

Committee

Administrative and Finance

Engineering and Operations

Imported Water

Legislation and Public
Outreach

Water Planning

Formal Board



The graduating class of the Spring 2018 Citizens Water Academy pose together after attending a tour of the Olivenhain Dam on March 17, 2018.



NOTICE TO THE PUBLIC

**BOARD OF DIRECTORS' AND STANDING COMMITTEES'
REGULAR MEETING
APRIL 12, 2018
BOARD ROOM
WATER AUTHORITY HEADQUARTERS BUILDING
4677 OVERLAND AVENUE, SAN DIEGO, CALIFORNIA**

1. **UNIFIED AGENDA:** This unified agenda provides a brief description of each item to be considered by the Board and its Administrative and Finance, Engineering and Operations, Imported Water, Legislation, Conservation and Outreach, and Water Planning Committees. For convenience, the agenda for each of the Committees and for the formal Board meeting are stated separately; however, all agendas shall be considered as a single agenda and any item listed on the agenda of any Committee may be acted upon by the Board. All items on the agenda of any Committee, including information items, may be deliberated and become subject to action by the Board.
2. **DOCUMENTS:** Staff reports and any other public information provided to the Board or Committee before the meeting relating to items on the agenda are available for public review at the San Diego County Water Authority 4677 Overland Avenue San Diego, CA 92123 during normal business hours. Additional documents may be distributed at the meeting. Copies of individual items, including the background information, are available through the Clerk of the Board at (858) 522-6614.
3. **MEETING TIMES:** The morning session of Standing Committees will commence at **9:00 a.m. on April 12, 2018** the afternoon session of Standing Committees may commence at the conclusion of the morning session and earlier than **1:00 p.m.** Please see the meeting schedule. The meeting of the full Board may begin as early as **3:00 p.m.** or as soon thereafter as the last Committee meeting is completed.
4. **ACTION AT COMMITTEE MEETINGS:** Committee meetings are also noticed as meetings of the Board because a quorum of the Board may be present. Members of the Board who are not members of the Committee may participate in the meeting, but only members of the Committee may make, second or vote on any motion or other action of the Committee unless the Board determines to convene for consideration of action on an item or items on the Committee agenda. Items receiving substantive review by a standing committee are generally included on the Consent Calendar for action at the meeting of full Board. Persons interested in an item and wishing to hear the staff report, present oral or written comments, and hear the deliberations should attend the Committee meeting. Closed Sessions also occur at Committee meetings and may not be repeated at the formal Board meeting.
5. **CONSENT CALENDAR:** The agenda contains items listed on a consent calendar which is for matters considered routine or otherwise not requiring further deliberation. A committee or the Board will take action as recommended by one motion. There will be no individual discussion on such items prior to the vote unless an item is removed for discussion. If a member of the public



wishes to talk about a consent calendar item, please notify the Chair before the calendar is called. Persons who wish to be heard on an item are encouraged to speak before the assigned committee.

6. **PUBLIC HEARINGS**: It is not necessary to notify the Chair if a member of the public wishes to speak on items listed on the agenda as public hearings. Public hearings will begin at the time stated in the notice, or as soon thereafter as the matter can be heard. When the Chair opens the hearing, upon invitation of the Chair, step to the podium and begin by giving your name and address for the record. Each speaker has 3 minutes to address the Board.
7. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA**: The agenda provides an opportunity for members of the public to address the Committees and Board on matters of interest within the jurisdiction of the Committee or Board that are not listed on the agenda. The Brown Act does not allow any discussion or action by the Board or staff on matters raised during public comment except: 1) to briefly respond to statements made or questions posed; 2) ask a question for clarification; 3) receive and file the matter; 4) if it is within staff's authority, refer it to them for a reply; or, 5) direct that it be placed on a future board agenda for a report or action.

A reasonable amount of time will be allocated by the Chair for public comment. Persons wishing to speak should notify the Chair before the meeting by filling out a "Speaker Request Form" and give it to the secretary. Individual speakers are requested to be as brief as possible and are encouraged to address the appropriate committee who is best able to respond. When the Chair calls, please immediately step to the podium and begin by giving your name and address for the record. Each speaker has 3 minutes to address the Board.
8. **PUBLIC COMMENT ON AGENDA ITEMS**: Persons wishing to speak to an item that is listed on the agenda should notify the Chair before the meeting by filling out a speaker request form and giving it to the secretary. Step to the lectern when asked to do so by the Chair and begin by giving your name and address for the record. Remarks should be limited to three minutes.
9. **INFORMATION ITEMS**: Items are listed on the agenda as information based on staff's judgment. Circumstances or the committee's or Board's judgments may require deliberation or, if necessary, action on these items. Any member of the public with an interest in one of these items should review the background material and request information on the possible action that could be taken.
10. **ASSISTANCE FOR THE DISABLED**: If you are disabled in any way and need accommodation to participate in the Board meeting, please call the Clerk of the Board at (858) 522-6614 for assistance at least three (3) working days prior to the meeting so the necessary arrangements can be made.
11. **RULES GOVERNING MEETINGS**: The Water Authority's Administrative Code Chapter 2.00 governs conduct of meetings of the Board and the Committees. The Administrative Code is available on line at www.sdewa.org or at the Water Authority Headquarters.

MEETING SCHEDULE

APRIL 12, 2018

MORNING SESSION

Engineering & Operations Committee
Water Planning Committee
Legislation & Public Outreach Committee

9:00 a.m. to 12:00 p.m.

Estimated meeting time: 9:00 - 10:05 a.m.

Estimated meeting time: 10:10 - 10:45 a.m.

Estimated meeting time: 10:50 - 11:55 a.m.

LUNCHEON FOR DIRECTORS

12:00 p.m. to 1:00 p.m.

AFTERNOON SESSION

Administrative & Finance Committee
Imported Water Committee

1:00 p.m. to 3:00 p.m.

Estimated meeting time: 1:00 - 1:25 p.m.

Estimated meeting time: 1:30 - 2:55 p.m.

FORMAL BOARD MEETING

3:00 p.m.

- * Time estimates are for convenience only and do not constitute part of the schedule. The first morning session will commence at 9:00 a.m., and the following morning sessions may start at any time after 9:00 a.m. The first afternoon session will commence at 1:00 p.m., and the following afternoon sessions may start at any time after 1:00 p.m. The Board meeting will start no earlier than 3:00 p.m., or following the conclusion of the last committee meeting.

ENGINEERING AND OPERATIONS COMMITTEE

AGENDA FOR

APRIL 12, 2018

Tony Heinrichs – Chair
Frank Hilliker – Vice Chair
Marty Miller – Vice Chair
Jack Bebee
Vic Bienes
Brian Boyle
Jerry Butkiewicz
Lois Fong-Sakai

Michael Hogan
Mel Katz
Ron Morrison
Jose Preciado
John Simpson
Tim Smith
Ron Watkins

1. Roll call – Determination of quorum.
2. Additions to Agenda (Government Code Section 54954.2(b)).
3. Public Comment – opportunities for members of the public to address the Committee on matters within the Committee’s jurisdiction.
4. Chair’s Report.
4-A Directors’ comments.

I. CONSENT CALENDAR

1. Service contract with Johnson Control, Inc., for upgrades to the access control systems for field facilities and the Kearny Mesa and Escondido offices.
Staff recommendation: Authorize the General Manager to execute a service contract with Johnson Controls, Inc., for the purchase and installation of software and hardware to upgrade the existing access control systems for field facilities and the Kearny Mesa and Escondido offices, in the amount of \$211,667 including software maintenance and support services for a five-year term. (Action)

Chris Castaing

II. ACTION/DISCUSSION/PRESENTATION

1. Construction contract with Granite Construction, Inc. for the Moosa Canyon Erosion Control project.
Staff recommendation: Authorize the General Manager to award a construction contract to Granite Construction, Inc. in the amount of

Mike Conner



\$1,235,889.40 for the Moosa Canyon Erosion Control project.
(Action)

2. Water Quality Maintenance. (Presentation) Jim Fisher

III. INFORMATION

1. Advertisement for Bids for Pipeline 5 Relining Delivery Point to Sage Road project. Mike Conner

IV. CLOSED SESSION

1. Conference with Legal Counsel – Existing Litigation Mark Hattam
Government Code §54956.9(d)(1)
Shimmick Construction Co., Inc./Obayashi Corp., joint venture
v. San Diego County Water Authority, Riverside Superior Court
Case No. RIC 1609196
2. Conference with Real Property Negotiator Mark Hattam
Government Code §54956.8

Property: Portions of property owned by the San Diego County Water Authority or City of San Diego at or in the vicinity of San Vicente Reservoir (APN. Nos. 323-111-13, 323-111-14, 323-111-15, 323-111-17, 324-060-04, 325-021-07, 325-021-10, 325-021-13, 325-051-04, 325-070-09, 326-020-21, 326-030-01, 326-030-02, 326-030-04, 326-030-05, 326-061-06, 326-061-06, 326-061-07, 326-061-12, 326-061-13, 326-061-14, 326-061-15, 326-061-16, 326-061-17, 327-110-07, 329-010-04, 329-010-05, 329-010-16, 329-021-03, 329-021-05, 329-021-06, 329-021-07, 329-023-01, 329-023-03, 329-040-02, 329-040-04, 329-041-03, 329-050-01, 329-050-02, 329-050-06, 329-080-01, 329-090-01, 329-090-06, 329-090-07, 329-120-52, 329-120-54, 329-120-57, 329-120-59, 329-121-03, 329-121-04, 329-121-04, 760-148-01, 760-148-10)

Agency Negotiators: Black & Veatch Corporation on behalf of the San Diego County Water Authority and City of San Diego

Negotiating Parties: Brookfield US Generation LLC and Tenaska, Inc. – Diamond Generating Corporation Joint Venture

Under Negotiation: Price and terms



V. ADJOURNMENT

Melinda Nelson
Clerk of the Board

NOTE: This meeting is called as an Engineering & Operations Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Recodified). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.

April 4, 2018

Attention: Engineering and Operations Committee

Service contract with Johnson Control, Inc., for upgrades to the access control systems for field facilities and the Kearny Mesa and Escondido offices. (Action)

Staff recommendation

Authorize the General Manager to execute a service contract with Johnson Controls, Inc., for the purchase and installation of software and hardware to upgrade the existing access control systems for field facilities and the Kearny Mesa and Escondido offices, in the amount of \$211,667 including software maintenance and support services for a five-year term.

Alternative

Do not award this contract and direct staff to continue operating the access control system as-is and do not upgrade the system. This will result in a lower level of security related to access to Water Authority facilities, resulting in a higher level of risk for the security of our water system.

Fiscal Impact

Funds in the amount of \$177,576 are available in the approved project budget and the fiscal years 2018 and 2019 Capital Improvement Program appropriation. Funds in the amount of \$5,683 are included in the fiscal years 2018 and 2019 operating budget. Funds in the amount of \$28,408 are dependent upon Board approval of future operating budgets. The rate category for this project is customer service.

Background

The original access control system was installed in FY2001 as a capital project in conjunction with the Kearny Mesa administration building construction. It was incorporated into all existing field facilities, including flow control facilities, pump stations, flow regulatory structures, and hydroelectric facilities. Staff are issued access credentials, allowing access to facilities without the use of actual keys. The system allows staff to control facility access privileges, monitor activity real-time, and review access history for each facility.

Discussion

The access control system currently in operation uses controllers and technology that are nearly 20 years old. Most of the electronic hardware for the access control system have been in continuous service for over 15 years and are no longer supported by the manufacturer. The hardware has passed typical end-of-life for electronic components and failures are common occurrences at field facilities. In addition, a system review identified significant vulnerabilities within the existing access control system. Discussions with security experts and a facility assessment by the Department of Homeland Security confirmed the system vulnerabilities and provided recommended system enhancements to improve facility security. New multi-class card readers along with enhanced system components and software will provide layered security at all

Water Authority facilities. The upgraded access control system includes technology that will provide tamper-proof protection and inhibit cloning of access credentials.

Competition for this contract was waived, as Johnson Controls, Inc. is the exclusive distributor and the only factory authorized provider of parts and service for the access control system and software used by the Water Authority. In order to preserve established security levels, and maintain system continuity, along with controller and device compatibility, the Water Authority has continued to only use Johnson Controls, Inc., for these services since the original installation in 2001. Johnson Controls, Inc. and the Water Authority have negotiated a service contract, which includes the purchase, installation, and integration of upgraded hardware and software for the access control system, training, and software maintenance and support services.

Staff recommends the Board authorize the General Manager to execute a service contract with Johnson Controls, Inc., for the purchase and installation of hardware and software to upgrade the existing access control systems for field facilities and the Kearny Mesa and Escondido offices, in the amount \$211,667 including software maintenance and support services for a five-year term.

Due to the limited subcontracting opportunities for this type of service, SCOOP outreach was not required.

Prepared by: Chris Castaing, Operations and Maintenance Manager
Reviewed by: James E. Fisher, Director of Operations and Maintenance
Approved by: Sandra L. Kerl, Deputy General Manager



April 4, 2018

Attention: Engineering and Operations Committee

Construction contract with Granite Construction, Inc. for the Moosa Canyon Erosion Control project. (Action)

Staff recommendation

Authorize the General Manager to award a construction contract to Granite Construction, Inc. in the amount of \$1,235,889.40 for the Moosa Canyon Erosion Control project.

Alternatives

Do not award the contract and direct staff to solicit new bids for the project. This will result in delays to the erosion control measures and may also increase project costs.

Fiscal Impact

Funds in the amount of \$1,235,889.40 are available within the Moosa Canyon Erosion Control project lifetime budget, and the fiscal years 2018 and 2019 Capital Improvement Program appropriation. The rate category for this project is transportation.

Background

The northern portion of the Second Aqueduct includes Pipelines 3, 4, and 5 that convey both treated and untreated water from Metropolitan Water District of Southern California (MWD) to the Water Authority's service area. The pipelines flow from north to south and traverse steep terrain on each side of Moosa Canyon, crossing under Moosa Creek in the community of Bonsall, see Figure 1 – Vicinity Map.

In 2013, staff identified that a portion of the crown of Pipeline 4 was exposed in Moosa Creek due to creek bed erosion, see Figure 2, Location Map. Staff monitored the status of the erosion over Pipelines 3, 4, and 5 in Moosa Creek until December of 2015, when staff completed a structural analysis of the internal water forces on Pipeline 4 at this location. The analysis indicated the forces on the pipe were not a concern given the amount of erosion that had occurred, however, additional erosion could threaten the stability of the pipelines at the creek crossing. In June 2016, Water Authority staff installed concrete mats as an interim erosion control measure to stabilize the area and mitigate the risk of damage to the buried pipelines in Moosa Creek. The newly installed erosion control measures performed well during last winter's heavy and frequent rain events.

Previous Board Actions: On April 27, 2017, the Board adopted Resolution No. 2017-06 adopting the Final Mitigated Negative Declaration, adopting the Mitigation Monitoring and Reporting Program, and authorizing the filing of a Notice of Determination for the Second San Diego Aqueduct Moosa Canyon Crossing Erosion Control project.

Discussion

Pipelines 3, 4, and 5 in this area remain at risk of exposure due to ongoing erosion in the creek. In June of 2016, the Board authorized a professional services contract to design long-term erosion control

measures at the Moosa Creek crossing. The design incorporates the interim repair improvements into a long-term erosion control solution protecting the three pipelines from being exposed. The construction contract includes placing engineered, grouted and non-grouted riprap in the creek channel.

Staff advertised a Notice Inviting Bids for the Moosa Canyon Erosion Control project on February 14, 2018 and a pre-bid meeting was held on February 20, 2018. The construction cost estimate range was \$1.5 million to \$1.8 million.

The Water Authority received six bids on March 13, 2018, ranging in price from \$1,235,889.40 to \$1,884,905. Granite Construction, Inc. submitted the apparent low bid in the amount of \$1,235,889.40. The bid opening results are attached. Staff reviewed the apparent low bid compared to the estimate and determined that Granite Construction, Inc. included all work items in its construction bid.

In accordance with the contract documents, staff performed an independent review of the two low bids, including items such as licensing, bonding, and references. Based on this review, Granite Construction, Inc., is the lowest, responsive, and responsible bidder.

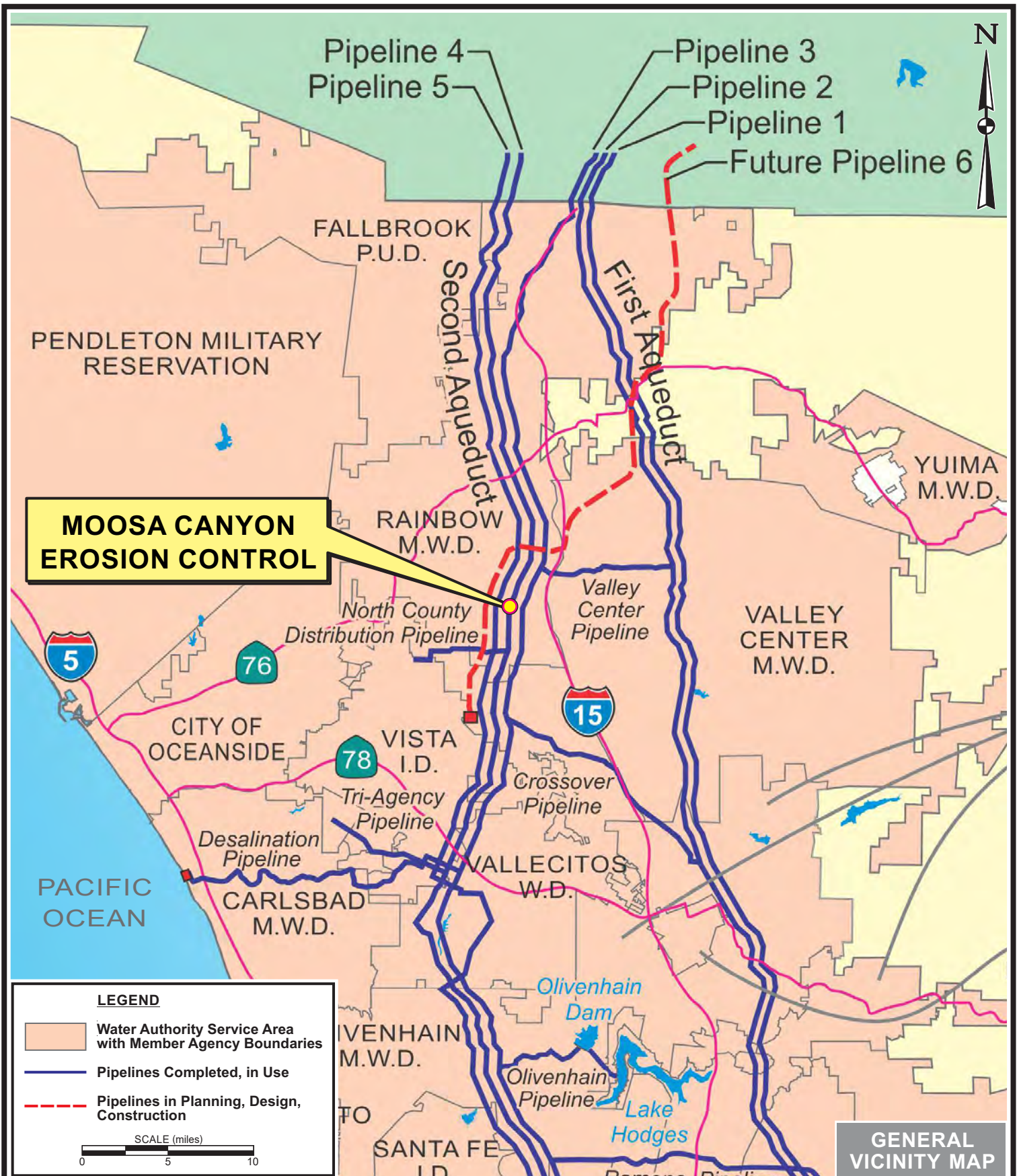
SCOOP staff verified Granite Construction, Inc.'s good faith efforts to conduct outreach to qualified small businesses. The small business participation for this project is 12 percent. Women and minority owned participation is 2 percent. This information is provided for statistical purposes. Granite Construction, Inc. will be required to comply with the requirements of the Small Contractor Outreach and Opportunities Program.

Staff recommends the Board authorize the General Manager to award a construction contract to Granite Construction, Inc. in the amount of \$1,235,889.40 for the Moosa Canyon Erosion Control project. Following the recommended Board authorizations, construction is expected to begin in June 2018 and is scheduled to be complete in fall 2018. Upon final inspection and acceptance of the work, staff will return to the Board to recommend issuance of a Notice of Completion.

Prepared by: Mike Conner, Senior Engineer
Reviewed by: Jerry Reed, Director of Engineering
Approved by: Sandra L. Kerl, Deputy General Manager

Attachments:

1. Figure 1 - Vicinity Map
2. Figure 2 - Location Map
3. Results of Bid Opening



**MOOSA CANYON
EROSION CONTROL**

LEGEND

- Water Authority Service Area with Member Agency Boundaries
- Pipelines Completed, in Use
- Pipelines in Planning, Design, Construction

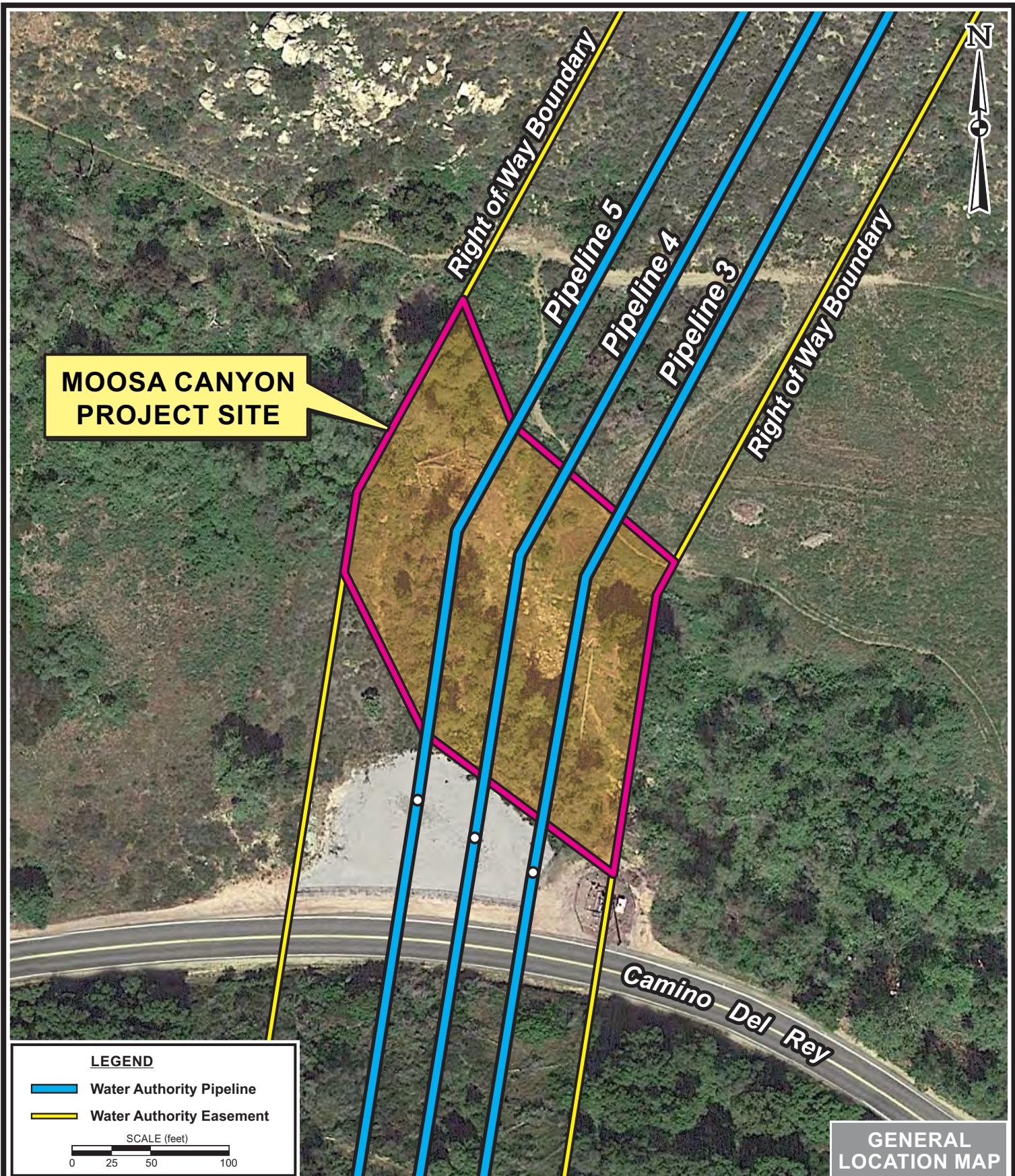
SCALE (miles)
0 5 10

GENERAL VICINITY MAP



San Diego County Water Authority
CAPITAL IMPROVEMENT PROGRAM

PROJECT: **MOOSA CANYON EROSION CONTROL**
FIGURE 1



San Diego County Water Authority
CAPITAL IMPROVEMENT PROGRAM

PROJECT:

**MOOSA CANYON
 EROSION CONTROL
 FIGURE 2**

RESULTS OF BID OPENING

MOOSA CANYON EROSION CONTROL SPECIFICATION 640

Bid Opening Date: March 13, 2018
Time: 2:00 P.M.
Place: San Diego County Water Authority
Board Room
4677 Overland Avenue, San Diego, CA 92123

NO.	GENERAL CONTRACTOR	TOTAL BID PRICE
	COST ESTIMATE	\$1,500,000 to \$1,800,000
1.	Granite Construction	\$1,235,889.40
2.	L.H. Woods, Inc.	\$1,244,000.00
3.	Bert W. Salas	\$1,270,988.80
4.	Road Builders, Inc.	\$1,636,406.00
5.	TechCom International	\$1,666,331.67
6.	Kiewit Infrastructure West	\$1,884,905.00



April 4, 2018

Attention: Engineering and Operations Committee

Water Quality Maintenance. (Presentation)

Purpose

This presentation provides an update on the Water Authority's actions to maintain water quality within the treated water system.

Discussion

The Water Authority delivers both treated and untreated water to our member agencies. All water delivered must comply with federal and state regulations, and allow our member agencies to meet federal and state regulations within their systems. As a result of reduced regional demands, the Water Authority has experienced increased nitrification throughout the treated water system.

This presentation will provide an overview of nitrification and the actions the Water Authority, in coordination with our member agencies, will be taking to maintain high quality water within the treated water system. This presentation will also include a discussion on the planned public outreach.

Prepared by: James E. Fisher, Director of Operations and Maintenance

Approved by: Sandra L. Kerl, Deputy General Manager

April 4, 2018

Attention: Engineering and Operations Committee

**Advertisement for Bids for Pipeline 5 Relining Delivery Point to Sage Road project.
(Information)**

Background

This project is part of the overall program to rehabilitate and reline prestressed concrete cylinder pipe within the Water Authority's conveyance system to ensure continued reliability of the aqueduct system. The Water Authority, working with contractors, developed the rehabilitation technology known as relining, which installs steel liners inside corroded prestressed concrete cylinder pipe, and extends the pipeline's service life. Relining is cost effective and minimizes impacts to the community and environment.

Discussion

This project will reline approximately 12,300 linear feet of Pipeline 5, an existing 96-inch diameter prestressed concrete cylinder pipe in the community of Fallbrook. The project consists of two relining sections: 10,000 feet from the Metropolitan Water District Delivery Point to Sage Road, north of State Route 76; and 2,300 feet just north of the Twin Oaks Valley Water Treatment Plant. Vicinity and location maps of the two sections are attached as Figures 1, 2, and 3.

The Water Authority's Asset Management Program detects and monitors deterioration of the aqueducts using an acoustic fiber optic monitoring system, as well as internal inspections during aqueduct shutdowns. Based on the condition assessment, this portion of the aqueduct was prioritized for rehabilitation due to the pipeline's diminishing service life and the potential magnitude of damage in the event of a pipeline failure.

This project is included in the Fiscal Years 2018 and 2019 Capital Improvement Program appropriation. Staff will advertise the construction contract for public bid in May 2018. The construction cost estimate is between \$18 million and \$24 million. Staff anticipates returning to the Board this summer with a recommendation to award the construction contract, which is expected to last approximately 11 months.

Prepared by: Mike Conner, Senior Engineer
Reviewed by: Jerry Reed, Director of Engineering
Approved by: Sandra L. Kerl, Deputy General Manager

Attachments:

Figure 1 – Vicinity Map
Figure 2 – General Location Map 1
Figure 3 – General Location Map 2



GENERAL VICINITY MAP

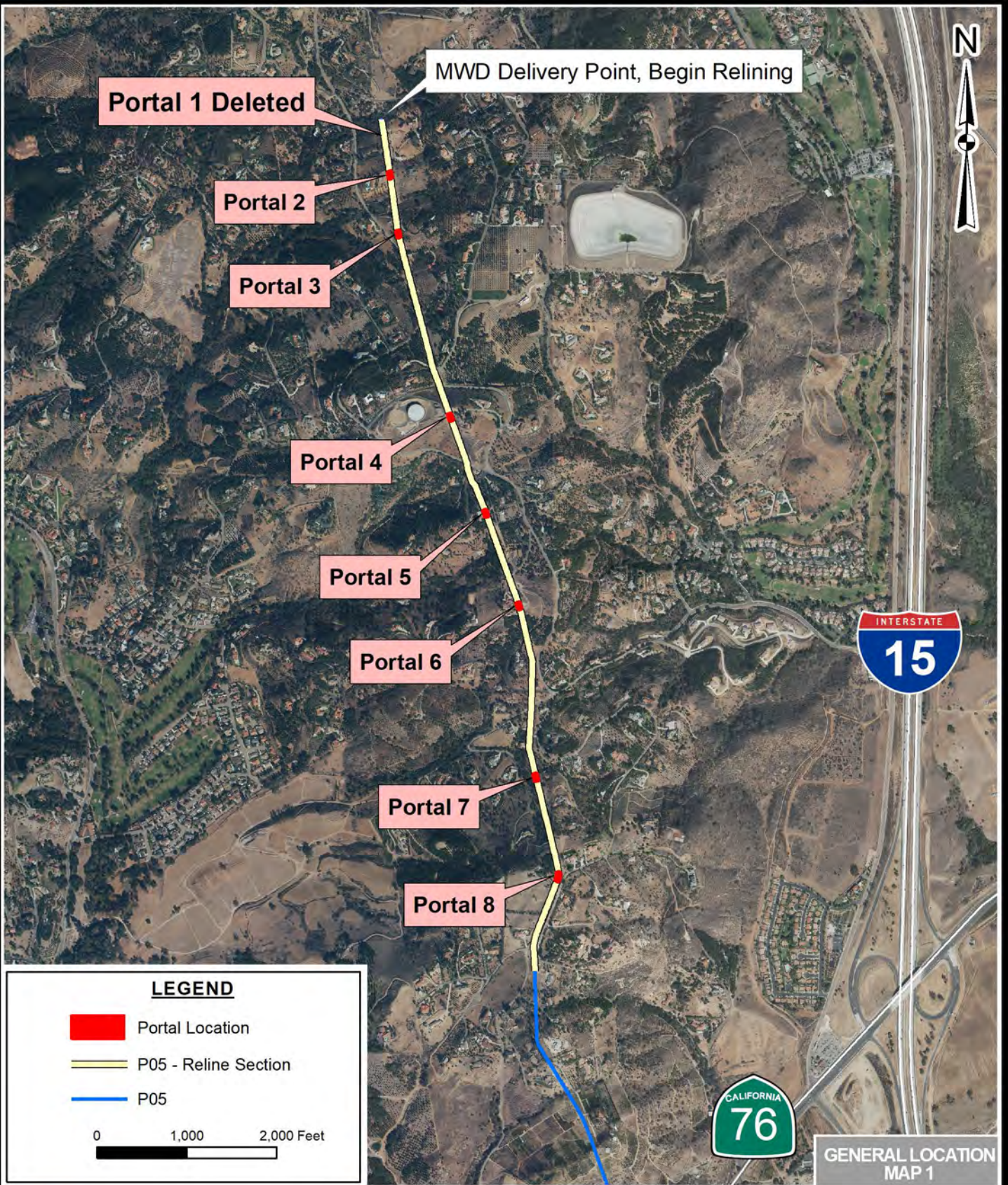


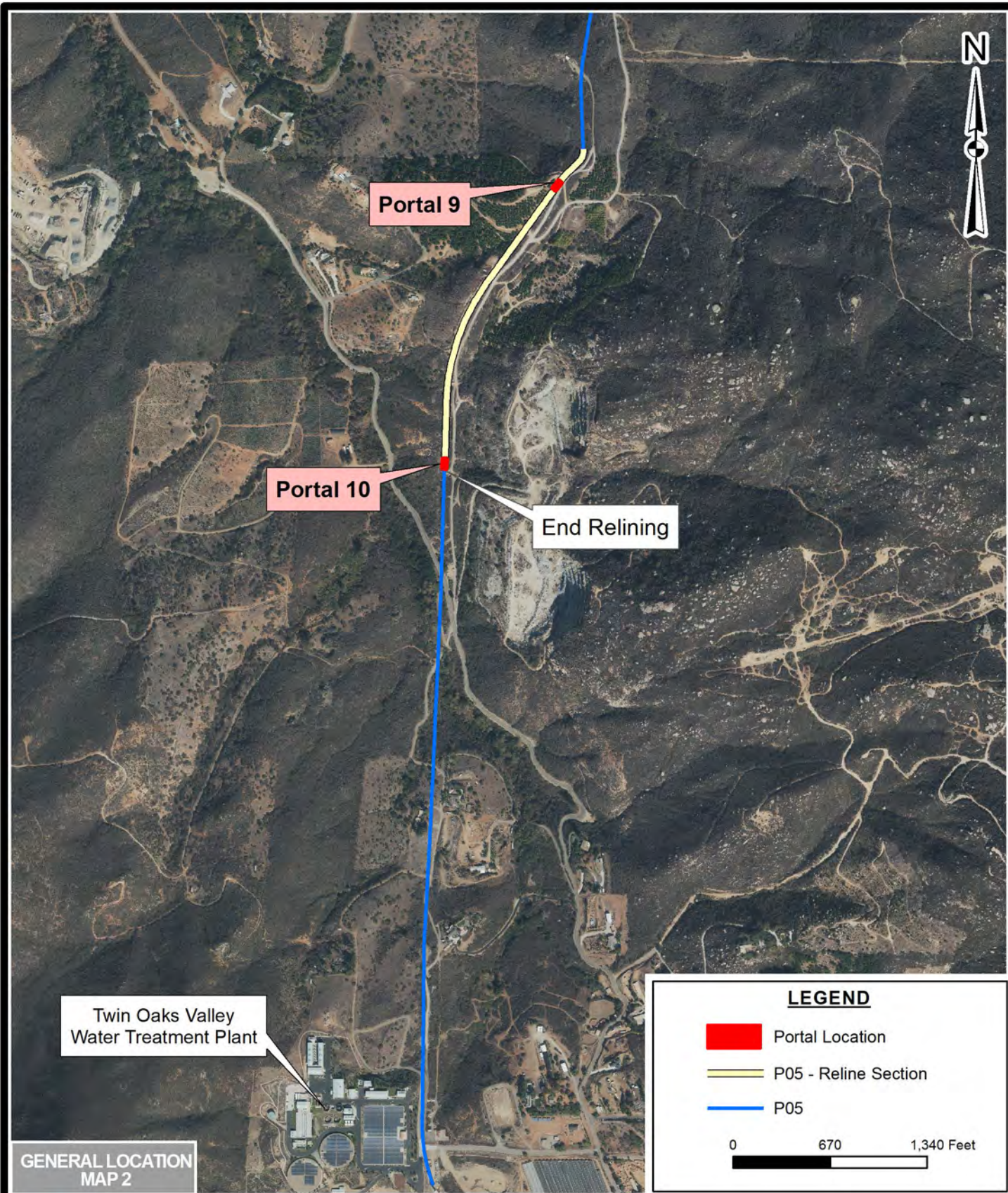
San Diego County Water Authority
ASSET MANAGEMENT PROGRAM

PROJECT:

PIPELINE 5 RELINING DELIVERY POINT TO SAGE ROAD

FIGURE 1





GENERAL LOCATION
MAP 2

Twin Oaks Valley
Water Treatment Plant

LEGEND

- Portal Location
- P05 - Reline Section
- P05

0 670 1,340 Feet



San Diego County Water Authority
**ASSET MANAGEMENT
PROGRAM**

PROJECT:

**PIPELINE 5 RELINING
DELIVERY POINT TO SAGE ROAD
FIGURE 3**



April 4, 2018

Attention: Engineering and Operations Committee

CLOSED SESSION:

Conference with Legal Counsel – Existing Litigation

Government Code §54956.9(d)(1)

**Name of Case: Shimmick Construction Co., Inc./Obayashi Corp., joint venture
v. San Diego County Water Authority, Riverside Superior Court
Case No. RIC 1609196**

Purpose

This memorandum is to recommend a closed session, pursuant to Government Code §54956.9(d)(1), to discuss the above-referenced matter at the April 12, 2018 meeting.

A closed session has also been included on the agenda of the formal Board of Directors' meeting. Unless the Board desires additional discussion, it is not staff's intention to ask for a closed session with the full Board at that time, but staff may request action to confirm directions given or action recommended by the committee.

Prepared by: Mark J. Hattam, General Counsel



April 4, 2018

Attention: Engineering and Operations Committee

**CLOSED SESSION:
Conference with Real Property Negotiator
Government Code §54956.8**

Property: Portions of property owned by the San Diego County Water Authority or City of San Diego at or in the vicinity of San Vicente Reservoir (APN. Nos. 323-111-13, 323-111-14, 323-111-15, 323-111-17, 324-060-04, 325-021-07, 325-021-10, 325-021-13, 325-051-04, 325-070-09, 326-020-21, 326-030-01, 326-030-02, 326-030-04, 326-030-05, 326-061-06, 326-061-07, 326-061-12, 326-061-13, 326-061-14, 326-061-15, 326-061-16, 326-061-17, 327-110-07, 329-010-04, 329-010-05, 329-010-16, 329-021-03, 329-021-05, 329-021-06, 329-021-07, 329-023-01, 329-023-03, 329-040-02, 329-040-04, 329-041-03, 329-050-01, 329-050-02, 329-050-06, 329-080-01, 329-090-01, 329-090-06, 329-090-07, 329-120-52, 329-120-54, 329-120-57, 329-120-59, 329-121-03, 329-121-04, 329-121-04, 760-148-01, 760-148-10)

Agency Negotiators: Black & Veatch Corporation on behalf of the San Diego County Water Authority and City of San Diego

Negotiating Parties: Brookfield US Generation LLC and Tenaska, Inc. – Diamond Generating Corporation Joint Venture

Under Negotiation: Price and terms

Purpose

This memorandum is to recommend a closed session, pursuant to Government Code §54956.8, to meet with and provide initial instructions to the Authority's designated negotiators at the April 12, 2018 meeting.

A closed session has also been included on the agenda of the formal Board of Directors' meeting. Unless the Board desires additional discussion, it is not staff's intention to ask for a closed session with the full Board at that time, but staff may request action to confirm directions given or action recommended by the committee.

Prepared by: Mark J. Hattam, General Counsel

WATER PLANNING COMMITTEE

AGENDA FOR

APRIL 12, 2018

David Cherashore – Chair
 Brian Boyle – Vice Chair
 Betty Evans – Vice Chair
 Jimmy Ayala
 David Barnum
 Jack Bebee
 Vic Bianes
 Chris Cate

Kathleen Coates Hedberg
 Tom Kennedy
 Keith Lewinger
 Mark Muir
 Jose Preciado
 Tim Smith
 Mark Weston

1. Roll call – determination of quorum.
2. Additions to agenda (Government Code Section 54954.2(b)).
3. Public comment – opportunities for members of the public to address the Committee on matters within the Committee’s jurisdiction.
4. Chair’s report.
 4-A Directors’ comments.

