

**LEGISLATIVE COMMITTEE
OF THE TWENTYNINE PALMS WATER DISTRICT
72401 HATCH ROAD, TWENTYNINE PALMS, CA 92277**

VIA Teleconference: (712) 770-4035, Passcode: 995148

FEBRUARY 2, 2018 / 1:00 P.M.

AGENDA

Director Coghill

Director Giannini

Call to Order

Roll Call

Public Comment

Please complete a "Request to be Heard" form prior to the start of the meeting. The public may address the committee within the Committee's jurisdiction for three (3) minutes. Government Code prohibits the Committee from discussing or taking action on items that are not on the agenda.

- 1. 2018 Legislative and Regulatory Policy Principles**
- 2. Discussion/Review of State Legislation**
- 3. Southern California Water Committee Membership**

Notice of agenda was posted on or before 1:00 p.m. on January 30, 2018.


Ray Kolisz, General Manager

Upon request, this Agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Cindy Fowlkes at (760) 367-7546 at least 48 hours before the meeting, if possible.

Pursuant to Government Code Section 54957.5, any writing that: (1) is a public record; (2) relates to an agenda item for an open session of a regular meeting of the Board of Directors; and (3) is distributed less than 72 hours prior to that meeting, will be made available for public inspection at the time the writing is distributed to the Board of Directors. Any such writing will be available for public inspection at the District offices located at 72401 Hatch Road, Twentynine Palms, CA 92277. In addition, any such writing may also be posted on the District's website.

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**Twentynine Palms Water District
2018 Legislative & Regulatory Committee Policy Principles**

Twentynine Palms Water District serves a disadvantaged community whose rate and tax payers have incurred the costs of providing safe and reliable drinking water at affordable rates.

Our position on efforts to levy safe drinking water fees by the state from water users shall be weighed upon the following factors:

- A) The potential impact on the ability to raise revenues for local challenges with arsenic, hexavalent chromium, fluoride, and potential issues with nitrates and threats to divert flows that would otherwise replenish the basin;
- B) The degree to which state fees for safe drinking water include priorities that are important to the overall Morongo Basin area;
- C) The likelihood that ratepayers can afford to pay such fees;
- D) The probability that funds collected through such means will return to the area in the form of grants.

The Twentynine Palms area is a dry, high desert whose residents severely limit outdoor water use and instead, dedicate water uses during warm peak periods to the protection of health and safety through the use of evaporative coolers:

Our position on legislation and regulations to make "*Water Conservation A Way of Life*" will be based upon:

- A) Recognition of the natural weather and resource characteristics of the Morongo Basin;
- B) The need to protect the general and vulnerable segments of the population from periods of excessive heat in the most cost effective and efficient ways possible;
- C) Availability of state resources for incentives for water and energy-efficient cooling device retrofits and replacements.

The Board of Directors of the Twentynine Palms Water District further recognizes that the General Manager and the Board's Legislative and Regulatory Affairs Committee members are approved for travel to attend Legislative and Regulatory forums around the state upon approval by the President and Vice President of the Board so long as the following criteria are met:

- A) The issues addressed at such forums are relevant to the approved policy principles and/or specific related board actions;
- B) That any action to take formal positions in support or opposition to legislation or regulations will not be taken on issues by members of the legislation and Regulatory Affairs Committee or the General Manager for which the board has not consented through prior action or until action is taken to the board at a later date.

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MEMORANDUM

To: Board of Directors – Twentynine Palms Water District

From: Legislative and Regulatory Affairs Committee

Date: February 2, 2018

Legislative Update

The California State Legislature reconvened for the 2018 Legislative Session on Wednesday, January 3. As of January 18, 2018, legislators have introduced 283 bills.

- **Making Conservation a California Way of Life” Bills: AB 1323 (Weber, Friedman, Eduardo Garcia, Rubio), AB 1668 (Friedman, Hertzberg, Skinner), SB 606 (Friedman, Hertzberg, Skinner).** All three bills are vehicles for the implementation of Governor Brown’s Executive Order B-37-16 which directed the State Water Board, the Department of Water Resources (DWR), the Department of Food and Agriculture, the Public Utilities Commission (PUC), and the California Energy Commission (CEC) to take actions focusing on using water wisely, eliminating water waste, strengthening local drought resilience, and improving ag efficiency and planning. Of the three bills, AB 1323 is considered the “compromise” bill as it would require a stakeholder workgroup to develop, evaluate, and recommend proposals for establishing new water use targets for urban water suppliers and to report to the Governor and the Legislature by December 2019. Sacramento sources do not anticipate any action will be taken on any of the conservation bills in January.
- **SB 623 (Monning) Safe and Affordable Drinking Water Fund:** Would establish the state’s first tax on drinking water to fund safe drinking water solutions for disadvantaged communities. The bill received overwhelming opposition from Association of California Water Agencies (ACWA) during last year’s session, but the bill’s author, Senator Bill Monning, and the bill’s principal sponsor, the Community Water Center, are committed to moving the bill forward. The Metropolitan Water District met with the Community Water Center over the fall recess and proposed language that would place barriers on the legislature’s ability to reallocate or use the funds for other purposes – those amendments have not been added to the bill’s language. It is rumored that the bill will not be moved out of the Assembly Appropriations Committee unless there is an acceptable compromise reached on the terms of the bill. The negotiating parties are the Community Water Center’s coalition and ACWA. They are striving to come to terms with how the \$110M identified as needed to annually address the O&M

