



**COMMUNITY AND LEGISLATIVE AFFAIRS  
COMMITTEE MEETING  
OF THE BOARD OF DIRECTORS  
INLAND EMPIRE UTILITIES AGENCY\*  
AGENCY HEADQUARTERS, CHINO, CALIFORNIA**

**WEDNESDAY, AUGUST 9, 2017  
9:00 A.M.**

**CALL TO ORDER**

**PUBLIC COMMENT**

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form, which is available on the table in the Board Room. Comments will be limited to five minutes per speaker. Thank you.

**ADDITIONS TO THE AGENDA**

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

**1. ACTION ITEMS**

**A. MINUTES**

The Committee will be asked to approve the Community and Legislative Affairs Committee meeting minutes of June 14, 2017.

**B. SOUTHERN CALIFORNIA WATER COMMITTEE MEMBERSHIP RENEWAL**

Staff recommends that the Committee/Board approve the Fiscal Year 2017/18 membership as a founding member for the Southern California Water Committee in the amount of \$25,000.

**C. OPPOSE POSITION TO AB 1000 (FRIEDMAN)**

Staff recommends that the Committee/Board oppose AB 1000 (Friedman) – Water Conveyance, which would impose additional state environmental reviews by unrelated agencies on a project that has already undergone environmental review under the California Environmental Quality Act, for water conveyed in California’s water transportation systems.

**2. INFORMATION ITEMS**

**A. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)**

**B. LEGISLATIVE REPORTS (WRITTEN)**

1. West Coast Advisors
2. Innovative Federal Strategies
3. Agricultural Resources

**C. CALIFORNIA STRATEGIES MONTHLY REPORT (WRITTEN)**

**D. STATE LEGISLATION MATRIX (WRITTEN)**

**E. FEDERAL LEGISLATION MATRIX (WRITTEN)**

**3. GENERAL MANAGER’S COMMENTS**

**4. COMMITTEE MEMBER COMMENTS**

**5. COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS**

**6. ADJOURN**

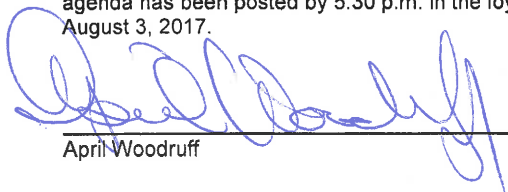
\*A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909-993-1736), 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Proofed by: JH

**DECLARATION OF POSTING**

I, April Woodruff, Board Secretary of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. in the foyer at the Agency’s main office, 6075 Kimball Avenue, Building A, Chino on Thursday, August 3, 2017.



April Woodruff

**ACTION  
ITEM  
1A**



## MINUTES

### COMMUNITY AND LEGISLATIVE AFFAIRS COMMITTEE MEETING INLAND EMPIRE UTILITIES AGENCY\* AGENCY HEADQUARTERS, CHINO, CA

WEDNESDAY, JUNE 14, 2017  
9:00 A.M.

#### **COMMITTEE MEMBERS PRESENT**

Steven J. Elie, Chair  
Michael Camacho

#### **STAFF PRESENT**

Chris Berch, Executive Manager of Engineering/AGM  
Andréa Carruthers, Senior External Affairs Specialist  
Michael Dias, Assistant Engineer  
Jason Gu, Grants Officer  
Chander Letulle, Manager of Operations and Maintenance  
Lisa Morgan-Perales, Senior Water Resources Analyst  
Jason Pivovarov, Senior Engineer  
Katie Plank, External Affairs Specialist I  
Jesse Pompa, Senior Engineer  
Craig Proctor, Source Control/Environmental Resources Supervisor  
Stephanie Riley, External Affairs Analyst  
Teresa Velarde, Manager of Internal Audit  
Christina Valencia, Chief Financial Officer/AGM  
April Woodruff, Board Secretary/Office Manager

#### **OTHERS PRESENT**

Steven Kerns, CivicSpark  
Ana Lopez, CivicSpark

The meeting was called to order at 9:01 a.m. There were no public comments received or additions to the agenda.

#### **ACTION ITEMS**

The Committee:

- ◆ Approved the Community and Legislative Affairs Committee meeting minutes of May 10, 2017.