I. CONSENT CALENDAR

II. ACTION/DISCUSSION/PRESENTATION

1. Update on water supply conditions. (Supplemental Materials) Alexi Schnell
 (Presentation)
2. East County Regional Treated Water Improvements Program Agreements. Bob Yamada/
Jeremy Crutchfield
Staff recommendation: Approve and authorize the General Manager to enter into replacement agreements with Padre Dam Municipal Water District and Otay Water District and an amendment with Lakeside Water District for the implementation of the East County Regional Treated Water Improvements Program. (Action)

III. INFORMATION

1. Status Update on State Water Resources Control Board Proposed Regulation Prohibiting Wasteful Water Uses. Jeff Stephenson

IV. CLOSED SESSION



V. ADJOURNMENT

Melinda Nelson
Clerk of the Board

NOTE: This meeting is called as a Water Planning Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Recodified). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.



April 4, 2018

Attention: Water Planning Committee

East County Regional Treated Water Improvements Program Agreements (Action)

Staff recommendation

Approve and authorize the General Manager to enter into replacement agreements with Padre Dam Municipal Water District and Otay Water District and an amendment with Lakeside Water District for the implementation of the East County Regional Treated Water Improvements Program.

Alternative

Do not authorize the General Manager to enter into replacement agreements with Padre Dam Municipal Water District and Otay Water District and an amendment with Lakeside Water District and direct staff to re-negotiate terms.

Fiscal Impact

The anticipated fiscal impact of the staff recommendation is full cost recovery of the Water Authority's initial capital investment. The rate category is customer service.

Background

Since 1977, Helix Water District (Helix) has delivered treated water to Padre Dam Municipal Water District (Padre Dam) and Otay Water District (Otay) through its R.M. Levy Water Treatment Plant (Levy WTP). At that time, delivery to Padre Dam and Otay was based on excess capacity at the Levy WTP. As Helix's demands grew and their utilization of the Levy WTP increased, available supplies for Padre Dam and Otay decreased. To provide adequate treated water supplies to Padre Dam and Otay, the Water Authority entered into an agreement with Helix in 1997 to participate in the expansion of the Levy WTP, which included purchasing a 26 million gallon per day (MGD) capacity right in the plant, along with additional capacity rights in Helix's conveyance system to deliver treated water to Padre Dam and Otay.

In the early 2000s, regional demands for imported treated water were increasing at an accelerated rate. Treated water deliveries from Metropolitan, especially on the Second Aqueduct, were nearing pipeline capacity limits during peak summer months. The East County Regional Treated Water Improvements Program (East County Agreements) was developed during this period as a means to reduce the demand for imported treated water by making capital investments that would allow for more treated water deliveries from the Levy WTP to Padre Dam, Otay and Lakeside Water District (Lakeside), collectively known as the "participating agencies."

To support development of this regional program, participating agencies, along with Helix and the Water Authority, constructed facilities and made capacity purchases. The participating agencies also agreed to purchase guaranteed quantities of water. As such, the current East County

Agreements include guaranteed annual purchase quantities for Padre Dam, Otay and Lakeside at 10,080 acre-feet (AF), 10,000 AF, and 3,300 AF, respectively. These quantities are fixed and permanent as written in the current agreements. Damages are applied if a participating agency does not meet its annual purchase guarantee and does not qualify for relief as provided in the agreement.

The Water Authority’s initial financial contributions to the East County Regional Treated Water Improvements Program are shown in Table 1.

Table 1. East County Agreements Improvements and Capacity Purchases

Project	Cost ¹
Capital Improvements	
Los Coches Pump Station	\$5,084,000
48-inch Flume	\$4,483,000
Otay 14 Flow Control Facility	\$628,000
Lakeside 1 Flow Control Facility	\$231,000
Padre Dam 7 Flow Control Facility	\$93,000
Administration	\$44,000
Existing Facility Capacity Purchases	
Levy WTP (10 MGD)	\$10,608,000
54-inch Transmission Pipeline	\$300,000
48-inch Flume	\$2,100,000
TOTAL	\$23,571,000

¹ Costs reflect Water Authority contributions and do not include payments made by member agencies

Previous Board actions:

1. *Board approved agreement with Helix Water District to expand the R.M. Levy Water Treatment Plant to provide up to 26 million gallons per day of treated water service to Padre Dam Municipal Water District and Otay Water District at the March 13, 1997 meeting.*

2. *Board approved agreements with Helix Water District, Padre Dam Municipal Water District, Otay Water District, and Lakeside/Riverview Water Districts regarding implementation of the East County Regional Treated Water Improvements Program at the February 23, 2006 meeting.*

Discussion

In September 2015, based on requests made by the participating agencies, the Water Authority formed a work group comprised of staff from the participating agencies, Helix Water District and the Water Authority to review the status of, and recommend potential modifications to, the East County Agreements. In terms of any potential modifications to the East County Agreements, the Water Authority interests were to:

- 1) Ensure regional capital investments are fully recovered from the participating agencies
- 2) Maintain capacity rights in facilities as detailed in the East County Agreement with Helix

- 3) Maintain the melded treatment rate benefit realized by treating water through the Levy WTP
- 4) Incorporate an agreement sunset date when cost recovery must be achieved.

The participating agencies' interests were to:

- 1) Remove guaranteed annual purchase quantities. The participating agencies were very concerned about their continuing ability to meet guaranteed annual purchase quantities in light of lower water demands, not envisioned when the East County Agreements were executed in 2006
- 2) Sunset East County Agreement provisions once Water Authority capital investments are fully recovered
- 3) Maintain the use of Helix-owned conveyance facilities.

The work group developed a methodology to establish and track cost recovery. This methodology captures all associated capital costs, paid by the Water Authority from 2006 to 2011, as part of the East County Agreements, as shown in Table 1. Each participating member agency was assigned a net balance to be recovered based on direct cost responsibility, as well as an agreed upon weighting of costs for each shared facility using the member agency's percent of the total guaranteed annual purchase quantity as guidance. In addition, participating agency reimbursements to the Water Authority were deducted from the net balance. In years when the Levy WTP has capital modification expenses, those expenses are similarly added to the net balance.

Cost recovery is calculated based on the amount of treated water purchased by the participating agency (connected to the East County Agreements) and the difference between the Water Authority's melded treated rate paid by the participating agencies and the cost of treatment at the Levy WTP paid by the Water Authority. This net difference started at approximately \$79/AF in 2008, and has now escalated to \$167/AF for Calendar Year 2018. The methodology applies the product of the treatment rate differential and the volume of East County Agreement deliveries to reduce the agency's net balance at the end of each calendar year. An interest component is also added to the cumulative net balance. Current status for each participating agency is provided in Table 2 below.

Table 2. Cost Recovery Status

Participating Agency	Net Total Capital Cost	Total Interest to Date	Remaining Balance (as of January 2018)	Anticipated Completion Year
Lakeside	\$2.0 M	\$0.4 M	\$0.0	Completed
Padre Dam	\$6.9 M	\$2.1 M	\$4.6 M	2028
Otay	\$10.0 M	\$2.1 M	\$4.7 M	2022

To address the Water Authority's and participating agencies' interests, utilizing the cost recovery methodology discussed above, the work group developed agreement terms to modify or replace the existing East County Agreements.

A summary of terms for each member agency is provided below:

Lakeside

Based on the cost recovery methodology developed, Lakeside has met its financial obligation. As such, staff is recommending an amendment terminating the current East County Agreement with Lakeside, retroactive to January 1, 2018.

Padre Dam and Otay

Both Padre Dam and Otay have remaining balances based on the cost recovery methodology. As such, staff is recommending replacement agreements that will terminate their respective East County Agreements and provide new terms based on the agreed upon cost recovery methodology. These replacement agreements do not include a guaranteed annual purchase volume, but do establish a cost recovery sunset date of December 31, 2028. Any remaining balance not recovered by that date will be paid in full by the member agency within 30 days.

The replacement agreements specify that the Water Authority will retain its 10 MGD capacity in the Levy WTP (for a total capacity right of 36 MGD at the plant) along with capacity rights acquired in Helix's conveyance facilities. The agreements do provide for the potential for Padre Dam and/or Otay to succeed the Water Authority as capacity rights holder should the Water Authority decide to sell or divest all or a portion of the capacity rights.

The replacement agreements also call for the Water Authority to provide annual updates to both Padre Dam and Otay regarding remaining balances based on new treated water rates and actual delivery quantities.

Lakeside approved the amendment at their April 4th Board meeting and Padre Dam and Otay approved their replacement agreements at their February 21st and February 7th Board meetings, respectively.

Prepared by: Jeremy Crutchfield, Principal Engineer

Reviewed by: Toby J. Roy, Water Resources Manager
Robert R. Yamada, Director of Water Resources

Approved by: Sandra L. Kerl, Deputy General Manager



April 4, 2018

Attention: Water Planning Committee

Status Update on State Water Resources Control Board Proposed Regulation Prohibiting Wasteful Water Uses. (Information)

Purpose

Provide an update on the status of the State Water Resources Control Board's proposed regulation prohibiting wasteful water uses.

Discussion

In May 2016, Governor Brown issued Executive Order (EO) B-37-16, to *Make Conservation a California Way of Life*. The EO directed the State Water Resources Control Board (SWRCB) to take actions to eliminate water waste. In April 2017, Governor Brown issued EO B-40-17, which directed the SWRCB to continue development of permanent prohibitions on wasteful water uses.

In November 2017, the SWRCB released for public comment its proposed regulation prohibiting wasteful water uses. Based on comments received, some revisions were made to the proposed regulation released in January 2018. In February 2018, the SWRCB was scheduled to consider adoption of the revised proposed regulation. However, the SWRCB agenda was changed from an action item to a workshop item and no action was taken by the SWRCB.

To date, the SWRCB has not released an updated version of the revised proposed regulation. Upon release of an updated version of the revised proposed regulation, Water Authority staff will provide an update to the Water Planning Committee at its regular monthly meeting.

Prepared by: Jeff Stephenson, Principal Water Resources Specialist

Reviewed by: Robert R. Yamada, Director of Water Resources

Approved by: Sandra L. Kerl, Deputy General Manager



LEGISLATION AND PUBLIC OUTREACH COMMITTEE

AGENDA FOR

APRIL 12, 2018

Christy Guerin – Chair
Matt Hall – Vice Chair
Jerry Butkiewicz– Vice Chair
Gary Arant
Chris Cate
Gary Croucher
Betty Evans
Ed Gallo

Frank Hilliker
Jim Madaffer
Ron Morrison
Mark Muir
Ron Roberts
Joel Scalzitti
Fern Steiner

1. Roll call – determination of quorum.
2. Additions to agenda (Government Code Section 54954.2(b)).
3. Public comment – opportunities for members of the public to address the Committee on matters within the Committee’s jurisdiction.
4. Chair’s report.
4-A Directors’ comments.

I. CONSENT CALENDAR

1. Adopt positions on various state bills.
Staff recommendation:

Glenn Farrel

1-A Adopt a position of Support on AB 3170 (Friedman), relating to sales tax exemptions for water use efficiency products.

1-B Adopt a position of Oppose Unless Amended on AB 831 (Wieckowski), relating to accessory dwelling units. (Action)

II. ACTION/DISCUSSION/PRESENTATION

1. Legislative issues.

1-A Washington report by Ken Carpi. (Written report only)
(Supplemental Materials)



- 1-B Sacramento Report. Glenn Farrel
- 2. Social Media Program Overview. (Presentation) Mike Lee / Andrea Mora
- 3. Water Tax Action Plan. Glenn Farrel
Staff recommendations:
 - a) Adopt a position of Support and Seek Amendments on AB 2050 (Caballero), related to small system water authorities.
 - b) Contribute \$10,000 to the Association of California Water Agencies' water tax education campaign.
 - c) Direct staff to undertake specific actions from among the identified options to further engage the Water Authority in educating the region and San Diego ratepayers on water tax proposals. (Action)
- 4. Small Contractor Outreach and Opportunities Program (SCOOP) Mid-Year Update. (Presentation) Teresa Penunuri

III. INFORMATION

- 1. Government Relations Update. Glenn Farrel

IV. CLOSED SESSION

V. ADJOURNMENT

Melinda Nelson
Clerk of the Board

NOTE: This meeting is called as a Legislation and Public Outreach Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Recodified). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.



April 4, 2018

Attention: Legislation and Public Outreach Committee

Adopt positions on various state bills. (Action)

Staff recommendation

- Adopt a position of Support on AB 3170 (Friedman), relating to sales tax exemptions for water use efficiency products.
- Adopt a position of Oppose Unless Amended on AB 831 (Wieckowski), relating to accessory dwelling units.

Alternatives

1. Do not adopt one or more of the recommended positions.
2. Modify one or more of the recommended positions.

Fiscal Impact

There is no direct fiscal impact associated with the consideration of adopting policy positions on legislation.

Discussion

AB 3170 (Friedman) – Sales and Use Taxes: Exemptions: Water Efficiency

Existing law imposes sales and use taxes on retailers measured by the gross receipts from the sale of tangible personal property sold at retail, or on the storage, use, or other consumption of tangible personal property purchased from a retailer and provides various exemptions from the taxes imposed by those laws. Also under existing law, a sale or purchase of tangible personal property pursuant to a layaway agreement or raincheck, or under certain conditions, is considered a sale or purchase only when both payment and delivery are complete.

AB 3170 would exempt from sales taxes any qualified water efficiency products sold or purchased during the 3-day period beginning at 12:01 a.m. on the Saturday preceding the last Monday in March, and ending at 11:59 p.m. on the following Monday in March, or for which a layaway agreement is entered into or a raincheck is issued.

Water use efficiency is a core element of the San Diego County Water Authority's long-term strategy to improve the reliability of the region's water supply by diversifying our supply sources. Since 1991, the Water Authority's water-use efficiency programs and initiatives cumulatively have conserved more than 1 million acre-feet of water. These savings have been achieved through measures that include incentives on water-efficient devices, legislative efforts,

and outreach campaigns and programs. The region is on track to meet the state's mandate to reduce per capita water use 20 percent by 2020.

AB 3170 would encourage San Diego and California residents to continue making water saving improvements in their homes and businesses by creating a statewide three-day sales tax

exemption for qualified water conservation products including: WaterSense products, smart irrigation timers, drip equipment, mulch, and similar products, during the last weekend in March every year.

The Water Authority's legislative policy guidelines state that the Water Authority shall support legislation that:

- 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.

(2018 Legislative Policy Guidelines, Water Use Efficiency: Funding—Support, Page 62, item 2).

Staff recommends a position of Support on AB 3170.

SB 831 (Wieckowski) – Land use: accessory dwelling units

Under existing law, a local agency is authorized to provide by ordinance for the creation of accessory dwelling units in single-family and multifamily residential zones, and existing law sets forth standards that the ordinance is required to impose, including maximum unit size, parking, and height standards. Existing law also authorizes a local agency, special district, or water corporation to require a new or separate utility connection between the accessory dwelling unit and the utility, and authorizes a fee to be charged.

Among the many provisions of the measure, SB 831 would advance the following changes to existing law:

- Revise the standards for the local ordinance to include a prohibition on considering the square footage of a proposed accessory dwelling unit when calculating an allowable floor-to-area ratio for the lot.
- Deem an application for an accessory dwelling unit to be approved if not acted upon by the local agency within 120 days.
- Prohibit a local agency from requiring off-street parking spaces be replaced when a garage, carport, or covered parking structure is demolished or converted in conjunction with the construction of an accessory dwelling unit.

- Prohibit another local ordinance, policy, or regulation from being the basis for the delay of the issuance of a building permit or use permit for an accessory dwelling unit.
- Delete provisions authorizing a local agency, special district, or water corporation to require an applicant to install a separate utility connection for the accessory dwelling unit.
- Provide that an accessory dwelling unit shall not be considered a new residential use for purposes of calculating fees and shall not be subject to impact fees, connection fees, capacity charges, or any other fees levied by a local agency, special district, or water corporation.

In 2016 and 2017, Senator Wieckowski authored legislation to improve opportunities for the creation of accessory dwelling units. Among the policy issues addressed during the 2016 legislative effort was whether a water system should be allowed to charge a connection fee or capacity charge upon a new accessory dwelling unit, particularly in light of the new burdens an accessory dwelling unit could impose on a water system. Eventually, the author agreed to legislative language (now in existing law) that allows an accessory dwelling unit connection to be subject to a connection fee or a capacity charge that is proportionate to the burden of the proposed accessory dwelling unit, based upon either its size or the number of plumbing fixtures, upon the water or sewer system. This negotiated authority to impose some level of connection fee or capacity charge alleviated previous concerns and allowed the water community to remove its opposition to the bill.

Now, with SB 813, the author is proposing to undermine the previously-negotiated legislative language, as SB 813 proposes to delete provisions from the Government Code that provide:

“...A local agency, special district, or water corporation may require a new or separate utility connection directly between the accessory dwelling unit and the utility. Consistent with Section 66013, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit, based upon either its size or the number of its plumbing fixtures, upon the water or sewer system. This fee or charge shall not exceed the reasonable cost of providing this service.”

Additionally, SB 831 would propose to add the following statutory text to affirmatively prohibit water and sewer system connection fees and capacity charges:

“An accessory dwelling unit permitted pursuant to this section shall not be subject to impact fees, connection fees, capacity charges, or any other fees levied by a local agency, school district, special district, or water corporation.”

The purpose of the bill appears to make it easier to add accessory dwelling units to existing properties, and the affirmative prohibition against the authorization for connection fees and capacity charges seems to contradict statutory and constitutional cost of service requirements.

Water retailers and sanitation agencies levy connection fees to ensure that a new development pays for the costs that it imposes on the water system, such as to maintain water pressure for firefighting or expand wastewater treatment capacity. These fees are a key part of these agencies' rate structures – monthly water and sewer bills do not entirely fund an agency's operations. By making it easier to permit accessory dwelling units, the cumulative impact of hundreds or more new units on a water or sewer system could create financial strains for those agencies, necessitating rate increases on existing customers that have already paid their fair share of the water system's costs.

The state constitution and state law require that water and wastewater rates and charges be based on cost of service principles. Because of these requirements, an agency may not waive, discount, or establish differential rates that pass on costs associated with obtaining water or wastewater service to the general customer base or to other fee payers. SB 831 poses the policy issue as to whether charging some accessory dwelling units less for their capacity charges or connection fees could result in violating established constitutional and statutory cost of service principles.

The Water Authority's legislative policy guidelines state that the Water Authority shall oppose initiatives that:

- Impose mandated costs or regulatory constraints on local governments without providing subventions to reimburse local governments for such costs.
- Pre-empt the Water Authority's or its member agencies' ability to impose or change rates, charges, fees, or assessments.

(2018 Legislative Policy Guidelines, Fiscal Policy and Water Rates: Fees, Taxes & Charges – Oppose, Page 20, items 1 and 2).

Staff recommends a position of Oppose Unless Amended on SB 831.

Suggested Amendments include:

SB 831 should be amended to reinstate the carefully negotiated provisions from 2016 legislation that authorize a water or sewer system to impose a connection fee or capacity charge that is proportionate to the burden of the proposed accessory dwelling unit, based upon either its size or the number of its plumbing fixtures.

Prepared by: Ivy Ridderbusch, Management Analyst
Glenn Farrel, Government Relations Manager

Approved by: Dennis A. Cushman, Assistant General Manager



April 4, 2018

Attention: Legislation and Public Outreach Committee

Social Media Program Overview (Presentation)

Purpose

This report updates the Board on the Water Authority's social media outreach efforts.

Background

As part of its comprehensive outreach and education program, the Water Authority actively manages an expanding array of social media tools to engage with water users, stakeholders, member agencies and other partners. The agency started using social media about a decade ago, and currently maintains profiles on six platforms: Facebook, Twitter, Instagram, LinkedIn, YouTube and Nextdoor.

Over the past year, the Water Authority has ramped up social media activity with the creation and curation of a variety of coordinated campaigns, along with more consistent posting across platforms. Staff makes approximately five unique posts each business day and routinely supports member agencies through "liking" and sharing their content. Enhanced social media activity helped the Water Authority gain more than 2,700 followers on Facebook, Twitter and Instagram in 2017 – about 50 new followers each week – and growth trends continue in early 2018. Engagement also is robust: Over the first three months of this year, followers liked and shared Water Authority content across the various platforms more than 11,000 times.

Currently, the Water Authority is working with its member agencies to launch the Brought to You by Water Photo Contest during Water Awareness Month in May as part of a new regional outreach and education program to promote the value of safe and reliable water supplies.

Discussion

The Water Authority's social media strategy allows the agency to take advantage of fast-changing technologies and communication tools; increase followers and engagement through compelling content; and boost education about water issues across the San Diego region. To reach those goals, the Water Authority relies most heavily on Facebook, Twitter and Instagram with daily posts to share a variety of timely photos, videos, news releases, media coverage, conservation tips and outreach events. Each social media community has unique characteristics that require platform-specific curation.

- Facebook – Established in July 2009, the Water Authority's Facebook page is the agency's largest social media platform with nearly 9,000 fans. Through consistent and focused programming, it gained more than 900 followers in 2017. On this platform, the Water Authority regularly shares news releases, information about agency programs and activities, and media stories about water issues. The Water Authority's Facebook

followers are primarily people – as opposed to institutions or businesses – and women between the ages of 35-44 are a core demographic among the agency’s Facebook fans.

- Twitter – Established in September 2008, the Water Authority’s Twitter account is the agency’s second-largest social media platform with nearly 3,800 followers. This platform is particularly well-suited for engagement with other water agencies, media and stakeholder groups. It generally is deployed for timely issues such as promoting best practices (i.e. turning sprinklers off during and after rainstorms); sharing content from member agencies; inviting followers to events; thanking or congratulating water leaders on various accomplishments; and distributing newsletters and news releases. On Twitter, Water Authority followers tend to be more institutional than they are on Facebook; however, men between 35 and 44 years old are a core demographic among the agency’s followers.
- Instagram – The Water Authority launched its Instagram account in March 2017, and it gained approximately 900 followers during its first year. Instagram is photo-based and lends itself primarily to sharing images of promotions (i.e. photo contests) and programs (i.e. Citizens Water Academy). Water Authority Instagram followers are split almost evenly between men and women, and they trend younger than followers on the other platforms with more than a third between 25 and 34 years old.

While maintaining its core platforms, the Water Authority looks for opportunities to expand its presence on YouTube, LinkedIn and Nextdoor. Currently, the Water Authority has 2,260 followers on LinkedIn and 326 subscribers on YouTube. Nextdoor, which is mostly used for announcing conservation events, doesn’t track followers. The Water Authority was one of the first utilities in the region to use Nextdoor, and facilitated the member agencies’ presence on the platform. The Water Authority, working with its member agencies, has successfully used Nextdoor for WaterSmart Landscape Makeovers classes, Home Depot Plant Fairs and other region-specific information.

Promotions

In addition to daily postings about a variety of water-related events and issues, staff prepares thematic content for strategic promotions to coincide with larger outreach and education goals. Over the past year, promotions have included:

- Annual reports – Coinciding with the publication of the 2016 and 2017 annual reports, staff created a series of posts over several weeks that repurposed the compelling photos, videos and graphics from each report on Facebook and Twitter. For the 2017 report, that effort generated 11,713 views of Annual Report videos that shared the agency’s mission and vision.
- Bilingual water-saving tips – In summer 2017, the Water Authority posted a series of 10 water-saving tips in English and Spanish. That effort helped broaden the agency’s reach to Spanish speakers – approximately 10 percent of the Water Authority’s followers on

Facebook – during peak water-use months. The posts reached more than 12,500 Facebook users and registered more than 380 clicks, likes, shares or comments.

- Tree care – In August 2017, the Water Authority collaborated with the City of San Diego and the San Diego Regional Urban Forests Council to launch the Help Your Trees Weather the Weather campaign. The campaign was designed to promote proper tree watering and maintenance during summer. Water Authority staff developed a series of colorful graphics, along with social media and newsletter copy, and distributed the package to member agencies and other partners to promote consistent messaging across the region. Nine tree-related graphics shared on the Water Authority’s Facebook, Twitter and Instagram pages garnered more than 1,200 “likes,” shares and comments from followers. In December 2017, the Urban Forests Council recognized the campaign with the “Trees and Water Award” for excellence in collaboration to create simple, seasonal, and targeted public messages related to trees and water.
- Photo contest – In 2017, the Water Authority launched the Live WaterSmart Photo Contest to promote the value of water during Water Awareness Month in May. The contest generated more than 80 photos from 50 participants and 2,500 “likes” on Instagram, which helped the newly-launched account quickly gain followers. In May 2018, the Water Authority is preparing to deploy a similar contest aligned with the larger Brought to You by Water outreach and education program. The contest, which includes prizes donated by local businesses and institutions, is a primary way that the agency fosters relationships with stakeholders.

This year, staff is planning several additional campaigns and promotions to continue growing the Water Authority’s social media following, including the “Summer of Social Influence,” which involves securing a social media spokesperson to support the Brought to You by Water program with conservation tips during peak water-use months. In addition, this year staff is planning to revitalize two underutilized platforms – YouTube and LinkedIn – as part of its continuing effort to expand social media engagement. And, staff will continue to evaluate new social media tools and platforms as they emerge for inclusion in the Water Authority’s future social media efforts.

Prepared by: Andrea Mora, Public Affairs Representative I
Mike Lee, Public Affairs Supervisor

Reviewed by: Denise Vedder, Acting Director of Public Outreach and Conservation

Approved by: Dennis A. Cushman, Assistant General Manager



April 4, 2018

Attention: Legislation and Public Outreach Committee

Water Tax Action Plan. (Action)

Staff recommendation

1. Adopt a position of Support and Seek Amendments on AB 2050 (Caballero), related to small system water authorities.
2. Contribute \$10,000 to the Association of California Water Agencies' water tax education campaign.
3. Direct staff to undertake specific actions from among the identified options to further engage the Water Authority in educating the region and San Diego ratepayers on water tax proposals.

Alternatives

1. Do not contribute, or contribute a lesser amount, to the ACWA water tax education campaign.
2. Direct staff to undertake actions different from, or in addition to one or more of the options noted.

Fiscal Impact

There is a fiscal impact of \$10,000 associated with the staff recommendation to contribute to the Association of California Water Agencies' water tax education campaign. The source of the funds is the Sponsorships account within the Board of Directors' budget.

Discussion

Water Tax Proposal – SB 623

In February 2017, Senator Bill Monning (D-Carmel) introduced SB 623, a measure directed at funding drinking water solutions for disadvantaged communities. SB 623 was amended several times throughout 2017, however amendments to the measure on August 21, less than one month prior to the adjournment of the 2017 legislative session, added legislative language to propose a tax on drinking water.

SB 623 was considered in the Assembly Appropriations Committee on August 23 and was later re-referred to the Assembly Rules Committee, where it remains today. As a result of the actions at the end of the 2017 legislative session, SB 623 became a two-year bill and continues to be eligible for further action at this time.

The Water Authority Board of Directors adopted an Oppose Unless Amended position on SB 623 at its June 2017 Board meeting, and Water Authority staff and its legislative advocates have been actively advocating the Board's policy position throughout the Legislature and

Administration. Additionally, the Water Authority staff undertook substantial outreach among the member agencies and within the San Diego region to share the Water Authority's perspectives on SB 623. Attachment 1 reflects the broad San Diego region opposition to SB 623 as of the end of the 2017 legislative session.

Water Tax Proposal – Budget Trailer Bill

In January 2018, Governor Jerry Brown released his proposed 2018-19 state budget, which reflected the Administration's intent to advance statutory language consistent with the framework of SB 623 as a budget trailer bill. On February 1, 2018, the Department of Finance released budget trailer bill language to advance the Safe and Affordable Drinking Water Act, which is essentially mirrored legislative language from SB 623.

The budget trailer bill is not subject to a traditional policy committee-fiscal committee hearing process, and instead is simply referred to the budget committees within each house. On March 14, 2018, the Assembly Budget Subcommittee #3 on Resources heard the budget trailer bill and associated testimony from the State Water Resources Control Board (SWRCB), Department of Finance, Legislative Analyst's Office, supporters, and opponents. Additionally, on March 15, 2018, the Senate Budget Subcommittee #2 on Resources heard the budget trailer bill and the associated testimony from the SWRCB, Department of Finance, Legislative Analyst's Office, supporters, and opponents. Both budget subcommittees took "Hold Open" actions on the budget trailer bill, meaning that any action will be deferred to a later date in the budget subcommittee process. Typically, items that are "held open" are resolved and closed by a vote in the May timeframe, to allow for appropriate consideration and inclusion in any final budget action before the Legislature's June 15 constitutional deadline to adopt a state budget.

At its March 2018 Board meeting, the Water Authority Board adopted an Oppose Unless Amended position on the budget trailer bill, and Water Authority staff and its legislative advocates have been actively advocating the Board's policy position throughout the Legislature and Administration, including providing testimony in opposition to the budget trailer bill at the recent budget subcommittee hearings along with a number of water community representatives from throughout the San Diego region and California.

Attachment 2 reflects the significant level of activity on behalf of the Water Authority and its member agencies as part of the Oppose Unless Amended coalition on the drinking water tax proposal. Of those member agencies responding, 14 of 24 member agencies have joined the ACWA oppose unless amended coalition and are reflected on the ACWA coalition letter (see Attachment 3) or have communicated their own individual agency position on the drinking water tax proposal.

Next Steps on Water Tax Proposals

At this time it is unclear how action may proceed on the water tax proposals. Clearly, the water tax is a high priority issue for the Governor, as it was included in the state budget proposal and reflected in a budget trailer bill. Regardless of whether the water tax is included in a policy bill or a budget trailer bill, **a proposal for a new tax requires a two-thirds majority vote of both the Assembly and the Senate.** If the Administration is not successful in advancing the budget

trailer bill, it is likely that Senator Monning will attempt to move SB 623 prior to the conclusion of the 2018 legislative session on August 31.

At this time, neither the Assembly or Senate majority party holds a super-majority of seats (2/3 vote) in either house. In the Assembly, with three resignations by Assembly Democrats and one voluntary suspension by an Assembly Democrat, the Democrats in the Assembly currently hold 51 seats, with 54 seats needed to achieve a super-majority. Special elections are scheduled on April 3 for each of the three vacant Assembly seats. Runoff elections (which will likely be necessary) are scheduled for June 5. While there is a strong likelihood that a Democrat will win each of the vacant seats, the Assembly Democrats may not regain their super-majority until at least June 5.

In the Senate, with one resignation by a Senate Democrat, the Democrats in the Senate currently hold 26 seats, with 27 needed to achieve a super-majority. A special election is scheduled on June 5, and the runoff election is scheduled for August 7. Additionally, Senator Josh Newman (D-Orange County) is scheduled for a recall election on June 5. On the same ballot to replace Senator Newman, if he is recalled, are three candidates, two Republicans and one Democrat. If Senator Newman is recalled, and a Republican replaces him, Democrats will not regain a super-majority this year. If Senator Newman prevails in his recall election on June 5, it is possible the Senate Democrats could regain their super-majority by the August 7 special election runoff, just 24 days prior to the conclusion of the 2018 legislative session.

Water Authority Advocacy

The Water Authority has been a leader within the broad coalition opposing the institution of a drinking water tax, participating actively in the development and execution of legislative strategy within an ACWA working group focused on defeating the legislative proposal. The Water Authority's (and water community coalition's) advocacy on SB 623 and the budget trailer bill has emphasized the following arguments, among others:

- The state should not tax something that is essential to life. California does not currently tax water or essential food products. The public does not support the precedent of taxing resources that are essential to life.
- The cost of living in California is already too high. Californians do not support a new tax on drinking water.
- A tax on drinking water would work against the goal of keeping water affordable for Californians.
- SB 623 would contradict the fundamental California policy principle of "polluter pays." While SB 623 would require the agriculture and dairy industries to contribute towards clean-up of drinking water pollution through industry assessments, the total contribution by both is **approximately 15 percent of the total revenue generated.**

- SB 623 sets a dangerous precedent of raising funds for statewide programs on the backs of single-family, multi-family, and commercial, industrial, and institutional (CII) ratepayers.
 - While SB 623 currently proposes to generate revenue for safe drinking water projects within disadvantaged communities, there are already additional funding needs lining up for water tax revenues:
 - An August 23, 2017 document produced by the SWRCB identifies an annual funding need of \$614 million for low-income water rate assistance, and proposes various monthly assessments on urban water ratepayers, ranging from \$4.23/month to \$36.49/month to generate the revenue.
 - The California Water Plan update suggests that a new public goods charge on water, up to \$10/month per service connection, would be needed to implement the Plan.
 - Within the last two years, forestry and watershed interests have proposed water-related assessments to generate as much as \$3 billion in total funding.

In addition to raising arguments against a water tax, the Water Authority's advocacy has acknowledged the need for solutions to remedy drinking water contamination problems, particularly within disadvantaged communities. A more appropriate way to fund the solution for this state social issue is a package of funds comprised of:

General Obligation Bonds – Proposition 68 on the June primary election ballot proposes \$175 million for safe drinking water and another water bond measure currently in circulation for the November 2018 general election ballot proposes \$500 million for safe drinking water. These bond measures, coupled with funds from previously-passed bond measures (such as Proposition 1 and Proposition 84) prioritize safe drinking water funding for disadvantaged communities.

Agricultural Self-Assessment – The agricultural assessments proposed in SB 623 and the budget trailer bill can be used for replacement water, including point-of-use and point-of-entry treatment, for nitrate contamination.

State General Fund – General Fund dollars can fund the non-nitrate operation and maintenance (O&M) cost needs at public water systems in disadvantaged communities.

Cap-and-Trade Funds – These funds could be used to help address groundwater contamination, which would reduce the need to transport imported water (which creates greenhouse gas emissions) over long stretches within the state.

Endowment/Trust Fund – One-time surplus budget funds could be used to create an endowment or trust fund that would produce a sustainable revenue stream under reasonable interest rate assumptions, and create opportunity to bond against the revenue stream for capital infrastructure, where necessary.

Safe Drinking Water State Revolving Fund – This state and federal funding can be used to fund capital costs for drinking water system infrastructure.

An additional component of the water community’s advocacy relative to the water tax is to support legislative efforts to undertake a structural service delivery examination and remedy that would provide a stronger service delivery infrastructure to improve drinking water opportunities within disadvantaged communities.

AB 2050 (Caballero) – Small System Water Authority Act of 2018

Existing law, the California Safe Drinking Water Act, provides for the operation of public water systems and imposes a variety of duties related to drinking water on the State Water Resources Control Board (SWRCB). Existing law authorizes the SWRCB to order consolidation with a receiving water system where a public water system or a state small water system, serving a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water. Under current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganizations for municipalities and special districts.

AB 2050, as amended on March 19, 2018, would create the Small System Water Authority Act of 2018 and would authorize the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliance public water systems. AB 2050 would establish criteria for the consolidation of water systems, the creation of a small system water authority, the role of a Local Agency Formation Commission (LAFCO), the duties of the State Water Resources Control Board (SWRCB), and the role of the small system water authority administrator. Under AB 2050, for those public water systems that are consistently and chronically in a state of noncompliance with drinking water regulations, a process would be undertaken to improve service delivery within the affected communities:

- The SWRCB would notify the water agency of its noncompliance and develop a plan to achieve compliance. If the plan could not be developed or successfully implemented, the SWRCB could initiate a process to form a small system water authority.
- Multiple noncompliant water agencies could be merged or consolidated within the umbrella of a newly-created small system water authority, and the SWRCB would appoint an administrator for the authority.
- The administrator, working with LAFCO and the SWRCB, would be required to prepare a conceptual formation plan that details the public water system service areas and populations served, the available infrastructure to be used and any known deficiencies, the recorded violations of drinking water standards and the nature and threat to public health and safety, and the financial and operational provisions to be addressed in the plan for service.

- The administrator would also be required to submit a separate plan to the LAFCO that identifies a description of the services to be provided, an indication of when the services could be provided, an indication of any improvement or upgrading of structures or water facilities necessary, financing information, and an evaluation of the economies of scale that could accrue when several smaller organizations are consolidated.
- Following several months of public notice and hearing, the water systems to be consolidated would be dissolved and all assets would be transferred to the new small system water authority formed by the LAFCO.
- The administrator would be responsible for management of the new small system water authority and the SWRCB would be responsible for bearing the cost of the administrator. The administrator would manage the small system water authority until the LAFCO has issued a notice of completion for the plan of service, for three years from the date that LAFCO forms the small system water authority, or upon appointment of a general manager by the board of the small system water authority.

AB 2050 contains a number of additional provisions that establish detailed requirements for a small system water authority's board of directors, employees, water rights, costs and more. AB 2050 would also require the preparation of a report to the Legislature regarding fiscal and operational health of small system water authorities that includes recommendations regarding the need for additional state funding.

AB 2050 is co-sponsored by Eastern Municipal Water District and the California Municipal Utilities Association. AB 2050 is intended to be an alternative approach to the creation and establishment of a water tax to fund drinking water programs within disadvantaged communities. Instead, AB 2050 is premised on the notion that the service delivery infrastructure and governance structure of failing and noncompliant water systems must be improved as a condition precedent to any broader funding solution, as advanced through the various water tax proposals.

Nothing in current law would preclude underperforming water systems from consolidation; however, there has not appeared to be a strong desire to take this route to address drinking water quality issues within disadvantaged communities. Additionally, many of the noncompliant water systems are spread out throughout a given county, without contiguous service boundaries. The Administration and Legislature have proposed a tax on drinking water to address the financial needs of noncompliant water systems. AB 2050 would instead focus on the governance structure and long-term sustainability of these systems to better position them to utilize additional funding to deliver safe drinking water.

While the extensive consolidation process outlined in AB 2050 would likely not benefit larger systems with a track record of providing safe drinking water, there could be substantial benefits to communities served by small, noncompliant water system. As AB 2050 identifies, these new small system water authorities would have a unique ability to provide technical, managerial, and financial capabilities that a small system would not have on its own with its limited customer

base. However, AB 2050 does raise important questions that will likely need to be addressed through further amendments to the measure:

- **Funding:** Implementation of the provisions of AB 2050 will likely be costly. Currently, AB 2050 contains placeholder language that would require the SWRCB to provide funding for the small system water authority administrator, formation of the small system water authority, and two years of start-up costs. Although the funding amounts and funding sources are not identified in AB 2050 at this time, it is clear that the SWRCB would be required to provide a substantial amount of funding to cover the costs of consolidation.
- **Identification of consolidated water systems:** One of the important elements of successful AB 2050 implementation will be the identification of the noncompliance water systems that must be consolidated within a new small system water authority. Under AB 2050, there are provisions which suggest that the LAFCO “*shall include all public agencies timely indicating that they wish to be included in the [small system water] authority...*”. Additionally, there are conflicting provisions in AB 2050 which indicate that “*No later than 60 days after the rejection of a proposed plan, the state board shall...[notify LAFCO]...of the public water systems that will be consolidated into an authority.*”

The Water Authority’s legislative policy guidelines state that the Water Authority shall support initiatives that:

- Recognize regional efforts to coordinate land use planning and water management planning in a manner consistent with the goals and objectives established by regional growth management strategies, affordable housing mandates, and local general plans.
- Assure cost-effective remediation and cleanup of contaminants of concern that have impacted groundwater and surface water.

(2018 Legislative Policy Guidelines, Land Use and Water Management Planning: Local Conditions – Support, Page 54, item 2; and Water Quality Issues: Contaminants – Support, Page 57, item 1).

Staff recommends a position of Support and Seek Amendments on AB 2050.

Suggested Amendments include:

AB 2050 should be amended to address the following provisions:

- Identify specific funding sources and amounts – from existing funding opportunities available through the General Fund, cap-and-trade funds, or general obligation bonds – to fully implement the provisions of the measure.

- Expressly identify that the LAFCO is the final arbiter in determining which water systems should be consolidated within a local small system water authority.

Staff Recommendation: Adopt a position of Support and Seek Amendments on AB 2050 (Caballero), related to small system water authorities.

ACWA Activities

Over the last several months, ACWA has aggressively engaged in opposition to the drinking water tax proposals. The ACWA advocacy and education efforts have been undertaken at a variety of levels and within a number of different forums, including legislative advocacy, direct member agency outreach, and enhanced social media presence. On February 14 and March 7, ACWA communicated “Alerts” to its member agencies, seeking active opposition engagement on SB 623 and the budget trailer bill. Additionally, ACWA distributed the results of polling it commissioned regarding the water tax proposal.

