject to future appropriation by Legislature.	OPPOSE UNLESS AMENDED (based upon June 2007 board- adopted Delta Action Plan)	Projects named in bill have potential to negatively impact State Water Project's ability to deliver water supply through Delta due to potential effects on hydrology, hydrodynamics, water quality, fisheries and other aquatic resources in the Delta. Measure contains no best available science requirement or any public hearing prerequisite to give potentially impacted parties a chance to weigh in before projects move forward.

a Effects on Metropolitan	Will incentivize homeowners to make improvements to outdoor landscapes, which would reduce residential water demand.	Metropolitan supported prior version of bill which provided \$100 million, for three fiscal years, from General Fund for turf removal rebates. Amended bill lifts outdated bans on use of artificial turf on front lawns.	Aligns with Metropolitan's broader efforts to base management decisions in Delta on science. Places responsibility on appropriate state agency to manage statewide problem.
MWD Position	SUPPORT (based upon August 2011 board-adopted water use efficiency policy principles)	WATCH	SUPPORT (based upon June 2007 board- adopted Delta Action Plan)
Title-Summary	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.	Water Conservation: Prohibits cities and counties from enacting or enforcing any ordinance or regulation that prohibits installation of drought tolerant landscaping, synthetic grass or artificial turf on residential property.	Delta: Predation: Directs Department of Fish and Wildlife to develop science-based approach that addresses predation in the Delta.
Amended Date; Location	Amended 3/26/15 Assembly Revenue and Taxation Committee; two-vear bill	Amended 9/4/15 Signed by Governor; Chapter 671, Statutes of 2015	Amended 7/16/15 Senate Appropriations Committee –
Bill Number Author	AB 1139 Campos (D) Sponsor: Author	AB 1164 Gatto (D) Sponsor: Author	AB 1201 Salas (D) Sponsor: Author

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 CONPCEPT [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-contract 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.

Bill Number	Amended Date;	Title-Summary	MWD Position	Effects on Metropolitan
Author	Location			
		Primary Drinking Water Standards:		
	Amended	Hexavalent Chromium: Compliance		
SB 385	6/18/15	Plan: Authorizes SWRCB to grant public	Tabaatts	An extended implementation period
Hueso (D)		water system period of time to achieve	SUFFORI	is sound public policy that balances
	Signed by	compliance with hexavalent chromium, as	Udsed upon	need to protect public health with
Sponsor:	Governor;	specified. Will protect public water system	Doard action in	practical implementation
ACWA	Chapter 272,	from being deemed in violation while	April 2013)	constraints.
	Statutes of 2015	implementing SWRCB-approved		
		compliance plan.		
		Water, Energy and Reduction of		
	V mond	Greenhouse Gas Emissions (GHG):	SUPPORT	
CD 471	0/17/15	Would authorize SWRCB, in cooperation	AND SEEK	While energy use has always been
	0/1//13	with the CEC, CARB, PUC and DWR to	AMENDMENTS	key factor in water resource
r aviey (D)	Accomply	establish grant and loan program for water	(based upon	planning, measure would provide
C. C. C. C.	Assembly	projects that result in net reduction of water-	August 2008	new opportunities for accessing
Spoilsoi.	Appropriations	related GHGs. Also directs CEC, in	board-adopted	funding for projects that reduce
Aumor		cooperation with SWRCB, CARB, PUC and	energy policy	water-related GHG emissions.
	two-year our	DWR, to conduct study of water-related	principles)	
		energy use in California.		

Bill Number Author	Amended Date; Location	Title-Summary	MWD Position	Effects on Metropolitan	
SB 485 Hernandez (D) Sponsor: LA County Sanitation District	Amended 8/27/15 Signed by Governor; Chapter 678, Statutes of 2015	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)	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.	

Metropolitan Water District of Southern California State Legislation Matrix 10/11/2015

MWD Position Effects on Metropolitan
Title-Summary
Amended Date; Location
Bill Number Author



ACTION ITEM October 21, 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 first quarter of fiscal year 2015-2016, one trip occurred:

• September (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.

This trip was especially timely as Senator Feinstein's drought legislation, S. 1894 was heard in the Senate Energy and Natural Resources Committee and Congressman David Valadao provided testimony on his House approved drought bill, H.R. 2898.

Budgeted (Y/N): Yes	Budgeted amount: \$11,000; 2014-2015 Fiscal year expenditure		Core X	Choice			
Action item amount:		Line item:					
Fiscal Impact (explain if unbudgeted): Within projected budget							

FISCAL IMPACT

The following is budgeted for fiscal year 2015/2016:

Washington Legislative Advocacy - \$11,000

• Total cost estimate for this quarter: September - \$700

Projecting out for 2nd Quarter of fiscal year 2015/2016

 One trip has been scheduled by Director Barbre & staff November - \$1400



ACTION ITEM October 21, 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 first quarter of fiscal year 2015-2016, four trips have been taken:

- July (Heather Baez)
- August (Heather Baez)
- September (2 trips, 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, develop positions and provide recommendations to the Board of Directors regarding ballot

Budgeted (Y/N): Yes	_	mount: Sacramento Advocacy - \$5,000 – 12	Core X	Choice		
Action item amount:		Line item:				
Fiscal Impact (explain if unbudgeted): Currently travel is within budget but expected to go over budget due to a change in Southwest Airlines Orange County flight schedule.						

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.

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

SUMMARY OF JULY, AUGUST & SEPTEMBER TRIPS

In the first quarter of fiscal year 2015/16, Heather traveled to Sacramento on:

July 17 and August 28 for ACWA State Legislative Committee & other related legislative meetings; September 10-11 shadowing Kathy Cole of Metropolitan on the last two days of the legislative session; and on September 17th for ACWA Federal Affairs Committee. The August and September trips focused heavily on issues that remained outstanding as the legislative session moved to a close. Specifically, a potential public goods charge and conservation based rates. Both of these issues are expected to be active in 2016.

FISCAL IMPACT

The following is budgeted for fiscal year 2015/2016:

Sacramento Legislative Advocacy (12 trips) - \$5,000 for staff.

- 4 trips have been taken so far this fiscal year (July, August & September)
- Total cost estimate for this quarter:

July - \$500 August - \$500 September – \$1300

Projecting out for 2nd Quarter of fiscal year 2015/2016

• Upcoming trips:

None

We are projected to be slightly over budget for this fiscal year. Southwest Airlines has changed its flight schedule for Friday mornings. The first flight out of Orange County no longer leaves early enough to arrive for ACWA's morning meetings and require an overnight stay in order to not be late and secure a seat in the over-crowded meeting room. It is possible that the flight times will change and these can return to one-day trips.



ACTION ITEM October 21, 2015

TO: Public Affairs & Legislation Committee

(Directors Barbre, Hinman, Tamaribuchi)

FROM: Robert Hunter Staff Contacts: Karl Seckel, Harvey De La Torre,

General Manager Heather Baez

SUBJECT: Public Comment Letter on California WaterFix Partially Recirculated

Draft EIR/Supplemental EIS

STAFF RECOMMENDATION

Staff recommends the Board authorize the General Manager to submit a formal comment letter on the BDCP/California WaterFix partially Recirculated Draft EIR/ Supplemental EIS.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

Earlier this year the State and Federal lead agencies for the Bay Delta Conservation Plan (BDCP) announced the proposal of a modified sub-alternative to the previously proposed BDCP preferred Alternative 4. The BDCP Alternative 4 consisted of a new north Delta diversion with 3 new intakes and dual tunnels capable of conveying 9000 cfs of water supply and approximately 150,000 acres of habitat restoration and enhancement. The new Alternative 4A includes the conveyance facilities proposed under the BDCP's Alternative 4 but does not include the elements of a habitat conservation plan. It also takes a different regulatory approach for gaining necessary permits and authorizations for implementation under the Federal Endangered Species Act (ESA) and the California Endangered Species Act (CESA). On July 15, 2015, the BDCP Lead Agencies released a partially Recirculated Draft EIR /Supplemental EIS (RDEIR/SEIS) that analyzed the change in permitting, physical modifications made to the proposed water conveyance facilities and additional analysis

Budgeted (Y/N): Budgeted a		amount: n/a	Core ✓	Choice			
Action item amount: \$0		Line item: n/a					
Fiscal Impact (explain if unbudgeted): Staff & consultant time							

conducted on the environmental effects of certain specific aspects of project implementation. The Public Comment period on the RDEIR/SEIS expires October 30, 2015. Staff has reviewed the RDEIR/SEIS in light of MWDOC's original comment letter submitted in July 24, 2014 on the BDCP Draft EIR/EIS released December 2013. The proposed comment letter (Attachment A) is consistent with the original July 24, 2014 comment letter and reflects MWDOC's stated support for the previous BDCP Alternative 4 and achievement of the legislatively mandated co-equal goals of eco system restoration and water supply reliability.

REPORT

Revised and Recirculated DEIR/SEIS

On April 30, 2015 the Federal and State Lead Agencies for the BDCP announced that substantive changes had been made to the Draft BDCP EIR/EIS released for public review in December 2013. The modified Preferred Alternative 4A water supply conveyance facilities remain essentially unchanged from the BDCP DEIR/EIS and continue to consist of new north Delta intakes and the dual tunnels capable of conveying 9000 cfs of water supply to the State Water Project (SWP) and Central Valley Project (CVP). As reported at the September PAL Committee meeting, substantive changes to the BDCP were a result of several factors. Additional data became available which allowed for more precise modeling and analysis of BDCP operations, such as Delta outflow criteria (X2) and the effects on water quality of a new north Delta diversion point. Additionally, physical modifications were made to the water conveyance facilities including changes in intake configuration, alignment of the dual tunnels and consolidation of pumping facilities at a single location in the south Delta near the existing Clifton Court Forebay. Many of these changes were in response to comments received during the public review of the December 2013 DEIR/EIS and have improved the effects analyses and resulted in an overall strengthening of the environmental document. For instance, changes made to the water conveyance facilities have reduced the physical footprint of the project and thus the impacts and are responsive to concerns raised by in Delta communities and address issues raised regarding compatibility with existing land use.

The two most significant changes made in the BDCP are the delinking of the water supply conveyance facilities from the environmental restoration efforts and the change in Endangered Species Act (ESA) permitting. The BDCP was a joint Habitat Conservation Plan/ Natural Communities Conservation Plan under Section 10 of the federal ESA and the California's Natural Communities Conservation Planning Act that would allow the SWP and CVP to operate under 50 year federal and state ESA permits. The BDCP contained 23 Conservation Measures (CMs), including the water supply conveyance facilities, when implemented in their entirety would achieve the co-equal goals set by the legislature of water supply reliability and environmental restoration in the Bay Delta. The lead agencies now propose to meet the co-equal goals through the construction and operation of water supply conveyance facilities as part of California WaterFix and environmental restoration through a separate effort identified as EcoRestore. ESA compliance would be achieved through the more standard Section 7 consultation under federal law and through CESA Section 2081(b).

Under the California Environmental Quality Act and the federal National Environmental Policy Act (CEQA/NEPA) when substantive changes are made to a proposed project or significant new information becomes available following public review of the environmental document but prior to certification of a Final EIR/EIS then a new public review is required. The recirculated document is limited to only those chapters and modifications made to the original DEIR/EIS.

Focus of MWDOC RDEIR/SEIS Public Comment Letter

At the September 15, 2015 PAL Committee meeting staff reported on the status of its review of the RDEIR/SEIS and the recommended focus of a MWDOC formal public comment letter. Staff has prepared a draft comment letter (Attachment A) for Board consideration and submission to the lead agencies. Public comments are due by October 30, 2015. As noted by staff in the September report to the Committee, MWDOC submitted its formal comments on the Draft BDCP, DEIR/EIS on July 24, 2014. In the proposed comment letter on the RDEIR/SEIS staff has taken into consideration the comments made by MWDOC in its July 2014 letter to the BDCP lead agencies. Attachment B provides a summary of key comments made in the July 2014 comment letter and whether they were affected by the RDEIR/SEIS.