needs of disadvantaged communities will be raised. The Community Water Center is attempting to address issues that could come up from non-Central Valley DACs; one consideration is to allow utilities to self-report low income earners that would be exempt from the tax, but the formulas are somewhat complicated. For example, it could be based on a percentage of income spent on water. If bills for wastewater and stormwater treatment are included, it may expand the number of individuals exempt.

- **ACA 21 (Mayes, Obernolte) Infrastructure Funding:** Would create the California Infrastructure Investment Fund. The measure would require, for the 2019–20 fiscal year and each fiscal year thereafter - the amounts in the fund to be allocated to specified infrastructure investments, including the funding of deferred maintenance projects; including new water infrastructure projects. Estimate: \$2.4 to \$2.8 billion in annual funding.

Governor's 2018-19 Budget

On Wednesday, January 10, Governor Brown released his 2018-19 budget – his 8th and final budget. Big picture: the winners are K-12 schools and the California Community Colleges which are receiving a budget increase of \$3.75 billion, roughly 5%. The Governor also proposes a \$4.6 billion spending plan from the “gas tax” and vehicle license fee revenue. On matters relating to water, among the Governor’s priorities are (1) SB 5; and (2) the Safe and Affordable Drinking Water Fund.

- SB 5 (Water, Parks, Climate, Coastal Protection and Outdoor Access for All bond). The measure was passed during last year’s session and will go before voters on the June ballot. The measure includes \$84 million for groundwater treatment (remediation to reduce contamination for groundwater that serves as drinking water);
- Safe and Affordable Drinking Water Fund (consistent with the language in SB 623)– the Governor’s budget proposes \$4.7 million in 2018-19 for the State Water Board and Dept. of Food and Ag. to take initial steps toward the implementation of this new program, including:
 - Developing and implementing fee collection systems;
 - Conducting and assessment to estimate the level of funding needed to assist water systems in the state;
 - Developing and making available a map of high-risk aquifers used as drinking water sources.

Regulatory Affairs Update

While the Governor and the Legislature are focused on the implementation of SB 623 “Tax on Water” bill; the State Board has requested an extension on their February 1, 2018 deadline to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program (LIRA) enacted through AB401. The State Board had established a

stakeholder-working group to discuss options and potential barriers to the LIRA program; the group has not reconvened since September 2017. Sacramento sources have revealed that the current priority relating to funding for disadvantaged communities is SB 623.

Last spring, the final ruling was issued in the chrom-6 case, *California Manufacturers and Technology Association, et. al. v. California Department of Public Health, et.al.*, in favor of water systems by invalidating the 10 parts per billion (ppb) maximum contaminant level (MCL) for the chemical. In the ruling, the court said the Department of Public Health (DPH) failed to consider economic feasibility when, in early May 2014, it set the nation's first drinking water standard in California for chromium-6; the ruling was a "win" for water systems statewide.

While water systems were celebrating the court's decision in the chrom-6 case, the State Board was planning its adoption of an MCL for 1,2,3-TCP. In July 2017, the State Board adopted a standard of 5 parts per trillion (ppt) MCL for 1,2,3-TCP without a compliance period; monitoring began as of January 1, 2018. 1,2,3-TCP impacted systems are now exposed to third party lawsuits due to the State Board's decision to *not* include a compliance period when it adopted the revised MCL for the chemical. Stakeholders from the water community will be pursuing legislation to mandate that the State Board include compliance periods in the adoption of new MCL's. Specifically, the legislation proposes that the State Board provide a pathway for small water systems and disadvantaged communities to comply with safe drinking water contaminant standards in order to:

1. Remove the unnecessary stigma, threatened loss of public confidence and potential liability of being out of compliance before a small system or disadvantaged community has been able to identify scalable and suitable treatment technologies.
2. Provide for an adequate period to identify, finance, permit, and construct scalable and suitable treatment systems.
3. Allow the State Board to develop the means to plan and deploy technical assistance and financial assistance for small and disadvantaged water systems in such need.

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Membership Benefits

SCWC has been a powerful voice for Southern California since 1984, helping drive consensus on water issues across broad interests in the region. As members of SCWC, water agencies, companies, organizations - both public and private – and individuals enjoy a diverse portfolio of exclusive benefits that provide the tools necessary to tackle California’s critical and complex water issues and succeed.

SCWC is a non-profit, non-partisan organization dedicated to informing Southern Californians about our water needs and our state’s water resources. Membership dues are tax-deductible according to current IRS regulations.