ACWA’s water tax polling data demonstrates overwhelming opposition among likely voters to a drinking water tax, as proposed through the Administration’s Safe and Affordable Drinking Water Act budget trailer bill and SB 623:

- **73 percent of voters oppose a tax on drinking water**
- Substantial opposition to a proposed tax on drinking water is diverse and widespread:
 - Among varying demographic groups
 - Geographically
 - On a bipartisan basis
 - Even when provided a very favorable argument to justify a water tax

This information has been widely circulated throughout the Capitol and ACWA has also shared the polling data with media outlets.

On February 21, ACWA distributed a communication seeking contributions for its “No Drinking Water Tax Campaign.” This ACWA-initiated fundraising effort is intended to secure an outside public affairs firm to help develop a more strategic external affairs campaign and assist with coalition-building outside the water industry. Additionally, ACWA intends to use funds on an advertising campaign focused on key legislative districts, and sustain a high level of activity for the campaign through the summer. The ACWA education fundraising effort asked for a voluntary contribution of at least \$10,000 from interested water agencies. Of those Water Authority member agencies responding to a survey request, seven indicated they are financially contributing to the ACWA education effort at the ACWA-recommended amount.

Staff Recommendation: Contribute \$10,000 to the Association of California Water Agencies’ water tax education campaign.

Options for Additional Engagement

The following represent a series of additional options for the Board's consideration to further engage on the drinking water tax proposals. The options generally reflect courses of action that would help educate key audiences about the possible negative consequences of the proposed drinking water tax.

- **Request active member agency engagement:** Formally request member agencies to adopt formal positions of opposition to the water tax legislative efforts and seek their participation in scheduling meetings to advocate those positions with the region's legislators.
- **Educate key audiences:** Talk to customers, the media, local leaders, and other key regional stakeholders about the investments made within the San Diego region to ensure safe drinking water within the community and why these types of investments can be financially out of reach for rural, low-income communities. Educate these audiences about the potential negative impacts of this tax on the Water Authority and its member agencies and the customers who would pay for it, and why an alternative funding package is a more appropriate funding solution.
- **Place a local op-ed piece:** In 2017, op-eds played a key role in shaping opinions on SB 623's proposed drinking water tax. Similar efforts will be needed in 2018 to oppose both the budget trailer bill and SB 623.
- **Educate using social media and other platforms:** Sharing educational messages on Water Authority and member agency social media accounts, websites, newsletters, or other platforms would help to inform the community regarding the potential negative impacts of a drinking water tax.
- **Consider a press conference:** A press event could help to launch a robust regional education effort to further engage key audiences regarding the water tax and to elevate the level of the region's attention on this issue.
- **Direct advocacy:** Continue to meet with members of the San Diego legislative delegation and other key legislators within legislative leadership to personally share concerns from the San Diego region relative to the drinking water tax proposal.

Staff Recommendation: Direct staff to undertake specific actions from among the identified options to further engage the Water Authority in educating the region and San Diego ratepayers on water tax proposals.

Prepared by: Glenn Farrel, Government Relations Manager

Ivy Ridderbusch, Management Analyst

Approved by: Dennis A. Cushman, Assistant General Manager

Attachment 1: San Diego Opposition to SB 623 (Monning)

Attachment 2: Water Authority Member Agencies – Water Tax Survey

Attachment 3: ACWA Oppose Unless Amended Coalition Letter – March 7, 2018

San Diego Opposition to SB 623 (Monning)

Business Alliance for Water
City of San Diego
East County Economic Development Corporation
Escondido Chamber of Commerce
Fallbrook Public Utility District
Helix Water District
Industrial Environmental Association
National City Chamber of Commerce
Oceanside Chamber of Commerce
Olivenhain Municipal Water District
Otay Mesa Chamber of Commerce
Otay Water District
Padre Dam Municipal Water District
Rainbow Municipal Water District
Rincon del Diablo Municipal Water District
San Diego County Water Authority
San Diego Hotel Motel Association
San Diego Regional Chamber of Commerce
San Diego Regional Economic Development Corporation
Santa Fe Irrigation District
Vallecitos Water District
Valley Center Municipal Water District

WATER AUTHORITY MEMBER AGENCIES – Water Tax Survey

AGENCY	WATER TAX POSITION	CONTRIBUTED TO ACWA EDUCATION CAMPAIGN?
Carlsbad Municipal Water District	None	No
Del Mar, City of		
Escondido, City of		
Fallbrook Public Utility District	Oppose Unless Amended	No
Helix Water District	Oppose Unless Amended	Yes
Lakeside Water District	Oppose	No
National City, City of		
Oceanside, City of	Oppose Unless Amended	No
Olivenhain Municipal WD	Oppose Unless Amended	Yes
Otay Water District	Oppose Unless Amended	Yes
Padre Dam Municipal WD	Oppose Unless Amended	Yes
Pendleton Military Reservation		
Poway, City of	None	No
Rainbow Municipal Water District	Oppose Unless Amended	Yes
Ramona Municipal Water District		
Rincon Del Diablo Municipal WD	Oppose Unless Amended	
San Diego, City of	Oppose Unless Amended	
San Dieguito Water District		
Santa Fe Irrigation District	Oppose Unless Amended	Yes
South Bay Irrigation District		
Vallecitos Water District	Oppose Unless Amended	
Valley Center Municipal WD	Oppose Unless Amended	Yes
Vista Irrigation District	Oppose Unless Amended	No
Yuima Municipal Water District	None	No

March 7, 2018

The Honorable Bob Wieckowski , Chair
Senate Budget Subcommittee No. 2
State Capitol, Room 4085
Sacramento, CA 95814

The Honorable Richard Bloom, Chair
Assembly Budget Subcommittee No. 3
State Capitol, Room 2003
Sacramento, CA 95814

**Re: Budget Trailer Bill: Safe and Affordable Drinking Water Fund/
TAX ON DRINKING WATER**

Position: OPPOSE UNLESS AMENDED

Dear Chair Wieckowski and Chair Bloom:

The below-listed organizations are **OPPOSED UNLESS AMENDED to the drinking water tax budget trailer bill.**

Alameda County Water District
Amador Water Agency
Anderson-Cottonwood Irrigation District
Antelope Valley – East Kern Water Agency
Association of California Water Agencies
Bella Vista Water District
Brooktrails Township Community Services District
Browns Valley Irrigation District
Calaveras County Water District
CalDesal
California Municipal Utilities Association
California Special Districts Association
Calleguas Municipal Water District
Camrosa Water District
Carmichael Water District
Casitas Municipal Water District
Citrus Heights Water District
City of Beverly Hills
City of Fairfield
City of Garden Grove
City of Glendale Water and Power
City of Newport Beach
City of Oceanside
City of Redding
City of Roseville
City of San Diego
City of Santa Rosa
City of Shasta Lake
Coachella Valley Water District
Contra Costa Water District

Crescenta Valley Water District
Crestline-Lake Arrowhead Water Agency
Cucamonga Valley Water District
Del Paso Manor Water District
Desert Water Agency
Dublin San Ramon Services District
East Orange County Water District
East Valley Water District
Eastern Municipal Water District
El Dorado Irrigation District
El Toro Water District
Elsinore Valley Municipal Water District
Fair Oaks Water District
Fallbrook Public Utility District
Foothill Municipal Water District
Georgetown Divide Public Utility District
Glenn-Colusa Irrigation District
Helix Water District
Hidden Valley Lake Community Services District
Humboldt Bay Municipal Water District
Humboldt Community Services District
Indian Wells Valley Water District
Indio Water Authority
Irvine Ranch Water District
Kern County Water Agency
Kinneloa Irrigation District
Laguna Beach County Water District
Lake Hemet Municipal Water District

Las Virgenes Municipal Water District
Lindsay-Strathmore Irrigation District
Long Beach Water Department
Malaga County Water District
Mammoth Community Water District
Mariana Ranchos County Water District
McKinleyville Community Services District
Mendocino County Russian River Flood Control & Water Conservation Improvement District
Merced Irrigation District
Mesa Water District
Mid-Peninsula Water District
Millview County Water District
Mission Springs Water District
Mojave Water Agency
Monte Vista Water District
Municipal Water District of Orange County
Nevada Irrigation District
North Marin Water District
Northern California Water Association
Olivenhain Municipal Water District
Orange County Water District
Orchard Dale Water District
Otay Water District
Padre Dam Municipal Water District
Palm Ranch Irrigation District
Palmdale Water District
Paradise Irrigation District

Pico Water District	Santa Fe Irrigation District	Upper San Gabriel Valley Municipal Water District
Placer County Water Agency	Santa Margarita Water District	Vallecitos Water District
Quartz Hill Water District	Santa Ynez River Water	Valley Center Municipal Water District
Rainbow Municipal Water District	Conservation District Improvement District No. 1	Valley of the Moon Water District
Rancho California Water District	Scotts Valley Water District	Ventura County Economic Development Association
Regional Water Authority	Shasta Community Services District	Vista Irrigation District
Redwood Valley County Water District	South Coast Water District	Walnut Valley Water District
Richvale Irrigation District	South Tahoe Public Utility District	Westlands Water District
Rincon del Diablo Municipal Water District	Southern California Water Committee	Western Canal Water District
Rio Alto Water District	Stockton East Water District	Western Municipal Water District
Rio Linda Elverta Community Water District	Tahoe City Public Utility District	Wheeler Ridge-Maricopa Water Storage District
Rowland Water District	Templeton Community Services District	Yolo County Flood Control Water Conservation District
Sacramento Suburban Water District	Three Valleys Municipal Water District	Yorba Linda Water District
San Diego County Water Authority	Tulare Irrigation District	Yuba County Water Agency
San Gabriel Valley Municipal Water District	Tuolumne Utilities District	Zone 7 Water Agency
San Juan Water District	United Water Conservation District	
	Upper Russian River Water Agency	

This budget trailer bill is essentially a modified version of SB 623 (Monning, D-Carmel), which is a 2-year bill. The budget trailer bill would establish a fund to be administered by the State Water Resources Control Board (SWRCB) to assist those who do not have access to safe drinking water. The organizations listed on this letter agree with the intent of the bill. The lack of access to safe drinking water in certain disadvantaged communities is a public health issue and a social issue that the State needs to address. The bill proposes two types of funding: 1) fees related to confined animal facilities excluding dairies (CAFED), fertilizer sales and dairies to address nitrate contamination; and 2) a state-mandated tax on drinking water that the bill would require local water agencies to assess on their local ratepayers and send to Sacramento. **No policy committee has heard the proposed tax. The above-listed organizations oppose the proposal for a tax on drinking water.**

PROBLEMS WITH A TAX ON DRINKING WATER: Following are examples of problems with a tax on drinking water:

- 1) **Requiring local water agencies and cities across the state to impose a tax on drinking water for the State of California is highly problematic and is not the appropriate response to the problem;**
- 2) **It is not sound policy to tax something that is essential to life;**
- 3) **State law sets forth a policy of a human right to water for human consumption that is safe, clean, affordable and accessible. Adding a tax on water works against keeping water affordable for all Californians; and**
- 4) **It is inefficient for local water agencies across the state to collect the tax and send it to Sacramento.**

Instead of turning local water agencies into taxation agencies for the state, the above-listed organizations suggest the following funding solution:

SUGGESTED ALTERNATIVE FUNDING SOLUTION – A FUNDING PACKAGE:

- 1) **Safe Drinking Water State Revolving Fund (SRF)** – this ongoing federal funding can be used to fund capital costs;
- 2) **General Obligation (G.O.) Bonds** – SB 5 (de León, 2017), which will be on the June 2018 ballot as Proposition 68, proposes \$250 million for safe drinking and clean water, and another bond initiative which is expected to be on the November ballot proposes \$500 million for safe drinking water. These bonds propose to prioritize the drinking water funding to disadvantaged communities (DACs);
- 3) **Ag Funding** – the nitrate-related fees proposed in the bill could be used for replacement water, including point-of-use and point-of-entry treatment, for nitrate contamination; and
- 4) **General Fund** – General Fund funding can fund the non-nitrate operation and maintenance (O&M) costs needs at public water systems in certain DACs.

Everyone in California should have access to safe drinking water. The fact that a small percentage of Californians do not makes this issue a public health and social issue for which the General Fund is an appropriate source of funding as part of the above-suggested funding package.

AMENDMENTS: In addition to including the General Fund as part of a funding package instead of a tax on drinking water, the organizations listed above are suggesting the amendments shown on the attachment to address various concerns regarding this funding measure. The above-listed organizations urge your “No” vote on the budget trailer bill unless the proposed tax on drinking water is removed and replaced with an acceptable funding source.

If you have questions, please contact Cindy Tuck, Deputy Executive Director for Government Relations, Association of California Water Agencies at (916) 441-4545 or at cindy@acwa.com.

cc: The Honorable Governor Edmund G. Brown Jr.
Honorable Members, Senate Budget Subcommittee No. 2
Honorable Members, Assembly Budget Subcommittee No. 3
The Honorable William W. Monning
Ms. Kim Craig, Deputy Cabinet Secretary, Office of the Governor
Ms. Joanne Roy, Consultant, Senate Budget Subcommittee No. 2
Ms. Susan Chan, Consultant, Assembly Budget Subcommittee No. 3
Mr. Trevor Taylor, Legislative Aide, Office of Senator William W. Monning
Ms. Rocel Bettencourt, Budget Consultant, Senate Republican Caucus
Ms. Barbara Gausewitz, Consultant, Assembly Republican Caucus

Attachment
SAFE AND AFFORDABLE DRINKING WATER FUND BUDGET TRAILER BILL
AMENDMENTS SUGGESTED BY
WATER AGENCIES AND WATER ORGANIZATIONS LISTED ON THIS LETTER

- 1) Do NOT include a tax on drinking water. (See Page 3 for the suggested alternative funding solution.)**
- 2) Exclude capital costs as an eligible funding category** and focus on funding O&M costs, which are difficult to fund through G.O. bonds and cannot be funded with SRF dollars. (G.O. bonds and the SRF are effective in funding capital costs.)
- 3) Limit the funding to disadvantaged communities (DACs)** and low income domestic well users that do not have access to safe drinking water, consistent with 4) below.
- 4) Exclude individual domestic wells and “state small water systems” (with 5 to 14 connections) as eligible funding categories (with one exception for nitrate). Data is lacking to support a credible needs assessment.** For example, the state does not require owners of private wells to sample their wells, and consequently a comprehensive database for these groundwater sources does not exist. **The bill should explicitly exclude these two categories from funding with the exception that funding could be made available for replacement water** for individual domestic wells or state small water systems in rural areas of the state for which the local health officer has certified that data documents that the wells for which funding is being sought in that area are contaminated with **nitrate**. The proposed definition of “replacement water” should be narrowed to make this exception workable. (Bottled water, point-of-use treatment and point-of-entry treatment are reasonable parts of this proposed definition.)
- 5) Make sure the funding goes to address situations where the water is not safe.** For example, the proposed language in Section 116769 references systems that “may be at risk of failing.” Funding for safe drinking water should go to where there are real problems as opposed to going to where there is a chance of a problem.
- 6) Focus on safe drinking water and recognize that affordability issues are being discussed in the State Water Board’s AB 401 implementation process.** The language should be deleted from Section 116769 which would include in the needs assessment all CWSs in DACs that charge fees that exceed the affordability threshold in the Clean Water State Revolving Fund Intended Use Plan (i.e., fees that equal or exceed 1.5 percent of the median household income). The State Water Board is currently developing a plan for a low-income water rate assistance program pursuant to AB 401 (Dodd, 2015), and there are many questions being raised about how affordability thresholds should be determined.
- 7) Clarify what is intended by the proposed authority for the State Water Board to take “additional action as may be appropriate for adequate administration and operation of the fund.”** Instead of simply including this rather vague provision in Section 116768, the bill should be specific as to what this proposed authority is intended to cover.
- 8) Delete the proposal to give the State Water Board and the Board’s staff broad liability protection as they implement the Fund.** No case has been made as to why they should have such protection for this program.



April 4, 2018

Attention: Legislation and Public Outreach Committee

Small Contractor Outreach and Opportunities Program (SCOOP) Mid-Year Update (Information)

Background

The purpose of SCOOP is to maximize small-business participation on the San Diego County Water Authority's contracts and procurements. SCOOP provides small businesses with resources and information through training, networking, and technical assistance. This report provides a summary of SCOOP program metrics and activities from July 1, 2017 through December 31, 2017.

Discussion

Outreach Activities

During the first and second quarters, Water Authority representatives participated in 16 events with 12 business organizations and other government agencies.

A highlight of the outreach activities was participation in the CalCon Construction Expo in Anaheim. The event brought in more than 900 attendees to learn about business opportunities from public agencies and water utilities in Southern California. Other major activities that staff participated in were the CalTrans Procurement Fair and the Veterans in Business inaugural conference, which about 1,200 attended.

Program Measurements

The Water Authority's cumulative total of contract and purchase order awards through the second quarter was approximately \$49 million. Small businesses received approximately \$17 million, or 35 percent, of total dollars awarded. Small businesses received awards in several procurement sectors, with approximately \$15 million awarded in construction, \$1.5 million awarded for professional services, and \$400,000 awarded for purchase orders. Minority- and women-owned businesses received approximately \$900,00.

The number of companies receiving contract or purchase order awards was 327. Of those, 87, or 27 percent, were small businesses; 31, or 9 percent, were minority- and women-owned businesses.

Further details of SCOOP statistics are given in the attached exhibits. Information on minority-owned and women-owned businesses is made available to the Board for statistical purposes only.

Prepared by: Teresa Penunuri, Public Affairs Supervisor
Reviewed by: Denise Vedder, Acting Director of Public Outreach and Conservation
Reviewed by: Dennis A. Cushman, Assistant General Manager

EXHIBIT A
SCOOP Measurements Summary
 July 1, 2017 – December 31, 2017

		A-1. Small Business Measurements for July 1, 2017 – December 31, 2017					
		FY 2018 YTD			FY 2017 Total		
		Total	Small	% Small	Total	Small	% Small
1.	Number of qualified small businesses capable of bidding on Water Authority projects	2248	707	31%	2128	635	30%
2.	Number of bidders submitting bids and proposals for contracts	164	53	32%	344	136	40%
3.	Number of businesses participating on Water Authority procurements (contracts and purchase orders)	327	87	27%	551	147	27%
4.	Number of contracting opportunities	164	53	32%	246	90	37%
5.	Amount committed to small businesses	\$48,600,312	\$17,119,871	35%	\$53,000,182	\$9,564,263	18%

		A-2. Minority/Women-Owned Business Measurements for July 1, 2017 – December 31, 2017					
		FY 2018 YTD			FY 2017 Total		
		Total	M/W	% M/W	Total	M/W	% M/W
1.	Number of qualified M/W businesses capable of bidding on Water Authority projects	2248	556	25%	2128	517	24%
2.	Number of bidders submitting bids and proposals for contracts	164	23	14%	344	93	27%
3.	Number of businesses participating on Water Authority procurements (contracts and purchase orders)	327	31	9%	551	73	13%
4.	Number of contracting opportunities	164	23	14%	246	59	24%
5.	Amount committed to minority and women-owned businesses	\$48,600,312	\$879,718	1%	\$53,000,182	\$5,090,481	10%

EXHIBIT B
SCOOP Measurements Detail
July 1, 2017 – December 31, 2017

1. Number of qualified businesses capable of bidding on Water Authority projects. “*The Network*” is the Water Authority’s SCOOP database and online vendor registration, notification, and solicitation system. Of the 2,248 total businesses currently in the system, 707 (31 percent) are small businesses, and 556 (25 percent) are minority- and women-owned businesses. This measurement forms a baseline of small businesses that are interested in working with the Water Authority on the types of procurements we issue.

	Total	Amount of qualified businesses	Percent
Small	2248	707	31%
Minority- or Women-owned	2248	556	25%

Information taken from The Network’s Business Classification and Minority Company Statistics as of 01/03/2018

2. Number of businesses submitting bids and proposals.

This metric measures bidders on contract opportunities. During the first two quarters, 53 (32 percent) of businesses bidding or proposing on Water Authority contracts were small businesses.

Twenty-three (14 percent) bidders and proposers were minority- and women-owned businesses.

B-2. Number of bidders submitting bids and proposals for contracts.

		FY 2018 YTD				
		Total	Small	% Small	M/W	% M/W
Design Build						
Primes		0	0	0%	0	0%
Subs		0	0	0%	0	0%
Design Build Subtotal		0	0	0%	0	0%
Construction						
Primes		3	2	67%	0	0%
Subs		7	2	29%	0	0%
Construction Subtotal		10	4	40%	0	0%
Professional Services						
Primes		85	27	32%	13	15%
Subs		31	21	68%	10	32%
Prof. Services Subtotal		116	48	41%	23	20%
Other						
Primes		38	1	3%	0	0%
Subs		0	0	0%	0	0%
Other Subtotal		38	1	3%	0	0%
Total Bidders						
Primes		126	30	24%	13	10%
Subs		38	23	61%	10	26%
TOTAL		164	53	32%	23	14%

3. Number of businesses participating on Water Authority procurements.

The total number of small companies doing business with the Water Authority was 87, or 27 percent of all companies. This measurement indicates the volume of Water Authority procurement opportunities. Small businesses often pursue and are awarded contracts and purchase orders that are smaller in value, so the number of businesses working on Water Authority procurements is an important measurement of small-business success. The number of minority- and women-owned businesses doing business with the Water Authority was 31, or nine percent.

B-3. Number of businesses participating on Water Authority procurements (contracts and purchase orders)

	FY 2018 YTD				
	Total	Small	% Small	M/W	% M/W
Design Build					
Primes					
Subs					
<i>Design Build Subtotal</i>					
Construction					
Primes	3	2	67%	0	0%
Subs	7	2	29%	0	0%
<i>Construction Subtotal</i>	10	4	40%	0	0%
Professional Services					
Primes	85	27	32%	13	15%
Subs	31	21	68%	10	32%
<i>Prof. Services Subtotal</i>	116	48	41%	23	20%
Other					
Primes	38	1	3%	0	0%
Subs	0	0	0%	0	0%
<i>Other Subtotal</i>	38	1	3%	0	0%
Contracts					
Primes	88	29	33%	13	15%
Subs	38	23	61%	10	26%
<i>Contracts Subtotal (Design Build, Construction and Professional Services)</i>	126	52	41%	23	18%
Vendors	201	35	17%	8	4%
TOTAL	327	87	27%	31	9%

5. Number of contracting opportunities.

This measurement reflects the number of prime contractors and consultants that have a direct contract with the Water Authority. Small businesses received 53, or 32 percent, of the 164 total contracts awarded through the end of the second quarter.

Procurements valued at \$10,000 through \$150,000 form the basis for the new Sheltered Market Program. Small businesses received 13 contracts, or 28 percent, of the procurements in this dollar value range.

B-4. Number of contracting opportunities

	FY 2018 YTD				
	Total Contracts	Small Primes	% Small	M/W Primes	% M/W
0-\$10,000	97	33	34%	14	14%
\$10,001-\$150,000	46	13	28%	6	13%
\$10,000-\$50,000	23	8	35%	2	9%
\$50,001-\$150,000	25	5	20%	4	16%
\$150,001-\$250,000	7	3	43%	2	29%
\$250,001 - \$1,000,000	8	2	25%	1	13%
\$1,000,001 - \$50,000,000	6	2	33%	0	0%
Total	164	53	32%	23	14%

6. Amount committed to small businesses.

The overall small-business participation goal on initial contract and purchase awards for fiscal year 2018 is 20 percent. Through the end of the second quarter, the amount committed to small businesses was approximately \$17 million, or 35 percent, of total procurement dollars awarded. Small businesses received awards in each procurement sector, with approximately \$13 million awarded in construction, \$1.6 million awarded for professional services, and \$400,000 awarded for purchase orders.

SCOOP requires small-business outreach from primes to subs on larger, more complex projects that have multi-sub opportunities. Small businesses were successful as subcontractors on Water Authority construction and professional service contracts, receiving approximately \$1.9 million as construction subcontractors, and approximately \$1.6 million as subconsultants on service agreements.

B-4. Amount committed to small and minority- and women-owned primes, subcontractors and vendors

	FY 2018 YTD				
	Total	Small	% Small	M/W	% M/W
Design Build					
Primes	\$0	\$0	0%	\$0	0%
Subs	\$0	\$0	0%	\$0	0%
Design Build Subtotal	\$0	\$0	0%	\$0	0%
Construction					
Primes	\$13,186,063	\$13,174,658	100%	\$0	0%
Subs	\$14,969,000	\$1,900,000	13%	\$0	0%
Construction Subtotal	\$28,155,063	\$15,074,658	54%	\$0	0%
Professional Services					
Primes	\$9,536,384	\$1,530,294	16%	\$537,528	6%
Subs	\$896,000	\$115,500	13%	\$276,500	31%
Prof. Services Subtotal	\$10,432,384	\$1,645,794	16%	\$814,028	8%
Other					
Primes	\$6,683,870	\$10,000	0%	\$0	0%
Subs	\$0	\$0	0%	\$0	0%
Other Subtotal	\$6,683,870	\$10,000	0%	\$0	0%
Contracts					
Primes	\$22,722,447	\$14,704,952	65%	\$537,528	2%
Subs	\$15,865,000	\$2,015,500	13%	\$276,500	2%
Contracts Subtotal (Design Build, Construction and Professional Services)	\$38,587,447	\$16,720,452	43%	\$814,028	2%
Vendors	\$10,012,865	\$399,419	4%	\$65,690	1%
TOTAL	\$48,600,312	\$17,119,871	35%	\$879,718	2%



April 4, 2018

Attention: Legislation and Public Outreach Committee

Government Relations Update. (Information)

Purpose

This report is an update of the Water Authority's government relations program.

Discussion

The Legislature

On March 22, the Legislature adjourned for its spring recess, and returned to session on April 2. The month of April will be an extremely busy month for legislative policy committees as the Legislature works toward its April 27 deadline to consider fiscal bills in policy committees. The Legislature will then turn its attention to a May 25 deadline for bills to be considered in fiscal committees, nearing the half-way point of the legislative session.

Budget subcommittees are also very active during the month of April and will continue their work into the May timeframe to allow for the Legislature's consideration of a final budget by the June 15 constitutional deadline.

Sponsored Legislation

- **AB 2064 (Gloria/Weber)**: AB 2064 would provide a workable advance payment structure for non-governmental organizations and disadvantaged communities participating in Integrated Regional Water Management grant-funded projects. AB 2064 was heard in the Assembly Water, Parks, and Wildlife Committee on March 20, 2018, and passed on a 15-0 vote. AB 2064 will next be considered in the Assembly Appropriations Committee.
- **AB 2371 (Carrillo)**: AB 2371 is the Water Authority's and Natural Resources Defense Council's co-sponsored measure to statutorily advance consensus-based concepts to improve outdoor water use efficiency recommended by the Independent Technical Panel under the auspices of the Department of Water Resources. AB 2371 was double-referred to the Assembly Water, Parks, and Wildlife Committee (where it is scheduled to be considered on April 10, 2018) and the Assembly Accountability and Administrative Review Committee.
- **SB 1277 (Hueso)**: SB 1277 is a "spot bill" and placeholder to allow Salton Sea stakeholders to develop and implement a manageable administrative structure to ensure Salton Sea restoration project implementation remains on-budget and on-time, with appropriate contracting and fiscal controls. The author's office has initiated stakeholder working groups and discussions are under way to develop a manageable administrative structure for Salton Sea restoration.

Senate Leadership

On March 21, Senator Toni Atkins became the first woman to lead the California Senate. She was elected President pro Tempore by the Senate Democratic Caucus in January and replaced former Senate President pro Tempore Kevin de Leon, who is currently running against Dianne Feinstein for the U.S. Senate.

Before being elected to the State Senate, Atkins served as a city council member and mayor of San Diego. She was later elected to the State Assembly, eventually serving as the first female speaker.

Transition at the Association of California Water Agencies

On March 12, Tim Quinn, Executive Director at the Association of California Water Agencies (ACWA), announced his planned retirement for the end of 2018. He released the following statement:

“In 2007, I accepted this job and promised then-President Randy Fiorini that I would stay for 10 years. I fulfilled that promise this past summer. I have enormously enjoyed leading ACWA for the past decade, getting to know member agencies and working with them to help shape better water policies for California. And we have accomplished a great deal.

“ACWA is a strong association with a long history of bringing members together for successful advocacy, education and outreach. By announcing my retirement plans now, we have sufficient time – nearly 10 months – to get the transition right. In the next few months, we intend to create and fill a new Assistant Executive Director position through a competitive process that reaches out to both internal and external candidates. Pending final approval by the Board of Directors, when I do retire at the end of 2018, this should provide for a smooth transition of leadership and ensure ACWA’s commitment to its members isn’t compromised.”

Status Report on Legislation and Legislative Positions

Water Authority staff is currently actively reviewing and analyzing 146 bills in the Legislature for potential impact on the organization and its member agencies. Staff routinely monitors hundreds of bills during each legislative session as they proceed through the legislative process or are amended. Only those measures that warrant a closer review are analyzed comprehensively and considered for advancement to the Water Authority Board for possible adoption of a position. The Water Authority’s staff and legislative advocates review each bill in the context of the adopted 2018 Legislative Policy Guidelines. The Legislative Policy Guidelines provide direction to staff and the Water Authority’s legislative advocates to communicate support of, or opposition to legislation and amendments. Bills for which staff recommends a position are brought before the Legislation and Public Outreach Committee and the Board for consideration of a Water Authority position. Attached is a list of legislation under review by Water Authority staff as of March 14, 2018.

Lobbyist Activities

Steve Cruz of The Quintana Cruz Company reports that he performed the following lobbying activities on behalf of the Water Authority over the past month:

- Provided strategic advice and information regarding the Water Authority's legislative interests.
- Participated in legislative and Administration briefings involving Water Authority sponsored and priority legislation.
- Represented the Water Authority in a variety of venues on Water Authority issues.
- Coordinated with Bob Giroux and Water Authority staff on various legislative issues of importance to the Water Authority.

Bob Giroux of Lang, Hansen, O'Malley & Miller reports that he performed the following lobbying activities on behalf of the Water Authority over the past month:

- Provided strategic advice and information regarding the Water Authority's legislative interests.
- Communicated with legislative leadership and stakeholders regarding the San Diego region's interests relative to bulk energy storage, long-term water use efficiency, and the Carlsbad intake funding issue.

Audra Hartmann of Smith, Watts & Hartmann reports that she performed the following regulatory advocacy activities on behalf of the Water Authority over the past month:

- Coordinated meetings with SWRCB members and staff relative to the issue of the Carlsbad Desalination facility intake modifications.
- Participated in SWRCB meetings regarding emerging water quality issues of interest to the Water Authority.
- Provided strategic advice and information regarding the Water Authority's regulatory interests.
- Coordinated with Water Authority staff on various regulatory issues of interest to the Water Authority.

Legislation and Public Outreach Committee

April 4, 2018

Page 4 of 4

Washington, D.C.

Ken Carpi of Carpi & Clay will submit a separate written report of the firm's monthly activities in Washington, D.C..

Prepared by: Glenn A. Farrel, Government Relations Manager

Ivy Ridderbusch, Management Analyst

Approved by: Dennis A. Cushman, Assistant General Manager

Attachment: Substantive Legislation Report – April 4, 2018

Substantive State Legislation Under Review by Water Authority Staff April 4, 2018

- [AB 18](#)** (**[Garcia, Eduardo D](#)**) **California Clean Water, Climate, Coastal Protection, and Outdoor Access For All Act of 2018.**
Current Text: Amended: 8/30/2017 [html](#) [pdf](#)
Introduced: 12/5/2016
Status: 9/1/2017-From committee: Do pass and re-refer to Com. on APPR. (Ayes 4. Noes 1.) (August 31). Re-referred to Com. on APPR.
Summary: Under current law, programs have been established pursuant to bond acts for, among other things, the development and enhancement of state and local parks and recreational facilities. This bill would enact the California Clean Water, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$3,470,000,000 pursuant to the State General Obligation Bond Law to finance a clean water, climate, coastal protection, and outdoor access for all program.
- [AB 92](#)** (**[Bonta D](#)**) **Public contracts: payment.**
Current Text: Chaptered: 7/10/2017 [html](#) [pdf](#)
Chapter Number: 37
Introduced: 1/9/2017
Status: 7/10/2017-Approved by the Governor. Chaptered by Secretary of State - Chapter 37, Statutes of 2017.
Summary: Current law until January 1, 2018, authorizes the retention proceeds withheld from any payment by an awarding entity, as described, from the original contractor, by the original contractor from any subcontractor, and by a subcontractor from any subcontractor to exceed 5% on specific projects where the director of the applicable department, as specified, has made, or the governing body of the public entity or designated official of the public entity has approved, a finding prior to the bid that the project is substantially complex and requires a higher retention and the department or public entity includes both this finding and the actual retention amount in the bid documents. This bill would extend the operation of these provisions to January 1, 2023.
- [AB 247](#)** (**[Garcia, Cristina D](#)**) **Public health: childhood lead poisoning: Lead Advisory Task Force.**
Current Text: Vetoed: 10/13/2017 [html](#) [pdf](#)
Introduced: 1/30/2017
Status: 1/12/2018-Stricken from file.
Summary: Under current law, known as the Childhood Lead Poisoning Prevention Act of 1991, the State Department of Public Health is required to establish procedures for environmental abatement and followup, and undertake other specified measures, designed to reduce the incidence of excessive childhood lead exposure in California. This bill would require, by April 1, 2018, the Office of Environmental Health Hazard Assessment to convene a Lead Advisory Task Force, with a prescribed membership, to review and advise, as provided, regarding policies and procedures to reduce childhood lead poisoning in the state.
- [AB 305](#)** (**[Arambula D](#)**) **School accountability report card: drinking water access points.**
Current Text: Introduced: 2/6/2017 [html](#) [pdf](#)
Introduced: 2/6/2017
Status: 2/1/2018-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.
Summary: Would amend the Classroom Instructional Improvement and Accountability Act to also require the school accountability report card to include an assessment of the drinking water access points at each school site, as specified. The bill would require the State Department of Education to compile the assessments and transmit them to the State Water Resources Control Board. By imposing additional duties on local educational agency officials, the bill would impose a state-mandated local program. The bill would provide that the Legislature finds and declares that the changes made to the act by its provisions further the purposes of the act.
- [AB 313](#)** (**[Gray D](#)**) **Water.**
Current Text: Vetoed: 10/15/2017 [html](#) [pdf](#)
Introduced: 2/6/2017
Status: 1/12/2018-Stricken from file.
Summary: Current law authorizes the State Water Resources Control Board to adopt an order setting administrative civil liability based on the allegations set forth in the complaint without a hearing, unless a written request for a hearing signed by, or on behalf of, the party served with the complaint is delivered to or received by mail by the board within 20 days after receipt of the complaint. This bill, commencing July 1, 2018, would establish a Water Rights Division within the Office of Administrative Hearings, as prescribed.
- [AB 554](#)** (**[Cunningham R](#)**) **Desalination: statewide goal.**

Current Text: Amended: 3/27/2017 [html](#) [pdf](#)

Introduced: 2/14/2017

Status: 2/1/2018-Failed Deadline pursuant to Rule 61(b)(3). (Last location was APPR. on 5/26/2017)

Summary: The Cobey-Porter Saline Water Conversion Law provides that it is the intention of the Legislature that the Department of Water Resources undertake to find economic and efficient methods of desalting saline water so that desalted water may be made available to help meet the growing water requirements of the state. This bill would establish a goal to desalinate 300,000 acre-feet of drinking water per year by the year 2025 and 500,000 acre-feet of drinking water per year by the year 2030.

[AB 567](#)

(Quirk-Silva D) School facilities: drinking water fountains: spigot for filling water bottles.

Current Text: Amended: 3/14/2017 [html](#) [pdf](#)

Introduced: 2/14/2017

Status: 1/13/2018-Failed Deadline pursuant to Rule 61(b)(1). (Last location was ED. on 2/27/2017)

Summary: Would require a school district, on or after July 1, 2018, to ensure that every drinking water fountain at each school under its jurisdiction is equipped with both a water fountain and a spigot, or a combination water fountain and spigot, for filling water bottles. Because the bill would impose new duties on local educational agencies, the bill would impose a state-mandated local program.

[AB 574](#)

(Quirk D) Potable reuse.

Current Text: Chaptered: 10/6/2017 [html](#) [pdf](#)

Chapter Number: 528

Introduced: 2/14/2017

Status: 10/6/2017-Approved by the Governor. Chaptered by Secretary of State - Chapter 528, Statutes of 2017.

Summary: Current law required the State Department of Public Health to, on or before December 31, 2013, adopt uniform water recycling criteria for indirect potable reuse for groundwater recharge. Current law also required the department to develop and adopt uniform water recycling criteria for surface water augmentation, as defined, by December 31, 2016, if a specified expert panel found that the criteria would adequately protect public health, and required the department to investigate the feasibility of developing uniform water recycling criteria for direct potable reuse and to provide a final report on that investigation to the Legislature by December 31, 2016. Current law defined the terms "direct potable reuse" and "surface water augmentation" for these purposes. This bill would specify that "direct potable reuse" includes "raw water augmentation" and "treated drinking water augmentation."

[AB 733](#)

(Berman D) Enhanced infrastructure financing districts: projects: climate change.

Current Text: Chaptered: 10/11/2017 [html](#) [pdf](#)

Chapter Number: 657

Introduced: 2/15/2017

Status: 10/11/2017-Approved by the Governor. Chaptered by Secretary of State - Chapter 657, Statutes of 2017.

Summary: Current law authorizes the legislative body of a city or a county to establish an enhanced infrastructure financing district to finance public capital facilities or other specified projects of communitywide significance, and makes related findings and declarations. This bill would additionally authorize the financing of projects that enable communities to adapt to the impacts of climate change, including, but not limited to, specified impacts described in the bill, and would make conforming changes to the Legislature's findings and declarations.

[AB 746](#)

(Gonzalez Fletcher D) Public health: potable water systems: lead testing: schoolsites.

Current Text: Chaptered: 10/13/2017 [html](#) [pdf](#)

Chapter Number: 746

Introduced: 2/15/2017

Status: 10/13/2017-Approved by the Governor. Chaptered by Secretary of State - Chapter 746, Statutes of 2017.

Summary: Would require a community water system that serves a schoolsite of a local educational agency with a building constructed before January 1, 2010, to test for lead in the potable water system of the schoolsite before January 1, 2019. The bill would require the community water system to report its findings to the schoolsite, as specified, and, if the schoolsite's lead level exceeds a certain level, to test a water sample from the point in which the schoolsite connects to the community water system's supply network. The bill would require the local educational agency, if the lead level exceeds the specified level at a schoolsite, to notify the parents and guardians of the pupils who attend the schoolsite or preschool.

[AB 791](#)

(Frazier D) Sacramento-San Joaquin Delta: State Water Project and federal Central Valley Project: new conveyance facility.

Current Text: Amended: 3/21/2017 [html](#) [pdf](#)

Introduced: 2/15/2017

Status: 1/20/2018-Failed Deadline pursuant to Rule 61(b)(2). (Last location was APPR. SUSPENSE FILE on 5/10/2017)

Summary: The Sacramento-San Joaquin Delta Reform Act of 2009 prohibits construction of a new Delta conveyance facility from being initiated until the persons or entities that contract to receive water from the State Water Project and the federal Central Valley Project or a joint powers authority representing those entities have made arrangements or entered into contracts to pay for certain costs required for the construction, operation, and maintenance of the facility and full mitigation of property tax or assessments levied for land used in the construction, location, mitigation, or operation of the facility. This bill would require, before a water contractor enters into a contract to pay for these costs, that the lead agency provide the breakdown of costs for each water contractor entering into a contract and what benefits each contractor will receive based on the proportion it has financed of the proposed conveyance project.

[AB 792](#) (Frazier D) Sacramento-San Joaquin Delta: Delta Stewardship Council.

