GOVERNMENT AFFAIRS AND COMMUNITY OUTREACH COMMITTEE MEETING AND SPECIAL MEETING OF THE BOARD OF DIRECTORS

Tuesday, April 26, 2016
5:30 p.m.

Committee Members:
Tony R. Fellow, Chair
Ed Chavez

Call-In: (877) 411-9748
Participant Code: 8736969

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

602 E. Huntington Drive, Suite B
Monrovia, CA 91016
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*The Government Affairs and Community Outreach Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Government Affairs and Community Outreach Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the Committee as advisory to the Board, members of the Board who are not assigned to the Government Affairs and Community Outreach Committee will not vote on matters before the Committee.

Communications

1. Call to Order

2. Public Comment

Discussion/Action

3. Legislative Update and Bill Recommendations. *(Memorandum enclosed.)*
   a. Federal
   b. State

4. Long-Term California Water Management and Conservation Policy. *(Memorandum enclosed.)*

Oral Reports

5.

Other Matters

6.

Adjournment

Next Meeting: May 12, 2016 at 5:30 p.m.

American Disabilities Act Compliance

Government Code Section 54954.2(a)

To request special assistance to participate in this meeting, please contact the Upper District office at (626) 443-2297 at least 24 hours prior to meeting.

MEMORANDUM

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

ITEM 3.

DATE: April 26, 2016

TO: Government Affairs and Community Outreach Committee and Board of Directors

FROM: General Manager

SUBJECT: State and Federal Legislation Update

Recommendation

Approve the recommended positions which are consistent with the 2015-16 Legislative Policy adopted by the Board in February 2015.

Washington DC Summary

H.R. 4954 (Napolitano) Water Quality and Job Creation Act of 2016: Rep. Napolitano and Rep. DeFazio introduced H.R. 4954 as an effort to renew Federal commitment to addressing the nation's wastewater infrastructure needs by investing $20 billion over five years in wastewater infrastructure through the Clean Water State Revolving Funds in the form of low-interest loans. The bill also reauthorizes two existing Clean Water Act grant authorities to aid communities seeking to augment local water supplies through water reuse, and to address local sewer overflows and storm water concerns.

By increasing investment in wastewater infrastructure, H.R. 4954 is intended to create thousands of new construction and wastewater-support jobs, and promote both energy and water-efficiency improvements as an effort to reduce a facility's potential long-term operation and maintenance costs.
RECOMMENDATION: Support

Key Provisions:

- Authorizes $1.5 billion over five years for grants for State water pollution control agencies to implement State water pollution control programs.
- Provides $600 million over five years for Clean Water pilot programs (including Federal technical assistance and/or grants) for watershed-based or system-wide efforts to address wet weather discharges, to promote storm water best management practices, to undertake integrated water resource management, and to increase the resiliency of treatment works to natural or man-made disasters.
- Includes economic incentives to encourage the adoption of energy- and water-efficient technologies and practices to maximize the potential for efficient water use, reuse, and conservation, and energy conservation, and realize the potential corresponding cost-savings for water treatment.
- Authorizes $2.5 billion over five years for grants to address combined and sanitary sewer overflows and recapture and reuse of municipal storm water.
- Authorizes $250 million in grants over five years for alternative water source projects, including projects that reuse wastewater and storm water to augment the existing sources of water.

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Sacramento Summary

AB 2525 (Holden) Water-efficient landscaping: would require DWR to create the California Water Efficient Landscaping Program to encourage local water agencies to use water efficiency incentives while promoting greenhouse gas reductions and sequestration. The program would also promote the benefits of consistent, water-efficient landscape ordinances and enhance inefficient grass replacement. The bill also creates the Water Efficient Landscaping Fund where funds would be available for smarter water-efficient landscape incentives by taking a watershed-based approach to landscape planning. **RECOMMENDATION: Support**

AB 2594 (Gordon) Stormwater resources: use of captured water: under current law, the Stormwater Resource Planning Act, authorizes one or more public agencies to develop a stormwater resource plan that meets specified standards to address both stormwater capture and dry weather runoff. This bill authorizes a public entity that captures stormwater, in accordance with a stormwater resource plan, to be entitled to use the captured water before it reaches a natural channel. This bill is still being developed to address how stormwater (that is otherwise not being used) is identified, quantified and attributed under this bill. **RECOMMENDATION: Watch**

AB 2617 (Mayes) Water efficiency measures: requires the California Energy Commission to prepare a report analyzing the costs and benefits of incentives for various specified water efficiency measures in cooperation with the State Water Resources Control Board by July 1, 2017. A final report would be developed by July 1, 2018 projecting the benefits of voluntary water efficiency measures and potential adverse environmental impacts. The report will guide local water retailers as they evaluate which most cost-effective solutions for granting incentives or rebates to customers, while targeting storm water runoff, soil erosion, mitigating heat island effect, pet & human health, light pollution, noise pollution and more water conservation benefits. **RECOMMENDATION: Support**