#### **INFORMATION ITEMS**

The following information items were presented or received and filed by the Committee:

- ◆ Public Outreach and Communications
- ◆ Legislative Reports

- ◆ California Strategies, LLC Activity Report
- ◆ State Legislation Matrix
- ◆ Federal Legislation Matrix

**GENERAL MANAGER'S COMMENTS**

Acting General Manager Chris Berch had no comments.

**COMMITTEE MEMBER COMMENTS**

There were no Committee member comments.

**COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS**

There were no Committee member requests for future agenda items.

With no further business, Director Elie adjourned the meeting at 9:25 a.m.

Respectfully submitted,

April Woodruff  
Board Secretary/Office Manager

\*A Municipal Water District

**APPROVED: AUGUST 9, 2017**

**ACTION  
ITEM  
1B**



**Date:** August 16, 2017

**To:** The Honorable Board of Directors

**From:** R. Joseph Grindstaff, General Manager

**Committee:** Community & Legislative Affairs

08/09/17

**Executive Contact:** Kathy Besser, Executive Manager of Ext. Aff. & Policy Dev./AGM

**Subject:** Southern California Water Committee Membership Renewal

**Executive Summary:**

The Southern California Water Committee (SCWC) is a nonprofit, nonpartisan public education partnership that works to ensure the health and reliability of southern California's water supply, and IEUA has been an active member of SCWC for more than 10 years. President Elie currently chairs the SCWC Legislative Task Force, which assists in educating members about advancing legislation and issues of concern to water agencies and associated members. SCWC is in the process of restructuring to be a stronger voice and more prominent leader in the region and has asked IEUA to be one of five founding members. A founding membership will include all of the current basic membership benefits, as well as membership in the Stormwater Task Force, two tables at the annual dinner, including annual meeting and dinner recognition and a full-page ad in the tribute book, complementary invitations to all quarterly meetings, workshops, briefings, special events, four guest columns in the weekly E-Newsletter at the member's discretion, prominent logo placement on SCWC's website, and promotional displays at the annual dinner and quarterly meetings. As a founding member, IEUA would have an annual membership fee of \$25,000 and would no longer pay for sponsorships or events individually. This membership is being brought to the Board for approval outside of the annual membership board letter due to the timing of SCWC's request and the cost being greater than \$5,000.

**Staff's Recommendation:**

Approve the Fiscal Year 2017/18 membership as a founding member for the Southern California Water Committee in the amount of \$25,000.

**Budget Impact:** Y    *Budgeted (Y/N):* Y    *Amendment (Y/N):* N    *Requested Amount:* \$ 25,000

*Account/Project Name:*

Agency-wide Memberships

*Fiscal Impact (explain if not budgeted):*

The Agency-wide Membership account includes a 5% contingency that will be used to fund the SCWC founding membership fee.

**Prior Board Action:**

On December 21, 2016, the Board approved Resolution No. 2016-12-1, authorizing the FY 2017/18 Agency-wide memberships and affiliations, in the amount of \$225,382 (which includes a 5% contingency).

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

Approving the SCWC membership aligns with IEUA's business practices goal of advocating for development of policies, legislation and regulations that benefit the region.

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**Attachments:**

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**ACTION  
ITEM  
1C**



**Date:** August 16, 2017

**To:** The Honorable Board of Directors

**From:** P. Joseph Grindstaff, General Manager

**Committee:** Community & Legislative Affairs

08/09/17

**Executive Contact:** Kathy Besser, Executive Manager of Ext. Aff. & Policy Dev./AGM

**Subject:** Oppose Position to AB 1000 (Friedman)

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**Executive Summary:**

AB 1000 (Friedman) seeks to create a new certification process for water conveyed in California's water transportation systems, something that is unprecedented. Although the bill specifically targets the Cadiz project, it could also set a dangerous precedent and pose a potential threat to any infrastructure projects in the State. This bill seeks to impose additional State environmental review, by an unrelated agency, on a project that has already undergone environmental review under the California Environmental Quality Act (CEQA).

Current opposition to this bill includes: Southern California Water Committee, Municipal Water District of Orange County, Three Valleys Municipal Water District, Jurupa Community Services District, Cucamonga Valley Water District, San Bernardino County Supervisor Janice Rutherford, Inland Empire Economic Partnership, Building Industry Association of Southern California - Baldy View, and many others.