Current Text: Amended: 1/3/2018 [html](#) [pdf](#)

Introduced: 2/15/2017

Status: 1/13/2018-Failed Deadline pursuant to Rule 61(b)(1). (Last location was W.,P. & W. on 4/20/2017)

Summary: The Sacramento-San Joaquin Delta Reform Act of 2009, establishes the Delta Stewardship Council which consists of 7 members, and requires the council to develop, adopt, and commence implementation of a comprehensive management plan for the Delta, known as the Delta Plan. This bill would increase the membership of the council to 13 members, including 11 voting members and 2 nonvoting members, as specified.

[AB 793](#) (Frazier D) Sacramento-San Joaquin Delta: financing.

Current Text: Amended: 3/27/2017 [html](#) [pdf](#)

Introduced: 2/15/2017

Status: 1/20/2018-Failed Deadline pursuant to Rule 61(b)(2). (Last location was W.,P. & W. on 3/2/2017)

Summary: Would declare it to be state policy that the existing state of the Sacramento-San Joaquin Delta is recognized and defined as an integral component of California's water infrastructure. The bill would state that the maintenance and repair of the Delta are eligible for the same forms of financing as other water collection and treatment infrastructure and would specify the maintenance and repair activities that are eligible are limited to certain cleanup and abatement-related restoration and conservation activities.

[AB 851](#) (Caballero D) Local agency contracts.

Current Text: Chaptered: 10/16/2017 [html](#) [pdf](#)

Chapter Number: 821

Introduced: 2/16/2017

Status: 10/15/2017-Approved by the Governor. Chaptered by Secretary of State - Chapter 821, Statutes of 2017.

Summary: Current law authorizes a county, until January 1, 2018, with approval of the board of supervisors, to utilize construction manager at-risk construction contracts for the erection, construction, alteration, repair, or improvement of any building owned or leased by the county, subject to certain requirements, including that the method may only be used for projects that are in excess of \$1,000,000. This bill would extend that authorization described above until January 1, 2023. This bill contains other related provisions and other current laws.

[AB 869](#) (Rubio D) Sustainable water use and demand reduction: recycled water.

Current Text: Amended: 8/24/2017 [html](#) [pdf](#)

Introduced: 2/16/2017

Status: 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was N.R. & W. on 8/24/2017)(May be acted upon Jan 2018)

Summary: Current law imposes various water use reduction requirements that apply to urban retail water suppliers, including a requirement that the state achieve a 20% reduction in urban per capita water use by December 31, 2020. This bill would require long-term standards for urban water conservation and water use to include a credit for recycled water, as specified.

[AB 884](#) (Levine D) Dams and reservoirs: inspections.

Current Text: Amended: 3/21/2017 [html](#) [pdf](#)

Introduced: 2/16/2017

Status: 1/20/2018-Failed Deadline pursuant to Rule 61(b)(2). (Last location was APPR. SUSPENSE FILE on 5/3/2017)

Summary: Current law requires the Department of Water Resources, from time to time, to make inspections of dams and reservoirs at state expense for the purpose of determining their safety. This

bill would require the department instead to make annual physical inspections.

- [AB 885](#) (Rubio D) Pupil health: drinking water: lead.**
Current Text: Amended: 4/27/2017 [html](#) [pdf](#)
Introduced: 2/16/2017
Status: 1/20/2018-Failed Deadline pursuant to Rule 61(b)(2). (Last location was APPR. SUSPENSE FILE on 5/17/2017)
Summary: Would require a community water system, as defined, to test, on or before July 1, 2019, and every year thereafter, for the presence of lead at a sample of water outlets used for drinking or cooking at each school, defined to include a public elementary school, a public secondary school, a public preschool located on public school property, and a public day care facility located on public school property, constructed before January 1, 1993, within the boundaries of the community water system.
- [AB 892](#) (Waldron R) Municipal water districts: water service: Indian tribes.**
Current Text: Amended: 3/23/2017 [html](#) [pdf](#)
Introduced: 2/16/2017
Status: 1/20/2018-Failed Deadline pursuant to Rule 61(b)(2). (Last location was L. GOV. on 3/23/2017)
Summary: Current law, upon the request of certain Indian tribes and the satisfaction of certain conditions, requires a district to provide service of water at substantially the same terms applicable to the customers of the district to the Indian tribe's lands that are not within a district, as prescribed. This bill would authorize, rather than require, a district to provide this service of water. The bill would apply this authorization to all Indian tribes whose lands are owned by the tribe.
- [AB 947](#) (Gallagher R) Department of Fish and Wildlife: lake or streambed alteration agreements: definitions.**
Current Text: Amended: 4/17/2017 [html](#) [pdf](#)
Introduced: 2/16/2017
Status: 1/20/2018-Failed Deadline pursuant to Rule 61(b)(2). (Last location was APPR. SUSPENSE FILE on 5/3/2017)
Summary: Current law prohibits an entity from substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or from depositing certain material where it may pass into any river, stream, or lake, without first notifying the Department of Fish and Wildlife of that activity, and entering into a lake or streambed alteration agreement if required by the department to protect fish and wildlife resources. This bill would define "river" and "stream" for purposes of these provisions.
- [AB 968](#) (Rubio D) Urban water use: water efficiency.**
Current Text: Amended: 4/17/2017 [html](#) [pdf](#)
Introduced: 2/16/2017
Status: 1/20/2018-Failed Deadline pursuant to Rule 61(b)(2). (Last location was APPR. SUSPENSE FILE on 5/10/2017)
Summary: Would require each urban retail water supplier to develop a water efficiency target, as defined, for 2025 in its 2020 urban water management plan required to be submitted by July 1, 2021, and to achieve that target. The bill would authorize an urban retail water supplier to adjust and update the water efficiency target, as appropriate, when the supplier reports its compliance in achieving the water efficiency targets and its implementation of the identified performance measures in its 2025 urban water management plan required to be submitted by July 1, 2026. The bill would require each urban retail water supplier to meet its adjusted 2025 water efficiency target by December 31, 2025, unless the supplier makes a certain report to the department.
- [AB 975](#) (Friedman D) Natural resources: wild and scenic rivers.**
Current Text: Amended: 5/4/2017 [html](#) [pdf](#)
Introduced: 2/16/2017
Status: 2/1/2018-Died on inactive file.
Summary: Current law establishes that it is the policy of the state that certain rivers that possess extraordinary scenic, recreational, fishery, or wildlife values shall be preserved in their free-flowing state, together with their immediate environments, for the benefit and enjoyment of the people of the state. This bill would revise that policy to specify that certain rivers that possess scenic, recreational, fishery, wildlife, historical, cultural, geological, or other similar values shall be preserved in their free-flowing state, together with their immediate environments, for the benefit and enjoyment of the people of the state, and would revise the definition of "immediate environments," and define the term "extraordinary value" for purposes of that policy.
- [AB 1000](#) (Friedman D) Water conveyance: use of facility with unused capacity.**
Current Text: Amended: 7/3/2017 [html](#) [pdf](#)
Introduced: 2/16/2017
Status: 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE

on 8/28/2017)(May be acted upon Jan 2018)

Summary: Current law prohibits the state or a regional or local public agency from denying a bona fide transferor of water from using a water conveyance facility that has unused capacity for the period of time for which that capacity is available, if fair compensation is paid for that use and other requirements are met. This bill would, notwithstanding that provision, prohibit a transferor of water from using a water conveyance facility that has unused capacity to transfer water from a groundwater basin underlying desert lands, as defined, that is in the vicinity of specified federal lands or state lands to outside of the groundwater basin unless the State Lands Commission, in consultation with the Department of Fish and Wildlife, finds that the transfer of the water will not adversely affect the natural or cultural resources of those federal and state lands.

AB 1030 (Ting D) Energy storage systems.

Current Text: Amended: 3/30/2017 [html](#) [pdf](#)

Introduced: 2/16/2017

Status: 1/13/2018-Failed Deadline pursuant to Rule 61(b)(1). (Last location was L. & E. on 3/9/2017)

Summary: Would establish 4 energy policy goals of the state with respect to energy storage and would require the PUC, on behalf of electrical corporations, and require the governing board, on behalf of a local publicly owned electric utility, to undertake specified actions with respect to customer- and load-sited energy storage systems in order to achieve those energy policy goals, including a rebate program dedicated to energy storage that carves out a portion of funding for low-income customers and disadvantaged communities.

AB 1050 (Allen, Travis R) California Endangered Species Act: Delta smelt.

Current Text: Amended: 3/28/2017 [html](#) [pdf](#)

Introduced: 2/16/2017

Status: 1/13/2018-Failed Deadline pursuant to Rule 61(b)(1). (Last location was W.,P. & W. on 3/27/2017)

Summary: The California Endangered Species Act requires the Fish and Game Commission to establish a list of endangered species and a list of threatened species and requires the commission to add or remove species from either list if it finds, upon the receipt of sufficient scientific information, that the action is warranted. The act prohibits the taking of an endangered or threatened species, except as specified. This bill would require the commission to remove the Delta smelt from the endangered species list.

AB 1117 (Fong R) California Environmental Quality Act.

Current Text: Introduced: 2/17/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 1/13/2018-Failed Deadline pursuant to Rule 61(b)(1). (Last location was NAT. RES. on 3/6/2017)

Summary: Would prohibit a lead agency from being required to evaluate the aesthetic effects of a project subject to CEQA and would prohibit aesthetic effects from being considered significant effects on the environment, except in certain circumstances. This bill contains other related provisions and other existing laws.

AB 1211 (Dahle R) State policy for water quality control.

Current Text: Introduced: 2/17/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 1/20/2018-Failed Deadline pursuant to Rule 61(b)(2). (Last location was PRINT on 2/17/2017)

Summary: Under current law, the Porter-Cologne Water Quality Control Act, the state policy for water quality control is required to consist of water quality principles and guidelines for long-range resource planning, water quality objectives, and other principles and guidelines deemed essential by the State Water Resources Control Board for water quality control. This bill would make technical, nonsubstantive changes to that provision.

AB 1270 (Gallagher R) Dams and reservoirs: inspections and reporting.

Current Text: Chaptered: 2/26/2018 [html](#) [pdf](#)

Chapter Number: 3

Introduced: 2/17/2017

Status: 2/26/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 3, Statutes of 2018.

Summary: Current law requires the Department of Water Resources, from time to time, to make inspections of dams and reservoirs at state expense for the purpose of determining their safety. This bill would repeal those provisions and instead would require the department to inspect dams, reservoirs, and appurtenant structures once per fiscal year with the exception of low hazard potential dams which the bill would require to receive inspections at least every 2 fiscal years, as specified. The bill would require the owner of a dam to operate critical outlet and spillway control features on an annual basis and to demonstrate their full operability in the presence of the department every 3 years or as directed by the department.

[AB 1271](#) (Gallagher R) Dams and reservoirs.

Current Text: Amended: 3/21/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 2/1/2018-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

Summary: Current law requires the Department of Water Resources, in determining whether or not a dam or reservoir or proposed dam or reservoir constitutes or would constitute a danger to life or property, to take into consideration the possibility that the dam or reservoir might be endangered by conditions that exist or that might occur in any area in the vicinity of the dam or reservoir. Under existing law, whenever the department deems that a condition endangers a dam or reservoir, the department is required to order the owner to take action as the department determines to be necessary to remove the resultant danger to life and property. This bill would require the department, as soon as possible, to order the owner to take action.

[AB 1323](#) (Weber D) Sustainable water use and demand reduction: stakeholder workgroup.

Current Text: Amended: 5/30/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/21/2017)(May be acted upon Jan 2018)

Summary: Would, with a specified exception, require the Department of Water Resources to convene a stakeholder workgroup with prescribed representatives invited to participate, including, among others, representatives of the department and the State Water Resources Control Board, no later than February 1, 2019. The bill would require the stakeholder workgroup to develop, evaluate, and recommend proposals for establishing new water use targets for urban water suppliers and to examine and report to the Governor and the Legislature by December 31, 2019, as specified.

[AB 1343](#) (Chen R) Water conservation: school districts: Go Low Flow Water Conservation Partnerships.

Current Text: Chaptered: 7/21/2017 [html](#) [pdf](#)

Chapter Number: 90

Introduced: 2/17/2017

Status: 7/21/2017-Approved by the Governor. Chaptered by Secretary of State - Chapter 90, Statutes of 2017.

Summary: Would authorize the governing board of a school district to enter into a Go Low Flow Water Conservation Partnership with a public water system for purposes of reducing water use at schools, reducing stormwater and dry weather runoff at schools, reducing schoolsite water pollution, and establishing the basis for educational opportunities in water conservation. The bill would authorize a public water system to offer, as part of a partnership, a water rebate for a school that implements water-saving measures.

[AB 1361](#) (Garcia, Eduardo D) Municipal water districts: water service: Indian tribes.

Current Text: Chaptered: 10/3/2017 [html](#) [pdf](#)

Chapter Number: 449

Introduced: 2/17/2017

Status: 10/3/2017-Approved by the Governor. Chaptered by Secretary of State - Chapter 449, Statutes of 2017.

Summary: The Municipal Water District Law of 1911 provides for the formation of municipal water districts and grants to those districts specified powers. Current law permits a district to acquire, control, distribute, store, spread, sink, treat, purify, recycle, recapture, and salvage any water for the beneficial use of the district, its inhabitants, or the owners of rights to water in the district. Current law, upon the request of certain Indian tribes and the satisfaction of certain conditions, requires a district to provide service of water at substantially the same terms applicable to the customers of the district to the Indian tribe's lands that are not within a district, as prescribed. This bill would authorize a district to apply to the applicable local agency formation commission to provide this service of water to Indian lands, as defined, that are not within the district.

[AB 1369](#) (Gray D) Water quality and storage.

Current Text: Introduced: 2/17/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 1/13/2018-Failed Deadline pursuant to Rule 61(b)(1). (Last location was W.,P. & W. on 3/27/2017)

Summary: Current law requires all moneys, except for fines and penalties, collected by the State Air Resources Board from the auction or sale of allowances as part of a market-based compliance mechanism relative to reduction of greenhouse gas emissions to be deposited in the Greenhouse Gas Reduction Fund. This bill would require the Department of Water Resources to increase statewide water storage capacity by 25% by January 1, 2025, and 50% by January 1, 2050, as specified.

[AB 1455](#) (Bocanegra D) The California Public Records Act: exemptions.

Current Text: Chaptered: 10/7/2017 [html](#) [pdf](#)

Chapter Number: 560

Introduced: 2/17/2017

Status: 10/7/2017-Approved by the Governor. Chaptered by Secretary of State - Chapter 560, Statutes of 2017.

Summary: The California Public Records Act requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. Current law exempts from disclosure specific records of state agencies related to activities governed by the Dills Act, the State Excluded Employees Bill of Rights, and the Higher Education Employer-Employee Relations Act. This bill would also exempt from disclosure specific records of local agencies related to activities governed by the Meyers-Milias-Brown Act.

[AB 1479](#) (Bonta D) Public records: custodian of records: civil penalties.

Current Text: Vetoed: 10/13/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 1/12/2018-Stricken from file.

Summary: Would, until January 1, 2023, require public agencies to designate a person or persons, or office or offices to act as the agency's custodian of records who is responsible for responding to any request made pursuant to the California Public Records Act and any inquiry from the public about a decision by the agency to deny a request for records. The bill also would make other conforming changes. Because the bill would require local agencies to perform additional duties, the bill would impose a state-mandated local program.

[AB 1490](#) (Gray D) State Water Resources Control Board: school drinking water.

Current Text: Amended: 4/17/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 1/20/2018-Failed Deadline pursuant to Rule 61(b)(2). (Last location was APPR. SUSPENSE FILE on 5/24/2017)

Summary: Would require the State Water Resources Control Board, no later than July 1, 2018, to prepare and submit to the Legislature a report evaluating potential adverse impacts resulting from the implementation of the Bay-Delta Water Quality Control Plan on the quality and supply of drinking water provided to schools in disadvantaged communities, as defined, in the state, including a summary describing any measures that may be implemented to address any adverse impacts identified in the report.

[AB 1529](#) (Thurmond D) Cross-connection control and backflow protection.

Current Text: Amended: 9/8/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 9/15/2017-Read third time. Refused passage.(FAILED) (Ayes 10. Noes 21.). Motion to reconsider made by Senator Lara. Reconsideration granted. (Ayes 38. Noes 0.) Ordered to inactive file at the request of Senator Lara.

Summary: Would require the State Water Resources Control Board, on or before January 1, 2020, to update its backflow protection and cross-connection control regulations and to set forth uniform, statewide standards for the certification of backflow prevention device testers and cross-connection control specialists, as provided. The bill would require a public water system to implement a cross-connection control program that complies with applicable regulations and the standards set forth by the state board.

[AB 1587](#) (Levine D) Invasive species: dreissenid mussels.

Current Text: Amended: 6/29/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/21/2017)(May be acted upon Jan 2018)

Summary: Current law, until January 1, 2020, generally prohibits a person from possessing, importing, shipping, or transporting in the state, or from placing, planting, or causing to be placed or planted in any water within the state, dreissenid mussels, and authorizes the Director of Fish and Wildlife or his or her designee to engage in various enforcement activities with regard to dreissenid mussels. Current law authorizes the director to conduct inspections of waters of the state and facilities located within waters of the state that may contain dreissenid mussels and, if those mussels are detected or may be present, order the closure of the waters or facilities to conveyances or otherwise restrict access to the waters or facilities, with the concurrence of the Secretary of the Natural Resources Agency. This bill would also authorize a peace officer to engage in certain of these enforcement activities, as prescribed, and would extend to January 1, 2023, the repeal date of those provisions.

[AB 1603](#) (Ridley-Thomas D) Meyers-Milias-Brown Act: local public agencies.

Current Text: Amended: 8/24/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 9/16/2017-Ordered to inactive file at the request of Senator McGuire.

Summary: Under the Meyers-Milias-Brown Act (MMBA), employees of local public agencies have the right to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters of employer-employee relations. The MMBA authorizes a local public agency to adopt reasonable rules and regulations after consultation in good faith with representatives of a recognized employee organization or organizations for the administration of employer-employee relations under the act. This bill would revise the definition of "public employee" for the purpose of the Meyers-Milias-Brown Act to also include persons jointly employed by a public agency and any other employer at specified clinics and hospitals.

[AB 1605](#) (Caballero D) Maximum contaminant level: nitrate: replacement water.

Current Text: Amended: 4/27/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 1/20/2018-Failed Deadline pursuant to Rule 61(b)(2). (Last location was JUD. on 5/1/2017)

Summary: The California Safe Drinking Water Act, requires the state board to administer provisions relating to the regulation of drinking water to protect public health and vests with the state board specified responsibilities. This bill would prohibit a person or entity providing replacement water, as defined, to address drinking water that exceeds the maximum contaminant level for nitrate in groundwater from being deemed to have caused pollution or a nuisance, or from being liable for negligence or trespass, if certain conditions are met.

[AB 1654](#) (Rubio D) Water conservation.

Current Text: Amended: 7/12/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 7/17/2017-Withdrawn from committee. Re-referred to Com. on RLS. (Set for hearing) (1/23/2018 - Immune to Deadlines according to JR61(f). Deadlines do not apply to bills in a Rules committee.)

Summary: Would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.

[AB 1667](#) (Friedman D) Water management planning.

Current Text: Amended: 7/3/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 7/14/2017-Failed Deadline pursuant to Rule 61(a)(10). (Last location was N.R. & W. on 7/11/2017)(May be acted upon Jan 2018)

Summary: Would require the State Water Resources Control Board, in consultation with the Department of Water Resources, to adopt long-term standards for urban water conservation and water use on or before May 20, 2021. The bill would also require the board, in consultation with the department, to adopt performance measures for commercial, industrial, and institutional water use on or before that date.

[AB 1668](#) (Friedman D) Water management planning.

Current Text: Amended: 9/8/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 9/15/2017-From committee: Do pass and re-refer to Com. on RLS. (Ayes 5. Noes 0.) (September 15). Re-referred to Com. on RLS.

Summary: Current law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. Current law requires each urban retail water supplier to develop urban water use targets and an interim urban water use target, as specified. This bill would require the State Water Resources Control Board, in coordination with the Department of Water Resources, to adopt long-term standards for the efficient use of water, as provided, and performance measures for commercial, industrial, and institutional water use on or before June 30, 2021.

[AB 1669](#) (Friedman D) Urban water conservation standards and use reporting.

Current Text: Amended: 4/18/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 1/20/2018-Failed Deadline pursuant to Rule 61(b)(2). (Last location was APPR. SUSPENSE FILE on 5/10/2017)

Summary: Would require the State Water Resources Control Board, in consultation with the Department of Water Resources, to adopt long-term standards for urban water conservation and water use by May 20, 2021. The bill would authorize the board, in consultation with the department, to adopt interim standards for urban water conservation and water use by emergency regulation. The bill would require the board, before adopting an emergency regulation, to provide at least 60 days for the public to review and comment on the proposed regulation and would require the board to hold a public hearing.

[AB 1671](#) (Caballero D) Backflow protection and cross-connection controls: standards.

Current Text: Chaptered: 10/6/2017 [html](#) [pdf](#)

Chapter Number: 533

Introduced: 2/17/2017

Status: 10/6/2017-Approved by the Governor. Chaptered by Secretary of State - Chapter 533, Statutes of 2017.

Summary: Current law requires any person who owns a public water system to ensure that the system does certain things, including, but not limited to, that it will not be subject to backflow under normal operating conditions. Current law, to ensure that testing and maintenance of backflow prevention devices are performed by persons qualified to do testing and maintenance, authorizes local health officers to maintain programs for certification of backflow prevention device testers and requires the certification program to be consistent with backflow protection regulations adopted by the state board. This bill would require a public water system to implement a cross-connection control program that complies with, and would require the certification program to be consistent with, applicable regulations and the standards described in (2).

AB 1725 (Committee on Local Government) Local agency formation.

Current Text: Chaptered: 9/28/2017 [html](#) [pdf](#)

Chapter Number: 353

Introduced: 3/20/2017

Status: 9/28/2017-Approved by the Governor. Chaptered by Secretary of State - Chapter 353, Statutes of 2017.

Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, as specified. The act defines various terms for these purposes, including the term "contiguous," which the act defines as territory adjacent to territory within the local agency. This bill would instead define "contiguous" as territory that abuts or shares a common boundary with territory within a local agency.

AB 1770 (Steinorth R) Local government: investments.

Current Text: Introduced: 1/4/2018 [html](#) [pdf](#)

Introduced: 1/4/2018

Status: 1/22/2018-Referred to Com. on L. GOV.

Summary: Current law authorizes the legislative body of a local agency, as specified, that has money in a sinking fund or in its treasury not required for immediate needs to invest the money as it deems wise or expedient in certain securities and financial instruments. In this regard, existing law authorizes investment in a mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond that has a maximum of 5 years' maturity. This bill would revise the maximum 5-year maturity requirement to instead require that the securities have a maximum remaining security of 5 years or less.

AB 1792 (Frazier D) Affordable housing authorities: infrastructure.

Current Text: Amended: 3/19/2018 [html](#) [pdf](#)

Introduced: 1/9/2018

Status: 3/20/2018-Re-referred to Com. on H. & C.D.

Summary: Current law authorizes a city, county, or city and county to adopt a resolution creating an affordable housing authority. Current law authorizes this authority to, among other things, provide for low- and moderate-income housing and affordable workforce housing, as provided. This bill would additionally authorize an affordable housing authority to provide for infrastructure, as specified, to support the development of affordable housing.

AB 1867 (Reyes D) Employment discrimination: sexual harassment: records.

Current Text: Introduced: 1/12/2018 [html](#) [pdf](#)

Introduced: 1/12/2018

Status: 3/22/2018-Referred to Com. on L. & E.

Summary: Would require an employer with 50 or more employees to maintain records of employee complaints of sexual harassment for 10 years from the date of filing. The bill would authorize the department to seek an order requiring an employer that violates the recordkeeping requirement to comply. This bill contains other existing laws.

AB 1944 (Garcia, Eduardo D) Sustainable groundwater management: San Luis Rey Valley Groundwater Basin.

Current Text: Introduced: 1/29/2018 [html](#) [pdf](#)

Introduced: 1/29/2018

Status: 3/21/2018-In committee: Hearing postponed by committee.

Summary: Would divide the San Luis Rey Valley Groundwater Basin into an upper and lower subbasin, as prescribed, and would designate the subbasins as medium priority until the department reassesses basin prioritization. The bill would require water beneath the surface of the ground within the Upper

San Luis Rey Valley Groundwater Subbasin to be included within the definition of groundwater for the purposes of the act by any groundwater sustainability agency developing or implementing a groundwater sustainability plan and would except from this requirement certain water beneath the surface of the ground extracted and used as authorized under an existing appropriative water right.

[AB 2038](#) (Gallagher R) Countywide drought and water shortage contingency plans.

Current Text: Introduced: 2/6/2018 [html](#) [pdf](#)

Introduced: 2/6/2018

Status: 2/16/2018-Referred to Com. on W.,P., & W.

Summary: Would require the Department of Water Resources, no later than January 1, 2020, in consultation with the State Water Resources Control Board and other relevant state and local agencies and stakeholders, to use available data to identify small water suppliers and rural communities that may be at risk of drought and water shortage vulnerability and would require the department to notify counties and groundwater sustainability agencies of those suppliers or communities.

[AB 2042](#) (Steinorth R) Personal income tax credits: residential graywater reuse systems.

Current Text: Amended: 3/19/2018 [html](#) [pdf](#)

Introduced: 2/6/2018

Status: 3/20/2018-Measure version as amended on March 19 corrected. Re-referred to Com. on REV. & TAX.

Summary: Would, for taxable years beginning on or after January 1, 2019, and before January 1, 2024, would allow a credit against the taxes imposed by the Personal Income Tax Law equal to 25% of the cost of installing a residential graywater reuse system during the taxable year in the taxpayer's residence located in this state. The bill would limit the cumulative amount of the credit to \$1,000 for the same residence.

[AB 2050](#) (Caballero D) Small System Water Authority Act of 2018.

Current Text: Amended: 3/19/2018 [html](#) [pdf](#)

Introduced: 2/6/2018

Status: 3/20/2018-Re-referred to Com. on E.S. & T.M.

Summary: Would create the Small System Water Authority Act of 2018 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2019, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance with applicable drinking water standards as of December 31, 2018.

[AB 2060](#) (Garcia, Eduardo D) Water: grants: advanced payments.

Current Text: Introduced: 2/6/2018 [html](#) [pdf](#)

Introduced: 2/6/2018

Status: 3/20/2018-From committee: Do pass and re-refer to Com. on E.S. & T.M. (Ayes 15. Noes 0.) (March 20). Re-referred to Com. on E.S. & T.M.

Summary: Current law requires a regional water management group, within 90 days of notice that a grant has been awarded, to provide the Department of Water Resources with a list of projects to be funded by the grant funds where the project proponent is a nonprofit organization or a disadvantaged community, or the project benefits a disadvantaged community. Current law requires the department, within 60 days of receiving the project information, to provide advanced payment of 50% of the grant award for those projects that satisfy specified criteria, including that the grant award for the project is less than \$1,000,000 and requires the advanced funds to be handled as prescribed. This bill would instead require the department to provide advanced payment for those projects of \$500,000 or 50% of the grant award, whichever is less.

[AB 2064](#) (Gloria D) Integrated regional water management plans: grants: advanced payment.

Current Text: Introduced: 2/7/2018 [html](#) [pdf](#)

Introduced: 2/7/2018

Status: 3/22/2018-From committee: Amend, and do pass as amended and re-refer to Com. on APPR. (Ayes 15. Noes 0.) (March 20).

Summary: Current law, until January 1, 2025, requires a regional water management group, within 90 days of notice that a grant has been awarded, to provide the Department of Water Resources with a list of projects to be funded by the grant funds if the project proponent is a nonprofit organization or a disadvantaged community or the project benefits a disadvantaged community. Current law requires the department, within 60 days of receiving this project information, to provide advanced payment of 50% of the grant award for those projects that satisfy specified criteria and require the advanced funds to be handled, including that the funds are required to be spent within 6 months of the date of receipt unless the department waives this requirement. The bill, until January 1, 2025, would require a project proponent, upon completion of the first one-half of a project receiving an above-described

grant award, to provide a first one-half project accountability report to the department that reports the completion of objectives for the first one-half of the project and documents the expenditure and use of advanced grant funds.

[AB 2071](#) (Bloom D) Accessory dwelling units: improvements: liability.

Current Text: Introduced: 2/7/2018 [html](#) [pdf](#)

Introduced: 2/7/2018

Status: 2/22/2018-Referred to Coms. on L. GOV. and JUD.

Summary: Would provide that a public entity, including, but not limited to, a city, county, or city and county; public officer, including, but not limited to, a member of the legislative body of a city, county, or city and county; or an employee of a public entity, is not liable for any personal injury, death, property damage, or inverse condemnation, that has arisen from or is related to the use of an accessory dwelling unit and that is proximately caused by any utility system, including, but not limited to, a water system or electrical system equipment, that the public entity owns, operates, or maintains if the legislative body of a local agency has permitted the water, electrical system equipment, or accessory dwelling unit, to remain in the same location as it existed prior to January 1, 2018.

[AB 2072](#) (Quirk D) State Water Resources Control Board: constituents of emerging concern.

Current Text: Amended: 3/13/2018 [html](#) [pdf](#)

Introduced: 2/7/2018

Status: 3/20/2018-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (March 20). Re-referred to Com. on APPR.

Summary: Would require the State Water Resources Control Board, to the extent that the state board determines funds are available, to establish and maintain a dedicated program to research the potential effects of constituents of emerging concern in water sources on human and ecosystem health, as prescribed.

[AB 2225](#) (Limón D) State government: storing and recording electronic media.

Current Text: Amended: 3/19/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Status: 3/20/2018-Re-referred to Com. on P. & C.P.

Summary: Would require the Department of Technology and the Secretary of State to approve and adopt appropriate uniform statewide standards for the purpose of storing and recording permanent documents in electronic media, and would specify that "cloud computing" shall be defined by the Department of Technology based on industry-recognized standards, consistent with the intent of the state law.

[AB 2241](#) (Rubio D) The Open and Transparent Water Data Act.

Current Text: Amended: 3/15/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Status: 3/19/2018-Re-referred to Com. on W.,P., & W.

Summary: The Open and Transparent Water Data Act requires the Department of Water Resources, the State Water Resources Control Board, and the Department of Fish and Wildlife to coordinate and integrate existing water and ecological data from local, state, and federal agencies. This bill would require the Department of Water Resources, the board, and the Department of Fish and Wildlife to work to improve the open and transparent access to data by reducing the fractured or duplicative reporting of the same or similar data to multiple governmental agencies or departments, and by reducing the reporting burden on entities providing data to governmental agencies.

[AB 2242](#) (Rubio D) Urban water management planning.

Current Text: Amended: 3/15/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Status: 3/19/2018-Re-referred to Com. on W.,P., & W.

Summary: Would require an urban water supplier to include in its urban water management plan an assessment of the reliability of its water service, as specified, to its customers during normal, dry, and multiple dry years, including a repeat of the 5 consecutive historic driest years the urban water supplier has experienced.

[AB 2258](#) (Caballero D) Local agency formation commissions: grant program.

Current Text: Amended: 3/15/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Status: 3/19/2018-Re-referred to Com. on L. GOV.

Summary: Current law establishes the Strategic Growth Council in state government and assigns to the council certain duties, including providing, funding, and distributing data and information to local governments and regional agencies that will assist in the development and planning of sustainable communities. This bill would require the Strategic Growth Council, until January 1, 2024, to establish and administer a local agency formation commissions grant program for the payment of costs

associated with initiating and completing the dissolution of inactive districts, the payment of costs associated with a study of the services provided within a county by a public agency, and for other specified purposes, including the initiation of an action, based on determinations found in the study, as approved by the commission.

[AB 2266](#) (Bigelow R) Urban water management plans: adoption.

Current Text: Amended: 3/15/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Status: 3/19/2018-Re-referred to Com. on W.,P., & W.

Summary: The Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan within one year after it becomes an urban water supplier. Current law declares that the act is intended to provide assistance to water agencies in carrying out their long-term resource planning responsibilities to ensure adequate water supplies meet existing and future demands for water. This bill would instead require those urban water suppliers to prepare and adopt urban water management plans within 2 years after becoming urban water suppliers.

[AB 2283](#) (Holden D) Income taxes: exclusion: turf removal water conservation program.

Current Text: Introduced: 2/13/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Status: 3/20/2018-From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 0.) (March 19). Re-referred to Com. on APPR.

Summary: The Personal Income Tax Law and the Corporation Tax Law, for taxable years beginning on or after January 1, 2014, and before January 1, 2019, provide an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a local water agency or supplier for participation in a turf removal water conservation program. This bill would extend the operation of those provisions to January 1, 2024.

[AB 2320](#) (Brough R) Subdivision Map Act: fees.

Current Text: Amended: 3/20/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Status: 3/21/2018-Re-referred to Com. on L. GOV.

Summary: The Subdivision Map Act authorizes a local agency to adopt an ordinance that includes a requirement for the payment of fees for purposes of defraying the actual or estimated costs of constructing planned drainage facilities for the removal of surface and storm waters from local or neighborhood drainage areas and of constructing planned sanitary sewer facilities for local sanitary sewer areas if, among other specified conditions, the ordinance has been in effect for a period of at least 30 days prior to the filing of a tentative map or parcel map if no tentative map is required. This bill would extend the period of time the ordinance is required to be in effect to 60 days prior to the filing of a tentative map or parcel map if no tentative map is required..

[AB 2366](#) (Bonta D) Employment: victims of sexual harassment: protections.

Current Text: Introduced: 2/14/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Status: 3/22/2018-Referred to Coms. on L. & E. and JUD.

Summary: Current law prohibits an employer from discharging, or discriminating or retaliating against, an employee who is a victim of domestic violence, sexual assault, or stalking and who takes time off from work to obtain, or attempt to obtain, any relief to help ensure the health, safety, or welfare of the victim or his or her child. Current law additionally prohibits an employer with 25 or more employees from discharging, or discriminating or retaliating against an employee who is a victim, in this regard, who takes time off to obtain specified services or counseling. Existing law makes it a misdemeanor for an employer to refuse to rehire, promote, or restore an employee who has been determined to be so eligible by a grievance procedure or legal hearing. This bill would extend these employment protections to victims of sexual harassment, as defined.

[AB 2371](#) (Carrillo D) Water use efficiency.

Current Text: Amended: 3/22/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Status: 3/22/2018-Referred to Coms. on W.,P., & W. and A. & A.R. From committee chair, with author's amendments: Amend, and re-refer to Com. on W.,P., & W. Read second time and amended.

Summary: Would also require nursery stock, for any taxa listed in the Water Use Classification of Landscape Species, published by the University of California Division of Agriculture and Natural Resources, to be labeled with the correct water use classification, as identified by that publication. The bill would specify, with regard to the correct name of ornamentals being the botanical name, that the botanical name includes any subspecies, hybrid, cultivar, or variety. The bill would require nursery stock on display for sale at retail to be individually labeled, except as specified.

[AB 2397](#) (Obernalte R) Health and human services: information sharing: administrative actions.

Current Text: Introduced: 2/14/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Status: 3/21/2018-From committee: Do pass and re-refer to Com. on HEALTH with recommendation: To Consent Calendar. (Ayes 7. Noes 0.) (March 20). Re-referred to Com. on HEALTH.

Summary: In order to protect the health and safety of persons receiving care or services from individuals or facilities licensed by the state or from individuals certified or approved by a foster family agency, authorizes the California Department of Aging, the State Department of Public Health, the State Department of Health Care Services, the State Department of Social Services, and the Emergency Medical Services Authority to share information with respect to applicants, licensees, certificate holders, or individuals who have been the subject of any administrative action, as defined, resulting in one of specified actions, including, among others, the denial of a license, permit, or certificate of approval. Existing law also authorizes, for the same purpose, the State Department of Social Services and county child welfare agencies to share those same types of information. This bill would instead require the above-described agencies to share the information relating to administrative actions under the 2 respective provisions.

[AB 2470](#) (Grayson D) Invasive species: Greenhouse Gas Reduction Fund.

Current Text: Introduced: 2/14/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Status: 3/19/2018-In committee: Hearing postponed by committee.

Summary: Would establish the Invasive Species Council of California, composed as prescribed, to help coordinate a comprehensive effort to exclude invasive species already established in the state. The bill would establish a California Invasive Species Advisory Committee to advise the council on a broad array of issues related to preventing the introduction of invasive species and providing for their control or eradication, as well as minimizing the economic, ecological, and human health impacts that invasive species cause. The bill would transfer \$10,000,000 from the Greenhouse Gas Reduction Fund to the Invasive Species Fund this bill would establish in the State Treasury.

[AB 2501](#) (Chu D) Drinking water: consolidation and extension of service.

Current Text: Introduced: 2/14/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Status: 3/8/2018-Referred to Com. on E.S. & T.M.

Summary: The California Safe Drinking Water Act authorizes the State Water Resources Control Board to order extension of service to an area within a disadvantaged community that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation of consolidation. The act defines "disadvantaged community" for these purposes to mean a disadvantaged community that is in an unincorporated area, is in a mobilehome park, or is served by a mutual water company or small public water system. This bill would redefine "small public water system" for these purposes as a system with 200 connections or less.

[AB 2516](#) (Eggman D) Dams: reservoir restrictions.

Current Text: Introduced: 2/14/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Status: 3/5/2018-Referred to Com. on W.,P., & W.

Summary: Would require the Department of Water Resources to post, and update quarterly, on its Internet Web site a report containing the name of each reservoir subject to a restriction, the effective date of the reservoir restriction, the reason for the restriction, and actions that would allow the restriction to be removed. The bill, if no reservoir restrictions are in effect, would require the department to post this fact on its Internet Web site.

[AB 2541](#) (Salas D) Safe Drinking Water State Revolving Fund: project financing: severely disadvantaged communities.

Current Text: Amended: 3/15/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Status: 3/19/2018-Re-referred to Com. on E.S. & T.M.

Summary: Current law authorizes the State Water Resources Control Board, to the extent permitted by federal law, to provide grant funding, and principal forgiveness and 0% financing on loans, from the Safe Drinking Water State Revolving Fund to a project for a water system with a service area that qualifies as a severely disadvantaged community if the water system demonstrates that repaying a Safe Drinking Water State Revolving Fund loan with interest would result in unaffordable water rates, as defined. This bill would instead authorize the board, to the extent permitted by federal law, to provide up to 100% grant funding, and principal forgiveness and 0% financing on loans, from the Safe Drinking Water State Revolving Fund to a project for a water system that serves a severely disadvantaged community.

[AB 2543](#) (Eggman D) State agencies: infrastructure project budget and schedule: Internet Web site information.

Current Text: Amended: 3/13/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Status: 3/21/2018-From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 0.) (March 21). Re-referred to Com. on APPR.

Summary: Would require each state agency or department authorized to undertake any infrastructure project costing \$100,000,000 or more to publicly post on its Internet Web site any change in the cost or schedule of the project that would result in the project exceeding its established budget by 10 percent or more or being delayed by 12 months or longer. The bill would require that the posted information describe how much the project is expected to exceed its established budget or delay its construction schedule.

[AB 2545](#) ([Gallagher R](#)) Department of Fish and Wildlife: lake or streambed alteration agreements: definitions.

Current Text: Introduced: 2/15/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Status: 3/5/2018-Referred to Com. on W.,P., & W.

Summary: Current law prohibits an entity from substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or from depositing certain material where it may pass into any river, stream, or lake, without first notifying the Department of Fish and Wildlife of that activity, and entering into a lake or streambed alteration agreement if required by the department to protect fish and wildlife resources. This bill would define "river" and "stream" for purposes of these provisions.

[AB 2649](#) ([Arambula D](#)) Water rights: temporary permit: high precipitation events.

Current Text: Amended: 3/22/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Status: 3/22/2018-Referred to Com. on W.,P., & W. From committee chair, with author's amendments: Amend, and re-refer to Com. on W.,P., & W. Read second time and amended.

Summary: Would require the board to prioritize a temporary permit for a project that enhances the ability of a local or state agency to capture high precipitation events for local storage or recharge, consistent with water rights priorities and protections for fish and wildlife. The bill would exempt temporary permits for these projects from the California Environmental Quality Act. The bill would require the board to set a reduced application fee for an applicant for a temporary permit for these projects.