SB 20 (Pavley) California Water Resiliency Investment Act: creates the California Water Resiliency Investment Fund in the State Treasury and provide funds for dependable information of water supply. DWR would be required to make well log reports for water wells accessible to the public. Groundwater management agencies already have access to this information and the bill would help ensure responsible public access to the well completion logs of any entity that drills, destroys, deepens, or alters a water well. DWR has 700,000 current recorded logs and receives 10,000-20,000 new logs per year. SB 20 would require a one-time cost of $620,000 from the General Fund to the Department of Water Resources to establish an electronic database. However, the bill currently contains no specific funding source. **RECOMMENDATION: Watch**

SB 163 (Hertzberg) Water recycling: A 2-year gut and amend bill by the author that requires each NPDES permit holder discharging wastewater to the ocean achieve at least 50% of reuse by 2026; and after 2036 prohibits discharging wastewater to the ocean, except as a "backup discharge" as defined. Opponents of this bill argue that SB 163 is not feasible, practical (not a one-size-fits-all issue for every watershed), or cost-effective. The proposed mandate is also premature and counter-productive to existing efforts to develop recycled water supplies. A coalition, led by WateReuse, met with the author to discuss alternative approaches to advancing recycled water supplies without imposing a statewide mandate, including the creation of a statewide taskforce. However, the author expressed no interest in amending the bill. WateReuse has taken an "Oppose" position on the bill. **RECOMMENDATION: Watch**

SB 919 (Hertzberg) Water supply: creation or augmentation of local water supplies: requires the PUC, with the consultation of an Independent System Operator, to address before July 1, 2018 the oversupply of renewable energy resources through a tariff or other economic incentives for electricity purchased by customers operating facilities that create or augment local water supplies. These facilities include desalination, water recycling, water reuse and groundwater recharge. The bill is likely to be amended, with provisions such as expediting Prop 1 funds for local water supply projects, water agencies' considerations of how utilizing excess renewable electricity will affect current operations in maintaining water supply in a cost effective manner for the customer, and addressing development objectives of time-of-use rates. **RECOMMENDATION: Support if Amended**

SB 1233 (McGuire) Joint Powers Authorities: Water Bill Savings Act: authorizes a joint powers authority to provide funding for a customer of a local agency 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 also 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 it's publicly owned utility on behalf of the authority pursuant to a servicing agreement. This bill will be heard in the Senate Governance and Finance Committee on April 27, 2016. **RECOMMENDATION: Watch**

SB 1318 (Wolk) Local government: drinking water infrastructure or services: wastewater infrastructure or services: prohibits a county's Local Agency Formation Commission (LAFCO) from authorizing a city or a district to extend drinking water and/or wastewater infrastructure and services until it has extended services to all disadvantaged communities within or adjacent to its sphere of influence, or has entered into an agreement to extend those services to those disadvantaged communities. SB 1318 would impose an unfunded state mandate on LAFCOs to resolve a lack of drinking water services and wastewater infrastructure, rather than encourage local cooperation when an extension to a disadvantaged community is found to be feasible. This bill attempts to implement a one-size-fits-all approach and could force unreasonable extensions of services and pass significant costs to local public water agencies. The bill also does not provide a clear definition of what is considered to be a "disadvantaged community." **RECOMMENDATION: Watch**

SB 1340 (Wolk) Water Conservation in Landscaping Act.: adds to the Model Water Efficient Landscape Ordinance a permit requirement for the installation or replacement of automatic irrigation systems, or expansion of the same systems to increase the irrigated area by 25% or more for a landscape project on or after July 1, 2018. Proper design, installation, and control of automatic landscape irrigation systems will provide more water use efficiency and avoid water waste. **RECOMMENDATION: Watch**

SB 1374 (Lara) San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy: stormwater capture projects: requires San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (RMC) to identify projects that would maximize the capture of storm water along the Lower Los Angeles River, so long as the projects are consistent with the Los Angeles River Revitalization Master Plan. The RMC will identify projects along with their continued promotion of recreation, education and conservation to the publics' enjoyment. The RMC territory covers a large portion of Los Angeles County - including 68 cities, five rivers, and several watersheds. **RECOMMENDATION: Watch**

MEMORANDUM

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

ITEM 4.