Staff has included the following key issue areas in the comment letter in line with MWDOC's responsibility as a regional water supplier dependent on stable and reliable SWP supplies:

- MWDOC supports the water supply facilities as described in the Modified Proposed Alternative 4A
 - New intakes in the northern Delta
 - twin-tunnel conveyance system
 - water quality improvements in SWP supplies to promote local supply development
- MWDOC continues to support sound science and adaptive management as key strategies in enhancing the reliability of State Water Project operations
- Preferred Alternative 4A is a significant investment by water supply agencies and their ratepayers that requires greater certainty in regulatory assurances and participative management
- Improve real-time monitoring to protect both threatened natural fisheries and water supply reliability
- Water Supply Reliability
 - Consistent ability to capture wet-period supplies in a range of year types
 - Additional information on supply yield, operating criteria and the benefits of real-time operations in contributing to that increased yield
 - Discussion in the No Action Alternative of the likelihood and future effects on SWP operations of further fish protection restrictions, i.e.: high outflow operating

criteria, and its effect on water supply yield and water quality

Change in Regulatory Approach

- o Involvement of the permit holders and water contractors in operational decisions.
- o MOU for Adaptive Management and reliance on collaborative science
- o Incorporate the ESA "No Surprises" rule
- Regulatory assurances similar to Safe Harbor Agreements for listed species and Candidate Conservation Agreements with Assurances for potentially listed species

Habitat and Mitigation

- Clear explanation of how the 16,000 acres was derived
- o Rationale why it is the financial responsibility of water supply contractors

September 15, 2015 PAL Committee Discussion

At the September PAL Committee meeting, Board members asked questions regarding schedule for implementation of WaterFix and what steps were being taken to enhance SWP reliability during the period prior to implementation of the new water supply conveyance facilities. At this time there is not an official schedule for implementation of WaterFix. According to Metropolitan staff, the State anticipates completing the planning process by late spring 2016. That would include completion of the CEQA/NEPA process and obtaining permit decisions under Section 7 of the federal ESA and Section 2081 under the state's CESA. Following those actions, it may take a year or more for a water right permit for the additional point of diversion to be issued by the State Water Resources Control Board (SWRCB). As noted in the BDCP December 2013 DEIR/EIS, construction would take approximately 10 years which would result in operations commencing about 2030.

DWR, Bureau of Reclamation and the water contractors are currently focusing on efforts to develop a detailed and comprehensive science program that would provide a firm basis for water supply operations, both with the existing project and its associated biological opinion, and for the new conveyance facilities when they are operational. As noted above, incorporating real time monitoring that leads to science based operational decisions and allows for more flexibility in operations enhances both fishery protection and water supply reliability. The water suppliers are currently pursuing this approach with the state and federal fishery agencies through a formal agreement.

In regard to the use of fish barriers, the existing Biological Opinion for SWP and CVP operations as well as the proposed WaterFix provides for the use of fish barriers and other physical features to improve fishery migration. Those strategies will continue to be pursued during the interim period prior to WaterFix implementation. DWR and the Bureau of Reclamation are currently testing water current and other non-physical barrier approaches (sound, light) to help with salmon behavior by keeping the fish moving toward areas that would avoid impacts due to predation from other fish. If successful these and other efforts will be employed to protect fisheries and contribute to better reliability in SWP operations.

Next Steps

If authorized by the Board, staff will submit the formal comment letter on the RDEIR/SEIS prior to the October 30, 2105 close of the CEQA/NEPA public comment period. When the Final EIR/EIS is released by the lead agencies staff will return to the Board to report on how MWDOC's comments were addressed in the final document and other responses to comments. Staff will also periodically update the Committee and the Board on the status of California WaterFix and EcoRestore.

Attachments:

- 1. DRAFT MWDOC Letter on the EIR/EIS
- 2. Short version letter for our Member Agencies (previously distributed)
- 3. July 24, 2014 MWDOC letter on BDCP (to be attached to the final letter on the California Fix

October 21, 2015

BDCP/California WaterFix Comments P.O. Box 1919 Sacramento, CA 95812

Dear BDCP/California WaterFix:

Subject: Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS)

The Municipal Water District of Orange County (MWDOC) is pleased to submit comments on the partially Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS) for the Bay Delta Conservation Plan/California WaterFix released on July 10, 2015. Please note that on July 24, 2014 MWDOC submitted its formal comments on the BDCP Draft EIR/EIS and has attached that document to this letter as part of the official CEQA/NEPA record.

The Municipal Water District of Orange County (MWDOC) is a wholesale water supplier and resource-planning agency governed by a publicly elected seven-member Board of Directors. MWDOC is the third largest member agency of the Metropolitan Water District of Southern California (Metropolitan). Its service area covers all of Orange County with the exception of the three original Metropolitan member cities of Anaheim, Fullerton, and Santa Ana. MWDOC and the "Three Cities" coordinate water management planning. MWDOC serves Orange County through 27 cities and water agencies and one investor owned utility, including the Orange County Water District who manages the Lower Santa Ana River Groundwater Basin.

Orange County has a population of 3.1 million people, approximately eight percent of California's entire population, and an economy with a gross domestic product of over \$200 billion or 10 percent of the state's overall economy of \$2 trillion. Orange County's share of California's non-farm businesses was about 10 percent in 2011. In addition, Orange County is a major regional employment, higher education and tourism center.

MWDOC's mission is "to provide reliable, high-quality water supplies from Metropolitan and other sources to meet the present and future needs [of Orange County] at an equitable and economical cost, and to promote water use efficiency for all of Orange County." This mission is implemented through coordinated water management and planning with appropriate investments in water use efficiency, water supply development, system reliability improvements and emergency preparedness. Our mission is supported by collaboration with our member agencies and through public outreach, water education, and legislative advocacy. MWDOC strongly supports the state and federal effort under the BDCP/California WaterFix to enhance the reliability of State Water Project (SWP) supplies and bring stability to Delta exports over the long term. Orange County remains dependent on imported water to meet approximately 45 percent of our average annual demand, with the SWP deliveries from the Delta meeting approximately half of those needs. Orange County is an acknowledged national leader in water recycling and reuse and leads the Metropolitan service area in the development of highly reliable drought proof supplies and has a long history of aggressive implementation of water conservation. Despite the extensive diversification of Orange County's water supply portfolio we specifically rely on the SWP to support groundwater conjunctive use programs and large scale water recycling programs - it is an essential part of our regional and local water reliability strategy. We have seen very clearly the vital role storage reserves and reliable local water supplies have played in this current unprecedented four-year drought. It will be even more important in the future as California copes with climate change and the potential for seismic and other emergencies.

General Comments

1. MWDOC supports the water supply facilities as described in the Modified Proposed Alternative 4A.

- New intakes in the northern Delta on the Sacramento River would provide the ability to capture increased flow in wet and normal years and address reverse-flow conditions in the southern Delta that are a result of relying solely on the operation of the existing south delta pumping.
- The proposed twin-tunnel conveyance system would not only enhance water supply reliability and provide much needed stability to State Water Project deliveries it would also protect the people and economy of California from long-term catastrophic threats such as seismic events and adapt the state's backbone water supply system to deal with the anticipated effects of climate change and sea level rise.
- Expected water quality improvements in SWP supplies from the new water facilities
 described in Alternative 4A will result in reduced salinity, total organic carbon and
 bromide providing water quality benefits to consumers and promoting water recycling
 and reuse in Orange County and Southern California and improving the salinity
 balance in groundwater basins accessing this water. The latter issues are key to the
 successful implementation the Governor's Water Action Plan.

- Proposed project modifications identified in the RDEIR/SEIS, to consolidate intake
 pumping into a single facility in the southern Delta on SWP property near Clifton Court
 Forebay further reduces the physical footprint of the Project and is responsive to
 concerns expressed by Delta communities and compatible with existing land use
 activities.
- 2. MWDOC continues to support sound science and adaptive management as key strategies in enhancing the reliability of State Water Project operations and also supports efforts to improve real-time monitoring to protect both threatened natural fisheries and water supply reliability.
- Implementation of Alternative 4A requires a significant investment by water supply
 agencies and their ratepayers. That investment continues to require greater
 certainty in regulatory assurances and participative management inclusive of the
 water supply contractors.
 - The RDEIR/SEIS proposes a significant change in the approach to permitting and achievement of the legislatively mandated co-equal goals of eco system restoration and water supply reliability. MWDOC still believes its ratepayer's investment requires that the Final Plan address the issues of regulatory assurances and greater certainty of SWP deliveries.

MWDOC offers the following additional, more specific, comments on the RDEIR/SEIS:

Water Supply Reliability. The primary reliability benefit of a north delta diversion is the ability to capture increased flow in wet and normal years when compared to the existing south delta pumps only. Capturing this increased flow in those years is critical to the foundation of Southern California's dry year strategy, reliable local supplies and storage. The current four year drought and the previous 2008-2010 drought clearly demonstrated the importance of investments made by Metropolitan in storage. It also highlighted the value of groundwater basins in Orange County and elsewhere in the Metropolitan service area as a storage asset that could reduce the demand for imported supplies in dry years. Being able to maintain high levels of storage in Metropolitan's system and in conjunctive use groundwater basins of its member agencies is dependent on maximizing SWP supplies during those wet and normal years when the system is much less stressed. The Final EIR/EIS should provide additional information on yield, operating criteria and the benefits of real-time operations in contributing to increasing the amount of water supply yield. This is critical information needed in planning to optimize all storage assets in southern California and enhance reliability during the inevitable prolonged dry periods that will occur. The Final EIR/EIS should also include a discussion in the No Action Alternative of the likelihood and future effects on SWP operations of further fish protection restrictions, i.e.: high outflow operating criteria, and its effect on water supply yield and water quality in the absence of implementation of the Preferred Alternative.

Change in Regulatory Approach. An important factor in the BDCP and its achievement of the co-equal goals was that it sought to provide more stable and reliable SWP supplies through obtaining a 50 year permit for water supply operations under Section 10 of the ESA and the Natural Communities Conservation Planning Act (NCCPA) under CESA. The change in permitting approach through ESA Section 7 and CESA Section 2081(b) is a more standard permitting path but one that contains less certainty and assurances on future requirements. A final plan should include formalized agreements between the permitting agencies and the permit holders that provides a participatory role for the involvement of the permit holders and water contractors in operational decisions. This formal agreement can take the form of an MOU identified in RDEIR/SEIS and include the Adaptive Management approach of the BDCP and the reliance on collaborative science to adjust to actual conditions and make operational decisions jointly with the permit holders. The final plan should include an MOU or other form of agreement that seeks to incorporate the "No Surprises" rule and regulatory assurances that are similar to those contained in Safe Harbor Agreements for listed species and Candidate Conservation Agreements with Assurances for currently unlisted species. These arrangements are regularly used with landowners as a means to better manage lands for habitat conservation and species protection. MWDOC strongly believes that the final plan should include these formal mechanisms that provide assurances, guarantees and participative management that reflect the intent of the BDCP and can be obtained under ESA Section 7 and CESA Section 2081(b).

Habitat and Mitigation. Under the BDCP water conveyance facilities and habitat enhancement and restoration were linked in the same permitting process. Under the modifications of the permitting process contained in the RDEIR/SEIS they have been delinked and the total amount of habitat acreage has been significantly reduced. While overall habitat acreage has been reduced the amount of habitat and mitigation related to construction of the water conveyance facilities under the modified Preferred Alternative 4A has substantially increased from the amount identified under the BDCP. Under the BDCP, mitigation for direct impacts of the water conveyance facilities was significantly less than the 16,000 acres identified in Alternative 4A. Under the BDCP, water conveyance facilities (CM1) had cost responsibility for a share of habitat mitigation occurring under several of the other conservation measures (CMs 2-22). It was understood that the basis of the quantification of acreage for habitat enhancement assigned to the water suppliers was linked to the physical impacts resulting from the construction of the water conveyance facilities under CM1. Preferred Alternative 4A has a smaller construction footprint than was contemplated in the BDCP DEIR/EIS yet the amount of mitigation acreage has substantially increased. The final EIR/EIS should provide a clear explanation of how the 16,000 acres was arrived at, specifically detailing in easily understood table(s), the direct and indirect impacts associated with water conveyance facilities and how the total mitigation acreage was derived. If the mitigation acreage is in excess of the physical impacts of the Project then the Final Plan should indicate the rationale as to why it is the financial responsibility of the water supply contractors.

Thank you for your time and consideration of these comments. MWDOC looks forward to a Final Plan and Final EIR/EIS being released by the Lead Agencies that addresses our comments. If you should have any questions please do not hesitate to call me at (714) 593-5026.

Sincerely,

Robert J. Hunter General Manager

DRAFT - Short Letter Version

BDCP/California WaterFix P.O. Box 1919 Sacramento, CA 95812

Attention: BDCP/California WaterFix Comments

RE: Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS)

Dear BDCP/California WaterFix:

(Agency Name) is submitting the following comments on the partially Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS) for the Bay Delta Conservation Plan/ California WaterFix released on July 10, 2015.

(Agency Name) is a local governmental entity that relies upon the State Water Project (SWP) to reliably meet the water needs of its residents and businesses. (Agency Name) strongly supports the state and federal effort under the BDCP/California Water Fix to enhance the reliability and quality of SWP supplies that bring stability to Delta exports over the long term. The SWP is a foundational element of southern California's water supply portfolio and in conjunction with storage is the cornerstone of the Metropolitan Water District's dry year reliability for over 18 million people in six California counties. The SWP supplies also help the long-term salt imbalance for groundwater basins and makes water recycling more feasible. The SWP is an essential part of our regional and local water reliability strategy.