[AB 2692](#) ([Arambula D](#)) Drinking water: infrastructure funding.

Current Text: Amended: 3/19/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Status: 3/20/2018-Re-referred to Com. on E.S. & T.M.

Summary: Would require the Treasurer to establish the California Safe Drinking Water Revolving Loan Program to provide loans to public water systems to address critical water infrastructure needs of those systems. The bill would establish the California Safe Drinking Water Revolving Loan Fund in the State Treasury and would require the Treasurer, upon appropriation by the Legislature, to expend moneys in the fund for the above purpose.

[AB 2695](#) ([Ting D](#)) Self-generation incentive program: energy storage systems.

Current Text: Amended: 3/22/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Status: 3/22/2018-Referred to Coms. on NAT. RES. and U. & E. From committee chair, with author's amendments: Amend, and re-refer to Com. on NAT. RES. Read second time and amended.

Summary: Current law requires the Public Utilities Commission to require the administration, until January 1, 2021, of a self-generation incentive program to increase the development of distributed generation resources and energy storage technologies. This bill would, beginning January 1, 2019, require the commission to reserve not less than 40% of self-generation incentive program energy storage funds for the 3 largest electrical corporations to develop, own, and operate energy storage system projects located within, and benefiting customers in, low-income communities, low-income households, or multifamily residences.

[AB 2809](#) ([Patterson R](#)) California Renewables Portfolio Standard Program: hydroelectric generation facilities.

Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Status: 3/8/2018-Referred to Coms. on U. & E. and NAT. RES.

Summary: Would revise the definition of an eligible renewable energy resource for the purposes of the California Renewables Portfolio Standard Program to include hydroelectric generation facilities of greater than 30 megawatts, as specified. The bill would also make conforming changes.

[AB 2812](#) ([Limón D](#)) Data storage and protection standards: local agencies.

Current Text: Amended: 3/23/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Status: 3/23/2018-From committee chair, with author's amendments: Amend, and re-refer to Com. on P. & C.P. Read second time and amended.

Summary: Would create the Office of Cloud Migration in the Department of Technology, contingent upon the appropriation of the necessary funds by the Legislature. The bill would require the office to promote cloud-based data storage as an efficient and cost-effective means of data storage and protection for local agencies and to assist local agencies in integrating cloud-based storage into their information technology systems and their technology recovery plans, as specified. The bill would require the office to operate in partnership with private industry and the nonprofit community to maximize the assistance provided to local agencies.

[AB 2814](#) (Gray D) California Renewables Portfolio Standard Program: hydroelectric generation facilities.

Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Status: 3/20/2018-In committee: Set, first hearing. Hearing canceled at the request of author.

Summary: Would revise the definition of an eligible renewable energy resource for the purposes of the California Renewables Portfolio Standard Program to include hydroelectric generation facilities of greater than 30 megawatts, as specified. The bill would also make conforming changes.

[AB 2815](#) (Gray D) Water rights: appropriations of water.

Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Status: 2/17/2018-From printer. May be heard in committee March 19.

Summary: Under current law, the State Water Resources Control Board administers a water rights program pursuant to which the state board grants permits and licenses to appropriate water. Current law requires the board to consider and act upon all applications for permits to appropriate water. Existing law provides that in relation to applications, permits, or licenses to appropriate water, the terms stream, lake or other body of water, or water refers only to surface water and to subterranean streams flowing through known and definite channels. This bill would make nonsubstantive changes in the latter provision.

[AB 2957](#) (Gallagher R) Water: community colleges: California Institute for Water Innovation and Technology: corporate income taxes: credit: water technology.

Current Text: Amended: 3/20/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Status: 3/21/2018-Re-referred to Com. on W.,P., & W.

Summary: Would, for each taxable year beginning on or after January 1, 2019, allow a credit against the taxes imposed by the Corporation Tax Law to qualified taxpayers, as defined, located in a water technology and innovation zone for qualified wages paid during the taxable year, as provided. This bill contains other existing laws.

[AB 2975](#) (Friedman D) Wild and scenic rivers.

Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Status: 3/8/2018-Referred to Com. on NAT. RES.

Summary: Would, if the federal government takes action to remove or delist any river or segment of a river in California that is included in the national wild and scenic rivers system and not in the state wild and scenic rivers system, or if the secretary determines that the federal government has exempted a river or segment of a river in California that is not in the state wild and scenic river system from the protection of certain federal provisions governing restrictions on water resources projects, require the secretary, after holding a public hearing on the issue, to take any necessary action to add the river or segment of a river to the state wild and scenic rivers system and to classify that river or segment of a river.

[AB 3009](#) (Quirk D) Hazardous materials: lead-based paint.

Current Text: Amended: 3/23/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Status: 3/23/2018-From committee chair, with author's amendments: Amend, and re-refer to Com. on E.S. & T.M. Read second time and amended.

Summary: Would impose an unspecified fee on manufacturers of paint, as defined, for each gallon of paint sold in the state. The bill would require the California Department of Tax and Fee Administration to collect the fees, as prescribed. The bill would, except as provided, require the collected fees be deposited into the Lead-Based Paint Cleanup Fund, which the bill would create in the State Treasury. The bill would require moneys in the fund, upon appropriation by the Legislature, to be expended by the Department of Toxic Substances Control to provide grants to cities and counties for the investigation, abatement, or removal of lead-based paint from residences within their respective

jurisdictions.

- [AB 3035](#) (Rubio D) Water supply.**
Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)
Introduced: 2/16/2018
Status: 2/17/2018-From printer. May be heard in committee March 19.
Summary: Current law authorizes local and regional public agencies that are authorized by law to serve water to the persons or entities within the service area of the agency to sell, lease, exchange, or otherwise transfer water for use outside the agency, as specified. Current law makes findings and declarations relating to local or regional level water management decisions. This bill would make a nonsubstantive change in the latter provision.
- [AB 3045](#) (Gallagher R) Natural Resources Agency: Division of Safety of Dams.**
Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)
Introduced: 2/16/2018
Status: 3/12/2018-Referred to Com. on W., P., & W.
Summary: Would establish within the Natural Resources Agency the Division of Safety of Dams. The bill would transfer authority over dams and reservoirs from the department to the division.
- [AB 3050](#) (Flora R) Government tort claims.**
Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)
Introduced: 2/16/2018
Status: 2/17/2018-From printer. May be heard in committee March 19.
Summary: The Government Claims Act establishes the liability and immunity of a public entity for its acts or omissions that cause harm to persons. Current law defines specified terms for purposes of the interpretation of provisions of that act. This bill would make nonsubstantive changes to one of those definitional provisions.
- [AB 3056](#) (Harper R) Desalinated water.**
Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)
Introduced: 2/16/2018
Status: 2/17/2018-From printer. May be heard in committee March 19.
Summary: The Cobey-Porter Saline Water Conversion Law declares that the growing water needs of the state require the development of cost-effective and efficient water supply technologies and that desalination technology is now feasible to help provide significant new water supplies from seawater, brackish water, and reclaimed water. This bill would declare the intent of the Legislature to enact subsequent legislation relating to desalination.
- [AB 3057](#) (Quirk-Silva D) Corporation taxes: exempt organizations: mutual ditch or irrigation companies.**
Current Text: Amended: 3/13/2018 [html](#) [pdf](#)
Introduced: 2/16/2018
Status: 3/14/2018-Re-referred to Com. on REV. & TAX.
Summary: The Corporation Tax Law, in modified conformity with federal income tax laws, exempts various types of organizations from taxes imposed by that law. This bill, in further conformity with federal income tax laws, for taxable years beginning on or after January 1, 2018, would exempt from the taxes imposed by the Corporation Tax Law a mutual ditch or irrigation company, as provided. This bill would make additional conforming changes.
- [AB 3062](#) (Harper R) Recycled water: recycling criteria.**
Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)
Introduced: 2/16/2018
Status: 2/17/2018-From printer. May be heard in committee March 19.
Summary: Current law, the Porter-Cologne Water Quality Control Act, requires the State Water Resources Control Board to establish uniform statewide recycling criteria for each varying type of use of recycled water if the use involves the protection of public health. The act defines recycling criteria to mean the levels of constituents of recycled water, and the means for assurance of reliability under the design concept that will result in recycled water that is safe for the uses to be made. This bill would make nonsubstantive changes to that definition.
- [AB 3084](#) (Levine D) Public employees: retirement systems: annual report.**
Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)
Introduced: 2/16/2018
Status: 3/12/2018-Referred to Com. on P.E., R., & S.S.
Summary: Would require each state and local public retirement system to, in its annual audited financial statements submitted to the Controller, in a form prescribed by the Controller, show that the retirement system has met or if it has not met, detail why it has not met and what the retirement system is doing to meet, specified parameters related to the provision of other postemployment

benefits.

[AB 3119](#) (Gonzalez Fletcher D) San Diego Unified Port District consolidation.

Current Text: Amended: 3/22/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Status: 3/22/2018-Referred to Com. on L. GOV. From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV. Read second time and amended.

Summary: Would enact the San Diego Unified Port Consolidation Act to consolidate the San Diego County Regional Airport Authority into the San Diego Unified Port District, and would specify that the port district is the successor to, and is vested with the powers, functions, and jurisdiction of the authority. The bill would provide that all title, ownership, and interests of the authority, including, but not limited to, the San Diego International Airport and its supporting facilities owned and held by the authority is vested in the port district.

[AB 3155](#) (Cooper D) Public works: definition.

Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Status: 3/12/2018-Referred to Com. on L. & E.

Summary: Current law defines the term "public works" for purposes of requirements regarding the payment of prevailing wages to include construction, alteration, demolition, installation, or repair work done under contract and paid for using public funds, except as specified. Current law makes a willful violation of laws relating to the payment of prevailing wages on public works a misdemeanor. This bill would expand the meaning of the term "public works" to include warranty work, and would include warranty work within the definition of "construction" as it is used to define "public works."

[AB 3170](#) (Friedman D) Sales and use taxes: exemptions: water efficiency.

Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Status: 3/12/2018-Referred to Com. on REV. & TAX.

Summary: Would exempt from sales and use taxes the gross receipts from the sale of, and the storage, use, or other consumption of, qualified water efficiency products sold or purchased during the 3-day period beginning at 12:01 a.m. on the Saturday preceding the last Monday in March, and ending at 11:59 p.m. on the following Monday in March, or for which a layaway agreement is entered into, a raincheck is issued, or other specified orders are placed, during this period, as specified.

[AB 3206](#) (Friedman D) Water conservation: water meters: accuracy and performance standards.

Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Status: 3/21/2018-In committee: Hearing postponed by committee.

Summary: Would require the State Energy Resources Conservation and Development Commission, on or before January 1, 2020, to adopt regulations setting standards for the accuracy of water meters purchased, repaired, or reconditioned on and after the effective date of those regulations, including water meters installed pursuant to the Water Measurement Law, as specified. The bill would allow a water purveyor to install a water meter possessed by that water purveyor before the effective date of the regulations for a time period deemed appropriate by the commission.

[AB 3211](#) (Kalra D) Advance health care directives.

Current Text: Amended: 3/22/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Status: 3/22/2018-Referred to Com. on JUD. From committee chair, with author's amendments: Amend, and re-refer to Com. on JUD. Read second time and amended.

Summary: The Health Care Decisions Law, among other things, establishes the requirements for executing a written advance health care directive that is legally sufficient to direct health care decisions. The law provides a form that may be used or modified to create an advance health care directive, and expressly does not require the use of the form. This bill would revise and recast the portion of the form relating to a person's gift of his or her organs, tissues, and parts.

[AB 3214](#) (Fong R) Water appropriations: permits.

Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Status: 2/17/2018-From printer. May be heard in committee March 19.

Summary: Under current law, the State Water Resources Control Board administers a water rights program pursuant to which the state board grants permits and licenses to appropriate water. Current law requires the board to consider and act upon all applications for permits to appropriate water. This bill would make a nonsubstantive change to those provisions.

[SB 5](#) (De León D) California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access

For All Act of 2018.

Current Text: Chaptered: 10/15/2017 [html](#) [pdf](#)

Chapter Number: 852

Introduced: 12/5/2016

Status: 10/15/2017-Approved by the Governor. Chaptered by Secretary of State. Chapter 852, Statutes of 2017.

Summary: Would enact the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$4,000,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program. The bill, upon voter approval, would reallocate \$100,000,000 of the unissued bonds authorized for the purposes of Propositions 1, 40, and 84 to finance the purposes of a drought, water, parks, climate, coastal protection, and outdoor access for all program.

[SB 49](#)

(De León D) California Environmental, Public Health, and Workers Defense Act of 2017.

Current Text: Amended: 9/12/2017 [html](#) [pdf](#)

Introduced: 12/5/2016

Status: 9/12/2017-From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.

Summary: Would require specified agencies to take prescribed actions to maintain and enforce certain requirements and standards pertaining to air, water, and protected species. By imposing new duties on local agencies, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

[SB 80](#)

(Wieckowski D) California Environmental Quality Act: notices.

Current Text: Vetoed: 10/16/2017 [html](#) [pdf](#)

Introduced: 1/11/2017

Status: 3/3/2018-Last day to consider Governor's veto pursuant to Joint Rule 58.5.

Summary: The California Environmental Quality Act requires the lead agency to mail certain notices to persons who have filed a written request for notices. The act provides that if the agency offers to provide the notices by email, upon filing a written request for notices, a person may request that the notices be provided to him or her by email. This bill would require the lead agency to post those notices on the agency's Internet Web site. The bill would require the agency to offer to provide those notices by email. Because this bill would increase the level of service provided by a local agency, this bill would impose a state-mandated local program.

[SB 100](#)

(De León D) California Renewables Portfolio Standard Program: emissions of greenhouse gases.

Current Text: Amended: 9/11/2017 [html](#) [pdf](#)

Introduced: 1/11/2017

Status: 9/11/2017-September 11 hearing postponed by committee. From committee with author's amendments. Read second time and amended. Re-referred to Com. on U. & E.

Summary: The Legislature has found and declared that its intent in implementing the California Renewables Portfolio Standard Program requires the PUC is to attain, among other targets for sale of eligible renewable resources, the target of 50% of total retail sales of electricity by December 31, 2030. This bill would revise the above-described legislative findings and declarations to state that the goal of the program is to achieve that 50% renewable resources target by December 31, 2026, and to achieve a 60% target by December 31, 2030.

[SB 107](#)

(Committee on Budget and Fiscal Review) Budget Act of 2016.

Current Text: Chaptered: 7/10/2017 [html](#) [pdf](#)

Chapter Number: 53

Introduced: 1/11/2017

Status: 7/10/2017-Approved by the Governor. Chaptered by Secretary of State. Chapter 53, Statutes of 2017.

Summary: The Budget Act of 2016 made appropriations for the support of state government for the 2016-17 fiscal year. This bill would amend the Budget Act of 2016 by amending items of appropriation. This bill contains other related provisions.

[SB 214](#)

(Atkins D) San Diego River Conservancy.

Current Text: Chaptered: 9/26/2017 [html](#) [pdf](#)

Chapter Number: 306

Introduced: 2/1/2017

Status: 9/26/2017-Approved by the Governor. Chaptered by Secretary of State. Chapter 306, Statutes of 2017.

Summary: The San Diego River Conservancy Act establishes the San Diego River Conservancy in the Natural Resources Agency, and prescribes the territory, membership, functions, and duties of the conservancy with regard to, among other things, the acquisition, protection, and management of public

lands within the San Diego River area, as defined. This bill would specify that the powers of the conservancy include improving, developing, and preserving lands for the purpose of protecting the natural, cultural, and historical resources, and entering into a joint powers agreement, as specified.

[SB 229](#) (Wieckowski D) Accessory dwelling units.

Current Text: Chaptered: 10/8/2017 [html](#) [pdf](#)

Chapter Number: 594

Introduced: 2/2/2017

Status: 10/8/2017-Approved by the Governor. Chaptered by Secretary of State. Chapter 594, Statutes of 2017.

Summary: Would authorize a local agency to provide by ordinance for the creation of accessory dwelling units in areas zoned to allow single-family or multifamily use. The bill would authorize the ordinance to prohibit the sale or other conveyance of the unit separate from the primary residence. The bill would extend the use of the maximum standards to a proposed accessory dwelling unit on a lot zoned for residential use that includes a proposed single-family dwelling.

[SB 231](#) (Hertzberg D) Local government: fees and charges.

Current Text: Chaptered: 10/6/2017 [html](#) [pdf](#)

Chapter Number: 536

Introduced: 2/2/2017

Status: 10/6/2017-Approved by the Governor. Chaptered by Secretary of State. Chapter 536, Statutes of 2017.

Summary: Articles XIIIC and XIIID of the California Constitution generally require that assessments, fees, and charges be submitted to property owners for approval or rejection after the provision of written notice and the holding of a public hearing. Current law, the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with Articles XIIIC and XIIID of the California Constitution and defines terms for these purposes. This bill would define the term "sewer" for these purposes. The bill would also make findings and declarations relating to the definition of the term "sewer" for these purposes.

[SB 252](#) (Dodd D) Water wells.

Current Text: Chaptered: 10/6/2017 [html](#) [pdf](#)

Chapter Number: 538

Introduced: 2/7/2017

Status: 10/6/2017-Approved by the Governor. Chaptered by Secretary of State. Chapter 538, Statutes of 2017.

Summary: Would, until January 30, 2020, require a city or county overlying a critically overdrafted basin, as defined, to request estimates of certain information from an applicant for a new well located within a critically overdrafted basin as part of an application for a well permit. The bill would require a city or county that receives an application for a well permit in a critically overdrafted basin to make the information about the new well included in the application for a well permit available to both the public and to groundwater sustainability agencies and easily accessible. The bill would authorize a city or county to issue a new well permit within a critically overdrafted basin when these requirements have been met.

[SB 371](#) (Moorlach R) Local public employee organizations.

Current Text: Amended: 4/17/2017 [html](#) [pdf](#)

Introduced: 2/14/2017

Status: 1/20/2018-Failed Deadline pursuant to Rule 61(b)(2). (Last location was P.E. & R. on 2/23/2017)

Summary: The Meyers-Milias-Brown Act requires the governing body of a local public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of a recognized employee organization. This bill would prohibit an individual who will be affected, directly or indirectly, by a memorandum of understanding between a local public agency and a recognized public employee organization from representing the public agency in negotiations with the recognized employee organization. The bill would define the phrases "indirectly affected" and "represent the public agency" for those purposes.

[SB 417](#) (Berryhill R) State Water Resources Control Board.

Current Text: Introduced: 2/15/2017 [html](#) [pdf](#)

Introduced: 2/15/2017

Status: 2/1/2018-Returned to Secretary of Senate pursuant to Joint Rule 56.

Summary: Current law declares that to provide for the orderly and efficient administration of the water resources in the state, it is necessary to establish the State Water Resources Control Board to exercise the adjudicatory and regulatory functions of the state in the field of water resources. Existing law declares the intent of the Legislature to combine the water rights, water quality, and drinking water functions of the state government to provide for coordinated consideration of water rights,

water quality, and safe and reliable drinking water. This bill would make nonsubstantive changes to these declarations.

[SB 427](#) (Leyva D) Public water systems: community water systems: lead user service lines.

Current Text: Chaptered: 9/12/2017 [html](#) [pdf](#)

Chapter Number: 238

Introduced: 2/15/2017

Status: 9/11/2017-Approved by the Governor. Chaptered by Secretary of State. Chapter 238, Statutes of 2017.

Summary: Current law requires, by July 1, 2018, a public water system to compile an inventory of known lead user service lines in use in its distribution system and identify areas that may have lead user service lines in use in its distribution system. This bill would apply the above-described provisions relating to lead user service lines to a community water system, instead of a public water system, and would require, by July 1, 2020, the community water system to provide a timeline for replacement of known lead user service lines in use in its distribution system to the State Water Resources Control Board.

[SB 448](#) (Wieckowski D) Local government: organization: districts.

Current Text: Chaptered: 9/27/2017 [html](#) [pdf](#)

Chapter Number: 334

Introduced: 2/15/2017

Status: 9/27/2017-Approved by the Governor. Chaptered by Secretary of State. Chapter 334, Statutes of 2017.

Summary: Current law requires a report of an audit of a special district's accounts and records made by a certified public accountant or public accountant to be filed with the Controller and the county auditor of the county in which the special district is located within 12 months of the end of the fiscal year or years under examination. This bill would instead require special districts defined by a specified provision to file those audit reports with the Controller and special districts defined by another specified provision to file those audit reports with the Controller and with the local agency formation commission of either the county in which the special district is located or, if the special district is located in 2 or more counties, with each local agency formation commission within each county in which the district is located.

[SB 473](#) (Hertzberg D) California Endangered Species Act.

Current Text: Amended: 9/5/2017 [html](#) [pdf](#)

Introduced: 2/16/2017

Status: 9/8/2017-Ordered to inactive file on request of Assembly Member Calderon.

Summary: The California Endangered Species Act, prohibits the taking of an endangered or threatened species, except in certain situations. The act also provides, until January 1, 2020, that the accidental take of candidate, threatened, or endangered species resulting from acts that occur on a farm or a ranch in the course of otherwise lawful routine and ongoing agricultural activities is not prohibited by the act. The act requires the Department of Fish and Wildlife to define "routine and agricultural activities" by regulation. This bill would also apply the take prohibition to public agencies.

[SB 496](#) (Cannella R) Indemnity: design professionals.

Current Text: Chaptered: 4/30/2017 [html](#) [pdf](#)

Chapter Number: 8

Introduced: 2/16/2017

Status: 4/28/2017-Approved by the Governor. Chaptered by Secretary of State. Chapter 8, Statutes of 2017.

Summary: Current law provides, with respect to contracts and amendments to contracts entered into on or after January 1, 2011, with a public agency, as defined, for design professional services, that all provisions, clauses, covenants, and agreements contained in, collateral to, or affecting these contracts or amendments to contracts that purport to require the design professional to defend the public agency under an indemnity agreement, including the duty and the cost to defend, are unenforceable, except for claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the design professional. This bill would instead make these provisions applicable to all contracts for design professional services entered into on or after January 1, 2018.

[SB 506](#) (Nielsen R) Department of Fish and Wildlife: lake or streambed alteration agreements: Internet Web site.

Current Text: Vetoed: 7/21/2017 [html](#) [pdf](#)

Introduced: 2/16/2017

Status: 2/4/2018-Last day to consider Governor's veto pursuant to Joint Rule 58.5.

Summary: Would require the Department of Fish and Wildlife, on or before December 31, 2018, and periodically thereafter, to upgrade the information on its Internet Web site regarding lake or streambed alteration agreements, to update its "Frequently Asked Questions" document and other

appropriate sources of information regarding the lake and streambed alteration program, and to provide guidance on its Internet Web site to facilitate members of the public in obtaining individualized guidance regarding the lake and streambed alteration program, as specified.

SB 541 (Allen D) Water: school facility water capture practices.

Current Text: Chaptered: 10/14/2017 [html](#) [pdf](#)

Chapter Number: 811

Introduced: 2/16/2017

Status: 10/14/2017-Approved by the Governor. Chaptered by Secretary of State. Chapter 811, Statutes of 2017.

Summary: Would require the State Water Resources Control Board, in consultation with the regional water quality control boards, and the Division of the State Architect within the Department of General Services to recommend best design and use practices for storm water and dry weather runoff capture practices, as defined, that can generally be applied to all new, reconstructed, or altered public schools, including school grounds. The bill would require the board to submit these recommendations to the Governor and the Legislature on or before January 1, 2019, and would require the board and the State Department of Education to post the recommendations on their respective Internet Web sites.

SB 564 (McGuire D) Joint powers authorities: Water Bill Savings Act.

Current Text: Chaptered: 10/2/2017 [html](#) [pdf](#)

Chapter Number: 430

Introduced: 2/17/2017

Status: 10/2/2017-Approved by the Governor. Chaptered by Secretary of State. Chapter 430, Statutes of 2017.

Summary: Would enact the Water Bill Savings Act, which would authorize a joint powers authority to provide funding for a customer of a local agency in the Counties of Alameda, Contra Costa, Los Angeles, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma or its publicly owned utility to acquire, install, or repair a water efficiency improvement on the customer's property served by the local agency or its publicly owned utility. The bill would require the customer to repay the authority through an efficiency charge on the customer's water bill to be established and collected by the local agency or its publicly owned utility on behalf of the authority pursuant to a servicing agreement.

SB 594 (Beall D) Flood risk: dam failure: expedited permit processing and approval: human life safety protection.

Current Text: Amended: 7/20/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 2/1/2018-Returned to Secretary of Senate pursuant to Joint Rule 56.

Summary: Would require a state agency to expedite permit processing and approval for a project that will maintain or improve human life safety protection through flood risk reduction or reduction of a risk of dam failure, as specified. This bill would declare that it is to take effect immediately as an urgency statute.

SB 606 (Skinner D) Water management planning.

Current Text: Amended: 9/6/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 9/13/2017-Assembly Rule 96 suspended. Withdrawn from committee. Ordered to third reading.

Summary: Current law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. Current law requires each urban retail water supplier to develop urban water use targets and an interim urban water use target, as specified. The bill would require an urban retail water supplier to calculate an urban water use objective no later than July 1, 2022, and by July 1 every year thereafter, and its actual urban water use by those same dates.

SB 615 (Hueso D) Salton Sea restoration.

Current Text: Chaptered: 10/15/2017 [html](#) [pdf](#)

Chapter Number: 859

Introduced: 2/17/2017

Status: 10/15/2017-Approved by the Governor. Chaptered by Secretary of State. Chapter 859, Statutes of 2017.

Summary: Would specify that any barrier in the Salton Sea within or below a certain elevation would not be considered a dam and would provide that the construction of facilities to separate fresh water from highly saline water for the purposes of implementing restoration activities pursuant to the act shall not be subject to review, approval, inspection, or fees associated with certain laws relating to dams and reservoirs. The bill would state various legislative findings and declarations relating to the Salton Sea, would name the state's comprehensive management plan for the Salton Sea the "John J. Benoit Salton Sea Restoration Plan."

[SB 623](#)

(Monning D) Water quality: Safe and Affordable Drinking Water Fund.

Current Text: Amended: 8/21/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 9/1/2017-From committee: Without recommendation. (Ayes 11. Noes 0.) (September 1) Referred to Com. on RLS.

Summary: Would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the State Water Resources Control Board. The bill would require the board to administer the fund to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure. The bill would authorize the state board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, bequests, and settlements from parties responsible for contamination of drinking water supplies.

[SB 667](#)

(Atkins D) Department of Water Resources: riverine and riparian stewardship improvements.

Current Text: Chaptered: 10/6/2017 [html](#) [pdf](#)

Chapter Number: 543

Introduced: 2/17/2017

Status: 10/6/2017-Approved by the Governor. Chaptered by Secretary of State. Chapter 543, Statutes of 2017.

Summary: Current law authorizes the Director of Water Resources to establish a program of flood control and urban creek restoration, known as the Urban Streams Restoration Program, consisting of the development of the capability by the Department of Water Resources to respond to requests from local agencies and organizations for planning and design assistance for efficient and effective urban creek protection, restoration, and enhancement. This bill, upon an appropriation of funds from the Legislature, would require the department to establish a program to implement watershed-based riverine and riparian stewardship improvements by providing technical and financial assistance in support of projects with certain benefits.

[SB 701](#)

(Hueso D) Salton Sea Obligations Act of 2018.

Current Text: Amended: 7/3/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 9/1/2017-September 1 hearing: Held in committee and under submission.

Summary: Would enact the Salton Sea Obligations Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$500,000,000 pursuant to the State General Obligation Bond Law to finance a program to comply with specified state obligations relating to the Salton Sea. This bill would provide for the submission of these provisions to the voters at the November 6, 2018, statewide general election.

[SB 740](#)

(Wiener D) Onsite treated water.

Current Text: Amended: 4/26/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 1/20/2018-Failed Deadline pursuant to Rule 61(b)(2). (Last location was APPR. SUSPENSE FILE on 5/25/2017)

Summary: Would, on or before December 1, 2018, require the State Water Resources Control Board, in consultation with other state agencies, to adopt regulations, consistent with federal and state law in effect on January 1, 2018, to provide comprehensive risk-based standards for local jurisdictions permitting programs for onsite recycling of water in multifamily residential, commercial, and mixed-use buildings for nonpotable use. The bill would require the regulations to address specified issues and practices relating to the management, monitoring, and treatment of recycled water for nonpotable use.

[SB 771](#)

(De León D) California Environmental Quality Act: continuing education: public employees.

Current Text: Amended: 7/18/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 9/13/2017-Ordered to inactive file on request of Assembly Member Calderon.

Summary: Would establish a continuing education requirement for employees of public agencies who have primary responsibility to administer the California Environmental Quality Act (CEQA, as specified). Because this bill would require a public agency to ensure that this continuing education requirement is met, this bill would impose a state-mandated local program.

[SB 778](#)

(Hertzberg D) Water systems: consolidations: administrative and managerial services.

Current Text: Amended: 7/13/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. on 8/23/2017) (May be acted upon Jan 2018)

Summary: Would require, on or before March 1, 2018, and regularly thereafter, as specified, the State Water Resources Control Board to track and publish on its Internet Web site an analysis of all voluntary and ordered consolidations of water systems that have occurred on or after July 1, 2014.

The bill would require the published information to include the resulting outcomes of the consolidations and whether the consolidations have succeeded or failed in providing an adequate supply of safe drinking water to the communities served by the consolidated water systems.

[SB 780](#)

(Wiener D) Water Conservation in Landscaping Act.

Current Text: Amended: 4/4/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Status: 1/20/2018-Failed Deadline pursuant to Rule 61(b)(2). (Last location was APPR. SUSPENSE FILE on 5/25/2017)

Summary: Would authorize the Department of Resources Recycling and Recovery to promote the application of compost in urban areas of the state to assist with projects that follow the watershed approach to landscaping and, in coordination with the Department of Water Resources, to develop and implement pilot projects that support the understanding and deployment of compost to meet specified goals. The bill would also require the State Energy Resources Conservation and Development Commission, in coordination with the State Air Resources Board, to develop a greenhouse gas emissions reduction factor for new climate appropriate landscapes, as provided.

[SB 831](#)

(Wieckowski D) Land use: accessory dwelling units.

Current Text: Amended: 3/13/2018 [html](#) [pdf](#)

Introduced: 1/4/2018

Status: 3/13/2018-From committee with author's amendments. Read second time and amended. Re-referred to Com. on T. & H.

Summary: The Planning and Zoning Law authorizes a local agency to provide by ordinance for the creation of accessory dwelling units in single-family and multifamily residential zones and sets forth standards the ordinance is required to impose, including, among others, maximum unit size, parking, and height standards. Current law authorizes a local agency, special district, or water corporation to require a new or separate utility connection between the accessory dwelling unit and the utility and authorizes a fee to be charged, except as specified. Current law requires a local agency to submit an ordinance adopted for the creation of accessory dwelling units to the Department of Housing and Community Development and authorizes the department to review and comment on the ordinance. This bill would delete the requirement that the area be zoned to allow single-family or multifamily use.

[SB 919](#)

(Dodd D) Water resources: stream gages.

Current Text: Amended: 3/15/2018 [html](#) [pdf](#)

Introduced: 1/22/2018

Status: 3/15/2018-Read second time and amended. Re-referred to Com. on APPR.

Summary: Would require the Department of Water Resources, upon appropriation by the Legislature, to develop a plan to deploy a network of stream gages that includes a determination of funding needs and opportunities for reactivating existing gages. The bill would require the department, in consultation with the board, the Department of Fish and Wildlife, the Central Valley Flood Protection Board, interested stakeholders, and, to the extent they wish to consult, local agencies, to develop the plan to address significant gaps in information necessary for water management.

[SB 952](#)

(Anderson R) Water conservation: local water supplies.

Current Text: Introduced: 1/30/2018 [html](#) [pdf](#)

Introduced: 1/30/2018

Status: 2/8/2018-Referred to Com. on RLS.

Summary: Would state the intent of the Legislature to enact legislation that would require the State Water Resources Control Board to recognize local water agency investment in water supply and will ensure that local agencies receive sufficient credit for these investments in meeting any water conservation or efficiency mandates.

[SB 966](#)

(Wiener D) Onsite treated nonpotable water systems.

Current Text: Amended: 3/21/2018 [html](#) [pdf](#)

Introduced: 1/31/2018

Status: 3/21/2018-From committee with author's amendments. Read second time and amended. Re-referred to Com. on EQ.

Summary: Would, on or before December 1, 2022, require the State Water Resources Control Board, in consultation with the California Building Standards Commission, to adopt regulations for risk-based water quality standards for the onsite treatment and reuse of nonpotable water, as provided. The bill would authorize the state board to contract with public or private entities regarding the content of the standards and would exempt those contracts from, among other provisions, review and approval of the Department of General Services.

[SB 979](#)

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

Current Text: Introduced: 2/1/2018 [html](#) [pdf](#)

Introduced: 2/1/2018

Status: 2/14/2018-Referred to Com. on RLS.

Summary: The Water Quality, Supply, and Infrastructure Improvement Act of 2014 provides that the sum of \$810,000,000 is to be available, upon appropriation by the Legislature, for expenditures on, and competitive grants and loans to, projects that are included in and implemented in an adopted integrated regional water management plan and respond to climate change and contribute to regional water security. The bond act requires \$200,000,000 of that amount to be available for grants for multibenefit stormwater management projects. This bill would make a nonsubstantive change in those grant provisions.

[SB 985](#) (Morrell R) California Renewables Portfolio Standard Program.

Current Text: Introduced: 2/5/2018 [html](#) [pdf](#)

Introduced: 2/5/2018

Status: 2/14/2018-Referred to Com. on RLS.

Summary: The California Renewables Portfolio Standard Program requires the Public Utilities Commission to direct each electrical corporation to annually prepare a renewable energy procurement plan to satisfy its procurement requirements pursuant to the program. To the extent feasible, the renewable energy procurement plan is to be proposed, reviewed, and adopted as part of, and pursuant to, the general procurement plan process. This bill would make a nonsubstantive revision to the provision that requires, to the extent feasible, that the renewable energy procurement plan be proposed, reviewed, and adopted as part of, and pursuant to, the general procurement plan process.

[SB 998](#) (Dodd D) Discontinuation of residential water service: urban and community water systems.

Current Text: Amended: 3/22/2018 [html](#) [pdf](#)

Introduced: 2/5/2018

Status: 3/22/2018-From committee with author's amendments. Read second time and amended. Re-referred to Com. on E., U. & C.

Summary: Would require an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, to have a written policy on discontinuation of water service to certain types of residences for nonpayment available in English, Spanish, or any other language spoken by at least 10% of the people residing in its service area. The bill would require the policy to include certain components, be available on the system's Internet Web site, and be provided to customers in writing, upon request.

[SB 1049](#) (Moorlach R) Public contracts: local public entities: project labor agreements.

Current Text: Introduced: 2/8/2018 [html](#) [pdf](#)

Introduced: 2/8/2018

Status: 2/22/2018-Referred to Com. on GOV. & F.

Summary: Current law sets forth the requirements for the solicitation and evaluation of bids and the awarding of contracts by public entities and requires a project labor agreement for a construction project used or entered into by a public entity, or required of contractors by the public entity, to include specified provisions. This bill would delete all of the specified prohibitions. This bill contains other current laws.

[SB 1052](#) (Bates R) California Environmental Quality Act: judicial challenge: identification of parties and contributors.

Current Text: Amended: 3/21/2018 [html](#) [pdf](#)

Introduced: 2/12/2018

Status: 3/21/2018-From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.

Summary: Would require a plaintiff or petitioner, in an action brought pursuant to CEQA, to disclose specified information regarding the plaintiff or petitioner in the complaint or petition, as specified. The bill would require disclosure of the identity of a person or entity that contributes in excess of \$100 dollars, as specified, toward the plaintiff's or petitioner's costs of an action. The bill would provide that a failure to provide this disclosure shall be grounds for dismissal of the action by the court or, if the failure occurs during a postjudgment proceeding, the denial of attorneys' fees for a successful plaintiff or petitioner.

[SB 1085](#) (Skinner D) Local public employee labor relations.

Current Text: Introduced: 2/12/2018 [html](#) [pdf](#)

Introduced: 2/12/2018

Status: 2/22/2018-Referred to Com. on RLS.

Summary: The Meyers-Milias-Brown Act authorizes local public employees, as defined, to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of labor relations. Current law also grants these public employees the right to refuse to join or participate in those activities and the right to represent themselves individually. Existing law permits employee organizations to establish reasonable membership restrictions to make reasonable provisions for the dismissal of individuals from membership. This bill would make nonsubstantive changes in these provisions.

- [SB 1140](#) (Berryhill R) State Water Resources Control Board.**
Current Text: Introduced: 2/13/2018 [html](#) [pdf](#)
Introduced: 2/13/2018
Status: 2/22/2018-Referred to Com. on RLS.
Summary: Current law declares that to provide for the orderly and efficient administration of the water resources in the state, it is necessary to establish the State Water Resources Control Board to exercise the adjudicatory and regulatory functions of the state in the field of water resources. Current law declares the intent of the Legislature to combine the water rights, water quality, and drinking water functions of the state government to provide for coordinated consideration of water rights, water quality, and safe and reliable drinking water. This bill would make nonsubstantive changes to these declarations.
- [SB 1167](#) (Anderson R) Eminent domain: final offer of compensation.**
Current Text: Introduced: 2/14/2018 [html](#) [pdf](#)
Introduced: 2/14/2018
Status: 2/22/2018-Referred to Com. on JUD.
Summary: Would provide that if a court finds, on motion of the defendant, that the offer of the plaintiff was lower than 85% of the compensation awarded in the proceeding, then the court would be required to include the defendant's litigation costs in the costs allowed. If the court finds that the offer of the plaintiff was at least 85% and less than 100% of the compensation awarded in the proceeding, the court would be authorized to include the defendant's litigation costs in the costs allowed.
- [SB 1215](#) (Hertzberg D) Drinking water systems and sewer systems: consolidation and extension of service.**
Current Text: Introduced: 2/15/2018 [html](#) [pdf](#)
Introduced: 2/15/2018
Status: 3/20/2018-Set for hearing April 4. April 4 set for first hearing canceled at the request of author.
Summary: Current law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. This bill would also authorize the state board to set timeline and performance measures to facilitate completion of extension of service of drinking water. This bill contains other related provisions and other current laws.
- [SB 1277](#) (Hueso D) Salton Sea: governance.**
Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)
Introduced: 2/16/2018
Status: 3/1/2018-Referred to Com. on RLS.
Summary: Would state the intent of the Legislature to enact legislation that would create a governance and administrative structure to manage the day-to-day implementation of the Salton Sea Management Program.
- [SB 1334](#) (Wilk R) Joint powers agreements.**
Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)
Introduced: 2/16/2018
Status: 3/1/2018-Referred to Com. on RLS.
Summary: Current law, the Joint Exercise of Powers Act, defines "public agency" for purposes of that act to include, among others, state and local agencies, the federal government, or any federal department or agency. This bill would make a nonsubstantive change to these provisions.
- [SB 1343](#) (Mitchell D) Employers: sexual harassment training: requirements.**
Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)
Introduced: 2/16/2018
Status: 3/16/2018-Set for hearing April 11.
Summary: Would require an employer who employs 5 or more employees to provide at least 2 hours of sexual harassment training to all employees by January 1, 2020, and once every 2 years after that, as specified. The bill would require the Department of Fair Employment and Housing to develop a 2-hour video training course on the prevention of sexual harassment in the workplace and to post it on the department's Internet Web site.
- [SB 1347](#) (Stern D) California Renewables Portfolio Standard Program.**
Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)
Introduced: 2/16/2018
Status: 3/1/2018-Referred to Com. on RLS.
Summary: Current law establishes California Renewables Portfolio Standards Program, which establishes a target of 50% for the annual amount of electricity generated and sold to customers by retail sellers of electricity from renewable energy resources at by December 31, 2030, and establishes

various interim targets. Current law makes various legislative findings and declarations regarding the program. This bill would make a nonsubstantive change to those legislative findings and declarations.