To join SCWC now, visit us at www.socalwater.org and fill out our easy-to-use online application, or download the application and pay via check.

Policy Analysis and Positions

Through our issues-based task forces, SCWC informs and educates members on the latest developments in California water policy, and has a long record of collaboration and impact on the development of statewide and regional water policy decisions. With SCWC, you’ll have access to up-to-the-minute policy information and analysis straight from the state’s foremost experts.

Informational Workshops, Forums and Meetings

SCWC provides our members with expert commentary and analysis of California’s most pressing water issues. Our frequent and ongoing schedule of workshops, forums and panel discussions gives SCWC members unique opportunities to glean crucial, expert information on water, and weigh in on some of the greatest water challenges our state currently faces.

In addition, our regular quarterly meetings and special events attract a broad array of prominent water leaders from a cross-section of interest areas, providing SCWC members access to the networking opportunities they need to stay relevant and connected in California water. For upcoming SCWC programming, visit our Events & Calendar page.





Membership Benefits

Legislative and Regulatory Advocacy

SCWC's Legislative Task Force, led by some of the most respected government affairs professionals in California, keeps pace with breaking legislation in Sacramento and Washington, DC, tracking, analyzing, and taking positions on key state and federal bills that impact our members or the region.

SCWC leadership is an active voice for Southern California water interests, submitting letters on legislation, providing testimony at legislative hearings, and coordinating informational roundtables and networking opportunities with our elected delegations to discuss pending bills and water infrastructure funding needs.

Public Education and Advocacy Programs

SCWC connects our members to influential stakeholders, news media as well as the general public. Our public education and advocacy programs reach every corner of California, addressing critical statewide and regional issues. Our organization is dedicated to education and outreach, generating informational materials, policy backgrounders, presentations, and helpful toolkits that are easy to access and implement for members.

Breaking News and Information

When it comes to California, important news breaks quickly and often. And, today's digital age is generating a 24-hour news cycle with a variety of emerging communications platforms. SCWC has launched an integrated communications portal for its members, including an enhanced web site, e-newsletter, social media campaign and real-time monitoring.

SCWC's up-to-the-minute email alerts and established communications tools will ensure that you stay on top of the issues and ahead of the news.

Join Today – Plan For The Future

It is good business sense to join an organization that is dedicated to tomorrow's bottom line. SCWC has the leadership, commitment and expertise to influence the outcome of water issues that affect your interests.





Annual Investment Structure

Leadership Membership Levels

Founder Level: \$25,000

- All benefits of Basic Membership
- Two tables at the Annual Meeting & Dinner
- Primary Annual Meeting & Dinner Sponsorship (verbal recognition, prominent logo placement, brief speaking role)
- Full-page ad in the Annual Meeting & Dinner tribute book
- Complimentary invitations to all Quarterly Meeting
- Complimentary invitations to all SCWC special events, workshops and programs
- Invitations to exclusive VIP receptions/events/policy briefings
- Four guest columns in the weekly E-Newsletter at the member's discretion
- Prominent logo placement on SCWC web site
- Promotional displays/booths at the Annual Meeting & Dinner and Quarterly Meetings

Sponsor Level: \$10,000

- All benefits of Basic Membership
- One table at the Annual Meeting & Dinner
- Annual Meeting & Dinner sponsorship (verbal recognition, prominent logo placement)
- Full-page ad in the Annual Meeting & Dinner tribute book
- Five seats at each Quarterly Meeting
- Five seats at all SCWC special events, workshops and programs
- Invitations to exclusive VIP receptions/events/policy briefings
- Two guest columns in the weekly E-Newsletter at the member's discretion
- Prominent logo placement on SCWC web site
- Promotional displays/booths at the Annual Meeting & Dinner and Quarterly Meetings

Patron Level: \$5,000

- All benefits of Basic Membership
- One table at the Annual Meeting & Dinner
- Annual meeting & Dinner sponsorship (prominent logo placement)
- Half-page ad in the Annual Meeting & Dinner tribute book
- Two seats at each Quarterly Meeting





Annual Investment Structure

- Two seats at all SCWC special events, workshops and programs
- Invitations to exclusive VIP receptions/events/policy briefings
- One guest column in the weekly E-newsletter at the member's discretion

Basic Membership: Financial Levels Outlined Below

- Participation in select policy task forces
- Receive all SCWC public educational materials & policy briefings/analyses
- Access to SCWC legislation tracker
- Access to Annual Meeting & Dinner
- Access to all SCWC special events, workshops and programs
- Subscription to SCWC e-newsletter & breaking news/policy alerts

• Counties	\$10,000*
• Business	\$600
• Cities	\$750
• Water Agencies	\$850
• Agriculture	\$600
• Nonprofit	\$600
• General Public/Individuals	\$250

To join SCWC now, visit us online at www.socalwater.org.

*Receive all "Sponsor" level benefits