(Agency Name) supports the water supply facilities as described in the Modified Proposed Alternative 4A and offers the following comments on the RDEIR/SEIS:

- Water Supply Reliability. The Final EIR/EIS should provide additional information on water supply yield during each type of water year (normal, dry and wet) so that the water reliability benefits can be better understood and all storage assets in southern California optimized to enhance reliability during the inevitable dry periods.
- Endangered Species Act Permitting. The change in regulatory approach for Endangered Species
 Act compliance from the BDCP's HCP/NCCP to a Section 7 consultation is a significant change to
 achieve more regulatory certainty. We strongly urge the lead agencies and the permitting
 agencies to incorporate adaptive management and participative governance in operational
 decisions into the Final EIR/EIS and supporting agreements to ensure consistent delivery of SWP
 supplies.
- Habitat Mitigation. The amount of mitigation acreage under the modified Preferred Alternative
 has significantly increased. There is no clear description of how the amount of acreage was
 determined or why it has become the responsibility of the water supply facilities. The Final
 EIR/EIS should provide a detailed explanation and nexus between the proposed mitigation
 acreage for Alternative 4A and why water suppliers and ultimately water ratepayers will
 shoulder those costs.

Thank you for the opportunity to submit comments on the RDEIR/SEIS.

Sincerely



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July 24, 2014

Via Email: BDCP.comments@noaa.gov

BDCP Comments Ryan Wulff, National Marine Fisheries Services 650 Capitol Mall, Suite 5-100 Sacramento, CA 95814

Dear Mr. Wulff,

Subject: Comments of the Municipal Water District of Orange County on the Draft Public Review Bay-Delta Conservation Plan (BDCP), Draft Environmental Impact Report/Environmental Impact Statement, and Draft Implementing Agreement

SUMMARY OVERVIEW

The main points covered in this comment letter are:

- 1. <u>MWDOC strongly supports the BDCP Preferred Alternative (No. 4) and opposes the No Action Alternative:</u> It is critical to the state's economy and environment that both the State and federal government expeditiously follow through with the decision for adopting and implementing the BDCP.
- 2. <u>Co-Equal Goals</u>: The BDCP must be implemented in a manner consistent with the co-equal goals adopted by the State. Preferred Alternative (No. 4) is consistent with the Delta Reform Act of 2009's co-equal goals.
- 3. New Facilities and In-Delta Operational Flexibility: The modernization of the Delta conveyance system is essential in order for habitat restoration and conservation to have its intended effect; Preferred Alternative (No. 4), which incorporates the 9,000 cubic feet per second (cfs) three intake, twin tunnel conveyance system, provides the best balance between operational flexibility and modernizing the conveyance system for environmental benefit and water supply reliability.

- 4. Reduced Future Reliance: The 2009 Delta legislation called for water agencies to reduce future reliance on the Delta, not to become 100 percent "self-reliant". While efforts in these areas will continue, it is important to note that "reduced reliance" does not equate to and was never intended to require a move to 100 percent "self-reliance" and the notion of co-equal goals was never intended to result in a future with significant reduction in exports from levels achieved before the 2008 bio-opinions.
- 5. <u>Plan Implementation and Regulatory Assurance</u>: The BDCP must provide the needed implementation and regulatory structure and assurances to help achieve the co-equal goals.
 - a. To us, this means that it is virtually impossible to predict the outcome of the BDCP habitat restoration efforts and endangered species population dynamics, and such a standard should not be required in the DEIR/DEIS.
 - b. Furthermore, this means that changed circumstances under the operation of the BDCP, including the potential for new species listing, be incorporated in such a manner to result in a minimum impact on future water supply exports.
 - c. At this time, the Implementing Agreement, whose purpose is to establish the obligations of the parties toward implementation of the plan, has not been advanced for public review. We would request that the agreement be circulated for public comment.
- 6. <u>Cost Allocation:</u> MWDOC supports the "beneficiary pays principle" in cost allocation for all responsible parties and beneficiaries.
- 7. <u>Economy, Environment and Water Management:</u> The State Water Project (SWP) is critically important to the Orange County economy, environment and water management. Implementation of the BDCP is critical to Orange County's future.
 - a. Orange County has invested heavily to diversify our water portfolio but the SWP remains a critical source of low salinity water supply that is currently unacceptably jeopardized by the unsustainability of the current Bay-Delta system.
 - b. Orange County relies on the SWP to support groundwater conjunctive use programs and water recycling programs it is an essential part of our water reliability strategy that sustains our citizens and businesses.

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c. We support the 9,000 cfs twin tunnel Preferred Alternative (No. 4) provided reasonable assurances are included regarding governance and future decision-making in the process. We strongly advocate for a seat at the table for the water Permittees in the various oversight groups. The investment and decision-making must be structured to achieve a positive outcome for both the SWP and Permittees and the ecosystem restoration in a collaborative, partnership manner.

Detailed comments follow:

INTRODUCTION OF FULL COMMENTS

The Municipal Water District of Orange County (MWDOC) is pleased to submit comments on the Draft Bay Delta Conservation Plan (BDCP) and Draft Environmental Impact Report/Environmental Impact Statement (EIR/EIS).

Please note that our comments on the BDCP and Draft EIR/EIS interchangeably use the terminology "BDCP", "BDCP process", "the Bay-Delta Fix" and the "decision-making process" to reflect the entire suite of efforts and decisions in a comprehensive manner.

The Municipal Water District of Orange County (MWDOC) is a wholesale water supplier and resource-planning agency governed by a publicly elected seven-member Board of Directors. MWDOC is the third largest member agency of Metropolitan Water District of Southern California (MET). Its service area covers all of Orange County with the exception of the three original MET member cities of Anaheim, Fullerton, and Santa Ana. MWDOC and the "Three Cities" coordinate water management planning. MWDOC serves Orange County through 27 cities and water agencies and one investor owned utility, including the Orange County Water District who manages the Lower Santa Ana River Groundwater Basin.

MWDOC's mission is "to provide reliable, high-quality supplies [of water] from Metropolitan and other sources to meet the present and future needs [of Orange County] at an equitable and economical cost, and to promote water use efficiency for all of Orange County." This mission is implemented through coordinated water management and planning with appropriate investments in water use efficiency, water supply development, system reliability improvements and emergency preparedness. Our mission is supported by collaboration with our member agencies and through public outreach, water education, and legislative advocacy.

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<u>MWDOC strongly supports the BDCP Preferred Alternative (No. 4) and opposes</u> the No Action Alternative: It is critical to the state's economy and environment that both the State and federal Government expeditiously follow through with the decision for adopting and implementing the BDCP.

MWDOC strongly supports the BDCP Preferred Alternative (No. 4) with the expectation that the State and federal government will move steadily forward with its adoption by issuing the Record of Decision and Notice of Determination by the end of this year, and by implementing the Preferred Alternative in accordance with the BDCP schedule.

We compliment the State and federal agencies and stakeholders in developing a thorough, comprehensive and balanced BDCP Preferred Alternative that will help achieve the co-equal goals of ecosystem restoration and water supply reliability. It is vital that the State of California and Federal Government follow through with this tremendous effort in collaborative planning as it is a once in a lifetime opportunity to resolve the long-standing Delta problems, and the cost of no action is too high. Our expectations are that the approximate \$25 billion investment to implement and carry out the BDCP will result in greater certainty in California's water supply reliability, will make measurable improvements in water quality, and will restore significant environmental values in the Delta. The Preferred Alternative appropriately achieves the proper balance between the environmental needs of the Delta watershed with the water supply reliability needs of the entire State of California.

In spite of the world-class efforts of Orange County to provide greater water supply certainty for eight percent of California's population and the \$200 billion economy they represent, Orange County remains dependent on imported water to meet approximately 45 percent of our average annual demand, with the SWP deliveries from the Delta meeting approximately half of those needs. The Delta ecosystem and water supply conveyance problems have long been recognized, and have remained in a continuing state of degradation, conflict, and stalemate. Many years and hundreds of millions of dollars have been spent on study efforts while the delta system continues to be used for water conveyance in a manner for which it was not intended. The longer it takes to begin the resolution, the more expensive it will become. This stalemate has been punctuated by droughts, floods, economic losses, environmental degradation and litigation every decade since the construction of the SWP in the 1960's. We can no longer delay action in the Delta, and urge the State and federal government to quickly move forward with the Preferred Alternative. Failing to act and move forward is not an acceptable alternative.

MWDOC also supports the proposed governance and implementation structure for the BDCP, as the large-scale Habitat Conservation Plan and Natural Community Conservation Plan (HCP/NCCP) to be formed under federal and state Endangered Species Act (ESA). Using the HCP/NCCP governance structure proposal will ensure that

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all of the project's environmental and water supply reliability goals and objectives are realized.

The bottom line is that the BDCP Preferred Alternative (No. 4) offers the best solution to achieve greater supply certainty and the governance structure to provide necessary regulatory assurances. Moreover, it provides for a sustainable and balanced solution to achieve the State's policy of co-equal goals.

COMMENTS ON THE DRAFT BDCP AND DEIR/DEIS

<u>Co-Equal Goals</u>: The BDCP must be implemented in a manner consistent with the State policy of co-equal goals. Preferred Alternative (No. 4) is consistent with the Delta Reform Act of 2009's co-equal goals.

The BDCP and Preferred Alternative (No. 4) should be adopted and implemented because they comply with State law and the Sacramento-San Joaquin Delta Reform Act of 2009. The Delta Reform Act establishes one of the basic state goals for the Delta as seeking to:

"Achieve the two coequal goals of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem. The coequal goals shall be achieved in a manner that protects and enhances the unique cultural, recreational, natural resource, and agricultural values of the Delta as an evolving place." Ref: California Public Resources Code Section 29702(a).

The BDCP and the Preferred Alternative balance the co-equal goals established by the Legislature in the Delta Reform Act by proposing to improve 145,000 acres of Delta habitat and permitting new conveyance facilities which will provide operational flexibility and will improve water supply reliability from the Delta.

While some critics of the BDCP have claimed that the plan unduly favors water supply interests and will permit State Water Contractors to export more water than is currently allowed, the BDCP and the Preferred Alternative do not provide a greater amount of water for export. The BDCP estimates that the average water supplies available for export will be 4.7 million acre-feet (MAF) to 5.6 MAF per year. This is the same average currently permitted for export through the Delta today.

The Delta Reform Act of 2009 established the State policy of co-equal goals to provide a more reliable water supply and to protect, restore and enhance the Delta ecosystem. Orange County's primary interests in the successful implementation of the BDCP are:

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- 1. Restoration of SWP supply to pre-2008 capabilities before imposition of the 2008 Delta smelt and salmon/steelhead biological opinions,
- 2. Assurances that the BDCP will provide greater supply certainty into the future without further significant mandated reductions in exports due to endangered species issues without a fair and balanced procedure, and
- 3. Protection of the export supply from both catastrophic outages to the Delta levee system from earthquakes and floods and from long-term sea level rise.

While the project will not expand average annual exports, it will provide certainty in the water supply, protect export supplies from catastrophic outages, and allow for a "big gulp, little sip" approach to beneficiaries. Construction of a new north Delta intake for the SWP and Central Valley Project (CVP), a significant investment for beneficiaries, would protect this critical supply from earthquake, flood and seawater intrusion risks. It also would restore a greater level of export supply certainty and reliability by providing operational flexibility that will minimize environmentally damaging south Delta diversions and reverse flows. The "big gulp, little sip" approach will allow for greater exports when excess river flows would normally discharge to the ocean and smaller, but consistent and predetermined export levels when Delta flows at normal or lower than normal levels. This approach makes sense and helps mitigate the impact of the 2008 opinions, but not at the expense of the environment.

New Facilities and In-Delta Operational Flexibility: The modernization of the Delta conveyance system is essential in order for habitat restoration and conservation to have its intended effect; Preferred Alternative (No. 4), which incorporates the 9,000 cfs three intake, twin tunnel conveyance system, provides the best balance between operational flexibility and modernizing the conveyance system for environmental benefit and water supply reliability.

The 9,000 cfs three intake, twin tunnel conveyance system will add a new point of diversion in the north Delta area which will provide operational flexibility in how water is conveyed across the Delta. This will mitigate entrainment of fish under the current south Delta operations and will significantly curtail reverse flows. In addition, an improved conveyance system will allow the Delta to operate more naturally by minimizing conflicts between fish and water operations. This will better enable conveyance of high flows while minimizing fishery impacts. The project would substantially reduce the take of endangered species and would protect exports from earthquake, flood and sea level rise into the future. We strongly support this foundational conservation element of the BDCP, and believe that the Proposed Alternative (No. 4) proposes the best option for modernization of the conveyance system.

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Proposed Alternative (No. 4) provides the best option for operational flexibility, and will allow for the "big gulp, little sip" approach. Southern California has made significant investment in water storage and conveyance facilities, such as the Diamond Valley Reservoir, Inland Feeder and groundwater storage facilities, to allow conjunctive use storage during periods of high flows in the system. Implementation of the Preferred Alternative (No. 4) will enable a more efficient and protective location for diversion of high flows for downstream storage and subsequent dry period use than the current system can provide.