[SB 1364](#) (Vidak R) Safe, Clean, Reliable Water Supply Act.

Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Status: 3/8/2018-Referred to Com. on RLS.

Summary: Current law, the Safe, Clean, Reliable Water Supply Act, approved by the voters as Proposition 204 at the November 5, 1996, statewide general election, authorizes the issuance of general obligation bonds in the amount of \$995,000,000 for the purposes of financing a safe, clean, reliable water supply program. The bond act states various legislative findings and declarations. This bill would make a nonsubstantive change in those findings and declarations.

[SB 1367](#) (Atkins D) San Diego River Conservancy: San Diego Rivers Watershed Consortium Program.

Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Status: 3/8/2018-Referred to Com. on N.R. & W.

Summary: Would require the San Diego River Conservancy to establish the San Diego Rivers Watershed Consortium Program to create advisory bodies to work cooperatively with local public agencies and other entities to identify potential project funding, including grant funding, to be used to restore and enhance natural, historical, cultural, educational, and recreational resources along the San Diego River and its watersheds.

[SB 1399](#) (Wiener D) Renewable energy: shared renewable energy tariffs.

Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Status: 3/8/2018-Referred to Com. on E., U. & C.

Summary: Would require the Public Utilities Commission to require each large electrical corporation to establish a tariff or tariffs that provide for bill credits for electricity generated by eligible renewable generating facilities and exported to the electrical grid to be credited to electrical accounts of nonresidential customers of the corporations. The bill would require the commission to ensure that the credit reflects the full value of the electricity from the eligible renewable generating facilities and the credit is established using the same methodology that is used to determine credits under the standard contract or tariff for eligible customer-generators.

[SB 1422](#) (Portantino D) Water quality: plastic and human health.

Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Status: 3/8/2018-Referred to Com. on RLS.

Summary: Would declare the intent of the Legislature to enact legislation relating to levels of plastic that are found in water and the impacts of those levels on human health.

[SB 1438](#) (Hueso D) Tijuana River.

Current Text: Introduced: 2/16/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Status: 3/8/2018-Referred to Com. on RLS.

Summary: Would state the intent of the Legislature to enact legislation to undertake the development of instream or offline structures to temporarily or permanently intercept and divert sewage, solid waste, or sediment from the Tijuana River main channel or tributary canyons, as specified.

[SCA 4](#) (Hertzberg D) Water conservation.

Current Text: Introduced: 2/2/2017 [html](#) [pdf](#)

Introduced: 2/2/2017

Status: 2/16/2017-Referred to Com. on RLS.

Summary: The California Constitution requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable and that the waste or unreasonable use or unreasonable method of use of water be prevented. This measure would declare the intent of the Legislature to amend the California Constitution to provide a program that would ensure that affordable water is available to all Californians and to ensure that water conservation is given a permanent role in California's future.

Total Measures: 146

Total Tracking Forms: 20

ADMINISTRATIVE AND FINANCE COMMITTEE

AGENDA FOR

APRIL 12, 2018

Elsa Saxod – Chair
Gary Arant – Vice Chair
Doug Wilson – Vice Chair
Jimmy Ayala
David Cherashore
Gary Croucher
Ed Gallo

Christy Guerin
Matt Hall
Kathleen Coates Hedberg
Tony Heinrichs
Jim Murtland
John Simpson
Ron Watkins

1. Roll call – determination of quorum.
2. Additions to agenda (Government Code Section 54954.2(b)).
3. Public comment – opportunities for members of the public to address the Committee on matters within the Committee’s jurisdiction.
4. Chair’s Report.
4-A Directors’ comments.

I. CONSENT CALENDAR

II. ACTION/DISCUSSION/PRESENTATION

1. Employee Growth and Development Program Update.
(Presentation)

Jim Fisher /
Kimberlyn Velasquez

III. INFORMATION

1. Controller’s Report on Monthly Financial Activity.
2. Board calendar.

Chris Woidzik



IV CLOSED SESSION

V. ADJOURNMENT

Melinda Nelson
Clerk of the Board

NOTE: This meeting is called as an Administrative and Finance Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Recodified). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.



April 4, 2018

Attention: Administrative and Finance Committee

Employee Growth and Development Program Update. (Presentation)

Purpose

This presentation provides an update on the Water Authority's Employee Growth and Development Program.

Discussion

The Water Authority's Employee Growth and Development Program seeks to create a culture that fosters employee professional growth, provides unique work opportunities, and encourages employees to reach their full potential. The Water Authority implemented the program in January 2017. Program activities include group discussions and workshops, cross-training, a mentor program, and a newsletter.

This presentation will provide an overview of the Employee Growth and Development Program, the activities carried out over its first year of implementation, and future plans for the program.

Prepared by: Kimberlyn Velasquez, Assistant Water Resources Specialist

Reviewed by: James E. Fisher, Director of Operations and Maintenance

Approved by: Dan Denham, Assistant General Manager



April 4, 2018

Attention: Administrative and Finance Committee

Controller's Report on Monthly Financial Activity. (Information)

Purpose

The purpose of the Controller's Report is to provide summarized financial information on a monthly basis to the Board of Directors.

Financial Information

Attached for review by the Administrative and Finance Committee and the Board of Directors are the following financial documents comprising the Controller's Report:

1. Water Sales Volumes, in acre-feet
2. Water Sales Revenues, in millions
3. Water Purchases and Treatment Costs, in millions
4. Budget Status Report
5. Schedule of Cash and Investments

The Budget Status Report (Attachment 4) compares actual revenues and expenses, on a budgetary basis, for the eight-month period of July 1, 2017 through February 28, 2018, to the period-to-date adopted budget. Budgeted amounts for the eight-month period are presented on a straight-line basis unless noted herein. Water sales and purchases are budgeted based on projected monthly volume in acre-feet. Period-to-date budgeted revenue categories were all adjusted to reflect the expected timing of receipt. In addition, certain period-to-date budgeted expense categories were adjusted for periodic items and include the following: Debt Service, QSA Mitigation, and annual insurance premiums and contributions to the Six Agency Committee Fund that are included in the Administrative Services and Colorado River Program operating budgets, respectively.

Net Revenue after CIP

The Water Authority adopted a two-year budget covering Fiscal Years 2018 and 2019. Through February 2018 it is eight months into Fiscal Year 2018 and net revenues are in excess of expenses by \$23.3 million. However, timing is a big factor contributing to this variance as revenues and expenses can be delayed or accelerated due to timing of events. This is readily apparent with revenues related to grants and property taxes, and expenses related to CIP and Operating Department operations. Sixteen months remain in the adopted two-year budget and the current favorable variance is expected to reduce over time. Any excess amounts have been added to reserves.

Net Water Sales Revenue

Net Water Sales Revenue is the Water Authority's principal source of revenue and is the difference between the sale of water and the cost of that water. Sales include revenues from:

Variable Commodity Charges

1. Supply
2. Treatment
3. Transportation

Fixed Charges

1. Customer Service
2. Energy Storage
3. Infrastructure Charge
4. Supply Reliability

Cost of water includes payments to three water suppliers:

1. Metropolitan Water District (MWD)
2. Imperial Irrigation District (IID)
3. Poseidon Resources (Channelside) LP

Net Water Sales Revenue was \$101.2 million, or 6 percent higher than the budgeted amount of \$95.5 million. Water Purchase and Treatment Costs were below anticipated amounts due to lower than projected water sales as well as reduced purchases from the Claude "Bud" Lewis Carlsbad Desalination Plant resulting from unanticipated plant downtime for repairs. Detailed information relating to Net Water Sales Revenue is described below and shown on Attachments 1, 2, and 3.

Total acre-feet (AF) of water sold was budgeted to be 288,214 AF. Actual water sales volume was 271,036 AF, 17,178 AF or 6 percent lower than budgeted (Attachment 1). Total Water Sales Revenue was \$397.0 million, \$24.3 million or 6 percent lower than the budgeted amount of \$421.3 million (Attachment 2). While water sales continue to trend toward projections, lower water sales can be attributed to two primary factors: 1) the commencement of deliveries through the Indian Water Authority to Vista and Escondido that directly offset budgeted sales to those agencies and 2) greater than projected member agency use of local surface water supplies.

Total Water Purchases and Treatment costs were budgeted at \$325.9 million. Actual costs were \$295.8 million, \$30.1 million or 9 percent lower than budgeted (Attachment 3). With actual sales trending toward projections, the primary driver for the variance is the shutdown that occurred at the Plant late last summer due to a mechanical coupling failure. The Plant was shut down for approximately 53 days during the first six months of the fiscal year. This resulted in replacement water purchases from MWD. In addition, when the Plant is not producing at levels required by the Water Purchase Agreement, Poseidon is obligated to make a shortfall payment. This amount is recorded as Other Income in the financial statements. A provision does exist in the Water Purchase Agreement that allows Poseidon to make up for shortfalls within the fiscal year. It is not anticipated the cumulative shortfall amount will be fully cured by fiscal year end.

Additionally, this cost category included \$46.1 million for 71,666 AF of water purchased from IID, and \$58.1 million for MWD's conveyance charges related to IID, Coachella Canal and All-American Canal water. Also reflected in actual costs were water purchases from Poseidon Resources (Channelside) LP of approximately \$61.0 million.

Revenues and Other Income

As shown in Attachment 4, total Revenues and Other Income were budgeted at \$65.8 million for the eight-month period ended February 28, 2018. Actual revenues were \$76.1 million, \$10.3 million higher than budgeted.

Categories of revenues in which actual revenues were materially higher than the eight-month period-to-date budget included the following:

Capacity Charges - \$5.6 million or 67% higher than period-to-date budget. The significant increase in Capacity Charges was due a greater number of permits issued than anticipated because of several major housing developments in San Diego, Santee, and Escondido. Due to high housing demand, construction is expected to continue throughout the current year. For the fiscal year to date, the top three largest capacity charges revenue amounts received were from the following member agencies: City of San Diego at \$5.4 million, Padre Dam Municipal Water District at \$1.5 million, and City of Escondido at \$1.1 million.

Other Income - \$3.3 million more than period-to-date budget primarily due to an insurance refund received from Liberty Mutual for the Emergency and Carryover Storage Project of \$0.9 million, shortfall revenue related to the Claude “Bud” Lewis Carlsbad Desalination Plant of \$1.4 million, and \$1.2 million of miscellaneous revenue reimbursements received.

Property Taxes and In-Lieu Charges - \$1.1 million higher than period-to-date budget due to increased property values, as well as the temporary effect from prepayment of the second installment of property taxes due in April 2018 being paid in December 2017 resulting from the newly enacted 2018 tax reform law effective on January 1, 2018.

Grant Reimbursements - \$0.9 million more than budgeted due to the timing of reimbursements received for Integrated Regional Water Management Program (IRWMP). A minimal amount of grant revenues is retained by the Water Authority as grant administrator and the remainder is a pass-through to local project sponsors.

Categories of revenues in which actual revenues were less than the eight-month period-to-date budget included the following:

Contributions in Aid of Capital Improvement Program (CIAC) - \$1.0 million lower than period-to-date budget as there has been no corresponding revenues this year. CIAC is tied to grants or reimbursements from member agencies on projects benefitting them and these have been affected due to timing.

Build America Bonds Subsidy – \$.5 million lower than period-to-date budget due to reduction in the annual subsidy sequestration rate by Congress that was not available at the time the budget was adopted. The Water Authority continues to receive semi-annual subsidy payments from the United States Treasury equal to 35 percent of interest payable on Series 2010B Bonds.

Expenses

As shown in Attachment 4, total Expenses were budgeted at \$125.6 million for the eight-month period ended February 28, 2018. Actual expenses were \$116.3 million, \$9.3 million lower than budgeted. Material variances are explained as follows.

Operating Departments - \$7.2 million below period-to-date budget. Roughly half this variance is the result from vacant staff positions currently being recruited which have caused both salary and benefit expenses to be below budget. The other material difference is attributable to lower professional and technical services costs due to timing of projects.

Grant Expenses - \$1.3 million lower than period-to-date budget resulting from the timing delay in expense recognition of the pass-through IRWMP grants. The majority of the expenses are offset with corresponding grant revenues.

Equipment Replacement - \$0.7 million below period-to-date budget due to timing of purchases. Budget assumes a straight-line level of purchases but timing of purchases is more complex due to the nature of the items being acquired resulting in temporary variances.

CIP Expenses

Attachment 4 shows CIP Expenses were budgeted at \$39.1 million. Actual expenses were \$37.7 million, \$1.4 million lower than the budgeted amount. This variance was attributed to the timing of project starts and payments of expenses based on contractor submission of invoices. Thus far 65% of CIP project expenses have been paid with the remainder to be paid according to remaining project timelines through the end of the fiscal year. Fiscal Years 2018 and 2019 expenses are funded through the Pay-As-You-Go Fund.

Cash and Investments

As of February 28, 2018 and January 31, 2018, the overall balance in the Water Authority's cash and investments was \$401.6 million and \$398.7 million, respectively (Attachment 5). As of February 28, 2018, the cash and investments balance was approximately 63 percent unrestricted funds with the remaining 37 percent of funds restricted for specific purposes. To maximize investment returns, the Water Authority Treasurer pools the cash of the Pay-As-You-Go Fund with total unrestricted funds. For additional information on cash positions and purposes, see Schedule of Cash and Investments (Attachment 5).

Prepared by: Jocelyn Matsuo, Senior Accountant

Reviewed by: Christopher W. Woidzik, Controller

Approved by: Lisa Marie Harris, Director of Finance/Treasurer

Attachments:

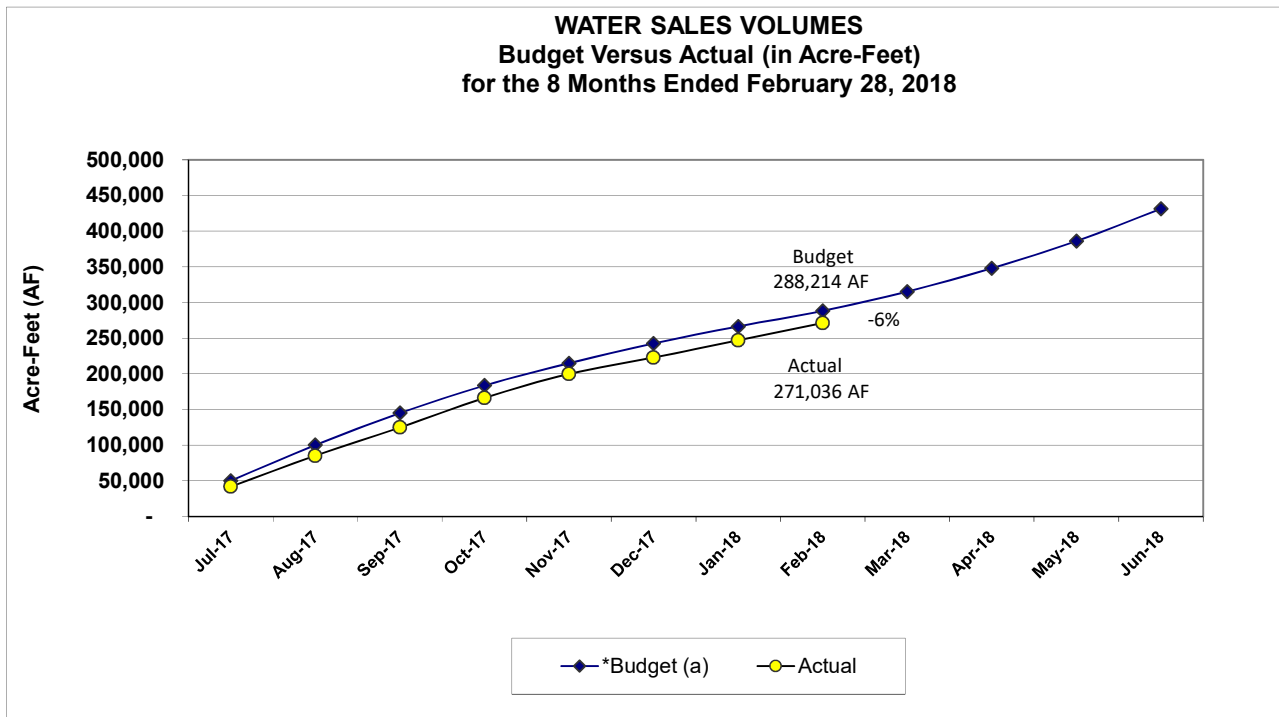
Attachment 1 – Water Sales Volumes

Attachment 2 – Water Sales Revenues

Attachment 3 – Water Purchases and Treatment Costs

Attachment 4 – Budget Status Report

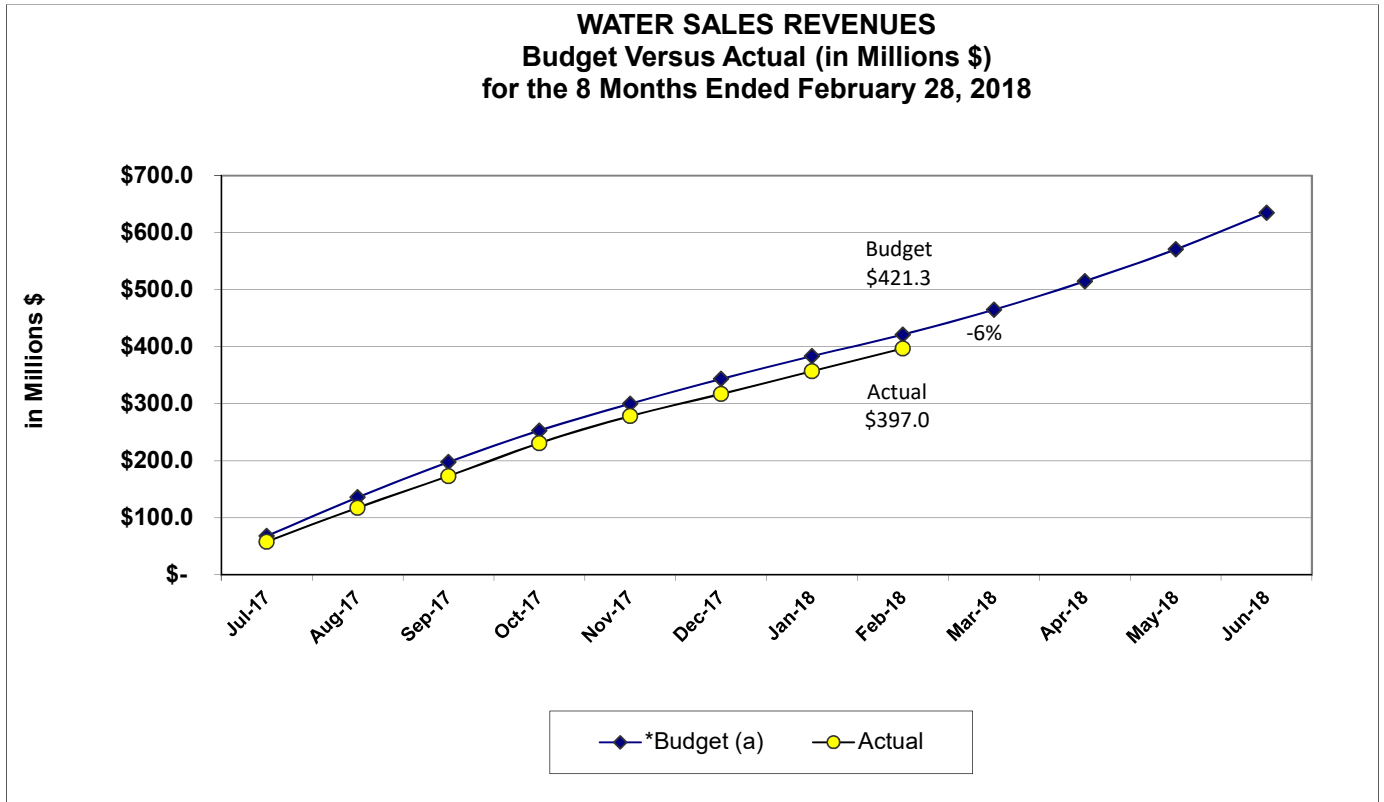
Attachment 5 – Schedule of Cash and Investments



*Budgeted amounts are based on the Adopted Multi-Year Budget for Fiscal Years 2018 and 2019.

Fiscal Year 2018 Cumulative Water Sales (AF)

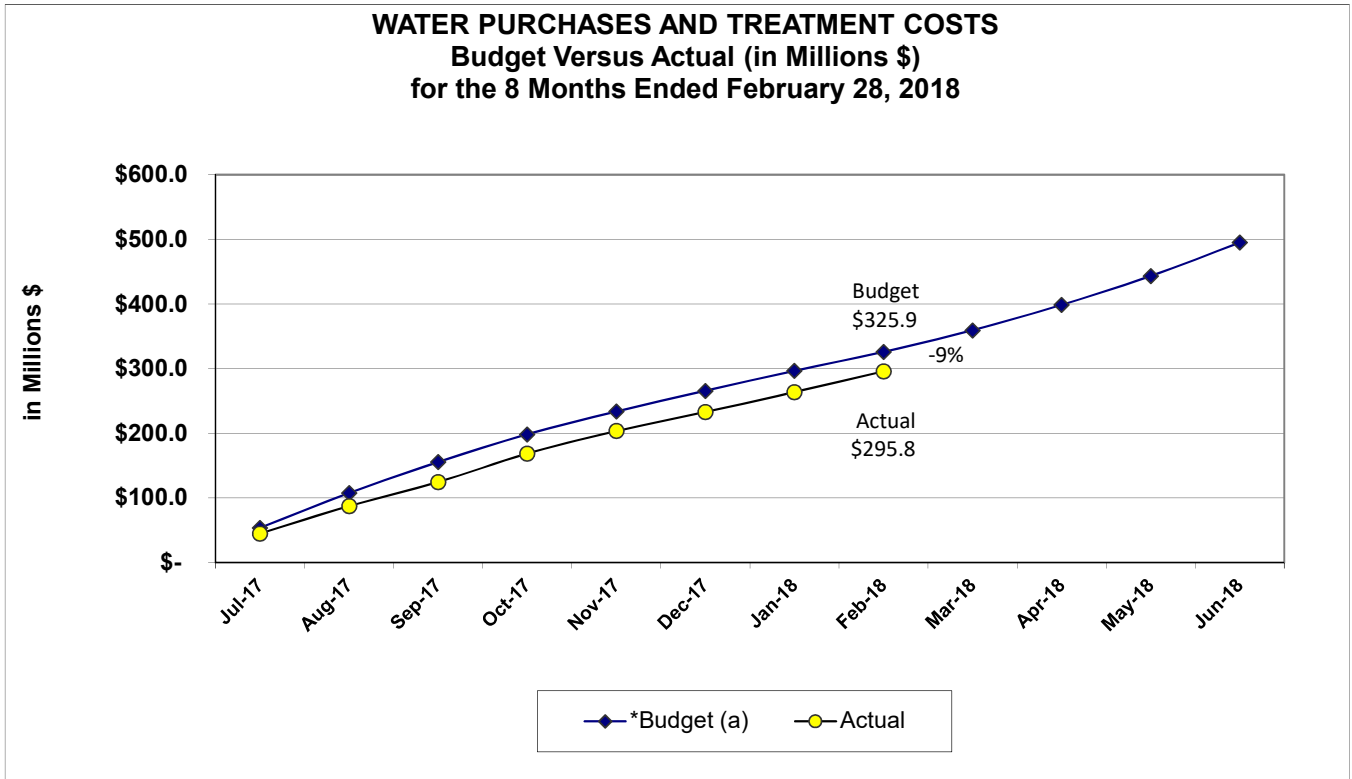
Months	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
*Budget (a)	50,172	100,133	144,944	183,572	214,851	242,655	266,443	288,214	315,331	348,044	386,055	431,353
Actual	41,812	85,217	124,748	166,200	199,748	222,937	247,082	271,036	271,036	271,036	271,036	271,036
AF Difference (b)	(8,360)	(14,916)	(20,196)	(17,372)	(15,103)	(19,718)	(19,361)	(17,178)				
Cum. Actual AF												
% Difference (b/a)	-17%	-15%	-14%	-9%	-7%	-8%	-7%	-6%				



*Budgeted amounts are based on the Adopted Multi-Year Budget for Fiscal Years 2018 and 2019.

Fiscal Year 2018 Cumulative Water Sales (in Millions \$)

Months	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
*Budget (a)	\$ 68.0	\$ 135.9	\$ 197.7	\$ 253.0	\$ 300.1	\$ 343.5	\$ 383.5	\$ 421.3	\$ 464.8	\$ 514.8	\$ 570.7	\$ 635.1
Actual	58.2	117.8	173.2	230.9	278.4	317.1	357.1	397.0	-	-	-	-
Difference (b)	\$ (9.8)	\$ (18.1)	\$ (24.5)	\$ (22.1)	\$ (21.7)	\$ (26.4)	\$ (26.4)	\$ (24.3)				
Cum. Actual												
% Difference (b/a)	-14%	-13%	-12%	-9%	-7%	-8%	-7%	-6%				



*Budgeted amounts are based on the Adopted Multi-Year Budget for Fiscal Years 2018 and 2019.

Fiscal Year 2018 Cumulative Cost of Water Purchases and Treatment (in Millions \$)

Months	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
*Budget (a)	\$ 53.9	\$ 107.6	\$ 155.6	\$ 198.5	\$ 233.8	\$ 265.8	\$ 296.6	\$ 325.9	\$ 359.4	\$ 398.8	\$ 443.1	\$ 495.1
Actual	44.9	87.4	124.7	168.6	203.6	232.9	263.8	295.8	-	-	-	-
Difference (b)	\$ (9.0)	\$ (20.2)	\$ (30.9)	\$ (29.9)	\$ (30.2)	\$ (32.9)	\$ (32.8)	\$ (30.1)				
Cum. Actual												
% Difference (b/a)	-17%	-19%	-20%	-15%	-13%	-12%	-11%	-9%				

**San Diego County Water Authority
Fiscal Year 2018 Budget Status Report
For the 8 Months Ended February 28, 2018**

[A]	[B] = [A * 67%]	[C]	Revenues = [-B + C] Expenditures = [B - C]	[C / A]	
FY 2018 (8 months - 67%)					
FY 2018 Adopted Budget	8 Months (67%) Period-to-Date Adopted Budget (a)	8 Months Period-to-Date Actual	Variance Positive (Negative)	Actual to FY 2018 Adopted Budget	
Net Water Sales Revenue					
Water Sales	\$ 635,069,193	\$ 421,328,000 (b)	\$ 396,960,246	\$ (24,367,754)	63%
Water Purchases & Treatment	495,079,731	325,857,426 (b)	295,766,980	30,090,446	60%
Total Net Water Sales Revenue	139,989,462	95,470,574	101,193,266	5,722,692	72%
Revenues and Other Income					
Infrastructure Access Charges	32,477,000	21,636,328 (l)	21,431,618	(204,710)	66%
Property Taxes and In-Lieu Charges	12,555,000 (c)	7,854,366 (l)	8,977,440	1,123,074	72%
Investment Income	5,175,000 (d)	2,587,372 (l)	3,034,012	446,640	59%
Hydroelectric Revenue	3,535,000 (e)	2,115,696 (l)	2,349,827	234,131	66%
Grant Reimbursements	15,470,000	7,735,000 (l)	8,628,643	893,643	56%
Build America Bonds Subsidy	11,303,000	7,535,305 (l)	7,026,673 (m)	(508,632)	62%
Other Income	489,000	244,382 (l)	3,545,573	3,301,191	725%
Capital Contributions:					
Capacity Charges	16,629,000 (f)	8,314,380 (l)	13,942,437	5,628,057	84%
Water Standby Availability Charges	11,114,000 (g)	6,779,540 (l)	7,198,861	419,321	65%
Contributions in Aid of Capital Improvement Program (CIAC)	1,570,000 (h)	1,046,504 (l)	-	(1,046,504)	0%
Total Revenues and Other Income	110,317,000	65,848,873	76,135,084	10,286,211	69%
Total Revenues	250,306,462	161,319,447	177,328,350	16,008,903	71%
Expenses					
Debt Service	138,577,000 (i)	68,336,126 (l)	68,336,126	-	49%
QSA Mitigation	10,165,000 (j)	10,164,814 (l)	10,164,814	-	100%
Equipment Replacement	2,292,000	1,535,640	844,104	691,536	37%
Grant Expenses	15,720,000	10,532,400	9,186,040	1,346,360	58%
Other Expenses	500,000	335,000	208,029	126,971	42%
Operating Departments (see below)	51,370,917 (k)	34,717,786	27,539,230	7,178,556	54%
Total Expenses	218,624,917	125,621,766	116,278,343	9,343,423	53%
Net Revenues Before CIP	\$ 31,681,545	\$ 35,697,681	\$ 61,050,007	\$ 25,352,326	193%
CIP Expenses	\$ 58,323,000	\$ 39,076,410	\$ 37,720,944	\$ 1,355,466	65%
(CIP Expenses are all funded by Pay-As-You-Go Fund)					
Net Revenues After CIP			\$ 23,329,063		
Operating Departments Detail					
Administrative Services	\$ 5,843,546	\$ 4,132,001 (l)	\$ 3,373,003	\$ 758,998	58%
Colorado River Program	1,669,583	1,201,067 (l)	855,607	345,460	51%
Engineering	3,532,727	2,366,927	2,027,778	339,149	57%
Finance	2,437,485	1,633,115	1,418,451	214,664	58%
General Counsel	3,480,151	2,331,701	1,578,391	753,310	45%
General Manager & Board of Directors	4,877,034	3,267,613	2,518,167	749,446	52%
MWD Program	2,238,155	1,499,564	1,363,977	135,587	61%
Operations & Maintenance	19,642,917	13,160,754	10,332,561	2,828,193	53%
Public Outreach and Conservation	3,882,715	2,601,419	2,003,793	597,626	52%
Water Resources	3,766,604	2,523,625	2,067,502	456,123	55%
Total Operating Departments	\$ 51,370,917	\$ 34,717,786	\$ 27,539,230	\$ 7,178,556	54%

**San Diego County Water Authority
Fiscal Year 2018 Budget Status Report
For the 8 Months Ended February 28, 2018**

Notes to the Budget Status Report:

- a) Period-to-date budgeted amounts are 8/12ths (67%) of Fiscal Year 2018 adopted budget unless noted.
- b) Water sales and water purchases period-to-date budgeted amounts are based on projected acre-feet calculated per month.
- c) Property taxes are primarily received in December and April. In-lieu charges in the amount of \$559,402 for Fiscal Year 2018 are received quarterly from the City of San Diego.
- d) Investment income excludes unrealized gains/losses, which are non-cash transactions.
- e) Hydroelectric revenue budget amount includes Rancho Penasquitos Pressure Control and Hydroelectric Facility (Rancho Hydro) and Lake Hodges Pumped Storage Facility (Hodges Hydro). Power generating from both locations are sold to San Diego Gas and Electric.
- f) Capacity charges are primarily received in July, October, January and April, after the quarterly period ends, and accrued revenue are recorded for the quarter ending June.
- g) Water standby availability charges are primarily received in January and May.
- h) Contributions in aid of capital improvement program include planned reimbursements for miscellaneous projects.
- i) Bonds and Certificates of Participation debt service payments are due semi-annually on November 1 and May 1. Pipeline Bonds, Series 2012 debt service payments are due semi-annually on July 1 and January 1. Debt Service includes principal, interest expense, and debt service fees. Amortization expense relating to long-term debt, such as discounts, premiums, and deferred loss on refunding are excluded because they are non-cash transactions.
- j) The QSA mitigation payments includes: QSA JPA Fiscal Year 2018 contributions of \$1,850,000 is due in July 2017 and \$8,314,814 is due in December 2017; QSA JPA Fiscal Year 2019 contributions of \$1,750,000 is due in July 2018 and \$6,914,667 is due in December 2018.
- k) Amounts include capital equipment purchases included in the project budget and not funded through the Equipment Replacement Fund.
- l) Period-to-date budgeted amounts adjusted based on items occurring on a periodic basis.
- m) The semi-annual subsidy payments from the United States Treasury equal to 35 percent of the interest payable on the Series 2010B Bonds were reduced under Congressionally-mandated sequestration by \$389,952 in October 2017 with an additional \$372,998 expected in April 2018.

**San Diego County Water Authority
Schedule of Cash and Investments
As of February 28, and January 31, 2018**

	<u>February</u>	<u>January</u>	<u>Target</u>
Operating Fund	\$ 116,996,424	\$ 107,012,809	\$ 83,337,000
Stored Water Fund	-	-	
Equipment Replacement Fund	77,704	116,362	
Rate Stabilization Fund	135,939,577	135,897,784	\$ 97,400,000
Total Unrestricted Funds (1)	63% <u>253,013,705</u>	61% <u>243,026,955</u>	
Pay-As-You-Go Fund	126,003,960	133,075,083	
Debt Service Reserve Funds	22,606,664	22,582,787	
Total Restricted Funds	37% <u>148,610,624</u>	39% <u>155,657,870</u>	
Total Cash and Investments	\$ 401,624,329	\$ 398,684,825	

Note:

(1) Total Unrestricted Funds and the Pay-As-You-Go-Fund represent the Pooled Funds in the Treasurer's Report.

Fund Categories

Operating Fund: The Water Authority's working capital and emergency operating reserve. The Operating Fund's policy requires a maximum of 45 days of average annual operating expenses to be kept in reserves.

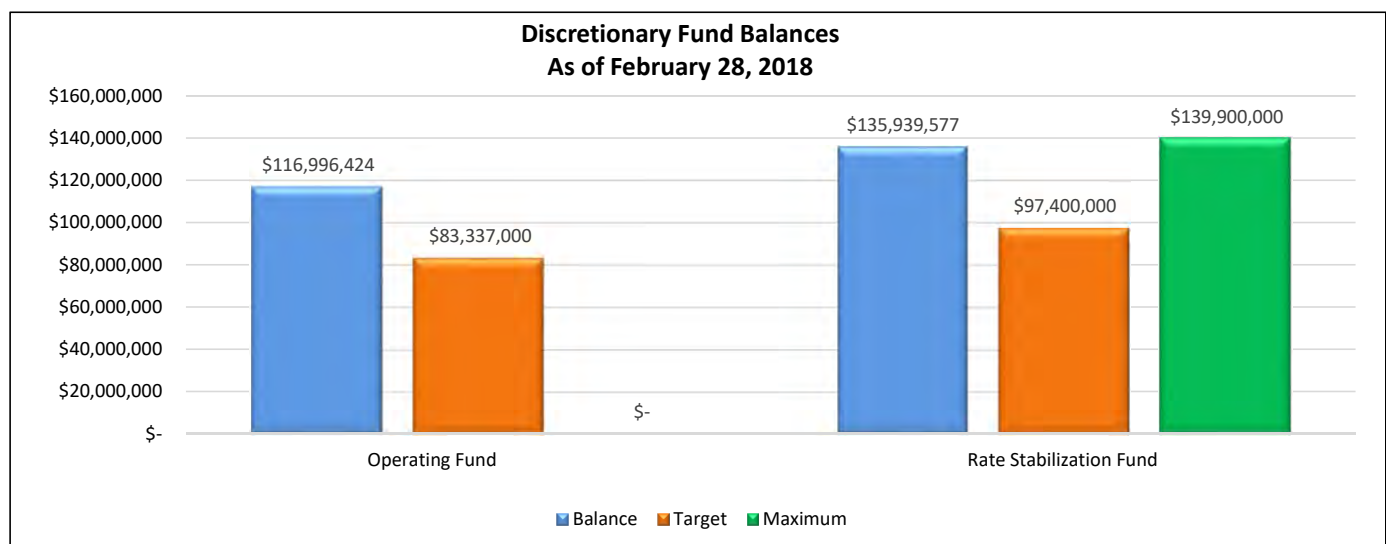
Stored Water Fund (SWF): This fund provides working capital to purchase water inventory necessary to fully utilize the Water Authority's storage facilities. A 70,000 acre-feet target was established for Carryover Storage inventory along with a maximum of 100,000 acre-feet, which is the storage capacity. The SWF is to only hold a cash position if the cost to replace the target amount is below the current value of water inventory in the fund.

Equipment Replacement Fund (ERF): The ERF is funded by transfers from the Operating Fund for capital equipment purchases such as computers, vehicles, and SCADA systems and is used to replace equipment which has reached the end of its effective useful life.

Rate Stabilization Fund (RSF): The RSF holds the water revenues greater than expenditures in years of strong water sales. Funds can then be used to mitigate "rate shock" in years of weak water sales and/or to manage debt service coverage. The RSF target balance is equal to the financial impact of 2.5 years of wet weather or mandatory restrictions and the maximum fund balance is equal to the financial impact of 3.5 years of wet weather or mandatory restrictions. The current balance in this fund represents approximately 140% of the targeted value of \$97.4 million and 97% of the maximum balance of \$139.9 million

Pay-As-You-Go-Fund (PAYGO): The PAYGO fund collects Capacity Charges and Water Standby Availability Charges to be used to pay for the cash portion of the CIP. The funds are dedicated for construction outlays as well as debt service.

Debt Service Reserve Fund: This fund contains the required legal reserve for Water Authority debt issues. Such reserves are held for the purpose of making an issue's annual debt service payments in the event the Water Authority should be unable to make such payments. The funds are held by trustees and interest earned is transferred into the Operating Fund and is not restricted.





San Diego County Water Authority
BOARD CALENDAR

APRIL 2018

- **26** **Special Board Meeting / Workshop – 8:30 a.m. to 3:30 p.m. at National University, 9388 Lightwave Avenue, Rooms 116 and 118, San Diego**

MAY 2018

- **02** **MWD Delegates meeting at 11:00 a.m.**
- **10** **No Special Board Meeting**
- **24** **Committees begin at 9:00 a.m.
Formal Board meeting begins at 3:00 p.m.**

JUNE 2018

- **06** **MWD Delegates meeting at 11:00 a.m.**
- **14** **Tentative Special Board Meeting at 1:30 p.m.**
- **28** **Committees begin at 9:00 a.m.
Formal Board meeting begins at 3:00 p.m.**

JULY 2018

- **03** **MWD Delegates meeting at 11:00 a.m.**
- **12** **Tentative Special Board Meeting at 1:30 p.m.**
- **26** **Committees begin at 9:00 a.m.
Formal Board meeting begins at 3:00 p.m.**

IMPORTED WATER COMMITTEE

AGENDA FOR

APRIL 12, 2018

Mark Weston – Chair	Marty Miller
Lois Fong-Sakai – Vice Chair	Jim Murtland
Tom Kennedy – Vice Chair	Ron Roberts
David Barnum	Elsa Saxod
Michael Hogan	Joel Scalzitti
Mel Katz	Fern Steiner
Keith Lewinger	Doug Wilson
Jim Madaffer	

1. Roll call – determination of quorum.
2. Additions to agenda (Government Code Section 54954.2(b)).
3. Public comment – opportunities for members of the public to address the Committee on matters within the Committee’s jurisdiction.
4. Chair’s report.
 - 4-A Directors’ comments.

I. CONSENT CALENDAR

II. ACTION/DISCUSSION/PRESENTATION

1. MWD issues and activities update.
 - 1-A Metropolitan Water District Delegates’ Report. MWD Delegates
(Discussion)
2. Update on California WaterFix. (Presentation) Amy Chen
3. Offsetting Benefits in the MWD Rate Litigation. (Presentation) Mark Hattam
4. Coachella Canal Lining Post-Construction Update. Kelly Rodgers
(Presentation)
5. Metropolitan Water District Program Report. (Presentation) Amy Chen



III. INFORMATION

IV. CLOSED SESSION

1. Conference with Legal Counsel – Existing Litigation Mark Hattam
Government Code §54956.9(d)(1)
SDCWA v. Metropolitan Water District of Southern California;
San Francisco Superior Court Case Nos. CPF-10-510830; CPF-12-512466; CPF-14-514004; CPF-16-515282; CPF-16-515391; CGC-17-563350; California Court of Appeal (1st District) Case Nos. A146901; A148266; and California Supreme Court Case No. S243500

2. Conference with Legal Counsel – Existing Litigation Mark Hattam
Government Code §54956.9(d)(1)
California Department of Water Resources v. All Persons Interested; Sacramento Superior Court Case No. 34-2017-00215965-CU-MC-GDS

V. ADJOURNMENT

Melinda Nelson
Clerk of the Board

NOTE: This meeting is called as an Imported Water Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Recodified). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.