The bill will be considered by the Senate Appropriations Committee upon the Legislature's return from summer recess on August 21, 2017.

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**Staff's Recommendation:**

Staff recommends that the Board oppose AB 1000 (Friedman) - Water Conveyance, which would impose additional state environmental reviews by unrelated agencies on a project that has already undergone environmental review under the California Environmental Quality Act, for water conveyed in California's water transportation systems.

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**Budget Impact:** N/A    *Budgeted (Y/N):* N    *Amendment (Y/N):* N    *Requested Amount:*

*Account/Project Name:*

*Fiscal Impact (explain if not budgeted):*

**Prior Board Action:**

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

Approving the opposition to AB 1000 (Friedman) is in line with IEUA's business practices goal of advocating for development of policies, legislation and regulations that benefit the region.

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**Attachments:**

**INFORMATION**

**ITEM**

**2A**



**Date:** August 16, 2017

**To:** The Honorable Board of Directors

**From:** P. Joseph Grindstaff, General Manager

**Committee:** Community & Legislative Affairs

08/09/17

**Executive Contact:** Kathy Besser, Executive Manager of Ext. Aff. & Policy Dev./AGM

**Subject:** Public Outreach and Communication

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**Executive Summary:**

This is an informational item that provides highlights of the External Affairs team's monthly outreach, education and communication programs and updates.

The month of August is recognized as Water Quality Month. Multiple outreach methods will be used to highlight the importance of water quality and a reliable water supply.

August 11th is the BIA San Bernardino County Water Conference at the Doubletree Hotel (222 North Vineyard Ave, Ontario, 9:00 a.m. – 1:00 p.m.).

IEUA launched the updated KickWaterWaste.com micro-site. The site highlights the Kick the Habit campaign and focuses on water topics, rebates and water-saving tips.

IEUA will be distributing an email blast to 250,000 IP addresses in August focused on Back to School, which will highlight the Agency's free education programs and water-saving tips.

Please see attached for additional highlights.

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**Staff's Recommendation:**

This is an informational item for the Board of Directors to receive and file.

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**Budget Impact:** <sup>N</sup> *Budgeted (Y/N):* <sup>N</sup> *Amendment (Y/N):* <sup>N</sup> *Requested Amount:*

*Account/Project Name:*

*Fiscal Impact (explain if not budgeted):*

**Prior Board Action:**

N/A

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

IEUA is committed to enhancing and promoting environmental sustainability and the preservation of the region's heritage.

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**Attachments:**

Attachment 1 - Background

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## Background

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Subject: Public Outreach and Communication

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### August (Water Quality Month)

- August 11, BIA San Bernardino County Water Conference, Doubletree Hotel, 222 North Vineyard Ave, Ontario, 9:00 a.m. – 1:00 p.m.

### September

- September 6, Rolling Ridge Garden in Every School® Dedication, 13677 Calle San Marcos, Chino Hills, Time TBD
- September 6, Ontario Day at the LA County Fair, Pomona Fairplex, 1101 W. McKinley Avenue, Pomona
- September 7, Upland Day at the LA County Fair, Pomona Fairplex, 1101 W. McKinley Avenue, Pomona
- September 8, Rancho Cucamonga Day at the LA County Fair, Pomona Fairplex, 1101 W. McKinley Avenue
- September 14, Montclair Day at the LA County Fair, Pomona Fairplex, 1101 W. McKinley Avenue, Pomona
- September 15, Fontana Day at the LA County Fair, Pomona Fairplex, 1101 W. McKinley Avenue, Pomona
- September 20, Chino Day at the LA County Fair, Pomona Fairplex, 1101 W. McKinley Avenue, Pomona, (Kids Expo - 9:00 a.m. – 1:00 p.m.)
- September 22, Chino Hills Day at the LA County Fair, Pomona Fairplex, 1101 W. McKinley Avenue, Pomona, (Kids Expo - 9:00 a.m. – 1:00 p.m.)

### Outreach/Education - Civic Publications Newspaper Campaign

- IEUA launched the updated KickWaterWaste.com micro-site. The site highlights the *Kick the Habit* campaign and focuses on rebates, water-saving tips and more.
- IEUA will be distributing an email blast to 250,000 IP addresses in August focused on *Back to School*, which will highlight the Agency's free education programs and water-saving tips.