The three proposed screened intakes in the northern Delta and proposed twin tunnels, combined with the enlarged and improved SWP Clifton Court forebay intake in the southern Delta, will provide the necessary flexibility to greatly reduce conflicts between fish and water operations. Reliance solely on the existing system is not sustainable and would cause significant long-term harm to the fishery as well as adverse impacts on SWP deliveries, as has occurred since 2008. The screened intakes proposed by BDCP in the northern Delta will significantly mitigate reverse flows and south Delta diversion impacts. The Preferred Alternative (No. 4) will enable a more natural flow pattern through the Delta estuary.

The existing system is vulnerable to future sea level rise. Salinity intrusion, especially during extended dry periods, will worsen with sea level rise. With sea level rise, the ability of the existing system to meet the co-equal goals will be increasingly difficult. The Preferred Alternative (No. 4) system will help mitigate future salinity risks to water supply. In addition, the projected change in precipitation patterns to increasing rain and decreasing snow will limit the time availability windows for diversion and capture of available river flows. This change will require increased diversion rates and storage during periods when higher flows occur. This should be a recognized benefit of the BDCP and placed within its climate adaption strategy.

The Preferred Alternative (No. 4) should also provide facility protection from major flood events, up to a 200-year storm event. This will require establishing protective elevations at the Clifton Court Forebay as well as providing similar levels of protection at the recommended new north Delta diversion facilities. 200-year storm protection should be included in the BDCP.

The 9,000 cfs three intake, twin tunnel conveyance system would also protect the critical SWP and CVP supplies if massive Delta island levee failures should occur in the future from a major earthquake. The body of independent scientific evidence of the seismic risks in the Delta is growing. The best available science and engineering analysis of the Delta levee system has found that a major earthquake in the region would likely cause massive soil liquefaction, and failure of numerous levees resulting in relatively rapid seawater intrusion into Delta waterways and saltwater flooding of many islands. Under this scenario, SWP and CVP deliveries would be interrupted and

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significantly curtailed for up to three years resulting in severe economic damage to the state. The best available temporary solution would be a patchwork levee "pathway" that could only deliver a fraction of traditional supplies in the best-case scenario.

Seismic preparedness is crucial for this vulnerable segment of the statewide water delivery system, especially in the intervening years prior to completion of the tunnel system. The new northern Delta intakes and twin tunnels will protect future SWP deliveries and the economy of the state– providing a valuable insurance policy to improve the reliability of the system from natural disasters. Delays in implementation of the BDCP should be avoided and the project implementation should be expedited. Approvals should not be unreasonably withheld.

Reduced Future Reliance: The 2009 Delta Legislation called for water agencies to reduce future reliance on the Delta, not to become 100 percent "self-reliant". The 2009 water package called for both reduced reliance and construction of improvements in the Delta.

As part of the 2009 Delta legislation, water agencies are required to reduce their future dependence on the Delta. Over the past several years, agencies have worked to improve water use efficiency, develop alternative local supplies, and reduce their dependence on the Delta by changing the timing of water exports. These efforts are in compliance with California's policy "to reduce reliance on the Delta in meeting California's future water supply needs through a statewide strategy of investing in improved regional supplies, conservation, and water use efficiency." Ref: California Water Code Section 85021.

While efforts in these areas will continue, it is important to note that "reduced reliance" does not equate to and was never intended to require a move to 100 percent "self reliance." The 2009 Delta legislation did not intend or envision reduction or elimination in water exports from the Delta, but balanced the need for all of California to use its water resources wisely, and to reduce future pressures on the Delta ecosystem from future population and economic growth in the State.

We have grown concerned over references to "self-reliance" as this is markedly different than "reduced future reliance," which was the intent of the law. The concept of "self-reliance" is troubling as the notion of co-equal goals was never intended to result in a future with significant reduction in exports from levels achieved before the 2008 bio-opinions. We would question whether this line of reasoning seeks to establish the pretext for ever-declining yields out of the SWP and ever increasing unit costs, further stranding imported supply investments onto our ratepayers and fundamentally damaging our ability to continue to optimize our local resources (i.e. salt management in recycled water and groundwater basins).

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It is our considered opinion that both improvement in supply that should be expected from the BDCP implementation and new local resource developments are necessary, as well as other longer-term federal/multi-state supply and conservation projects if we are to secure and improve our water and economic future for the benefit of a growing population.

The recently released California Water Action Plan promotes increasing self-reliance through several measures, including providing a more reliable water supply that protects export supplies from catastrophic outages from earthquakes, major floods and rising sea levels. The California Water Action Plan focus highlights the importance of the BDCP to improve operational flexibility, protect water supplies and water quality, and restore the Delta ecosystem within a stable regulatory framework. It also goes on to state that as the Delta ecosystem improves in response to the implementation of the BDCP conservation measures, water operations would become more reliable, offering more secure water supplies. These are laudable goals of the BDCP, including restoration of export water supplies to levels that were realized before the 2008 biological opinions.

It is now time for the State and federal government to achieve the 2009 legislation's coequal goals of improving water supply reliability and ecosystem function by implementing the BDCP.

<u>Plan Implementation and Regulatory Assurance:</u> The BDCP must provide the needed implementation and regulatory structure and assurances to achieve the coequal goals as established by the State. MWDOC submits the following comments related to plan implementation, governance and assurances.

Regulatory Assurances

It is important to establish a more stable regulatory environment, which is one of the key goals of the BDCP. The BDCP offers a clear choice between a stable future and today's ineffective and adversarial species-by-species approach to regulation and ESA enforcement under Section 7 of the ESA. Under the BDCP, ESA regulations and provisions of the HCP/NCCP would provide for regulatory and economic assurances, and greater certainty for public water supply and fish and wildlife agencies. The core Adaptive Management and Monitoring program is encouraged and should help to realize achievement of the co-equal goals. It is virtually impossible to ascertain and predict with any precision the outcome of the BDCP habitat restoration efforts and endangered species population dynamics, and such a standard should not be required in the DEIR/DEIS.

The BDCP must provide regulatory assurances commensurate with the significant investment to be made in both improved habitat and facilities. We generally concur

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with BDCP Chapter 6 Plan Implementation structure and process. It is important that under the operation of the BDCP the identified changed circumstances, including the potential for new species listing, be incorporated within the BDCP with minimum impact on future water supply exports.

Further, it is likely that unforeseen circumstances will be caused by factors other than water diversions. The plan recognizes this under Section 6.4.1 which states "... if unforeseen circumstances occur that adversely affect species covered by an HCP or NCCP, the fish and wildlife agencies will not require additional land, water or financial compensation or impose additional restrictions on the use of land, water or other natural resources." These provisions must be retained to assure fairness in the process.

Balancing and Proportionality

In the discussion of Alternatives 4, 7 and 8 in DEIR/EIS Chapter 31 (starting at line 42, pg 31-7 and ending at line 32 on pg 31-8), the rationale for the Preferred Alternative (No. 4) is provided in terms of its balancing and proportionality between upstream salmonids, in-Delta species, and export area economy and environmental needs. In addition, the incidental take limits (ITL) should be set in some proportion to the population size of the listed species and should be adjusted accordingly based on population dynamics.

This section further indicates that Preferred Alternative (No. 4) would be subject to the "scientific decision tree" mechanism to "...ensure minimization of adverse environmental effects to water exports in response to changing conditions and evolving scientific information." It is our understanding that the scientific decision tree analysis process would apply only to the Delta smelt (fall outflow issue from 2008 USFWS Biological Opinion "Reasonable and Prudent Alternative") and Longfin smelt (spring outflow operations effects) (CM1). We would hope that improved data collection of the presence and abundance of these fish be monitored over a reasonable habitat range rather than be limited to historical sampling points and procedures. We also recommend that flow changes must also be based on balancing and proportionality to the maximum extent practicable between upstream salmonids, in-Delta, and export area economy and environmental needs.

Sound Science

Sound science is critical to the success of the BDCP. We strongly support the inclusion of independent scientific investigation and research to be included in the BDCP process. The current process of reliance on agency staffs and consultants, the Delta Science Program, and independent science review panels, is very good, but it can further benefit from the inclusion of scientific investigations by researchers not part of these groups. We are also concerned that the models being used for the effects analyses may not fully consider all elements of the BDCP, as the models have recognized limitations and would

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likely underestimate the benefits of the BDCP. Outside expert opinions and independent research can only help the process and the process should be open to the inclusion of new scientific data and findings.

We note on page pg 31-8 the statement "Although Alternatives 7 and 8 do not include operations based on the (scientific) decision tree concept, these two alternatives would include greater levels of guaranteed spring and fall Delta outflows, which have demonstrated strong correlations with increased abundances of Delta and Longfin smelt." We disagree with this assertion and do not believe this has been supported at an accepted scientific level. This statement should be clarified for each species where it occurs in the BDCP and DEIR/EIS. Only necessary outflows for migrating fish should be required.

Habitat Conservation Plan (HCP)/Natural Community Conservation Plan (NCCP) Structure and Governance

Establishing an HCP/NCCP in the Delta is the best vehicle for achieving the Delta's coequal goals, and providing assurances that both environmental protection and water supply reliability will be achieved.

It is important that the BDCP is being developed as a 50-year habitat conservation plan with the co-equal goals of restoring the Delta ecosystem and securing California water supplies. A habitat conservation plan is a proper vehicle for reaching these co-equal goals because it will bring the interested parties to the same table, and establish clear operating rules and conservation measures for the 50-year term proposed in the BDCP and its associated EIR/EIS. It is also important to note that the 50-year term proposed meets the objective declared by the Legislature in Water Code Section 85020, which requires that the water and environmental resources of the Delta be managed over the long term.

There must be a strong voice for participating public water agencies in the BDCP process. There are good examples of multiple Permittee interests working collaboratively with resource agencies in southern California on Federal HCPs and State NCCP implementation. For example, the Metropolitan Water District of Southern California (MET) has Permittee status as part of a multi-state, multi-species HCP on the Colorado River because southern California's water supply reliability is tied to the success of the plan.

In Orange County, agencies have successfully implemented HCP/NCCPs incorporating assurances and representation for all participants. For example, in Orange County both the Santa Margarita Water District and Irvine Ranch Water District are participants in HCP/NCCP processes.

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As one of the first communities in California to implement a HCP/NCCP, Orange County and the Central/Coastal HCP/NCCP demonstrated how the private and public sectors, including water agencies, can successfully partner with the resource agencies to allow for a holistic and broad-based ecosystem approach to habitat conservation and ecological protection while allowing for appropriate development and urban planning. The Central/Coastal HCP/NCCP in Orange County has demonstrated how substantial amounts of habitat can be conserved and restored based on an ecosystem approach, which better protects biological diversity and improves habitat for species of concern. Ultimately, the use of a similar HCP/NCCP, as proposed in the BDCP, will provide better ecosystem protection and restoration outcomes in the Delta.

Orange County's Central/Coastal HCP/NCCP is also a prime example of how HCP/NCCPs ensure that the habitat protection and other operating parameters agreed to in an HCP/NCCP are binding on all of the parties involved. Like the process proposed in the BDCP and the long-term 50-year permit discussed in its associated documents, the Central/Coastal HCP/NCCP is a long-term agreement with a permit in effect until 2071.

As the coordinating entity for the management of the 37,000-acre reserve system under the Central/Coastal HCP/NCCP, the Nature Reserve of Orange County serves the important role of working to implement the HCP/NCCP on behalf of its signatories. Its role is to ensure that the agreed upon natural communities and species are protected, and that the permit requirements for the reserve are met. After more than a decade, the Nature Reserve of Orange County has continued to bring all of the interested parties to the same table to ensure that the agreement reached in the HCP/NCCP is respected. We believe that the BDCP HCP/NCCP can do the same for the interests in the Delta.

Authorized Entity Group

Permittees, such as water providers, must have a strong voice in the governance of the BDCP because water providers have a huge vested interest in the success of the effort as they are directly affected by the risk to water supply by its failure. Permittees are currently envisioned as key members of the "Authorized Entity Group" which, according to the BDCP documents, "will provide input and guidance on general policy and program-related matters, monitor and assess the effectiveness of the Implementation Office in implementing the Plan and foster and maintain collaborative and constructive relationships with fish and wildlife agencies, other public agencies, stakeholders, local governments and interested parties." This is good and effective governance and these provisions must be retained in the final plan.

Permit Oversight Group

Our understanding is that the Permit Oversight Group, consisting of representatives of state and federal fish and wildlife agencies, will ensure "that the BDCP is being properly implemented." This group has "final decision-making about real-time operations." The

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Permit Oversight Group is apparently empowered to shut down the water exports and change the permits without Permittee recourse. We believe this is flawed and inconsistent with meeting the co-equal goals.