DATE: April 20, 2016

TO: Government Affairs and Community Outreach Committee and Board of Directors

FROM: General Manager

SUBJECT: Adopt Resolution No. 5-16-567 Regarding Long-Term California Water Management and Conservation

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Recommendation

Adopt Resolution No. 5-16-567, a resolution that states the intent of the Board of Directors to support long-term policies that recognize water supply resilience, emphasizes efficiency and preserves local decision-making authority over water management.

Background

On February 2, 2016, the State Water Resources Control Board (SWRCB) adopted an emergency conservation regulation that extends mandatory urban water conservation through October 2016, with the original emergency regulation taking effect June 1, 2015 as a result of Gov. Jerry Brown's executive order on the drought.

The recently extended regulation provides for some limited adjustments (e.g., for climate and population growth) to conservation standards assigned to individual urban water suppliers but continues to rely almost exclusively on mandatory urban water conservation determined by the State Water Board. The emergency drought regulations by the SWRCB largely overlooked local water supply investments and required local urban water suppliers to impose mandatory water use restrictions even where local water supply conditions did not warrant such stringent restrictions.

In recent weeks, the State Water Resources Control Board staff has indicated interest in pursuing permanent conservation regulations that could affect the ability of local agencies to determine appropriate water management strategies at the local level. While the Brown Administration has indicated it is unlikely to pursue legislation on long-term conservation policy before 2017, there is still the possibility that lawmakers could introduce legislation independently of the Administration.

As the state's focus transitions from the emergency regulation to a potential long-term policy on conservation, the Association of California Water Agencies (ACWA) strongly believes that any long-term policy for California should recognize investments in drought-resilience, emphasize ongoing water-use efficiency, and leave management discretion to local water agencies.

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For the past 20 years, local water agencies have proactively invested close to $20 billion in drought-resilient strategies and tools that have added nearly 5 million acre-feet of "new" local and regional water supply and diversified California's water reliability portfolio. However, the emergency conservation regulations proposed by the State Water Board overlook the value of both water supply and water efficiency investments that are widely credited with keeping California's economy intact throughout the current multiyear drought.

Finally, any long-term policy is most appropriately developed and administered by the California Department of Water Resources, who is already working with ACWA and local water agencies to lead implementation and refinement of the 20x2020 mandate, authorized by the Legislature in 2009.

Recommended Actions

Staff recommends support for ACWA's call to action to its member agencies to adopt Resolution No. 5-16-567 supporting the key principles of a long-term conservation policy that preserves local decision-making authority; supports high levels of water use efficiency; promotes innovation in developing water shortage contingency plans; requires high levels of accountability at local water agencies; and provides policies be developed and administered by the California Department of Water Resources.

Attachment

RESOLUTION NO. 5-16-567

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT REGARDING LONG-TERM CALIFORNIA WATER MANAGEMENT AND CONSERVATION

THE BOARD OF DIRECTORS OF UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT FINDS as follows:

WHEREAS, several years of drought conditions have led California water agencies to invest nearly $20 billion in the past 20 years to diversify and manage the water supply portfolio to meet customer needs by providing reliable water supply during times of drought; and

WHEREAS, these local investments in water management ranging from water recycling, water storage, and desalination of brackish groundwater and ocean water backed by public support has been widely credited to keeping California's economy largely intact throughout drought years; and

WHEREAS, the emergency drought regulations established in May 2015 and extended in February 2016 by the State Water Resources Control Board did not account for these investments and required urban water suppliers to impose mandatory water-use reductions on customers, though hydrology and available local supply, did not warrant such stringent reductions; and

WHEREAS, the Upper San Gabriel Municipal Water District acknowledges that Californians responded to their call of action and largely met the statewide goals of reducing urban water use by 25% through February 2016 due to the drought emergency; and

WHEREAS, as California's focus transitions from emergency regulation to long-term management policy concerning conservation, local water agencies believe it should be the state's policy to advocate investments in drought-resiliency as well as ongoing water use efficiency and to appropriate management strategies at the discretion of local water agencies; and

WHEREAS, state water agencies support a long-term policy demanding high levels of water use efficiency, prompting innovation in developing water shortage contingency plans, high levels of accountability from local water agencies, and preservation of local control over water management decisions.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER SAN GABRIEL MUNICIPAL WATER DISTRICT that the Upper San Gabriel Valley Municipal Water District supports a long-term management strategy most appropriately developed and led by the California Department of Water Resources that will result in a more sustainable and resilient approach to water conservation while complimenting the investments of local water supply reliability to meet the 21st century water needs.

PASSED, APPROVED, AND ADOPTED on May 17, 2016.

AYES:

NOES:

ABSTAIN:

ABSENT:

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Bryan Urias, President

ATTEST:

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Michael R. Touhey, Secretary/Treasurer

(SEAL)

APPROVED AS TO FORM:

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Steven P. O'Neill, District Counsel