April 4, 2018

Attention: Imported Water Committee

Metropolitan Water District Delegates' Report (Discussion)

Purpose

The Water Authority's MWD Delegates will provide an oral report on the April 2018 MWD Board and committee meetings in lieu of their standard written report.

Discussion

Due to the rescheduling of the Water Authority's April Board meeting and its proximity to the April 8 and 9, 2018 Metropolitan Water District (MWD) committee and Board meetings, there will be no written MWD Delegates' Report on the MWD Board's activities at its meetings. Instead the Delegates' will provide an oral report at the April 12 Imported Water Committee meeting that summarizes key discussions held and actions taken at the April 2018 MWD committee and Board meetings.

Prepared by: Liz Mendelson-Goossens, Senior Water Resources Specialist

Reviewed by: Michael Hogan, MWD Delegate
Keith Lewinger, MWD Delegate
Elsa Saxod, MWD Delegate
Fern Steiner, MWD Delegate



April 4, 2018

Attention: Imported Water Committee (Presentation)

Update on California WaterFix

Purpose

This report provides an update on California WaterFix (WaterFix) and Metropolitan Water District's (MWD) discussions on the project's potential changed scope and its scheduled actions related to the project.

Background

Last October, the MWD Board voted to support WaterFix, including its participation of 25.9 percent of overall project costs (or, \$4.3 billion out of a total estimated \$16.7 billion in 2017 dollars). MWD's funding amount assumed other water contractors would pay their share of the project. Before the MWD Board action, the largest Central Valley Project (CVP) water contractor – Westlands Water District – turned down participating in the project, citing costs as a major driver for its decision.¹

After failing to gain financial traction by any CVP contractors to fund 45 percent of the project's cost (or, \$7.5 billion), in early February the California Department of Water Resources (DWR) announced that it will use a "staged" approach to address the funding gap. Under this approach, one tunnel (Stage 1) – with a capacity of 6,000 cubic-feet-per-second (cfs) at a cost of \$11.1 billion² – would be built first, presumably to be funded by State Water Project (SWP) contractors. Construction of the second tunnel would follow at a later date if and when funding is obtained. The state later released an economic analysis for Stage 1 of WaterFix³ that concluded that this approach could provide a positive "benefit to cost" ratio between 1.23 and 1.35, depending on the level of agricultural contractors' participation and assuming a project life span of 100 years.

Discussion

Discussions at MWD

Following the state's announcement, MWD reviewed the staged approach with its Board and reported that the SWP contractors only needed 5,000 cfs of the 6,000 cfs capacity to make them "whole," leaving 1,000 cfs for potential CVP contractor participation. MWD later reported that none of the CVP contractors would participate in Stage 1 either. MWD staff further reported that if every SWP contractor funds its proportional share of Table A entitlement,⁴ MWD's share of Stage 1 would be \$5.3 billion -- a \$1 billion, or 22 percent, increase from the participation amount the Board authorized last October. However, MWD also reported that six agricultural SWP contractors in the San Joaquin Valley have already indicated that they plan to "sell" some portion of their WaterFix "reliability benefits," to other urban SWP contractors, including MWD.

¹ Sacramento Bee, *Farming district says it won't pay for Delta tunnels in a vote that could kill the project* <http://www.sacbee.com/news/state/california/water-and-drought/delta/article174229771.html>

² DWR's memo placed the cost at \$10.7 billion, which does not include construction mitigation costs.

³ *Economic Analysis of California WaterFix Stage 1, Sunding.* https://www.californiawaterfix.com/wp-content/uploads/2018/02/WaterFixEconomicAnalysis_Final.pdf

⁴ As calculated without the five SWP contractors located north of the project, who have been "excused" from participating in the project.

When the staged approach was first discussed at MWD, some directors⁵ expressed a desire for MWD to “show leadership,” and asked staff to evaluate the option for MWD to fund the CVP’s unsubscribed share of the total project so both tunnels could be built at the same time. MWD later reported that, under this approach, its costs would increase to \$10.8 billion.⁶ MWD’s calculation is based on SWP contractors collectively funding 6,000 cfs of the total project, or 22 percent more than previously envisioned; it then assumes MWD funds the construction of the remaining full project cost, so both tunnels are built at the same time. With either the single tunnel staged approach, or one in which MWD funds the second tunnel, the MWD Board will need to take another action to authorize MWD’s participation under the changed scope and increased cost.⁷

Potential Cost Implications to the Water Authority

In 2012, MWD’s “talking points” for the Twin Tunnels project estimated the project cost at between \$12 - \$14 billion, or about \$4 - \$5 per household per month⁸, based on monthly household water use of 20 hundred cubic-feet (“billing unit”) and a 50 percent reliance on MWD water. MWD later revised the household impact to \$2 to \$3 per month in 2017,⁹ saying that monthly use of 20 billing units was too high. It replaced this methodology with a different one in which MWD’s WaterFix cost is spread over the 6.2 million residential household connections in its service area, and assuming 70 percent of MWD’s water use is for residential. However, not all household connections within its service area purchase MWD water, while others buy very little MWD water; therefore, the impact of WaterFix to individual agencies and households will vary.

In its report to the Board at its March 27 WaterFix workshop, MWD estimated the impact of MWD increasing its financial commitment to the Twin Tunnels project from its Board-approved amount of \$4.3 billion to \$10.8 billion – a 2.5 times increase -- at \$4.80 per month – or about the same as the original 2014 household impact estimate. Again, this updated estimated is accomplished by assuming a lower average monthly household water use and spreading the cost over all residential household connections within MWD’s service area.

The Water Authority’s demand for MWD water as well as MWD’s level of participation in WaterFix and how MWD allocates those costs to its rates – either as a transportation or a supply cost – will determine the cost impact of WaterFix to the Water Authority. Attachment 1 details a range of potential cost implications to the Water Authority, including potential impacts on the Water Authority’s rates based on the “interim demand forecast reset” profile in 2035 as presented in February.¹⁰ For example, the “interim demand

⁵ Details of this discussion can be found in Attachment 1.

⁶ MWD March 27 WaterFix workshop PowerPoint (slide 17).

⁷ In an email dated April 2, 2018, MWD General Manager reported that MWD staff will bring only the staged approach for its Board’s consideration in April. This decision followed a meeting MWD had with CVP, other SWP contractors, DWR, and the U.S. Bureau of Reclamation (USBR) on March 30, during which a majority of CVP contractors and USBR officials told the meeting participants that “there still remained a number of internal institutional issues that first needed to be resolved among the CVP contractors before they could make a commitment to participate in the full 9,000 cfs project.” MWD’s email stated that “Metropolitan staff will continue to engage in discussions with CVP contractors and USBR on their issues and alternative financing options for the second stage that honor the ‘beneficiaries pay’ principle which the first stage is using, and we will keep the Board apprised of progress.”

⁸ http://www.mwdfacts.com/wp-content/uploads/MWD_Bay_Delta_Talking_Points.pdf

⁹ http://www.mwdh2o.com/DocSvcsPubs/WaterFix/assets/waterfixdialogue_q-a.pdf (page 6)

¹⁰ See Interim Long-Range Water Demand Forecast “Reset” presentation on pages 58-64 found here:

https://www.sdcwa.org/sites/default/files/2016-12/Board/2018_Presentations/2018_02_22Presentations.pdf

forecast reset,” including the projected implementation of Verifiable and Additional Planned local supplies from the Water Authority’s 2015 Urban Water Management Plan, estimates the San Diego region, by 2035, will have a normal-year demand profile that relies on MWD for about 10,000 acre-feet of supplies. However, the Water Authority will continue to use MWD facilities to deliver 280,000 acre-feet of independently obtained Colorado River supplies.

The impact on the Water Authority’s rates to its 24 member agencies and region’s average ratepayer will depend, to the greatest degree, on how MWD recovers the cost of the project through its rates and charges: either on MWD’s water supply rate, or on its transportation rates. Table A summarizes analysis provided in Attachment 1, displaying a range of potential impacts of MWD’s WaterFix commitment on the Water Authority’s rates and an average monthly household water bill based on the profile described above, if MWD applies its WaterFix costs on its transportation rates.

Table A: Range of WaterFix Costs on Water Authority’s Rate and Average Monthly Water Bill, with WaterFix Costs Allocated to MWD’s Transportation Rates

MWD Financial Commitment ¹¹	Impact to Water Authority’s Rates Per/AF ¹²	Average increase in household monthly water bill ¹³
\$5.3 billion	\$195-\$309	\$6.50-\$10.30
\$11.9 billion	\$440-\$699	\$14.67-\$23.30

Should MWD apply its WaterFix costs on its supply rates, Table B summarizes a range of potential impacts of MWD’s WaterFix commitment on the Water Authority’s rates and an average monthly household water bill based on the demand profile profile described above.

Table B: Range of WaterFix Costs on Water Authority’s Rate and Average Monthly Water Bill, with WaterFix Costs Allocated to MWD’s Supply Rates

MWD Financial Commitment ¹¹	Impact to Water Authority’s Rates Per/AF ¹²	Average increase in household monthly water bill ¹³
\$5.3 billion	\$8-\$12	\$0.27-\$0.40
\$11.9 billion	\$18-\$29	\$0.60-\$0.97

For the Water Authority, the differential impact on the average household water bill in 2035 is profound: from a low of 27 cents to 40 cents per month if the project is recovered on MWD’s supply rate, to approximately a \$6.50 to \$10.30 per month increase if it’s recovered on MWD’s transportation rate, if MWD only participates in Stage 1 at a cost of \$5.3 billion without entering into additional transfer agreements. That’s because the Water Authority’s average year demands on MWD for supply will be approximately 10,000 acre-feet in 2035, but it will be paying MWD to transport 280,000 acre-feet of its Quantification Settlement Agreement transfer supplies annually. Under the scenario in which MWD would fund \$11.9 billion of the \$16.7 billion Twin Tunnels project, the impact would range from 60

¹¹ See cost impact assumptions and definitions on page 6 of Attachment 1.

¹² Range based upon financing interest rates of 4% and 8%. Amounts shown are in 2018 dollars.

¹³ Based on a single-family household of four using an average of 0.4 acre-feet of imported water per year.

cents to 97 cents if MWD recovers the cost on its supply rate, and \$15 to \$23 per month if recovered on MWD's transportation rate.

All of these figures are dependent upon the final project cost not escalating beyond its current estimate. Lastly, the Water Authority's projected demand on MWD also influences the ultimate WaterFix cost to the Water Authority's ratepayers. For example, the cost impact would be higher, should the Water Authority's actual MWD demand exceed the demand currently forecasted under the "interim demand forecast reset."

Issues to Consider

With CVP contractors unwilling, or incapable of providing upfront funding for WaterFix, and the state's desire to continue moving the project forward, either in stages or with MWD providing advance funding for the CVP's share of the cost, there are several issues that should be carefully considered, including:

- *Impact to CVP contractors.* Would CVP contractors cooperate if the implementation of Stage 1 resulted in the reduction of total exports, thus negatively impacting them?
- *Cost recovery.* If MWD decides to fund the twin tunnels now, can agreements be structured to ensure MWD's full recovery of costs, especially since CVP contractors already said the project is too expensive?
- *Significant cost increase.* If CVP contractors cannot pay the full cost, how would MWD justify to its ratepayers subsidizing agencies outside of its service boundary? Would such subsidies be lawful under cost of service requirements of California laws and Constitution?
- *Finance Joint Powers Authority (JPA).* While DWR is pursuing its validation action, it plans to rely on the finance JPA to fund WaterFix construction. This means ratepayers of the finance JPA members will be responsible for the JPA debt. Currently, MWD and Zone 7 are the only agencies that have agreed to participate in the finance JPA. Will the liabilities incurred by finance JPA members outweigh the project benefit to the JPA ratepayers?
- *Impact on local supply development.* Based on a "cost follows water" approach, MWD presumably will receive an increased amount of WaterFix supply in proportion to its financial contribution. If so, how will this increase in supply affect MWD's support for local supply project development?
- *Ability to store the water and need for the water.* To obtain the "average" year WaterFix supply benefit, the ability to store water during wet years is critical. Considering MWD was unable to store all its 2017 supplies when the SWP allocation was at 85 percent, does MWD have the capacity to take advantage of the projected increased supplies and the ability to store it for later use, if it takes on a larger share of the project's cost?
- *Cost allocation.* While MWD's planning documents have suggested that it plans to recover the cost through its transportation rates, DWR has traditionally characterized "peripheral canal related" facilities' (like WaterFix) costs as "Project Conservation Facilities" (or supply) costs in its Bulletin 132, Appendix B to support the calculation of contractors' annual charges. What would be the justification for DWR to now shift how it characterizes and invoices this supply project?

MWD's Upcoming Schedule

In an email dated April 2, 2018, MWD General Manager indicated that MWD will be considering the staged approach only at its April Board meeting, after being informed by the CVP contractors that they cannot make a commitment to participate in the full project.

Imported Water Committee

April 4, 2018

Page 5 of 5

Prepared by: Michael Thomas, Water Resources Specialist

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Amy Chen, Director of MWD Program

Approved by: Dennis A. Cushman, Assistant General Manager

Attachment 1: California WaterFix Potential Cost Impact to the San Diego Region

California WaterFix Potential Cost Impact to the San Diego Region

Due to a variety of reasons, the Sacramento-San Joaquin Bay-Delta (Bay-Delta) ecosystem is in decline and that demise has caused water exports from the Bay-Delta to be less dependable. Over the past 25 years, the Water Authority and its member agencies have diversified the region's supplies and in doing so, greatly reduced the region's reliance on the Bay-Delta by decreasing its MWD purchases. Purchases from MWD are the only source of the region's Bay-Delta supplies. The San Diego region's dependence on MWD supply has reduced from 95 percent in 1991 to about 41 percent today. With local supply development projected to continue through the implementation of the Verifiable and Additional Planned supplies identified in the Water Authority's 2015 Urban Water Management Plan (UWMP), the region's MWD normal-year demand under the recently developed "interim demand forecast reset" is projected to be about 10,000 acre-feet in 2035.¹ The Water Authority has long been a proponent of a cost-effective and environmentally sustainable Bay-Delta solution, and the Board has received dozens of briefings on various aspects of the Bay Delta Conservation Plan (BDCP), and its successor, California WaterFix (WaterFix).²

Rather than pursue permitting through a Habitat Conservation Plan approach, WaterFix sought permits under the less durable Section 7 of the Endangered Species Act, a species-by-species approach, under which the current State Water Project (SWP) operates. WaterFix planned to create three intake points on the Sacramento River in the upper Bay-Delta and transport the water south through two 40-foot-diameter, 30-mile-long tunnels. The new tunnels would be operated as a dual facility with the existing through-Delta water conveyance south to the Delta pumps. The California Department of Water Resources (DWR), the lead on the project, estimated that the implementation of WaterFix would allow 4.7 million acre-feet (MAF) to 5.3 MAF of water exports per year, helping maintain about 1.3 MAF of supplies that DWR believes otherwise would be lost due to future increased regulations. Last July, DWR certified WaterFix's environmental analysis after receiving federal biological opinions.

The estimated cost for WaterFix is \$16.7 billion in 2017 dollars. State law requires that WaterFix be paid for by water contractors.³ However, the project has struggled to gain financial support by all contractors. The project was assumed to be cost shared by the Central Valley Project (CVP) and SWP contractors via a 45 – 55 percent split. While the participation of WaterFix for the CVP contractors is through an opt-in approach, the state has maintained that the SWP contractors would pay for their portion of the project in accordance with their long term DWR State Water Contracts.⁴ For those SWP contractors that desire to have a different share than their current contract amount, they can enter into voluntary transfer or other agreements with other contractors to redistribute their cost obligations.

Last October, the MWD Board authorized its participation of 25.9 percent of the project cost (or, \$4.3 billion), assuming CVP contractors would fund 45 percent of the project. Several SWP contractors subsequently expressed support for and willingness to fund their share of the project;⁵ however, the state ultimately was unable to get any of the CVP contractors to commit to fund the project.

¹ See Interim Long-Range Water Demand Forecast "Reset" presentation on pages 58-64 found here:

https://www.sdcwa.org/sites/default/files/2016-12/Board/2018_Presentations/2018_02_22Presentations.pdf

² For previous Water Authority board memos and presentations on BDCP and WaterFix, see: <http://www.sdcwa.org/baydelta>.

³ California Water Code §85089

⁴ With the exception of five contractors located north of the project.

⁵ Not all SWP contractors supported fully funding their share of WaterFix; the Sacramento Bee reported that only half of Kern County Water Agency's member units expressed an interest to participate

Staging of California WaterFix

In February, DWR announced an approach that would implement the project in two stages “consistent with the support expressed by public water agencies.”⁶ The first stage would include one tunnel and two intakes with a total capacity of 6,000 cubic feet per second (cfs). A second tunnel and a third intake with a capacity of 3,000 cfs would be added, “once additional funding commitments are made from supporting water agencies.” Stage 1 would cost \$11.1 billion, about two-thirds of the original \$16.7 billion estimate for the full project.

Since SWP and CVP share the same Bay-Delta waterway, the two projects have always coordinated their operations for a number of reasons, including to reduce their impacts on endangered species. WaterFix is intended to act as part of a dual facility with the existing south-of-Delta pumps; the staged implementation of WaterFix would require both projects to be operated under a new set of rules. With WaterFix employing a “cost follows water” approach, MWD reported that Stage 1 would result in it having the same supply benefit to SWP contractors, if not more, as the full project. However, Stage 1 would provide less total supply benefit than the full project.⁷ As a result, the implementation of Stage 1 may negatively affect CVP contractors’ exports. Westlands raised that concern in a letter to the State Water Resources Control Board as part of its water rights hearing in February.⁸

MWD’s Discussion to Fully Fund WaterFix

When the staged approach was first reviewed by the MWD Board following the state’s announcement, some MWD board members⁹ advanced the idea that MWD should consider funding not just its share of the project, but also the CVP share so both tunnels may be built at the same time.¹⁰ In doing so, these board members said MWD could “maximize environmental benefits” and help address statewide issues such as groundwater overdrafts. MWD General Manager Kightlinger agreed to explore this idea further and suggested that MWD could potentially control the extra capacity and recoup its costs by selling or leasing that capacity. At its March Water Planning and Stewardship meeting, MWD Assistant General Manager Patterson reported that staff had since discussed with DWR the idea of MWD funding the uncommitted share of twin tunnels. He said that these discussions were proceeding well, and expected MWD and DWR to reach agreement on terms soon that would ensure MWD has adequate input and control over its

(<http://www.sacbee.com/news/state/california/water-and-drought/delta/article178552571.html>); see also Wheeler Ridge-Maricopa Letter to Kern, https://wrmsd.com/wp-content/uploads/2018/02/CWF_Feb21_WRMWSD_Participation_10.11.2017.pdf

⁶ <https://www.californiawaterfix.com/wp-content/uploads/2018/02/DWR-ltr-to-PWAs-participating-in-WaterFix-Feb-7-2018.pdf>

⁷ The implementation of WaterFix is intended to keep CVP and SWP yields from further deteriorating due to future environmental regulations. MWD reported that the implementation of a 9,000 cfs project would help maintain 1.3 million acre-feet of supplies that would otherwise be lost, in contrast, Stage 1 would only maintain 0.9 million acre-feet of supplies. See slides 6 and 7: <http://edmsidm.mwdh2o.com/idmweb/cache/MWD%20EDMS/003738230-1.pdf>

⁸ https://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/california_waterfix/docs/2018/20180207_wwd_policy.pdf

⁹ Directors Atwater (Foothill Municipal Water District), Barbre (Municipal Water District of Orange County), and Blois (Calleguas Municipal Water District) all expressed a similar sentiment. For more discussion see: Mavens Notebook, <https://mavensnotebook.com/2018/02/14/cal-water-fix-metropolitan-committee-discusses-possible-staged-construction-project/> and Sacramento Bee <http://www.sacbee.com/news/local/article199950429.html>

¹⁰ Not all MWD directors supported expanding MWD’s financial involvement, Directors Paskett (Los Angeles), Steiner (San Diego County Water Authority), and Pressman (Beverly Hills) raised questions with such an approach.

WaterFix investment. In contrast, Patterson reported negotiations with other contractors on purchase or option agreements were “not quite as far advanced” but are continuing.

Analysis of State’s Economic Analysis

On February 13, DWR released an economic cost benefit analysis for Stage 1 of WaterFix. With an assumed project life span of 100 years, the analysis showed a positive benefit cost ratio for both urban and agricultural agencies.¹¹ However, the benefit margins are slight and any deviations to the assumptions used would change the benefit cost outcome. For example, while the report factored in the Sustainable Groundwater Management Act’s impact on the Central Valley’s need for imported water, it is not apparent that the potential demand reduction in Southern California as a result of the State Board’s Long-Term Water Use Efficiency Framework is included, since it is not yet finalized. It is also unclear if the analysis factored in about 200,000 acre-feet of new local supplies, reported in MWD member agencies’ 2015 UWMPs,¹² to be developed.¹³ The imposition of permanent efficiency standards and implementation of planned local supply projects would change Southern California’s need for imported water, which could also change the benefit analysis.

While it is not common for tunnels to be designed for 100-year life; there are examples¹⁴ of this being done. However, it is unclear how the analysis deals with other project components that have a shorter design life.¹⁵ While the report stated that some capital replacement costs¹⁶ are included in the project’s operations and maintenance (O&M) estimates, the project’s assumed O&M expenses in the second 50 years are lower than the first half of the project by more than one-third, raising a question as to whether adequate funding is set aside to assure the project’s 100-year life span.

Potential Cost Impact for the Water Authority

Per the Water Authority Board’s request, staff analyzed the potential cost impacts to the Water Authority – as expressed in capital cost impacts as well as impacts to the Water Authority’s rates -- under a number of WaterFix scenarios.¹⁷ There are several factors that influence the cost of WaterFix to the Water Authority:

¹¹ In the earlier draft economic analysis for the full WaterFix project, the analysis assumed that 28 percent (\$3.9 billion out of \$13.9 billion) of the project cost would be subsidized by the state or federal government. This analysis found a benefit cost ratio of 2.4 for SWP urban contractors, and 0.7 and 0.6 for SWP and CVP agricultural contractors, respectively.

¹² Includes projects used to meet projected demands; additional planned projects are not included.

¹³ On March 26, 2018, Restore the Delta released documents it obtained through the Public Records Act related to WaterFix. One of the responsive documents included an email exchange between MWD staff that described the data MWD provided to DWR for its analysis is based on “the IRP ‘Do Nothing’ case...,” which implies none of the proposed projects envisioned in MWD member agencies’ UWMPs were included in DWR’s analysis: https://spaces.hightail.com/space/zxeEiVTR46/files/fi-8c2def94-4d2c-4124-921a-686c78459b6a/fv-61299887-5ce0-4fdf-82f4-cb3f766bed08/MWDPRAS-EJ0000481_Redacted.pdf

¹⁴ <https://www.channelnewsasia.com/news/singapore/phase-2-of-deep-tunnel-sewer-system-designed-to-last-100-years-9423740>

¹⁵ For example, the Water Authority typically designs its pump stations with a 25-year equipment life and a 50-year building life; in contrast, the distribution pipelines are typically designed for a 75-year life.

¹⁶ See page 2 of the Economic Report, “*During construction, operation and maintenance mitigation for the first 13 years is estimated at \$31.1 million per year. Operation and maintenance costs increase to \$49.5 million per year, including capital replacements and \$17.7 million in operations and maintenance mitigation annually, for the first 50 years of the project. Thereafter, the operation and maintenance costs amount to \$31.9 million per year.*”

¹⁷ In an email dated April 2, 2018, MWD General Manager indicated MWD staff will bring only the staged approach for its Board’s consideration in April, due to “institutional issues” that must first be resolved among the CVP contractors.

MWD participation level; how MWD allocates WaterFix costs to its rates; debt interest rate; and demand for MWD supply.

This analysis assesses WaterFix’s impact to the Water Authority using a demand profile based on the 2035 “interim demand forecast reset,” presented in February. It evaluates WaterFix being constructed as a full project, as well as staged. Within the two scenarios, different levels of MWD financial participation are analyzed, including a scenario in which MWD funds the entire unsubscribed CVP share of the twin tunnel project.

Although MWD previously reported that the SWP contractors only needed 5,000 cfs of the 6,000 cfs Stage 1 capacity, at its March 27 meeting, staff reported that none of the CVP contractors were interested in funding Stage 1. As a result, if Stage 1 were to be pursued, it is assumed that the SWP contractors as a group would pay 22 percent more for the project than they otherwise would have if the project were implemented in full and CVP contractors paid their 45 percent share. At the same meeting, MWD staff presented a framework under which the six SWP agricultural contractors in the San Joaquin Valley – to defray their WaterFix costs – would sell some or all of their WaterFix capacity to other SWP buyers, including MWD. Under this framework, a SWP buyer agency would pay 85 percent of the seller agency’s WaterFix cost and get about 81 percent of seller’s WaterFix Table A capacity share. Scenarios assume MWD enters into transfer agreements taking on 80 percent of the six SWP agricultural contractor’s share they wish to dispose.¹⁸ (For detailed assumptions, see *Cost Impact assumptions and Definitions* on the last page of this attachment.)

Tables 1 through 4 describe potential capital costs to the Water Authority and impacts to the Water Authority’s rates based on its demand profile in 2035. This analysis shows that while MWD’s participation levels influence the cost impact to the Water Authority, how MWD ultimately recovers WaterFix costs through its rates has a substantial impact on the Water Authority. Based on the “interim demand forecast reset” presented in February, that includes the development of the Verifiable and the Additional Planned local supplies from the Water Authority’s 2015 Urban Water Management Plan, the Water Authority’s 2035 MWD purchases in a normal-year scenario are forecasted to be 10,000 acre-feet per year. Even though MWD recovers the majority of its expenses through variable rates, if it chooses to allocate WaterFix costs on its transportation rates as suggested in its 2018 budget documents, the WaterFix impact on the Water Authority could be 24 times more than if MWD were to assess its WaterFix costs on its water supply rates only. This difference is because even though the Water Authority and its member agencies continue to reduce the region’s dependence on MWD supplies, the Water Authority uses MWD’s Colorado River Aqueduct to transport its own independent Colorado River supplies. Lastly, should the Water Authority’s demand profile differ from the “interim demand forecast reset,” WaterFix’s impact on the Water Authority would change accordingly.

¹⁸ The six agencies are: Dudley Ridge Water District, Empire West Side Irrigation District, Kern County Water Agency, County of Kings, Oak Flat Water District, and Tulare Lake Basin Water Storage District; Empire West, County of Kings, Oak Flat, and Tulare Lake have all expressed a desire to sell their entire WaterFix capacity to other contractors, whereas Dudley Ridge plans to sell 1/3 of its WaterFix capacity and Kern plans to sell half of its WaterFix capacity.

**Potential Impact of WaterFix on Water Authority
Based on Average “Interim Demand Forecast Reset”**

Full WaterFix Project (\$16.7B)

**Table 1: WaterFix Capital Cost Impact on Water Authority
(\$16.7B total cost and based on 2035 Water Authority share of MWD demands)**

	Allocated to MWD Supply and Wheeling (\$ in Millions)	Allocated to MWD Supply (\$ in Millions)	Difference, Resulting from Inclusion of Wheeling (\$ in Millions)
MWD funds 71.4% (\$11.9B)	\$ 1,945	\$ 81	\$ 1864
MWD funds 64.6% (\$10.8B)	\$ 1,759	\$ 73	\$ 1,686
MWD funds 25.9% (\$4.3B)	\$ 706	\$ 29	\$ 676

**Table 2: Total WaterFix Cost Impact on Water Authority’s Rates
(Additional \$ per Acre-Foot in 2035)***

	Allocated to MWD Supply and Wheeling (\$/AF)*	Allocated to MWD Supply (\$/AF)*	Difference, Resulting from Inclusion of Wheeling (\$/AF)
MWD funds 71.4%	\$ 440 – 699	\$ 18 – 29	\$ 442 – 670
MWD funds 64.6%	\$ 398 – 632	\$ 16 – 26	\$ 382 – 606
MWD funds 25.9%	\$ 159 – 253	\$ 6 – 10	\$ 153 – 243

Stage 1 of WaterFix -- Funded by SWP (\$11.1B)

**Table 3: Stage 1 WaterFix Capital Cost Impact on Water Authority
(\$11.1B total cost and based on 2035 Water Authority share of MWD demands)**

	Allocated to MWD Supply and Wheeling (\$ in Millions)	Allocated to MWD Supply (\$ in Millions)	Difference, Resulting from Inclusion of Wheeling (\$ in Millions)
MWD funds 59.9% (\$6.6B)	\$ 1,084	\$ 45	\$ 1,039
MWD funds 47.1% (\$5.3B)	\$ 852	\$ 35	\$ 817

**Table 4: Stage 1 WaterFix Cost Impact on Water Authority’s Rates
(Additional \$ per Acre-Foot in 2035)***

	Allocated to MWD Supply and Wheeling (\$/AF)*	Allocated to MWD Supply (\$/AF)*	Difference, Resulting from Inclusion of Wheeling (\$/AF)
MWD funds 59.9%	\$ 248 – 394	\$ 10 – 16	\$ 238 – 377
MWD funds 47.1%	\$ 195 – 309	\$ 8 – 12	\$ 187 – 296

*Based on 4% to 8% interest rate

Cost Impact Assumptions and Definitions

- Project scope scenarios:
 - Full project (\$16.7 Billion)
 - MWD funds 71.4 % (31.6 % MWD's proportion of SWP Stage 1 share, plus 33 % unfunded CVP share amount, plus 6.8 % representing 80 % of the six SWP contractors share that may enter into transfer agreements)¹⁹
 - MWD funds 64.6 % (31.6 % of MWD's proportion of SWP share, plus 33 % unfunded amount to full project representing the CVP share)
 - MWD 25.9 % (approved amount from October 2017 which is no longer realistic given lack of support by other contractors, instead, this is meant to serve as reference to original cost)
 - Stage 1 only, no CVP participation (\$11.1 Billion)
 - MWD funds 59.9 % (47.1 % of MWD proportional Table A share,²⁰ plus 12.8 % representing eighty percent of the six agencies that may wish to enter into transfer agreements)
 - MWD funds 47.1 %
- Cost assumptions for all scenarios:
 - Construction cost spread over 13 years beginning in 2020. Those costs, along with interest, approximately follow schedule presented by MWD²¹
 - Total cost includes: capital cost (\$11.1 billion or \$16.7 billion in 2017 dollars) plus a 3 percent inflation factor
 - Analysis includes debt interest rates between 4 and 8 percent
 - In addition to base interest rate, a 0.25 % rate is added to reflect cost of issuance, reserves, and underwriters discount
- Estimated cost impact on Water Authority's MWD Water Purchases and Wheeling:
 - Water Purchases (Supply) is the amount of water purchased by the Water Authority from MWD
 - Water Purchases and Wheeling includes the previous category as well as additional charges by MWD to transport Water Authority owned water (i.e. Imperial Irrigation District and Canal Lining transfer water)
 - Cost to Water Authority is estimated by calculating Water Authority's share of those two categories in 2035 compared to all MWD purchases.
- Demand data sources:
 - The Water Authority's estimated MWD purchases and wheeled water based on updated "interim demand forecast reset" presented in February 2018.²²

¹⁹ MWD's 31.6 % is based on 47.1 % (MWD's proportional Table A) multiplied by 66.7 % (Stage 1 cost as a percent of full project cost). The six agencies that have indicated they would like to sell their WaterFix capacity: Kern County Water Agency (50% of its WaterFix share); Dudley Ridge Water District (33% of its WaterFix share); Tulare Lake Basin Water Storage District, County of Kings, Oak Flat, and Empire West Side Irrigation District (100% of their WaterFix capacity). As envisioned under the transfer agreements, buyer agencies like MWD, would pay 85 of the seller agencies' share to buy them out of WaterFix.

²⁰MWD's and the other six SWP contractors proportional Table A amounts are based on their respective Table A, with five north-of-Delta SWP contractors "excused" from paying because they would not directly benefit from the project. The five contractors are: County of Butte, City of Yuba City, Plumas County Flood Control & Water Conservation District, Napa County Flood Control & Water Conservation District, and Solano County Water Agency.

²¹The spread of debt approximately follows estimates in MWD's third White Paper:

http://www.mwdh2o.com/DocSvcPubs/WaterFix/assets/cawaterfix_finance_costallocation_whitepaper_factsheet.pdf

²² See Interim Long-Range Water Demand Forecast "Reset" presentation on pages 58-64 found here:

https://www.sdcwa.org/sites/default/files/2016-12/Board/2018_Presentations/2018_02_22Presentations.pdf



April 4, 2018

Attention: Imported Water Committee

Offsetting Benefits in the MWD Rate Litigation. (Presentation)

Purpose.

General Counsel Mark Hattam will provide a presentation regarding the offsetting benefits issue in the rate litigation between the Water Authority and the Metropolitan Water District of Southern California (“MWD”).

Discussion

The Water Authority’s rate litigation against MWD includes the claim by the Water Authority that it is entitled under law to credit for “offsetting benefits” for its water being transported by MWD under the Exchange Agreement. A PowerPoint presentation by General Counsel will walk the Board and the public through this issue.

Prepared by: Mark J. Hattam, General Counsel

Approved by: Maureen A. Stapleton, General Manager

April 4, 2018

Attention: Imported Water Committee

Coachella Canal Lining Post-Construction Update. (Presentation)

Purpose

This report provides an update on the status of post-construction mitigation, and operations and maintenance activities for the Coachella Canal Lining Project.

Background

The Coachella and All-American Canal Lining Projects (CCLP and AACLP) are critical components of the Quantification Settlement Agreement (QSA) and the Water Authority's long-term supply reliability and diversification efforts. As part of the QSA, the Water Authority lined 35 miles of Coachella Canal and 23 miles of the All-American Canal in exchange for the conserved water previously lost to seepage. The total project construction cost of the CCLP was \$129 million of which \$87 million was available from the State General Fund and Proposition 50 funds. The total project cost for the AACLP was \$319 million of which \$170 million was available from the State General Fund, Proposition 50 funds, and Proposition 87 funds. The Water Authority financed the costs that exceeded State funding, which are collected on the Melded M&I Supply Rate.

Construction work on the CCLP and AACLP was completed in 2007 and 2010, respectively. The Water Authority subsequently began receiving approximately 80,000 acre-feet of conserved water annually, which represents 17% of the Water Authority's current supply and is guaranteed for 110 years. The Water Authority does not pay a supply cost for water received and pays a total of approximately \$13 to \$15 per acre-foot for operations, maintenance, and repair (OMR) of both canals. This amount is driven by the OMR activities required for the canals and approved annually by the respective OMR Committee, by which the Water Authority is a member. The OMR Committee also approves the annual budget for the environmental mitigation activities required by the Environmental Impact Report / Environmental Impact Statement.

Discussion

Because the AACLP mitigation projects are nearing completion with only minimal remaining work, the focus of this update is on the Water Authority's involvement in implementing mitigation measures and OMR activities for the CCLP.

CCLP Mitigation Measures

The majority of the CCLP mitigation requirements are completed, which includes construction of a 50-acre Wister Sports Fishery Pond, installation of 60-miles of fencing and 57 wildlife watering ponds, and construction of a 17-acre marsh that supports two species of endangered rail birds. The remaining mitigation measures primarily involve biological habitat preservation and restoration activities on the Dos Palmas Oasis near the northeastern shore of the Salton Sea within Riverside County. Of the original 34 mitigation measures the following projects remain to be completed:

- Preservation of 105 acres of existing marsh/aquatic habitat and the constructed 17 acres of additional marsh; and maintenance and preservation of existing aquatic habitat that currently supports endangered desert pupfish. Annual monitoring will continue to

demonstrate sustainability of the project until regulatory wildlife agency approval is received

- Creation of 352.5 acres of desert riparian habitat is required. This project is being implemented in partnership with the United States Bureau of Land Management through a 10-year Memorandum of Agreement. A combination of passive and active approaches has been utilized at identified restoration sites to encourage natural recruitment of desert riparian plants. Thus far, over 400 acres of non-native habitat have been removed and approximately 200 acres of desert riparian habitat have been established through passive restoration methods. Staff continues work on identifying additional restoration areas to meet the required acreage.

The Water Authority will transfer these remaining projects to third-parties for long term maintenance and monitoring once regulatory approval is received.

CCLP OMR Activities

As typical with other water facilities, routine and periodic maintenance is required for system reliability and canal integrity. The CCLP OMR Committee reviews and approves the budget for maintenance activities and is comprised of the Water Authority, Coachella Valley Water District (CVWD), San Luis Rey Settlement Parties (SLR), and a jointly appointed chairperson. The Water Authority and SLR fund the annual OMR and environmental budget at a ratio of 83% and 17%, respectively, corresponding to the ratio of conserved seepage water each agency receives. Routine maintenance includes vegetation removal, road grading, and fencing repairs. Periodic maintenance includes road repair after extreme rain events, and repair or replacement of the concrete lining within the canal.

Although the United States Bureau of Reclamation owns the canal, the CVWD operates and maintains the canal with oversight from the OMR Committee. In 2012 and 2018, CVWD completed repairs to cracked sections of the canal, totaling to about one percent of the total area of the canal. To date, the Water Authority's share of these maintenance costs have totaled \$2.9 million, which \$1.4 million spent in 2012, the remaining cost of \$1.5 million is included in the Water Authority's current two year budget. Concrete lining repair activities are typical for the operation and maintenance of canals, especially when canals are located in clay as in the case of the CCLP. To minimize pressure differences inside and outside of the canal, the OMR Committee approved an operating procedure which outlines an operating range for raising and lowering the water level to help minimize cracking potential. Routine and periodic maintenance activities will continue through the remaining term of the 110-year canal lining agreement.

In summary, the canal lining water supplies continue to be the cornerstone of the QSA in terms of imported water supply diversity and reliability. Additionally, regardless of the mitigation and OMR activities outlined above, these supplies are by far the most cost-effective sources of the Water Authority's imported water supply portfolio.

Prepared by: Mojgan Poursadighi, Engineer P.E.
Reviewed by: Kelly Rodgers, Director of Colorado River Program
Approved by: Dan Denham, Assistant General Manager



April 4, 2018

Attention: Imported Water Committee

Metropolitan Water District Program Report (Presentation)

Purpose

This month's Metropolitan Water District (MWD) Program report will be presented orally instead of via a written report.

Discussion

There will be no written MWD Program Report this month, due to the rescheduling of the Water Authority's April 2018 Board meeting and its proximity to the April 2018 MWD committee and Board meetings. MWD is scheduled to:

- Adopt its biennial budget for fiscal years 2019 and 2020, and rates and charges for calendar years 2019 and 2020;
- Approve the suspension of billing and collection of the Water Stewardship Rate on the Water Authority's exchange water for the remainder of calendar year 2018, and for calendar years 2019 and 2020 during the "demand management cost allocation study period;" and
- "Provide additional authorizations to participate in the construction of California WaterFix."

An oral report on significant April MWD actions will be presented at the April 12 Imported Water Committee meeting.

Prepared by: Amy Chen, Director of MWD Program

Approved by: Dennis Cushman, Assistant General Manager



April 4, 2018

Attention: Imported Water Committee

CLOSED SESSION:

Conference with Legal Counsel – Existing Litigation

Government Code §54956.9(d)(1)

**Name of Case: SDCWA v. Metropolitan Water District of Southern California;
San Francisco Superior Court Case Nos. CPF-10-510830; CPF-12-512466;
CPF-14-514004; CPF-16-515282; CPF-16-515391; CGC-17-563350;
California Court of Appeal (1st District) Case Nos. A146901; A148266; and
California Supreme Court Case No. S243500**

Purpose

This memorandum is to recommend a closed session, pursuant to Government Code §54956.9(d)(1), to discuss the above-referenced matter at the April 12, 2018 meeting.

A closed session has also been included on the agenda of the formal Board of Directors' meeting. Unless the Board desires additional discussion, it is not staff's intention to ask for a closed session with the full Board at that time, but staff may request action to confirm directions given or action recommended by the committee.