In early administrative draft versions of the plan that were available to the public, there was an appeals process that would enable decisions to be reviewed by the Secretary of the Interior and Secretary of Commerce. We believe this appeals step is critical, as Orange County and others across the state substantially depend on the SWP for their water supply. This change from earlier drafts would impose an unacceptable veto power without adequate recourse. The appeals process must be provided as before. Our concern is best alleviated via a balanced process including the ability for appeals. The process must avoid the more rigid and case-by-case Section 7 consultation approach that we have experienced and the uncertainty it can create.

The investment is too great to be vulnerable to unilateral actions driven solely by regulators without allowing the functioning of the BDCP plan to achieve the co-equal goals. As currently written, this provision appears to undermine the BDCP, and it needs to be revised along the lines as described.

Salinity Control

Before the construction of the CVP and SWP reservoirs, salinity intrusion far into the Delta was a common occurrence during very dry years. Since the construction of Shasta and Oroville Reservoirs and with the 1978 SWRCB D-1485 water quality control decision, the CVP and SWP have provided broad salinity control benefits to the Delta that have helped to protect in-Delta agriculture and domestic uses as well as export water quality, even as San Joaquin River flows were depleted by upstream diversion. We concur that salinity control is an important component of the BDCP. We also note that natural variability must be recognized within the BDCP and some relaxation of salinity control objectives must be allowed during severe droughts.

In addition, with future sea level rise, the BDCP needs to provide for a gradual relaxation of the X2 salinity control point, as releasing more and more stored water, which is made possible by both the CVP and SWP, will cause increasingly greater shortages in water supply at increasingly greater economic impact to the state. The estuary would be expected to shift upstream with sea level rise and this should be accounted for in the 50-year permit period. The BDCP must recognize that the existing Delta agricultural areas may require some form of land use conversion into the future.

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Recognize Need for Additional Upstream Storage

While not part of the BDCP plan, additional storage north and south of the Delta will be critical concurrent with improvements in conveyance to enable the capture of high flows during wet periods for subsequent use. Additional storage will be especially important during periods of prolonged drought. Such facilities would be of statewide and national benefit, and both the State and federal government should financially contribute to their development. The BDCP should recognize the need for additional upstream and downstream surface storage to realize the full benefits of Preferred Alternative (No. 4). We support the development of future storage projects as standalone projects outside of the BDCP Plan to help with meeting the co-equal goals.

Scientific Decision Tree and Project Yield

The BDCP holds the potential to stabilize SWP and CVP annual deliveries to between a range of 4.7 to 5.6 MAF (Prior 20-year average deliveries were 5.2 MAF) and to stabilize them within this range over the 50-year permit period, but this depends upon the future outcome of "Scientific Decision Tree" studies that will refine future spring and fall outflows. The BDCP indicates that without the BDCP the Delta will continue in ecosystem decline, future deliveries would be reduced between 3.4 to 3.9 MAF as the result of new listings, higher requirements for outflows during wet and above-normal precipitation years would be required, and using fixed limits on take rather than proportionate take based on actual population size and dynamics would be likely.

The Decision Tree process is critical; water agencies require a seat at the table to represent the water supply and economic interests of the public that we, as public agencies, serve. Further, the water agencies have a high level of interest in ensuring that adaptability will result in regulatory agencies working collaboratively with the Permittees as provided for under the state and federal ESA laws for habitat and natural community conservation plans. It is important to ensure that the process is not skewed and has not established pre-determined outflows and compliance locations.

<u>Plan Implementation and Regulatory Assurance:</u> The BDCP must provide the needed implementation and regulatory structure and assurances to help achieve the co-equal goals. MWDOC submits the following comments related to plan implementation, governance and assurances.

The BDCP and the 9,000 cfs three intake, twin tunnel conveyance system would significantly improve export water quality by reducing total dissolved solids (TDS), bromide, dissolved organic carbon (DOC) and other contaminants that currently impact the south Delta. This is especially important for Orange County for a broad range of water management purposes. It is our understanding, that future SWP deliveries under the Preferred Alternative (No. 4) would realize a reduction in concentrations, on average, of approximately 20 percent from existing conditions. Reductions in TDS,

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bromide and DOC will help to sustain Orange County's groundwater basins, enhance recycling usage, and reduce treatment and consumer costs. Improving source water quality is an important value of the BDCP.

Reductions in DOC and bromide in SWP water will lower disinfection by-product formation in public water systems. Compliance with these U.S. Environmental Protection Agency and California Department of Public Health regulated compounds requires expensive water treatment to meet public health requirements. Reducing DOC levels will also reduce chemical and energy usage in ozone or chlorine based disinfection processes saving the ratepayer money and reducing environmental impact.

Further, given the high TDS and hardness levels in Colorado River water, lower TDS and softer SWP water is essential to help manage the long-term salt balance in southern California and Orange County groundwater basins, thereby, minimizing treatment costs, reducing penalty costs to consumers, and lowering the cost of recycled water projects. Lower TDS source water helps many of the elements of our Southern California reliability strategy, as well as achieving compliance with Regional Water Quality Control Board Basin Plan objectives and discharge limitations.

Water Quality Improvements and Regional Compliance with Section 85021

The Water Code directs that "Each region that depends on water from the Delta watershed shall improve its regional self-reliance for water through investment in water use efficiency, water recycling, advanced water technologies, local and regional water supply projects, and improved regional coordination of local and regional water supply efforts", reference California Water Code Section 85021. Orange County and Southern California have complied with the California Water Code by taking great strides to improve its regional self-reliance, but the BDCP and a reliable supply of imported water is still needed.

Many of the opponents of the proposed BDCP process state that development of local supplies, water reuse, conservation and water use efficiency can take the place of the supply and reliability projects proposed in the BDCP. The reality is that the solution to California's water problems requires action on all of these fronts in addition to the BDCP. While California should continue to develop local supplies, improve water reuse, and move towards greater water use efficiency and conservation, those efforts would be hampered without the BDCP Preferred Alternative (No. 4) and the water quality improvements which will be obtained as a result of those projects and changes in operations.

Expected water quality improvements in SWP supplies from the BDCP in reduced salinity, total organic carbon and bromide would result in water quality benefits and would promote water recycling and reuse. A reduction at the source means that these water quality challenges are less of a problem once the water is recycled, and would

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allow for better quality in the recycled water produced in Orange County and Southern California. A better quality recycled water will allow water to be used for a greater number of cycles.

Orange County's future depends on high quality, reliable and affordable imported water supplies. If we do not have the expected high quality and reliable supply from the SWP that would be made possible by the BDCP, it would seriously jeopardize groundwater basin management and expanded local recycling projects, many of which may not be economically feasible without the high quality water received from the SWP. Moreover, a high quality SWP supply also supports long-term economic management and protection of groundwater basins from salinization and reduces overall consumer penalty costs from corrosion and scaling.

<u>Cost Allocation:</u> MWDOC supports the "beneficiary pays principle" in cost allocation for all responsible parties and beneficiaries

All beneficiaries and responsible parties of the BDCP must contribute to the solution, including any diverter of water from the system (north or south of the Delta). Moreover, in Delta interests have been significant contributors to the modification of habitat, continue to discharge pollutants into the waterways, have caused the subsidence of the Delta islands and need for ever higher and unstable levees that risk both habitat and exports, and have benefited from operations of the projects. Accordingly, these interests have a moral and financial responsibility to directly participate in any solutions as do other responsible parties. Where habitat is to be created by modifying or restoring Delta islands to a more natural state, the in-Delta interests should work collaboratively to facilitate such actions.

Further, any recipient of water should pay the cost of water conveyance improvements in line with the proportion of overall water supplies they receive. Economic values associated with end uses of the water should have no bearing on the cost allocation of the BDCP; it is solely a matter of paying one's share of the cost of development of the water supply.

Furthermore, all Californians will benefit from a solution in the Delta through the improved habitat and reliable water supply that will be created; a stronger overall economy benefits everyone. Consequently, the State and federal government should step up to fund the costs of environmental and habitat improvements as well as providing funding support for flood control, levee improvements, fisheries, invasive species control and other programs within their jurisdictions.

<u>Economy, Environment and Water Management:</u> The State Water Project is critically important to the Orange County economy, environment and water management.

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Economic Impacts

The BDCP and DEIR/DEIS "No Project Alternative" analysis should include an evaluation of the economic impact of not strengthening California's water supply and the impact that "no action" has on the state's economic hubs as part of its overall evaluation. The BDCP evaluates the economic impact of the project's potential for growth inducement; however, it does not adequately take into account the economic impact of failing to secure water reliability for the state's economic centers. MWDOC urges inclusion of these impacts.

The economy of California is largely driven by economic activity in the San Francisco Bay Area and Southern California. To put the economic contributions of these areas in perspective it is important to note that Los Angeles and Orange counties contribute roughly \$766 billion to California's gross state product (GSP). The Bay Area contributes \$534 billion, and San Diego County contributes \$177 billion. These three areas alone comprise nearly 75% of the state's \$2 trillion GSP.

Orange County has a population of 3.1 million people, approximately eight percent of California's entire population, and an economy with a gross domestic product of about \$200 billion or 10 percent of the state's overall economy of \$2 trillion. Orange County's share of California's non-farm businesses was about 10 percent in 2011, and in 2007 Orange County accounted for \$49 billion (10 percent) of California's manufacturer's shipments and \$98 billion (16 percent) of California's merchant wholesaler sales. In addition, Orange County is a major regional employment, higher education and tourism center.

Orange County is an economic powerhouse for the state; the lifeblood of any economy is a reliable and secure water supply. MWDOC's 2010 Urban Water Management Plan indicates water demand for municipal and industrial use is expected to increase from approximately 485,000 acre-feet per year (AFY) to nearly 568,000 AFY by 2035. For all of Orange County, the total demand of 627,000 AFY is expected to increase to 726,000 AFY by 2035. Regional and local innovative programs and investments in water use efficiency have saved an estimated 75,000 AFY to date in the county.

The San Francisco Bay Area and Southern California depend heavily on the Bay-Delta with nearly one third of their water supplies coming from Delta exports, and the economic vitality of these areas is dependent upon a secure and reliable water supply. The bottom line is that a dependable water supply is essential to business operations and expansion that will continue to strengthen our state's economy and increase employment. The BDCP should take into account the economic cost of not providing a secure and dependable water supply in its economic impacts analysis. Given the importance of Southern California and the Bay Area to California's economy, the cost of

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no BDCP, without the Preferred Alternative (No. 4), would be extremely large and would greatly exceed any economic benefits of other alternatives that were considered.

It is also noteworthy that the Delta is a key water supply for 25 million California residents, largely located in the economic centers discussed above. The risk of a large earthquake in Northern California causing severe damage to the Delta grows greater with each day a comprehensive Delta solution is not implemented. If the State and federal government do not move forward on the BDCP, we are risking great environmental damage, a loss of substantial water supply to more than two-thirds of California's residents and businesses, and associated economic losses into the future.

We also risk severe and possibly permanent damage to our State's agricultural economy. The water from the Delta supports more than 5 million acres of California agriculture. These 5 million acres represents more than 80 percent of the United States' food production and more than 500,000 jobs. Loss of water as a result of failure in the Delta will mean California's agriculture will lose an essential water supply.

That loss of water will result in millions of acres of unproductive land and a loss of jobs in communities which have already suffered great losses as a result of our most recent economic downturn and during the current severe drought. Without implementing the comprehensive environmental and conveyance solution proposed by the BDCP, we risk permanent damage to California's \$44.7 billion agriculture industry.

The development of a secure and reliable water supply for the citizens of California is important to the economic vitality of our state. The BDCP will provide stability in California's water infrastructure by providing a process that can result in a more dependable, high quality SWP water supply.

Orange County Environment and Water Management

The recent droughts of 1977-78, 1987-92, 1999-00, 2007-08 and the current drought demonstrate the precarious nature of the federal, state, regional and local water supply systems serving California. Throughout the state, the current acute drought, natural climate variability and climate change, agricultural cutbacks due to lack of water and continuing groundwater overdraft, increasing population and need for an ever growing economy, have brought to the light that water supply solutions and challenges are looming larger and more complex. This has led many to an increasing recognition that we have entered an era of uncertainty and potential era of water scarcity if we do not plan for the future.

Recent droughts and a greater understanding of climate change impacts have demonstrated that supply uncertainty and variability pose great risks to our economy and the natural environment. We remain confident that we have the combined ability

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to help solve these long-term problems. One key part of this solution is to fix the "broken Delta" through the program developed and recommended in the BDCP.

MWDOC and its member agencies have made significant investments in local resources and water management. Orange County water agencies are recognized leaders in water use efficiency, storm water conservation, groundwater basin management, wastewater management, water recycling and reuse, and advanced water treatment technologies. In north Orange County, the Orange County Water District is recognized as a world leader in indirect water recycling through their award winning Groundwater Replenishment System, a project that now recycles 72,000 AFY, is under construction to be expanded to recycle 100,000 AFY with plans to recycle up to 130,000 AFY in the near future. These programs with imported water enable OCWD groundwater producers to meet about 70% of their water supply needs from the groundwater production. Conjunctive use of the basin with imported water and its utilization remains dependent on the availability of high quality imported water that can be replenished during wet periods.