### Media and Outreach

- IEUA ran ads in the following sections of the *Champion Newspaper*:
  - Chino Jr. Fair – 7/1/17
  - Back to School – 7/22/17
  - Fall Connection – 8/5/17
- IEUA continues to run banner ads with *Fontana Herald News*.
- In July, 33 posts were published to the IEUA Facebook page and 33 tweets were sent on the @IEUAWater Twitter handle.
- The top three Facebook posts, based on reach and engagement, in the month of July were:
  - 6/28-7/10: Drip Kit Workshop (Ad)
  - 7/12: 2017-18 Wastewater Treatment Plant Tour Scheduling Now Available
  - 7/12: Water is Life Student Art – 9<sup>th</sup> Grade Student from Don Lugo High School in Chino

- The top three tweets, based on reach and engagement, in the month of July were:
  - 7/14: Free Sprinkler Nozzles Voucher
  - 7/5: Water is Life Student Art – 1<sup>st</sup> Grade Student from Liberty Elementary School in Ontario
  - 7/3: Smart Irrigation Month Tips
- As part of “July is Smart Irrigation Month”, IEUA shared *smart* water efficient tips, resources and rebate information on the IEUA Facebook page and Twitter handle.
- During the month of August, staff will be posting information on the IEUA Facebook page and Twitter handle related to wastewater treatment and water recycling as part of Water Quality Month.

#### Education and Outreach Updates

- Staff has begun scheduling school district, principal, PTA, and school staff meetings for school year 2017/18 to highlight the education programs and provide details and deadlines.
- Staff has submitted the 2018 Solar Cup Interest to Participate form to MWD to sponsor three teams (maximum). Teams will be selected and submitted to MWD by September 7, 2017.
- Staff has currently scheduled eight Water Discovery field trips for program year 2017/18.
- Staff has begun school site inspections for the qualifying 2017/18 Garden in Every School® Mini-Grant participants. Staff will be visiting 12 schools with existing water-wise gardens. After site inspections take place and recommendations are made, schools will receive \$1,000 to fund garden materials.



Community and Legislative Affairs Committee

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**INFORMATION  
ITEM  
2B**



**July 28, 2017**

**To:** Inland Empire Utilities Agency

**From:** Michael Boccadoro  
Beth Olhasso

**RE:** July Legislative Report

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**Overview:**

The Legislature adjourned to summer recess on July 21 after closing out the policy committee process. All bills still active are now either on the Senate and Assembly floor or in Appropriations Committee. When the Legislature returns on August 21 they will have about ten days to get bills out of Appropriations Committees and onto the floor where they must be acted on before the September 15 end-of-session deadline.

The California WaterFix has received critical approvals from both state and federal officials over the past few weeks. Federal fishery scientists said the project can co-exist with endangered fish and the Bay-Delta ecosystem. The State Department of Water Resources followed with a finding that building and operating the project complies with the California Environmental Quality Act (CEQA) and protects fish, wildlife and human health.

The State Water Resources Control Board recently adopted maximum contaminant level (MCL) for 1,2,3 Trichloropropane (TCP) of five parts per trillion (ppt). Five ppt is the lowest level at which 1,2,3 TCP can be detected in drinking water based on current technology. Some water agencies are concerned with the cost and short implementation timeline for complying with this new MCL.

After extensive safety inspections, regulators at the Division of Oil, Gas and Geothermal Resources (DOGGR) and the California Public Utilities Commission (CPUC) have announced that SoCalGas can resume limited natural gas injections at the Aliso Canyon natural gas storage facility. Injections could resume as early as the last week of July and will be limited to 28 percent of the facility's maximum capacity.

California reservoirs continue to sit at well above average for this time of year due to the extra-large Sierra snowpack this year.

The Governor and Legislators reached a deal and passed legislation to extend the state's Cap and Trade program past the 2020 sunset by a two-thirds vote. The bill, AB 398 (E. Garcia D-Coachella), extends the Cap and Trade program through 2030.

After the retirement of Department of Water Resources director Mark Cowin at the end of last year and acting director Bill Croyle earlier this year, Governor Brown has appointed Grant Davis to lead the influential water management agency.