Prepared by: Mark J. Hattam, General Counsel



April 4, 2018

Attention: Imported Water Committee

CLOSED SESSION:

Conference with Legal Counsel – Existing Litigation

Government Code §54956.9(d)(1)

**Name of Case: California Department of Water Resources v. All Persons Interested;
Sacramento Superior Court Case No. 34-2017-00215965-CU-MC-GDS**

Purpose

This memorandum is to recommend a closed session, pursuant to Government Code §54956.9(d)(1), to discuss the above-referenced matter at the April 12, 2018 meeting.

A closed session has also been included on the agenda of the formal Board of Directors' meeting. Unless the Board desires additional discussion, it is not staff's intention to ask for a closed session with the full Board at that time, but staff may request action to confirm directions given or action recommended by the committee.

Prepared by: Mark J. Hattam, General Counsel



4677 Overland Avenue
San Diego, California 92123

AGENDA
FORMAL BOARD OF DIRECTORS' MEETING

The mission of the San Diego County Water Authority is to provide a safe and reliable supply of water to its member agencies serving the San Diego region.

APRIL 12, 2018
3:00 p.m.

1. Call to Order.
 2. Salute to the flag.
 3. Roll call, determination of quorum.
3-A Report on proxies received.
 4. Additions to Agenda. (Government code Sec. 54954.2(b)).
 5. Approve the minutes of the Formal Board of Directors' meeting of March 22, 2018.
 6. Opportunity for members of the public who wish to address the Board on matters within the Board's jurisdiction.
 7. **PRESENTATIONS & PUBLIC HEARINGS**
7-A Presentation of Science Fair Award Winners.
 8. **REPORTS BY CHAIRS**
8-A Chair's Report: Vice Chair Madaffer
8-B **Report by Committee Chairs**
Engineering and Operations Committee
Water Planning Committee
Legislation and Public Outreach Committee
Administrative and Finance Committee
Imported Water Committee
- | |
|---------------------|
| Director Heinrichs |
| Director Cherashore |
| Director Guerin |
| Director Saxod |
| Director Fong-Sakai |



9. CONSENT CALENDAR

9-1. Service contract with Johnson Control, Inc., for upgrades to the access control systems for field facilities and the Kearny Mesa and Escondido offices.

Authorize the General Manager to execute a service contract with Johnson Controls, Inc., for the purchase and installation of software and hardware to upgrade the existing access control systems for field facilities and the Kearny Mesa and Escondido offices, in the amount of \$211,667 including software maintenance and support services for a five-year term.

9-2. Construction contract with Granite Construction, Inc. for the Moosa Canyon Erosion Control project.

Authorize the General Manager to award a construction contract to Granite Construction, Inc. in the amount of \$1,235,889.40 for the Moosa Canyon Erosion Control project.

9-3. East County Regional Treated Water Improvements Program Agreements.

Approve and authorize the General Manager to enter into replacement agreements with Padre Dam Municipal Water District and Otay Water District and an amendment with Lakeside Water District for the implementation of the East County Regional Treated Water Improvements Program.

9-4. Adopt positions on various state bills.

A) Adopt a position of Support on AB 3170 (Friedman), relating to sales tax exemptions for water use efficiency products.

B) Adopt a position of Oppose Unless Amended on AB 831 (Wieckowski), relating to accessory dwelling units.

9-5. Water Tax Action Plan.

a) Adopt a position of Support and Seek Amendments on AB 2050 (Caballero), related to small system water authorities.

b) Contribute \$10,000 to the Association of California Water Agencies' water tax education campaign.

c) Direct staff to undertake specific actions from among the identified options to further engage the Water Authority in educating the region and San Diego ratepayers on water tax proposals.

10. ACTION / DISCUSSION



11. SPECIAL REPORTS

- 11-A GENERAL MANAGER’S REPORT – Ms. Stapleton
- 11-B GENERAL COUNSEL’S REPORT – Mr. Hattam
- 11-C SANDAG REPORT – Director Barnum
SANDAG Subcommittees: Borders Committee – Director Croucher
Regional Planning Committee – Director Gallo
- 11-D AB 1234 Compliance Reports – Directors

12. CLOSED SESSION(S)

- 12-A Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Shimmick Construction Co., Inc./Obayashi Corp., joint venture v. San Diego County Water Authority, Riverside Superior Court
Case No. RIC 1609196
- 12-B Conference with Real Property Negotiator
Government Code §54956.8

Property: Portions of property owned by the San Diego County Water Authority or City of San Diego at or in the vicinity of San Vicente Reservoir (APN. Nos. 323-111-13, 323-111-14, 323-111-15, 323-111-17, 324-060-04, 325-021-07, 325-021-10, 325-021-13, 325-051-04, 325-070-09, 326-020-21, 326-030-01, 326-030-02, 326-030-04, 326-030-05, 326-061-06, 326-061-06, 326-061-07, 326-061-12, 326-061-13, 326-061-14, 326-061-15, 326-061-16, 326-061-17, 327-110-07, 329-010-04, 329-010-05, 329-010-16, 329-021-03, 329-021-05, 329-021-06, 329-021-07, 329-023-01, 329-023-03, 329-040-02, 329-040-04, 329-041-03, 329-050-01, 329-050-02, 329-050-06, 329-080-01, 329-090-01, 329-090-06, 329-090-07, 329-120-52, 329-120-54, 329-120-57, 329-120-59, 329-121-03, 329-121-04, 329-121-04, 760-148-01, 760-148-10)

Agency Negotiators: Black & Veatch Corporation on behalf of the San Diego County Water Authority and City of San Diego

Negotiating Parties: Brookfield US Generation LLC and Tenaska, Inc. – Diamond Generating Corporation Joint Venture

Under Negotiation: Price and terms

- 12-C Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
SDCWA v. Metropolitan Water District of Southern California;
San Francisco Superior Court Case Nos. CPF-10-510830; CPF-12-512466; CPF-14-514004; CPF-16-515282; CPF-16-515391; CGC-17-563350; California Court of Appeal (1st District) Case Nos. A146901; A148266; and California Supreme Court Case No. S243500



12-D Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
California Department of Water Resources v. All Persons Interested; Sacramento
Superior Court Case No. 34-2017-00215965-CU-MC-GDS

13. ACTION FOLLOWING CLOSED SESSION

14. OTHER COMMUNICATIONS

15. ADJOURNMENT

Melinda Nelson
Clerk of the Board

NOTE: The agendas for the Formal Board meeting and the meetings of the Standing Committees held on the day of the regular Board meeting are considered a single agenda. All information or possible action items on the agenda of committees or the Board may be deliberated by and become subject to consideration and action by the Board.

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
MARCH 22, 2018**

ADMINISTRATIVE AND FINANCE COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Saxod called the Administrative and Finance Committee meeting to order at 9:05 a.m. Committee members present were Chair Saxod, Vice Chair Wilson*, and Directors Ayala, Cherashore, Gallo, Guerin, Hedberg, Heinrichs*, Murtland, and Watkins. Committee members absent were Vice Chair Arant and Directors Croucher, Hall, and Simpson. Also present were Directors Barnum, Bebee, Bienes, Boyle, Butkiewicz, Cate, Evans, Fong-Sakai, Hilliker, Hogan, Katz, Kennedy, Lewinger, Miller, Muir, Smith, Steiner, and Watkins. At that time, there was a quorum of the Board and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hattam, Deputy General Manager Kerl, Assistant General Managers Cushman and Denham, Director of Finance/Treasurer Harris, Director of Administrative Services Foster, Controller Woidzik, and Rate and Debt Manager Williams. Also present was Monique Spyke, Managing Director of PFM Asset Management, LLC.

* Director Wilson arrived at 9:10 a.m.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no members of the public who wished to speak.

CHAIR'S REPORT

Chair Saxod announced the new electric vehicle charging stations installed at the back of the building near the northeast vehicle exit gate were operational. She stated an email had been sent to all Board members on March 19, 2018 with instructions for signing up for SDG&E's vehicle charging program as well as instructions for using the chargers. Any questions should be directed to Mr. Foster.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Monthly Treasurer's Report on Investments and Cash Flow.
Staff recommendation: Note and file the monthly Treasurer's report.
2. Ordinance amending Chapter 4.04 of the Administrative Code.
Staff recommendation: Adopt Ordinance No. 2018-01, an ordinance of the

board of the San Diego County Water Authority amending Chapter 4.04 of the Administrative Code.

3. Resolution changing the April 2018 Board Meeting Dates.
Staff recommendation: Adopt Resolution No. 2018-03, a resolution of the Board of Directors of the San Diego County Water Authority moving the scheduled regular April 26, 2018, Board meeting date to April 12, 2018, and moving the scheduled April 12, 2018, special Board meeting to April 26, 2018.
4. Designation for Emergency Assistance and Relief.
Staff recommendation: Adopt Resolution No. 2018-04, a Resolution of the Board of Directors of the San Diego County Water Authority to designate officers and employees authorized to execute certain disaster relief or emergency assistance documents.

Director Ayala moved, Director Murtland seconded, and the motion to approve staffs' recommendations passed unanimously.

* Director Heinrichs arrived at 9:50 a.m.

II. ACTION/DISCUSSION/PRESENTATION

1. Funding Strategy Discussion for Water Authority Pension.
(3-Part Presentation Series)

Part 2: Funding Options and Summary of Current Local Government Practices.

Ms. Harris introduced the item by providing an overview of the Water Authority's pension plan and introduced Ms. Spyke. Ms. Spyke provided information on reducing the unfunded liability rate, the growing contribution rate, an option of establishing a Section 115 Pension Prefunding Trust, and other policy considerations.

Mr. Woidzik closed the presentation by providing information on comparable pension plan funded levels and funding options, and local government practices.

Directors made comments and asked questions. Staff and Ms. Spyke provided answers.

2. Controller's Report on Monthly Financial Reports.

Mr. Woidzik provided a brief Controller's Report presentation on the following components of the report: water sales volumes and revenues, water purchases and treatment costs, budget status report summary information, budget status report – revenues detail, and budget status report expenses detail.

III. INFORMATION

The following information item was received and filed:

1. Board Calendar.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

There being no further business to come before the Administrative and Finance Committee, Chair Saxod adjourned the meeting at 10:12 a.m.

WATER PLANNING COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Cherashore called the Water Planning Committee meeting to order at 10:16 a.m. Committee members present were Chair Cherashore, Vice Chairs Boyle and Evans, and Directors Ayala, Barnum, Bebee, Biances, Cate, Hedberg, Kennedy, Lewinger, Muir, and Smith. Committee members absent were Directors Preciado and Weston. Also present were Directors Butkiewicz, Fong-Sakai, Gallo, Guerin, Heinrichs, Hilliker, Hogan, Miller, Murtland, Olson, Saxod, Steiner, Watkins, and Wilson. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hattam, Deputy General Manager Kerl, Assistant General Managers Cushman and Denham, Director of Water Resources Yamada, Acting Director of Public Outreach and Conservation Vedder, Principal Water Resources Specialists Bombardier and Michelon, and Water Resources Specialist Schnell.

ADDITIONS TO THE AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no members of the public who wished to speak.

CHAIR'S REPORT

Chair Cherashore welcomed everyone and announced the State Water Resources Control Board had approved regulations for the planned placement of recycled water into a surface water reservoir used as a drinking water source.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Bureau of Reclamation 2018 Bay-Delta Restoration Program: CALFED Water Use Efficiency Grants Application.

Staff recommendation: Adopt Resolution No. 2018-05 authorizing the General Manager to submit a grant application to the Department of Interior, Bureau of Reclamation, under the 2018 Bay-Delta Restoration Program’s “CALFED Water Use Efficiency Grants”, and commit the Water Authority to the financial and legal obligations associated with the receipt of grant funds, if selected.

Director Kennedy moved, Director Evans seconded and the motion to approve staffs’ recommendations passed unanimously.

II. ACTION/DISCUSSION/PRESENTATIONS

1. Update on water supply conditions.

Ms. Schnell provided an update on water supply conditions including northern Sierra precipitation 8-station index, northern Sierra snowpack, Lake Oroville storage volume, San Luis reservoir storage volume, upper Colorado river basin snowpack and precipitation, local precipitation conditions, and 8-14-day climate prediction center precipitation and temperature outlook.

2. Interim Long-Range Water Demand Forecast Reset Dry-Year Scenarios and Revised Supply Mix.

Mr. Bombardier provided a presentation on the interim long-range water demand forecast reset dry-year scenarios and revised supply mix including dry-year assumptions, a single dry year forecast, a multiple dry year forecast, and 2015 Urban Water Management Plan Member Agency local supply information.

III. INFORMATION

The following information item was received and filed:

1. Water Resources report.

IV. ADJOURNMENT

There being no further business to come before the Water Planning Committee, Chair Cherashore adjourned the meeting at 11:10 a.m.

IMPORTED WATER COMMITTEE

CALL TO ORDER / ROLL CALL

Vice Chair Fong-Sakai called the Imported Water Committee meeting to order at 11:18 a.m. Committee members present were Vice Chairs Fong-Sakai and Kennedy, Directors Barnum, Hogan, Katz, Lewinger, Miller, Murtland, Saxod, Steiner, and Wilson. Committee members absent were Chair Weston, Directors Madaffer and Scalzitti, and Supervisor Roberts. Also present were Directors Bebee, Bienes, Boyle, Butkiewicz, Cate, Cherashore, Evans, Gallo,

Guerin, Hedberg, Heinrichs, Morrison, Muir, and Smith. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hattam, Deputy General Manager Kerl, Assistant General Managers Cushman and Denham, MWD Program Director Chen, Colorado River Program Director Rodgers, Senior Water Resources Specialist Mendelson-Goossens, and Engineer Poursadighi.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

Tom Philp of Metropolitan Water District addressed the Board regarding a letter dated March 22, 2018 sent from MWD Chairman Record to Water Authority Board Chair Muir.

CHAIR'S REPORT

Vice Chair Fong-Sakai updated the Board on the Oroville Spillway costs, claims, lawsuits, and implications.

Vice Chair Fong-Sakai reported the Salton Sea public workshops held March 1 and 7, 2018 were well attended. She also mentioned that a State Water Board meeting was held Tuesday, March 20, 2018 where the State provided their first update on the Salton Sea Management Program projects.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

There were no Consent Calendar items.

II. ACTION/DISCUSSION/PRESENTATION

1. MWD issues and activities update.
 - 1-A Metropolitan Water District Delegates' Report.

The delegates reported on discussion and action taken at the recent MWD Board meetings.

- 1-B Metropolitan Water District's Proposal Budget and Rates for 2019 and 2020.

Ms. Mendelson-Goossens provided a detailed report on MWD's proposed 2019 and 2020 Biennial Budget and Rates. She discussed key points, concerns and next steps.

Staff responded to questions and comments posed by the Board.

2. Colorado River Program.
2-A Colorado River Board Representative's report.

Director Wilson briefed the Board on items discussed at the Colorado River Board meeting held March 14, 2018.

3. Coachella Canal Lining Post-Construction Update.

Vice Chair Fong-Sakai announced that due to time constraints item II-3. would be moved to a future meeting.

III. INFORMATION

The following item was received and filed:

1. Metropolitan Water District Program Report.

V. CLOSED SESSION

Mr. Hattam took the committee into Closed Session at 11:47 a.m.

1. Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
SDCWA v. Metropolitan Water District of Southern California;
San Francisco Superior Court Case Nos. CPF-10-510830; CPF-12-512466; CPF-14-514004; CPF-16-515282; CPF-16-515391; CGC-17-563350; California County of Appeal (1st District) Case Nos. A146901; A148266; ; and California Supreme Court Case No. S243500
2. Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
California Department of Water Resources v. All Persons Interested; Sacramento Superior Court Case No. 34-2017-00215965-CU-MC-GDS

Mr. Hattam brought the committee out of Closed Session at 12:07 p.m. and stated there was no reportable action.

V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Vice Chair Fong-Sakai adjourned the meeting at 12:08 p.m.

ENGINEERING AND OPERATIONS COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Heinrichs called the Engineering and Operations Committee meeting to order at 1:00 p.m. Committee members present were Chair Heinrichs, Vice Chairs Hilliker and Miller, and Directors Bebee, Bienes, Boyle, Butkiewicz, Fong-Sakai, Hogan, Katz, Morrison*, Smith, and Watkins. Committee members absent were Directors Preciado and Simpson. Also present were Directors Cate, Cherashore, Evans, Gallo, Guerin, Hedberg, Kennedy, Lewinger, Madaffer, Muir, Murtland, Saxod, Steiner and Wilson. At that time, there was a quorum of the Board and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hattam, Deputy General Manager Kerl, Assistant General Managers Cushman and Denham, Director of Operations and Maintenance Fisher, Director of Engineering Reed, Senior Engineering Manager Bousquet, Operations and Maintenance Manager Faber, and Senior Construction Manager Olvera.

* Director Morrison arrived at 1:06 p.m.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no members of the public who wished to speak.

DIRECTORS' COMMENTS

There were no Directors' comments.

CHAIR'S REPORT

Chair Heinrichs provided an update on the Chlorine Boost System stating that staff continued to proceed with the design and installation of a chlorine boost system at Mission Trails Flow Regulatory Structure to address nitrification within the southern reaches of the treated water system. He also stated that staff recently briefed the Mission Trails Regional Park Citizen's Advisory Committee and would return to present the final project to the Citizen's Advisory Committee in May.

Chair Heinrichs also announced the retirement of Chris Schumann, Administrative Assistant for the Engineering Department.

I. CONSENT CALENDAR

There were no Consent Calendar items.

II. ACTION/DISCUSSION/PRESENTATION

1. Energy Items:

1-A San Vicente Energy Storage Task Force Update.

Director Hogan, San Vicente Energy Storage Task Force Chair, provided a report on Task Force activities. He stated the Task Force had met March 15, 2018 and discussed status of the FERC permit, and ongoing negotiations with Tenaska, Inc.-Diamond. The next Task Force meeting was scheduled for May 16, 2018 to provide more input on negotiations.

Mr. Bousquet provided a presentation which included project background, the purpose of pumped storage, project activities, legislative goals, budget status, and a schedule of future board presentations and actions. An update to the committee was scheduled for May 24, 2018 with the project development agreement to come before the Board for approval in January 2019.

Directors asked questions and Mr. Bousquet provided answers.

2. Notice of Completion for the Carlsbad 6 Flow Control Facility project.
Staff recommendation: Authorize the General Manager to accept the Carlsbad 6 Flow Control Facility project as complete, record the Notice of Completion, and release funds held in retention to Kiewit Infrastructure West, Inc. following the expiration of the retention period.

Mr. Olvera provided a presentation which included a review of the project location and components, upgrade of the Pipeline 3 Turnout Vault, upgrade of the Pipeline 4 Turnout Vault, and construction of the Carlsbad 6 Flow Control Facility. He also provided a contract summary, including the final contract amount.

Vice Chair Miller moved, Director Fong-Sakai seconded, and the motion to approve staffs' recommendation passed unanimously.

3. Asset Management Program Update.

Mr. Faber provided a presentation which included a description of asset management, history of the Water Authority's infrastructure development, and implementation of the Asset Management Program. He reviewed the three-step asset management process including inspections, data analytics, and recommendations. Mr. Faber closed his presentation with a list of future asset management program technology and actions.

Director Kennedy requested more information on future construction activities scheduled in the Rainbow area. Staff stated the information would be provided following the Board meeting.

III. INFORMATION

There were no information items.

IV. CLOSED SESSION

Mr. Hattam took the committee into Closed Session at 1:39 p.m.

1. Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Shimmick Construction Co., Inc./Obayashi Corp., joint venture
v. San Diego County Water Authority, Riverside Superior Court
Case No. RIC 1609196
2. Conference with Real Property Negotiator
Government Code §54956.8

Property: Portions of property owned by the San Diego County Water Authority or City of San Diego at or in the vicinity of San Vicente Reservoir (APN. Nos. 323-111-13, 323-111-14, 323-111-15, 323-111-17, 324-060-04, 325-021-07, 325-021-10, 325-021-13, 325-051-04, 325-070-09, 326-020-21, 326-030-01, 326-030-02, 326-030-04, 326-030-05, 326-061-06, 326-061-06, 326-061-07, 326-061-12, 326-061-13, 326-061-14, 326-061-15, 326-061-16, 326-061-17, 327-110-07, 329-010-04, 329-010-05, 329-010-16, 329-021-03, 329-021-05, 329-021-06, 329-021-07, 329-023-01, 329-023-03, 329-040-02, 329-040-04, 329-041-03, 329-050-01, 329-050-02, 329-050-06, 329-080-01, 329-090-01, 329-090-06, 329-090-07, 329-120-52, 329-120-54, 329-120-57, 329-120-59, 329-121-03, 329-121-04, 329-121-04, 760-148-01, 760-148-10)

Agency Negotiators: Black & Veatch Corporation on behalf of the San Diego County Water Authority and City of San Diego

Negotiating Parties: Brookfield US Generation LLC and Tenaska, Inc. –
Diamond Generating Corporation Joint Venture

Under Negotiation: Price and terms

Mr. Hattam brought the committee out of Closed Session at 2:31 p.m. and stated there was no reportable action.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Chair Heinrichs adjourned the meeting at 2:32 p.m.

LEGISLATION AND PUBLIC OUTREACH COMMITTEE **CALL TO ORDER/ROLL CALL**

Chair Guerin called the Legislation and Public Outreach Committee to order at 2:39 p.m. Committee members present were Chair Guerin, Vice Chair Butkiewicz, and Directors Cate, Croucher, Evans, Gallo, Hilliker, Madaffer, Muir and Steiner. Committee members absent were Vice Chair Hall, Directors Arant, Morrison, Scalzitti and Supervisor Roberts. Also present were Directors Bebee, Bienes, Boyle, Cherashore, Fong-Sakai, Hedberg, Heinrichs, Hogan, Katz, Kennedy, Lewinger, Miller, Murtland, Smith and Wilson. At that time, there was a

quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hattam, Deputy General Manager Kerl, Assistant General Managers Cushman and Denham, Acting Director of Public Outreach and Conservation Vedder, Government Relations Manager Farrel, and Public Affairs Supervisor Penunuri. Also present was legislative representative Ken Carpi.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no members of the public who wished to speak.

CHAIR'S REPORT

Chair Guerin reported that Senator Toni Atkins was sworn-in as the President Pro Tempore of the California State Senate. She reported that during February, Directors Madaffer and Butkiewicz represented the Water Authority at the San Diego Regional Chamber of Commerce annual delegation to Sacramento, and that Director Croucher represented the Water Authority at the ACWA DC Conference in Washington D.C.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Adopt positions on various state bills.

Staff recommendation:

- 1-A Adopt position of Support on AB 1944 (Garcia), relating to the San Luis Rey Valley Groundwater Basin.
- 1-B Adopt a position of Support if Amended on AB 2060 (Garcia), relating to advance payment grant awards for disadvantaged communities.
- 1-C Adopt a position of Support on AB 2283 (Holden), relating to income tax exemption for water conservation rebates.
- 1-D Adopt a position of Oppose Unless Amended on SB 998 (Dodd), relating to water system shutoffs.
- 1-E Adopt a position of Support and Amend on SB 1367 (Atkins), relating to the San Diego River Conservancy program.

- 1-F Adopt a position of Oppose Unless Amended on the Brown Administration's proposed budget trailer bill, dated February 1, 2018, related to safe and affordable drinking water.

Director Steiner moved, Director Muir seconded, and the motion to approve staffs' recommendation passed unanimously.

II. ACTION/DISCUSSION/PRESENTATION

1. Legislative issues.

- 1-A Washington report by Ken Carpi.

Mr. Carpi provided a Washington report which included updates related to Title 16 water reclamation funding and the passing of the \$1.3 trillion Omnibus Appropriations Act of 2018.

- 1-B Sacramento Report.

Mr. Farrel provided a Sacramento report which included an update on the status of Water Authority Sponsored bills and policy and implementation issues.

2. Adopt a Resolution of Support for Proposition 68 – the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018.

Staff recommendation: Adopt resolution 2018-06 endorsing Proposition 68, the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018.

Mr. Farrel presented an overview of Proposition 68 including background, funding categories, and key provisions of interest to the Water Authority.

Director Steiner moved, Director Butkiewicz seconded, and the motion to approve staffs' recommendation passed. Director Gallo opposed, and Director Cate abstained from the vote.

3. Small Contractor Outreach and Opportunities Program (SCOOP) mid-year update.

Item II-3 was continued to the April 12, 2018 committee meeting.

III. INFORMATION

The following information item was received and filed:

1. Government Relations Update.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

There being no further business to come before the Legislation and Public Outreach Committee, Chair Guerin adjourned the meeting at 3:11 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF MARCH 22, 2018

1. **CALL TO ORDER** Chair Muir called the Formal Board of Directors' meeting to order at 3:14 p.m.

2. **SALUTE TO THE FLAG** Director Lewinger led the salute to the flag.

3. **ROLL CALL, DETERMINATION OF QUORUM**

Secretary Croucher called the roll. Directors present were Ayala, Bebee, Biances, Butkiewicz, Cate, Cherashore, Croucher, Evans, Fong-Sakai, Gallo, Guerin, Hedberg, Heinrichs, Hilliker, Hogan, Katz, Kennedy, Lewinger, Madaffer, Miller, Muir, Saxod, Smith, Steiner, and Wilson. Directors absent were Arant (p), Barnum, Boyle, Hall (p), Morrison, Murtland, Preciado, Scalzitti (p), Simpson, Watkins, Weston, and Supervisor Roberts.

3-A **Report on proxies received.** Director Lewinger was the proxy for Director Hall, Director Hedberg was the proxy for Director Scalzitti, and Director Bebee was the proxy for Director Arant.

4. **ADDITIONS TO AGENDA**

There were no additions to the agenda.

5. **APPROVAL OF MINUTES**

Director Ayala moved, Director Evans seconded, and the motion carried at 86.48% of the vote to approve the minutes of the Formal Board of Directors' meeting of February 22, 2018.

6. **OPPORTUNITY FOR MEMBERS OF THE PUBLIC WHO WISH TO ADDRESS THE BOARD ON MATTERS WITHIN THE BOARD'S JURISDICTION.**

There were no members of the public who wished to speak.

7. **PRESENTATIONS & PUBLIC HEARINGS**

7-A **Retirement of Director.** Adopt Resolution honoring Ken Olson upon his retirement from the Board of Directors.

Director Evans moved, Director Heinrichs seconded, and the motion carried at 86.48% of the vote to approve Resolution 2018-07 honoring Ken Olson on his retirement from the Board of Directors.

- 7-B Appointment of Director. Appointment of Mel Katz representing the City of Del Mar. Term ending March 12, 2023.

Chair Muir introduced and welcomed Director Mel Katz, representing the City of Del Mar, to the San Diego County Water Authority Board of Directors.

8. **REPORTS BY CHAIRS**

- 8-A Chairs report: Chair Muir announced the CWA and MWD litigation settlement team and negotiations teams meetings were scheduled for March 26, 2018.

Chair Muir reported that Melinda Nelson would send evaluation forms to the Board for the General Manager and General Counsel performance evaluations, which were due to April 27, 2018. He announced that a Closed Session would be held during the May 24, 2018 Formal Board of Directors Meeting, to discuss results of the evaluations and the Officers recommendations for compensation.

He also reminded the Board of the change in April meeting dates, with the April Board Meeting scheduled for April 12, 2018 and the Special Board of Directors Workshop scheduled for April 26, 2018.

Director Guerin requested staff return with a summary of follow-up items from the October 12, 2017 Special Board Workshop, for review prior to the scheduled April 26, 2018 workshop.

- 8-B Report by Committee Chairs:
Administrative and Finance Committee. Director Saxod reviewed the meeting and the action taken.
Water Planning Committee. Director Cherashore reviewed the meeting and the action taken.
Imported Water Committee. Director Fong-Sakai reviewed the meeting and stated that no action was taken.
Engineering and Operations Committee. Director Heinrichs reviewed the meeting and the action taken.
Legislation and Public Outreach Committee. Director Guerin reviewed the meeting and the action taken.

9. **CONSENT CALENDAR**

Director Lewinger moved, Director Evans seconded, and the motion carried at 86.48% of the vote to approve the Consent Calendar. Directors voting no or abstaining are listed under the item.

- 9- 1. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed monthly Treasurer's Report.

- 9- 2. Ordinance amending Chapter 4.04 of the Administrative Code.
The Board adopted Ordinance No. 2018-01, an ordinance of the board of directors of the San Diego County Water Authority amending Chapter 4.04 of the Administrative Code.
- 9- 3. Resolution changing the April 2018 Board Meeting Dates.
The Board adopted Resolution No. 2018-03, a resolution of the Board of Directors of the San Diego County Water Authority moving the scheduled regular April 26, 2018, Board meeting date to April 12, 2018, and moving the scheduled April 12, 2018, special Board meeting to April 26, 2018.
- 9- 4. Designations for Emergency Assistance and Relief.
The Board adopted Resolution No. 2018-04, a Resolution of the Board of Directors of the San Diego County Water Authority to designate officers and employees authorized to execute certain disaster relief or emergency assistance documents.
- 9- 5. Bureau of Reclamation 2018 Bay-Delta Restoration Program: CALFED Water Use Efficiency Grants Application.
The Board adopted Resolution No. 2018-05, authorizing the General Manager to submit a grant application to the Department of Interior, Bureau of Reclamation, under the 2018 Bay-Delta Restoration Program’s “CALFED Water Use Efficiency Grants”, and commit the Water Authority to the financial and legal obligations associated with the receipt of grant funds, if selected.
- 9- 6. Notice of Completion for the Carlsbad 6 Flow Control Facility project.
The Board authorized the General Manager to accept the Carlsbad 6 Flow Control Facility project as complete, record the Notice of Completion, and release funds held in retention to Kiewit Infrastructure West, Inc. following the expiration of the retention period.
- 9- 7. Adopt positions on various state bills.
- A) The Board adopted a position of Support on AB 1944 (Garcia), relating to the San Luis Rey Valley Groundwater Basin.
 - B) The Board adopted a position of Support if Amended on AB 2060 (Garcia), relating to advance payment grant awards for disadvantaged communities.
 - C) The Board adopted a position of Support on AB 2283 (Holden), relating to income tax exemption for water conservation rebates.
 - D) The Board adopted a position of Oppose Unless Amended on SB 998 (Dodd), relating to water system shutoffs.

- E) The Board adopted a position of Support and Amend on SB 1367 (Atkins), relating to the San Diego River Conservancy program.
- F) The Board adopted a position of Oppose Unless Amended on the Brown Administration's proposed budget trailer bill, dated February 1, 2018, related to safe and affordable drinking water.

9- 8. Adopt a Resolution of Support for Proposition 68 – the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018.

The Board adopted resolution 2018-06, endorsing Proposition 68, the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018.

Directors Gallo and Cate voted No on 9- 8.

10. **ACTION/DISCUSSION**

11. **SPECIAL REPORTS**

- 11-A GENERAL MANAGER'S REPORT – Ms. Stapleton stated she had nothing further to report.
- 11-B GENERAL COUNSEL'S REPORT – Mr. Hattam stated he had nothing further to report.
- 11-C SANDAG REPORT – Chair Muir reported on discussion and action taken at the SANDAG Board of Directors Meeting.
SANDAG Subcommittees:
Borders Committee – Director Croucher reported on discussion and action taken at the Borders Committee Meeting and he announced that the meeting scheduled for March 23, 2018 had been cancelled.
Regional Planning Committee – Director Gallo reported on discussion and action taken at the Regional Planning Committee Meeting.

Chair Muir announced that he had named Director Hedberg as the Alternate on the SANDAG Regional Planning Committee.

- 11-D AB 1234 Compliance Reports – No reports were given.

12. **CLOSED SESSION(S)**

Mr. Hattam announced there was no need for Closed Session.

- 12-A Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
SDCWA v. Metropolitan Water District of Southern California;
San Francisco Superior Court Case Nos. CPF-10-510830; CPF-12-512466;
CPF-14-514004; CPF-16-515282; CPF-16-515391; CGC-17-563350;
California Court of Appeal (1st District) Case Nos. A146901; A148266;
and California Supreme Court Case No. S243500
- 12-B Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
California Department of Water Resources v. All Persons Interested;
Sacramento Superior Court Case No. 34-2017-00215965-CU-MC-GDS
- 12-C Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Shimmick Construction Co., Inc./Obayashi Corp., joint venture
v. San Diego County Water Authority, Riverside Superior Court
Case No. RIC 1609196
- 12-D Conference with Real Property Negotiator
Government Code §54956.8

Property: Portions of property owned by the San Diego County Water Authority or City of San Diego at or in the vicinity of San Vicente Reservoir (APN. Nos. 323-111-13, 323-111-14, 323-111-15, 323-111-17, 324-060-04, 325-021-07, 325-021-10, 325-021-13, 325-051-04, 325-070-09, 326-020-21, 326-030-01, 326-030-02, 326-030-04, 326-030-05, 326-061-06, 326-061-06, 326-061-07, 326-061-12, 326-061-13, 326-061-14, 326-061-15, 326-061-16, 326-061-17, 327-110-07, 329-010-04, 329-010-05, 329-010-16, 329-021-03, 329-021-05, 329-021-06, 329-021-07, 329-023-01, 329-023-03, 329-040-02, 329-040-04, 329-041-03, 329-050-01, 329-050-02, 329-050-06, 329-080-01, 329-090-01, 329-090-06, 329-090-07, 329-120-52, 329-120-54, 329-120-57, 329-120-59, 329-121-03, 329-121-04, 329-121-04, 760-148-01, 760-148-10)

Agency Negotiators: Black & Veatch Corporation on behalf of the San Diego County Water Authority and City of San Diego

Negotiating Parties: Brookfield US Generation LLC and Tenaska, Inc. – Diamond Generating Corporation Joint Venture

Under Negotiation: Price and terms

13. **ACTION FOLLOWING CLOSED SESSION**

14. **OTHER COMMUNICATIONS**

15. **ADJOURNMENT**

There being no further business to come before the Board, Chair Muir adjourned the meeting at 3:33 p.m.

Mark Muir, Chair

Gary Croucher, Secretary

Melinda Nelson, Clerk of the Board



April 4, 2018

Attention: Board of Directors

General Counsel's Report – March 2018

Purpose

This report discusses certain meaningful legal matters receiving attention during the month of March 2018.

Significant Developments in Pending Litigation

MWD Rate Cases

2010/2012 Rate Cases: The Court of Appeal issued its remittitur on October 24, 2017, returning the case to the trial court for further proceedings. On March 12, 2018, after a case management conference was scheduled in the 2016 case by Judge Wiss (*see* below re 2016 case), the Water Authority asked Judge Karnow to set a case management conference in these cases, which the parties had earlier agreed should be resolved prior to trial of the other cases. On March 15, 2018, MWD filed a motion under Code of Civil Procedure §170.6 to disqualify Judge Karnow. On March 16, 2018, Judge Karnow struck MWD's motion as untimely. MWD then moved *ex parte* for reconsideration, and Judge Karnow held a hearing on that issue on March 23, 2018. At the hearing, counsel for the Water Authority agreed with MWD that its challenge was timely under applicable case law, but asked for and received leave to brief the separate issue whether proceedings in this case on remand will constitute a "new trial" under section 170.6. The Water Authority's brief on the issue is due April 4, 2018, and MWD's response is due April 13, 2018. Judge Karnow will hear further argument on the issue on April 20, 2018, and thereafter decide whether he will keep these cases or they will be reassigned.

2014 Rate Case: The case filed on May 30, 2014 challenging MWD's rates adopted in 2014 for 2015 and 2016 was transferred to San Francisco Superior Court, assigned to Judge Karnow, and remains stayed.

2016 Rate Case: The case filed on April 13, 2016 challenging MWD's rates adopted in 2016 for 2017 and 2018 was transferred to San Francisco Superior Court and, following MWD's exercise of a peremptory challenge against Judge Karnow, assigned to Judge Mary Wiss, the other complex litigation judge in San Francisco. The 2016 case is also currently stayed by stipulation of the parties, but was set by Judge Wiss for a case management conference on April 27, 2018 at 1:30 p.m.

2017 Rate Case: The case was filed in Los Angeles Superior Court on June 9, 2017, following MWD's April 2017 approval of Readiness-to-Serve and Capacity Charges to be charged in 2018, and amended on July 18, 2017, after the MWD Board approved an amended RTS Charge for

2018. The nine MWD member agencies that have participated in the rate litigation each filed an answer. All parties stipulated to transfer the case to San Francisco Superior Court, and the case was transferred on October 27, 2017. On January 2, 2018, we received notice that the San Francisco Superior Court had received the case file for the 2017 case from Los Angeles. The San Francisco court has not yet entered a scheduling or case assignment order.

Public Records Act Case: The action to obtain a copy of the "financial planning" rate model used by MWD in 2016 to allocate its costs and set its rates for calendar years 2017 and 2018 was heard by Judge Mary Wiss, the judge also assigned to the 2016 rate case, on March 5. However, based on settlement negotiations with MWD regarding access to the rate model, the parties requested that the Court hold any ruling until after April 9.

Shimmick/Obayashi Joint Venture v. San Diego County Water Authority

This large CIP construction case went to trial in September and the jury issued a verdict on most claims in December, 2017. There was a mediation on March 5 that did not result in a settlement. If the parties do not reach resolution, the case will proceed on all remaining issues, most notably the cross-complaint by the Water Authority for False Claims Act violations, on which the prior jury hung. The trial date for the False Claims Act is June 8, 2018.

San Diegans for Open Government v. San Diego County Water Authority

The Water Authority's demurrer to the complaint was heard on January 19, 2018. Though the tentative ruling was in our favor, Plaintiff's counsel Briggs told the Court that the Water Authority's MWD delegates were negotiating and signing contracts for the Water Authority as MWD delegates (a claim the Water Authority contests), and the Court thus allowed limited discovery on such issues. The discovery process is now underway.

Department of Water Resources v. All Persons Interested

The Water Authority filed its Answer, which made clear we had specific issues that might or might not be at issue in the case. MWD demurred to our Answer, and also moved to strike portions of it, and we filed opposition briefs. The hearing took place on January 23, 2018. The MWD pleading challenges were all overruled. The case is now proceeding.

Requests Pursuant to the Public Records Act Request

<u>Requestor</u>	<u>Documents Requested</u>
Valeo Partners LLC	Hourly rates for attorneys retained for legal work in 2018

Prepared by: Mark J. Hattam, General Counsel

Attachment: Special Counsel Expenditure Report

**General Counsel's Office
Special Counsel Expenditure Report
(March 2018)**

On-going Litigation

Special Counsel	Project	Total \$ Expended for Mar-18 (Fees & Costs)
Brownstein Hyatt Farber Schreck	MWD Rate Litigation	Privileged ¹
	Public Records Litigation	Privileged
	QSA Implementation	Privileged
Daley & Heft	Pipeline 3 Relining Project	Privileged
	Restraining Order	Privileged
	San Diego Office of Education Matter	Privileged
Keker Van Nest & Peters	Metropolitan Rates	Privileged
Procopio Cory Hargreaves & Savitch	Brown Act Case	Privileged
	DWR Validation Matter	Privileged
	San Vicente Dam Raise Project	Privileged
Somach Simmons & Dunn	Dispute with SWRCB	Privileged

Non-Litigation

Special Counsel	Project	Total \$ Expended for Mar-18 (Fees & Costs)
Allen Matkins	San Vicente Pumped Storage Project	\$33,102.86 (CIP)
Brownstein Hyatt Farber Schreck	General Legal Services	\$165.00 (OP)
Daley & Heft	General Legal Services	\$249.40 (CIP)
Liebert Cassidy Whitmore	Personnel Issues	\$15,569.90 (OP)
Procopio Cory Hargreaves & Savitch	General Legal Services	\$2,040.00 (OP)
Reilly, Debra L.	Labor Issues	\$14,167.00 (OP)
Van Ness Feldman	San Vicente Water Storage Facility	\$1,681.68 (CIP)

¹ The California Supreme Court has held that the amounts of monthly legal bills for ongoing litigation have privileged status, as they may disclose litigation strategy. *Los Angeles County Bd. of Supervisors v. Superior Court*, (2016) 2 Cal. 5th 282, 286.