Through innovative, multi-agency approaches, MWDOC and its agencies develop, implement, and evaluate water use efficiency programs that provide multiple benefits, including improved irrigation efficiency, increased utilization of California Friendly landscapes, and pollution prevention through programs that help to reduce dry weather urban runoff. Our programs include educational classes on water-wise landscaping, irrigation performance reporting, water use surveys for hotels and industrial customers, and consumer incentives for water-efficient devices. To evaluate the effectiveness of such devices, MWDOC conducts studies to monitor water savings and urban runoff reduction.

Through these efforts, Orange County's water use today is less than it was in 1990 even with population growth of 683,000 and jobs growth of 204,000 respectively. Overall, MWDOC has documented conservation of about 75,000 AF per year (active and passive). Despite these efforts, Orange County is still reliant on purchases of imported water from MET to meet about 45 percent of our current needs. About one-half this need is met from the SWP.

South Orange County is much more reliant on imported water, having few local resources other than water recycling and a few small groundwater basins that are nearly fully developed. Regional recycling planning is underway to evaluate how best to maximize the use of recycled water in South Orange County. In addition, studies are underway for evaluating the feasibility of augmenting the groundwater supply from the San Juan Creek alluvial basin through replenishment with recycled water. The southern portion of Orange County despite its best efforts remains heavily dependent upon the Delta.

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A number of retail agencies in south Orange County are recognized leaders in water use efficiency and conservation based rate structures, water recycling, and water reliability projects. For example, Irvine Ranch Water District, Moulton Niguel Water District, El Toro Water District, Santa Margarita Water District, Trabuco Canyon Water District and the cities of San Juan Capistrano and San Clemente are recognized leaders in water recycling and management through the use of dual distribution systems and community planning.

Orange County ratepayers have invested heavily in local resources in past years both directly and through MET. These investments through MET water supply purchases helped fund the \$2 billion Diamond Valley Reservoir and \$1 billion Inland Feeder that allow SWP deliveries during wet periods to be delivered into storage Southern California reservoirs. In addition, at least \$1 billion in local recycling and groundwater recovery projects have been made, including water use efficiency and conjunctive use since 1991. Combined, these investments provide the ability to efficiently use existing supplies, develop additional local supplies, and to store water in wet years for subsequent dry year use.

Orange County is also exploring ocean desalination, another potential local supply. It is also a key feature of planning in Orange County with the innovative subsurface intake system being examined for the planned 15 million gallon per day Doheny Ocean Desalination Project in Dana Point and permitting of the 50 million gallon per day Poseidon Resources desalination plant in Huntington Beach.

Despite all of these efforts and investments, Orange County will continue to be dependent upon imported water. Completion and successful implementation of the BDCP is paramount to achieving the reliability that supports water management in Southern California. These local investments have helped meet the water needs of a growing productive population and reduced the otherwise growing pressure on water imports - our agencies should not be "penalized" by additional mandated investments that do not recognize and account for investments that have already been made.

COMMENTS ON THE DRAFT IMPLEMENTING AGREEMENT

The "Implementing Agreement" is necessary to provide a contractual, legally-binding agreement that spells out the commitments and assurances as well as the terms and conditions for on-going implementation of the BDCP. Given the high level of BDCP investment, the water community needs reasonable certainty regarding the expected amount of water supply to be restored that was lost as a result of the 2008 biological opinions.

It should be clearly recognized in the implementation structure and agreement decision-making process that the new, screened North Delta intake system will not only

greatly improve salinity control and water supply reliability from catastrophic levee failure and future sea level rise, but will avoid entrainment losses of fish as well as minimizing impingement losses from current south Delta diversions. In addition, the new intake system will provide much needed operational flexibility that will enable significant protections to endangered species as well as maintaining environmental and water quality benefits to the south Delta that are provided by the SWP and CVP. These benefits will be made possible through the ability to curtail south Delta endangered species take by changing the timing and diversion rate by use of the new North Delta intake system.

Currently, endangered species take by the existing south Delta unscreened forebay diversion operations are controlled by reducing exports. The BDCP will provide a physical means to minimize south Delta diversions. In addition, the added operational flexibility will result in greatly reduced reverse flows and related, improved south Delta water quality, and improved export water quality. The implementing agreement needs to recognize these benefits to allow export diversions to be restored.

Following are our specific comments on the Draft Implementing Agreement.

<u>Comments In Support of Current Language (Areas where we agree with current Implementing Agreement provisions that should not be changed in ways that would weaken protections to water exports)</u>

- Permit Oversight Group Members. It is appropriate that the state and federal fish and wildlife agency members of the Permit Oversight Group be either the named directors or administrators or designees that are duly authorized to exercise their authority. Delegation to staff members without such authority would lead to inefficiencies and decision-making gridlock.
- Real Time Operations Purpose. The stated purpose of Real Time Operations of "maximizing conservation benefits to covered fish species and maximizing water supplies" is appropriate. This reflects a fundamental purpose of the BDCP of restoring and protecting water supplies, and acknowledges that real time operations is a tool that can benefit water supply as well as fish species.
- Real Time Operations Ultimate Decision. In the event of disagreement among agency directors over a proposed Real Time Operations adjustment, it is appropriate that the adjustment will not be made.
- Adaptive Management Team Membership. Given the SWP and CVP Contractors' extensive responsibility in funding and implementing the Plan, it is fully appropriate that one SWP Contractor and one CVP Contactor be designated as voting members of the Adaptive Management Team.

- Funding from the State of California and the United States. Consistent with the Planning Agreement and in recognition that the BDCP is a comprehensive and ambitious plan that provides significant benefits to the public generally, the Implementing Agreement appropriately provides that the State of California and the United States will be responsible for funding the Plan where not otherwise funded by the Authorized Entities.
- Regulatory Assurances. The Implementing Agreement appropriately includes provisions that provide the Permittees with No Surprises and other assurances and protections, consistent with Endangered Species Act (ESA) and Natural Communities Conservation Planning Act (NCCPA) law and regulation.
- <u>Assurances Provided to Reclamation.</u> Given Reclamation's integral role in the BDCP and in coordinated CVP/SWP operations, the assurances provided to Reclamation against additional expenditures of resources, to the maximum extent possible, are appropriate.

Comments Seeking Changes

- Ultimate Decision Making Authority and Signatories to the Implementing Agreement (Page 1). It is not clear who will be obligating the commitments of the United States and the State of California that are beyond those of the Authorized Entities. It is recommended that the Secretary of the Interior and the Governor sign the agreement to help ensure that those commitments will be met. As stated in Section 1.0 of the Implementing Agreement, the level of agency signatory has not been determined and will be considered further. Staff suggests that the Governor, Secretary of the Interior, and the Secretary of Commerce should be the signatories for the California Department of Fish and Wildlife, U.S. Fish and Wildlife Service, and the National Marine Fisheries Service, respectively. By having the Governor and the Secretaries sign on behalf these state and federal agencies, it helps ensure that the United States government and the State of California live up to their obligations under the Implementing Agreement. As for the Authorized Entities (Department of Water Resources and State Water Project/Central Valley Project Contractors), it is more clear as who has the ability to legally bind these entities. At minimum, when conflicts arise, decisionmaking must be moved to the highest levels possible.
- Covered Species (Page 7). Sections 3.20 and 8.5.1 of the Implementing Agreement define "Covered Species" listed in Exhibit "A". Since those species listed in Exhibit "A" link directly to the species for which the Permittees have been given "no surprises" protection, Exhibit "A" is important to understand the risk being undertaken by the Permittees. Exhibit "A" was not attached to the

Implementing Agreement and should be released for review before the parties enter into the agreement. Listing of all known species is critically important to provide broad coverage.

Furthermore, amended language is needed to allow incorporation of currently unknown native species as "Covered Species" where restoration activities are shown to provide a benefit without going through the full amendment process. It is critical that the listing of "Covered Species" is as broad as possible based on current science and is sufficiently flexible to assure an efficient process.

• <u>Unforeseen Circumstances (Page 10)</u>. Section 3.51 of the Implementing Agreement defines "Unforeseen Circumstances" as those "changes in circumstances affecting a Covered Species or geographic area covered by the BDCP that could not reasonably have been anticipated by the Permittees, USFWS, or NMFS at the time of the BDCP's negotiation and development, and that result in a substantial and adverse change in the status of a Covered Species."

Since the reasonably foreseeable changes in circumstance have been included in the BDCP, the definition should be modified to state that unforeseen circumstances are those "changes in circumstances affecting a Covered Species or geographic area covered by the BDCP that could not reasonably have been anticipated by the Permittees, USFWS, or NMFS at the time of the BDCP's negotiation and development, and were therefore not included in the BDCP, and that result in a substantial and adverse change in the status of a Covered Species."

- Bureau of Reclamation's Role (Page 15). The Bureau of Reclamation is not a party to the Implementing Agreement. Section 5.0 of the outlines the role of the Bureau of Reclamation. It states that the Bureau will enter into a Memorandum, or similar agreement, with the Parties of the Implementing Agreement outlining the Bureau's roles and responsibilities. This memorandum or similar agreement should be attached to the Implementing Agreement as an exhibit and incorporated by reference into the Implementing Agreement, and this section should be changed to reference that exhibit.
- Take Authorizations (Page 19). Section 8.2: Other Authorized Entities Section 8.2 recognizes that certain third parties may seek take authorizations under the BDCP for ongoing operation of water diversions that are not associated with the SWP or CVP. These parties will be considered Other Authorized Entities. A sentence should be added clarifying that SWP/CVP Contractors shall not be held liable or be asked to take actions by USFWS, NMFS or CDFW as a result of Other Authorized Entities violating the terms and conditions of any take authorization issued by the Department of Water Resources. Also, the section references

Exhibit C. Exhibit C has not been released, and should be released prior for review to finalization of the Implementing Agreement.

Implementation and Conservation Measures Definitions - The definition of "Implementation" is not provided under the Definition section. It should be noted that it includes construction and operation/maintenance over the 50 year term of the permit. The definition of "Conservation Measures" should be more clearly defined that their implementation means that they meet the "maximum extent practicable" test.

- Neutrality of Permitting and Decision Tree Outcomes (Page 24). The provision related to Decision Tree Outcomes includes a reference to permit terms and conditions including the operational and flow criteria related to the high-outflow scenario. All Decision Tree outcomes should be described at an equal level of detail and fully evaluated with sound science before a decision is made. The high outflow scenarios should not be predisposed as being the permitted outcomes to be included as permit terms and conditions. Refer to MWDOC's BDCP comment letter which raises this issue under "Balancing and Proportionality" and its importance with regard to the issue of outflows and an expanded monitoring program over a reasonable habitat range compared to the historical narrow and limited monitoring program that in all likelihood has understated the Delta and Longfin Smelt populations as well as the effect of other stressors. Improved scientific understanding of the stressors impacting the smelt population is needed.
- Real-Time Operations Adjustments (Page 27-29). Real time operations decisions should not compromise the discretion of the Project Operators to maximize water supply benefits provided the requirements of BDCP are being met. Where exports are reduced due to real time adjustments, they should be made up later in the year through additional exports, so as to remain neutral. Given the SWP and CVP Contractors' vested interest and expertise in water operations, one SWP Contractor and one CVP Contractor should serve as voting (not non-voting) members on the Real Time Operations Team.
- Adaptive Management (Page 29-30). It is not clear how the limits for non-flow actions of Adaptive Management will be defined. A monetary cap for non-flow Adaptive Management Actions needs to be established. For water operations, the Implementing Agreement lists four resources sources and their priority of use. These sources are not defined and specifics on how they would be used and managed are not provided.

- Reserve System Lands and Funding (Page 42). The maintenance requirements/costs for the tunnels have not yet been finalized. Before implementation is begun, the cost and cost allocation for the Preferred Alternative (Alt. No. 4) should be fully understood. The final costs and performance objectives of the conveyance system must be reflected in contractual agreements to provide certainty that investments in the conveyance facilities result in adequate returns for State and Federal water contractors. This comment should also be addressed as it relates to the amount and who funds the non-wasting endowment required in Section 11.4.1.
- Changed Circumstances (Page 44). As the Implementing Agreement states, "Ecological conditions in the Delta are likely to change as the result of future events and circumstances that may occur during the course of the implementation of the BDCP." Section 12.0 should include a "no surprises" statement guaranteeing Permittees that the Fish and Wildlife Agencies will not require the permit holder to provide any additional land, water, or financial compensation nor impose additional restrictions on the use of land, water or other natural resource without the Permittee consent provided the Implementation Office acts as required in Section 12.1.

Also there does not appear to be a division of responsibility between the Authorized Entities and the State and federal governments for implementing responses to Changed Circumstances. This should be addressed.

Contributions for a changed circumstance action for any particular Conservation Measure should be on a pro-rata basis according to the overall funding for that measure.

- Inadequate Funding and Rough Proportionality (Page 47). Section 13.2 Inadequate Funding references the requirement for rough proportionality and permit suspension and revocation. This section needs to be revised as discussed below.
 - o Timing The Implementing Agreement provides only 45 days to regain rough proportionality or develop an acceptable plan to do so. Given the scope and complexity of the BDCP, this timeframe is unreasonably short and unrealistic.
 - Suspension and Revocation Standard No metric is provided for when a failure of rough proportionality would trigger a partial suspension or revocation of the Permits. Consistent with the shortfall in funding provision, a failure to maintain rough proportionality due to a shortfall in state or federal funding should not be a basis for partial suspension or

- revocation of the permits provided the Permittees are fully meeting their obligations.
- Minimal Effect Consistent with "no surprises" assurances, the Implementing Agreement should provide that as long as the Permittees are fully meeting their obligations, the permits may not be revoked or suspended. At a minimum, the meaning of "more than a minimal effect" needs to be defined in order to protect the Permittees' from backstopping the obligations of the state and federal government.
- o Funding Shortfalls Section 13.2 states that "In the event of a shortfall in State or federal funding, a Fish and Wildlife Agency(ies) shall not suspend or revoke the State and/or Federal Permits or invalidate Reclamation's take statement if the shortfall in funding is determined to be likely to have no more than a minimal effect on the capacity of the Plan to advance the biological goals and objectives." This language allows the Permittee's permits to be revoked as a result of something outside of their control this needs to be changed to protect the Permittees. Also the funding obligations of California and the United States are lumped together. The funding split between California and the United States needs to be identified.
- Authority of the Fish and Wildlife Agencies (Page 74-78). The Fish and Wildlife Agencies maintain too much authority in decision-making with respect to Plan implementation based on their defined roles in the Permit Oversight Group and Adaptive Management Team. The proper role for the Fish and Wildlife Agencies with respect to Plan Implementation is advisory and to insure overall compliance with permit requirements.
- <u>Miscellaneous Provisions (Page 88 -93)</u>. The following provisions should be included in this section.
 - Provision Needed Regarding Inconsistent Permits by State Board/Others

 An "off-ramp" provision should be provided in the event permits
 inconsistent with the BDCP are ultimately issued by the State Water
 Board or others (e.g., USACOE).
 - Provision Needed Regarding Consistent Positions in Other Regulatory Proceedings - A provision is needed wherein the Parties agree not take positions inconsistent with the BDCP in other documents and proceedings such as under NEPA, CEQA, Clean Water Act, Porter-Cologne Water Quality Control Act, and California Water Code.

• Miscellaneous Comments

On page 45, the second paragraph under Section 13.0 indicates that the Permittees agree to provide such funds as may be necessary to carry out their obligations under the BDCP. This indicates an unlimited funding commitment and this is incorrect and should be clarified as noted under Section 13.1 of the Implementing Agreement.

On page 64, Stakeholders Council should also include at least one representative from southern California in addition to Metropolitan Water District of Southern California.

<u>Summary:</u> Implementation of the BDCP is critical to Orange County's future

- Orange County has invested heavily to diversify our water portfolio but the SWP is a critical source of low salinity water supply that is currently unacceptably jeopardized by the unsustainability of the current Bay-Delta system.
- Orange County relies on the SWP to support groundwater conjunctive use programs and water recycling programs it is an essential part of our water reliability strategy that sustains our citizens and businesses.
- It is time to adopt and move the BDCP to implementation in order that we can achieve the co-equal goals of a reliable water supply for California and ecosystem restoration for the Delta.
- The 9,000 cfs twin tunnel BDCP Preferred Alternative (No. 4) will improve export water supply operations, reliability and water quality from the Delta in a manner that is protective of endangered species in the Delta.
- We support the 9,000 cfs twin tunnel Preferred Alternative (No. 4) provided reasonable assurances are included regarding governance and future decision-making in the process. We strongly advocate for a seat at the table for the water Permittees in the various oversight groups. The investment and decision-making must be structured to achieve a positive outcome for both the SWP and Permittees and the ecosystem restoration in a collaborative, partnership manner.

Mr. Ryan Wulff Page 28 July 24, 2014

Thank you for your time and consideration of these comments. If you should have any questions please do not hesitate to call me at (714) 593-5026.

Sincerely,

Robert J. Hunter General Manager



INFORMATION ITEM

October 19, 2015

TO: Board of Directors

FROM: Public Affairs & Legislation Committee

(Directors Barbre, Hinman & Tamaribuchi)

Robert Hunter, General Manager Staff Contact: Heather Baez

SUBJECT: Update on the transfer of Orange County Sanitation District Area 7

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive and file report.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

At the August 10th, 2015 Public Affairs and Legislation Committee meeting, members of the committee received an oral update on the status of Municipal Service Review (MSR) of Orange County Sanitation District's Service Area 7. At that time, the MSR was scheduled to be heard by the OCLAFCO Commission on August 12, 2015.

Since that date, East Orange County Water District and Irvine Ranch Water District have both filed applications for boundary changes to assume local sewer service in an area located in unincorporated North Tustin. Both applications are expected to be complete in time for the November hearing.

OCLAFCO is hosting a community workshop on Wednesday, October 28, 2015 from 6:00 p.m. to 8:00 p.m. at the Foothill High School Event Center Classroom located at 19251 Dodge Ave. in North Tustin. The workshop will include a presentation of the proposals, the factors considered by the Commission in making its review of the applications, and Commission staff's analyses of both applications.

This item is scheduled to be heard on November 18, 2015. Due to the Veteran's Day holiday, the Commission will meet on the 3rd Wednesday of November instead of the customary 2nd Wednesday of the month.

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



DISCUSSION ITEM

October 19, 2015

TO: Board of Directors

FROM: Public Affairs & Legislation Committee

(Directors Barbre, Hinman & Tamaribuchi)

Robert Hunter, General Manager Staff Contact: Heather Baez

SUBJECT: MWDOC Legislative Policy Principles Annual Update

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive and file report.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

MWDOC maintains a set of legislative policy principles that serve as guidelines for staff and our legislative advocates on issues that are of importance to the District. The policy principles here are a culmination of current policies and initial changes recommended by staff.

Staff has solicited input from the member agencies through the general managers and other participating city staff via the MWDOC Member Agencies Managers group. Staff will coordinate feedback from the Board and any input received from the member agencies and bring the proposed Policy Principles to the Board for consideration of approval and adoption at the November PAL committee meeting.

Staff requests that the Board provide suggested modifications to these Policy Principles on or before November 6, 2015 to have them ready for the PAL meeting in November.

Budgeted (Y/N): n/a	Budgeted amount:		Core x	Choice			
Fiscal Impact (explain if unbudgeted):							
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Municipal Water District of Orange County Legislative Policy Principles

IMPORTED WATER SUPPLY

It is MWDOC's policy to support legislation that:

- 1) Ensures the implementation of a long- term state water plan that balances California's competing water needs and results in a reliable supply of high- quality water for Orange County.
- 2) Facilitates the implementation of the Bay Delta Conservation Plan California WaterFix, the co- equal goals of reliable water supply and ecosystem restoration, and related policies that provide long term, comprehensive solutions for the San Francisco Bay/Sacramento-San Joaquin River Delta that:
 - a) Provides reliable water supplies to meet California's short- and long- term needs;
 - b) Improves the ability to transport water across the Delta either for, or in supplement to, State Water Project deliveries;
 - c) Improves the quality of water delivered from the Delta;
 - d) Enhances the Bay-Delta's ecological health in a balanced manner that takes into account all factors that have contributed to its degradation;
 - e) Encourages cost-effective water-use-efficiency measures;
 - f) Employs sound scientific research and evaluation to advance the co-equal goals of improved water supply and ecosystem sustainability.
- 3) Funds a long-term, comprehensive Bay-Delta solution in a manner that equitably apportions costs to all beneficiaries.
- 4) Seeks to keep BDCP California WaterFix on schedule and prudently expedites the approval process for projects that will improve water reliability and security.
- 5) Provides funding for Colorado River water quality and supply management efforts.
- 6) Provides conveyance and storage facilities that are cost-effective for MWDOC and its member agencies, while improving the reliability and quality of the water supply.
- 7) Authorizes and appropriates the federal share of funding for the long-term Bay Delta solution.

8) Authorizes and appropriates the ongoing state share of funding for the long-term Bay Delta solution.

It is MWDOC's policy to oppose legislation that:

- 1) Would make urban water supplies less reliable, or would substantially increase the cost of imported water without also improving the reliability and/ or quality of such water.
- 2) Imposes water user fees to fund Bay Delta ecosystem restoration and other public purposes, non-water supply improvements in the Delta region.

LOCAL WATER RESOURCES

It is MWDOC's policy to support legislation that:

- 1) Supports the development of, provides funding for, and authorizes and/or facilitates the expanded use of, water recycling, potable reuse, conservation, groundwater recovery and recharge, storage, brackish and ocean water desalination and surface water development projects.
- 2) Recognizes that recycled water is a *valuable* resource and *that* should be *justified*, permitted and managed as such.
- 3) Authorizes local governmental agencies to regulate the discharge of contaminants to the sewer collection system that may adversely affect water recycling and reuse.
- 4) Reduces regulatory burdens on water *development* recycling *projects* and brackish and ocean water desalination projects.
- 5) Supports ecosystem restoration, increased stormwater capture and sediment management activities at Prado Dam.
- 6) Recognizes and supports the development of ocean desalination as a critical new water supply for the state and Orange County, specifically. (Redundant added to #1)
- 7) Authorizes, promotes, and provides incentives for indirect and direct potable reuse projects.
- 8) Recognizes that the reliability of supplies to the end user is the primary goal of water suppliers.
- 9) Ensures that decision-making with regard to stormwater management and recapture is kept at the local or regional level through local water agencies, stormwater districts, cities, counties, and regional water management groups.
- 10) Recognizes that stormwater management and recapture are important tools in a diversified water portfolio that can help to achieve improved water quality in local surface and groundwater supplies, and augment surface and groundwater supplies for local water agencies.

- 11) Reduces or removes regulatory hurdles that hinder the use of stormwater.
- 12) Provides incentives for the local or regional use of stormwater management and recapture.

It is MWDOC's policy to oppose legislation that:

- 1) Restricts a local governmental agency's ability to develop their local resources in a manner that is cost-effective, environmentally sensitive, and protective of public health.
- 2) Imposes barriers to the safe application of recycled water and continues to define recycled water as a waste.
- 3) Would make urban water supplies less reliable, or would substantially increase the cost of imported water without also improving the reliability and/ or quality of such water.
- 4) Restricts or limits a local governmental agency's ability to establish local priorities for water resources planning decisions.

WATER USE EFFICIENCY

It is MWDOC's policy to support legislation that:

- 1) Furthers the statewide goal of a 20% reduction in per capita water use by 2020 as set forth in SBx7-7, enacted in November 2009.
- 2) Would allow flexibility and options for compliance in achieving statewide water reduction goals.
- 3) Seeks to improve water efficiency standards for water-using devices.
- 4) Provides loans and grants to fund incentives for water conserving devices or practices.
- 5) Advances and ensures accurate reporting of the implementation of water efficiency measures of the Best Management Practices (BMPs) for the California Urban Water Conservation Council's Memorandum of Understanding.
- 6) Increases landscape water use efficiency and promotes Commercial, Institutional and Industrial (CII) water use efficiency programs.
- 7) Requires individual metering to be built in new construction of multiple unit residential buildings.
- 8) Encourages stakeholders to investigate and develop regionally appropriate statewide landscape water conservation standards and regulations that incorporate local land use and climate factors.

- 9) Provides incentives, funding, and other assistance where needed to facilitate market transformation and gain wider implementation of water-efficient indoor and outdoor technologies and practices.
- 10) Provides incentives, funding, and other assistance where needed to facilitate water use efficiency partnerships with the energy efficiency sector.
- 11) Recognizes past investments in water use efficiency measures, especially from the demand hardening perspective.

It is MWDOC's policy to oppose legislation that:

- 1) Fails to ensure balance in the implementation of water efficiency practices and requirements for both urban and agricultural use.
- 2) Would repeal cost-effective efficiency standards for water-using devices.

WATER QUALITY

It is MWDOC's policy to support:

- 1) Legislation that protects the quality of surface water and groundwater *including the* reduction of salt loading to groundwater basins.
- 2) Funding that helps agencies meet state and federal water quality standards.
- 3) The establishment and/ or implementation of standards for water-borne contaminants based on sound science and with consideration for cost-effectiveness.

It is MWDOC's policy to oppose:

- 1) Legislation that could compromise the quality of surface water and groundwater supplies.
- 2) Legislation that establishes and/ or implements standards for water-borne contaminants without regard for sound science or consideration for cost effectiveness.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

It is MWDOC's policy to oppose legislation that:

- 1) Compromises the existing governance structure and the representation of member agencies on the Metropolitan Water District Board of Directors.
- 2) Would restrict MET's rate-making ability.

WATER TRANSFERS

It is MWDOC's policy to support legislation that:

- 1) Encourages and facilitates voluntary water transfers.
- 2) Provides appropriate protection or mitigation for impacts on the environment, aquifers, water-rights holders and third-parties to the transfer including those with interests in the facilities being used.
- 3) Legislation that encourages transfers which augment existing water supplies, especially in dry years.

It is MWDOC's policy to oppose legislation that:

- 1) Undermines the operations and maintenance of the <u>conveyance</u> system *conveying the* water.
- 2) Interferes with the financial integrity of a water utility and compromises water quality.
- 3) Increases regulatory or procedural barriers to water transfers at the local or state level.

WATER INFRASTRUCTURE FINANCING

It is MWDOC's policy to support legislation that:

- 1) Employs a "beneficiary pays" principle that establishes a clear nexus between the cost paid to the direct benefit received. Likewise, those who do not benefit from a particular project or program should not be required to pay for them.
- 2) Establishes grants or other funding opportunities for local and regional water infrastructure projects.
- 3) Considers local investments made in infrastructure, programs, mitigation and restoration in determining appropriate cost shares for water infrastructure investments.
- 4) Would reduce the cost of financing water infrastructure planning and construction, such as tax-credit financing, tax-exempt municipal bonds, Water Resources Development Act (WRDA), Water Infrastructure Finance Innovation Act (WIFIA), the Environmental Infrastructure Accounts and other funding mechanisms.

It is MWDOC's policy to oppose legislation that:

1) Establishes a fee or tax that does not result in a clear benefit to the District, its member agencies, and their customers.

2) Would reduce the total available water infrastructure financing measures such as WIFIA, state-revolving funds, and others.

ENERGY

It is MWDOC's policy to support legislation that:

- 1) Facilitates the development and expansion of clean, renewable energy in California, including hydropower.
- 2) Supports water supply reliability as the primary focus of water agencies and energy intensity of water supplies as a secondary factor.
- 3) Recognizes the role and value of the water industry investment in water use efficiency and therefore recognizes WUE efforts towards greenhouse gas reduction, including funding such activities.
- 4) Recognizes hydroelectric power as a clean, renewable energy source and that its generation and use meets the greenhouse gas emission reduction compliance requirements called for in the Global Warming Solutions Act of 2006 (AB 32).

It is MWDOC's policy to oppose legislation that:

1) Grants preferential consideration to certain types of clean, renewable energy projects over others, resulting in those preferred projects receiving advantages for state funding, project permitting, and regulatory compliance.

FISCAL POLICY

It is MWDOC's policy to support legislation that:

1) Requires the federal and state governments to provide a subvention to reimburse local governments for all mandated costs or regulatory actions.

It is MWDOC's policy to oppose legislation that:

- 1) Is inconsistent with the District's current investment policies and practices.
- 2) Pre-empts the District's ability to impose or change water rates, fees, or assessments.
- 3) Impairs the District's ability to maintain levels of reserve funds that it deems necessary and appropriate.
- 4) Impairs the District's ability to provide services to its member agencies and ensure full cost recovery.

- 5) Makes any unilateral reallocation of District revenues, or those of its member agencies, by the state unless the state takes compensatory measures to restore those funds.
- 6) Would impose mandated costs or regulatory constraints on the District or its member agencies without reimbursement.
- 7) Mandates a specific rate structure for retail water agencies.
- 8) Imposes a "public goods charge" or "water tax" on public water agencies or their ratepayers.

GOVERNANCE

It is MWDOC's policy to support legislation that:

1) Advances good government practices and public transparency measures in a manner that do does not take a "one-size fits all" approach, respects local government control, and facilitates technological efficiencies to meet state reporting and disclosure requirements.

It is MWDOC's policy to oppose legislation that:

- 1) Advances local government reform measures by imposing unnecessarily broad burdens upon all local governments, particularly when there is no demonstration of rampant and wide-spread violations of the public trust.
- 2) Shifts state programs, responsibilities and costs to local governments without first considering funding to support the shift.
- 3) Seeks to limit or rescind local control.
- 4) Reduces or diminishes the authority of the District to govern its affairs.
- 5) Imposes new costs on the District and the ratepayers absent a clear and necessary benefit.
- 6) Resolves state budget shortfalls through shifts in the allocation of property tax revenue or through fees for which there is no direct nexus to benefits received.

PUBLIC EMPLOYEE PENSION REFORM

It is MWDOC's policy to support legislation that:

1) Seeks to contain or reform public employee pension and other post-employment benefit (OPEB) cost obligations that are borne by public agencies via taxpayers and ratepayers.

Public Affairs Activities Report September 17 – October 21, 2015

Member Agency Relations

Heather gave a presentation to Mesa Water District, wrapping up the 2015 legislative session and gave a preview of what to expect in 2016.

Heather presented the draft update of MWDOC's Legislative Policy Principles to the member agency managers group. Feedback from the member agencies is due Nov. 6th.

Tiffany is working with MWD staff, Director Linda Ackerman and Fullerton/MWD Director Peter Beard on an upcoming State Water Project trip, October 23-24. Tiffany is also working with MWD staff Director Larry McKenney and SDCWA/MWD Director Yen Tu on an upcoming Colorado River/Hoover trip, November 13-14, and Director McKenney on an Edmonston trip, November 20. She met with MWD staff and Director Brett Barbre for a planning meeting on October 14, and has been working with the OC Grand Jury on availability for a CRA trip scheduled for December 11-12. Bryce is sending out invitations, accepting reservations, and handling guest needs. Tiffany is managing itinerary, MWD and Director needs for each of these trips.

Tiffany, Jonathan and Heather accompanied Director McKenney and MWD/LA Director Glen Dake on a State Water Project inspection trip on September 18-19.

Tiffany and Jonathan accompanied Director Dick and MWD/WMWD Director Don Galleano on a State Water Project/Agriculture inspection trip on October 9-10.

On September 10, Jonathan and Tiffany participated in Metropolitan's PIO meeting. Information from this meeting was summarized in an update and sent to Public Affairs Workgroup participants.

Tiffany, Jonathan and Bryce met with the Wyland Foundation to discuss future partnership opportunities including their National Mayor's Challenge for Water Conservation (Mayors nationwide will challenge their residents to conserve water, energy and other natural resources on behalf of their city through a series of informative, easy-to-use pledges online), their Clean Water Mobile Learning Experience (an affordable way for schools to increase student knowledge of the function of watersheds and the impact that communities have on these systems), and their Water is Life Art Challenge. Wyland has been invited to give a brief overview of these programs to the Public Affairs workgroup participants at the bimonthly PAW on October 22.

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On September 17, Jonathan participated in the Member Agency General Managers meeting. The Public Affairs Department provided handouts, giveaway items, education materials, program partnering assistance and social media assistance/content to several MWDOC Member Agencies. Jonathan is working with Karl Seckel on the presentation of the MWDOC OC Reliability Study for the November 5 elected officials dinner. Jonathan and Bryce completed an e-Currents edition that featured accomplishments and first-person reports from several member agencies. The newsletter, the first since February, was sent to 27,000 recipients and had an above-average open rate of 37 percent. **Community Relations** Jonathan, Tiffany, Bryce and Marey implemented MWDOC's social media activities through Facebook, Twitter, Pinterest and Instagram during this period. MWDOC's Facebook page has 1,225 "likes". Tiffany and Bryce updated several pages on the MWDOC website. On September 28 Tiffany met with Bank of America program coordinators and OCWD to schedule a tour of GWRS for top level executives across the US. The tour will take place on October 21, and will include a MWDOC 101 and water supply presentation given by Rob Hunter. Heather attended the Manufactured Housing Educational Trust breakfast with Director Barbre who was the guest speaker. Heather attended ACC-OC's City Leaders Reception at IRWD's San Joaquin Marsh. Heather attended Orange County Sanitation District's "State of the District" presentation and breakfast. Bryce, Marey and Jonathan participated in five community events during this period, reaching 281 people. The events were held in the cities of Brea, Placentia, Seal Beach, and Orange; additionally an event was held at the OCTA Santa Ana headquarters.

On September 24, Jonathan participated in the MWD Education Coordinators meeting at MWD. Jonathan presented an update

Education

on the elementary school program and introduced the high school program.

Jonathan met with and held a conference call with school program contractors to enhance information on imported water sources and ensure that information on the California Water Fix will be included in the high school presentations and assemblies/fairs.

The elementary school program has reached 3,304 students, with an additional 26,092 students scheduled as of October 13.

Tiffany has been working with MWD and MWDOC member agencies to coordinate participating teams for the MWD 2016 Solar Cup. All MWD member agencies were allowed to sponsor three teams. Each team will either need to get funding from their individual member agencies, or will have to fund raise to participate. MWDOC's three sponsored teams are Laguna Beach High (LBCWD), Los Alamitos High (Golden State Water), and Coast High (Huntington Beach).

Media Relations

Public Affairs staff worked with the OC Register to include MWDOC GM Rob Hunter in an October 1 story on release of August efforts to meet state mandates. GM Hunter complimented member agencies and warned about difficulty achieving reduced water use in wet winter months. The story was also picked up in other publications.

Director of Water Use Efficiency, Joe Berg, was quoted extensively in a September 20 story about who received turf rebates. This was the first story after the MWDOC release of rebate recipients.

Jonathan coordinated GM Rob Hunter's appearance on radio show, found on www.kcaaradio.com. Mr. Hunter was interviewed on MWDOC's role during the drought, its support for member agencies, and Mr. Hunter's view of OC water infrastructure.

Jonathan issued a news release after MWDOC staff was honored with an EPA WaterSense award in Las Vegas. The news release was posted to the ACWA homepage and Voice of OC, along with social-media channels.

Jonathan invited Los Angeles Times drought reporter Matt Stevens to attend the October 22 Public Affairs Workshop meeting to discuss media coverage/story pitches with PAW attendees. Mr. Stevens accepted the invitation.

Special Projects

Heather met with representatives from Eastern MWD, Western MWD and IEUA to begin working on our joint D.C. luncheon scheduled for February 24, 2015. We have established an internal timeline, deadlines and plan to meet again on October 29th.

Heather staffed the October WACO meeting featuring Assemblyman Matthew Harper and California Water Commission Chairman, Joe Byrne. She also secured them as guest speakers.

Heather staffed the ISDOC Executive Committee and sent out the Quarterly Luncheon invite scheduled for Thursday, October 22. The guest speaker is the head of OC Waste & Recycling, Jeff Arbour.

Heather staffed the WACO Planning Meeting. Discussions for the January meeting and program are underway. The November program will focus on the potential El Nino; December's program will be a presentation on the Reliability Study.

Marey completed the October cover images for MWDOC's social media pages and website.

Tiffany has been working with Felicia Marcus's office and has confirmed her as a speaker for either January or February Water Policy Dinner.

Tiffany, Bryce and Marey are working on several updated briefing papers and transferring them into a new, modern, eyecatching template. Marey has also begun a new educational infographic for boil orders for WEROC.

Jonathan, Tiffany and Rob participated in a walk-through at the Disneyland Hotel on October 2 for the 2016 OC Water Summit. The only two dates available in May/June at the Disney Grand Californian are May 27, and June 8. Both dates have been held and will be presented to the OC Water Summit planning committee for review.

Jonathan participated in the panel interviews to hire the new Santa Margarita Water District Public Information Manager.

Jonathan contacted member agencies that participated in the Value of Water program last year. He presented the OC Register special water page that would publish each week and is working to build consensus among member agencies on the project, scheduled to begin in December.

Legislative Affairs

Heather participated in ACWA's Federal Affairs Committee. The committee received an update on the El Dorado and King fires that were plaguing Northern California. The need for federal funding for drought response via the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund programs were reiterated. The committee also took action on various legislation.

Heather met with Steve McCarthy, Policy Director for the Assembly Republican Caucus, and Water, Parks & Wildlife Committee consultant Robert Spiegel who is new to his position.

Heather attended Metropolitan's Communications & Legislation Committee at Metropolitan. While there she met with Kathy Cole and EJ Caldwell of West Basin MWD.

Heather met with Nathan Purkis and Albert Napoli from MWD to discuss ways our agencies can collaborate on regional interests.

Heather attended Assemblyman Matthew Harper's District Office Open House. There she networked with his staff, along with members of Congresswoman Mimi Walters' staff, Assemblywoman Young Kim's staff, and Senator Pat Bates's staff.

Heather and Joe Berg participated in an ACWA organized conference call regarding the possible extension of the conservation emergency regulations.

Heather attended Senator Pat Bates' District Office Open House in Laguna Hills.