The Public Policy Institute of California released their annual statewide poll on environmental issues. This year the poll focused on water supply and climate change. In the wake of a historic drought, only 37 percent of adults surveyed said water supply was a big problem in their region, compared to 62 percent last July.

Establishing long-term water-use efficiency standards continues to be one of the hottest topics in Sacramento. Senator Bob Hertzberg (D-Van Nuys), chair of the Senate Natural Resources and Water Committee, has taken control of the process and will work with stakeholders during the summer break to reach a compromise.

Other hot legislative topics include establishing a clean drinking water fund to clean up contaminated groundwater basins and provide clean drinking water to all Californians, revising Proposition 218 for stormwater financing and low-income rates, and establishing a 100 percent Renewable Portfolio Standard, which was recently amended to include the State Water Project.

## **Inland Empire Utilities Agency Status Report – July 2017**

### ***WaterFix Receives Green Lights from State and Federal Agencies***

The California WaterFix has received critical approvals from both state and federal officials over the past few weeks. Federal fishery scientists said the project can co-exist with endangered fish and the Bay-Delta ecosystem. The State Department of Water Resources followed with a finding that building and operating the project complies with the California Environmental Quality Act (CEQA) and protects fish, wildlife and human health.

The long-awaited decisions represent a pivotal point for the effort to modernize water supply delivery in the state. Given these recent approvals, the WaterFix can now move ahead with design and construction if water contractors approve funding for the project.

### ***State Board Adopts 1,2,3 TCP MCL***

The State Water Resources Control Board recently adopted a maximum contaminant level (MCL) for 1,2,3 Trichloropropane (TCP) of five parts per trillion (ppt). Five ppt is the lowest level at which 1,2,3 TCP can be detected in drinking water based on current technology. While environmentalists applauded the recent ruling, industry and some water agencies voiced concerns. Most public water agencies said they support the MCL, but many have complained that they are unlikely to have the resources to detect and cleanup the TCP to such a low level. The American Chemistry Council and the California Manufacturers and Technology Association similarly objected on the grounds that the state board failed to conduct a required analysis of the economic impacts and technological feasibility of meeting the 5 ppt MCL.

### ***State Approves Resuming Gas Injections at Aliso Canyon Storage Facility***

After extensive safety inspections, regulators at the Division of Oil, Gas and Geothermal Resources (DOGGR) and the California Public Utilities Commission (CPUC) have announced that SoCalGas can resume limited natural gas injections at the Aliso Canyon natural gas storage facility. Injections could resume as early as the last week of July and will be limited to 28 percent of the facility's maximum capacity.

The approval has drawn significant opposition from environmentalists, community activists, and some state representatives who argue that the storage facility is not needed to ensure a sufficient amount of energy for the region and poses too high of a public safety and environmental risk to resume operation. Regulators believe the approval will help ensure reliability in the Los Angeles.

The same day the announcement was made, California Energy Commission (CEC) Chairman Robert Wisenmiller announced that Governor Brown has asked him to plan for the permanent closure of the facility within ten years to meet the state's long-term greenhouse gas (GHG) targets.

### ***Cap and Trade Extended***

The Governor and Legislators reached a deal and passed legislation to extend the state's Cap and Trade program past the 2020 sunset by a two-thirds vote. The bill AB 398 (E. Garcia D-Coachella) extends the Cap and Trade program through 2030 and requires the California Air Resources Board (CARB) to set price ceilings and price containment points as well as new offset limits. Controversially, the bill also contains a prohibition on local air districts regulating carbon emissions at large stationary sources.

AB 617 (C. Garcia, D-Bell Gardens) is a companion measure that requires CARB to set up new reporting and enhanced monitoring programs for criteria pollutants, and develop criteria pollutant emissions reduction plans for disadvantaged communities in conjunction with local air districts.

As part of the broader deal to secure the two-thirds vote on Cap and Trade, Republicans succeeded in passing a Constitutional Amendment that, if passed by voters in June 2018, would require a one-time two-thirds vote of lawmakers on a plan to spend revenue generated by GHG allowance auctions in 2024. The target of this provision is the requirement to spend 60 percent of the fund on public transit, affordable housing, sustainable communities and high-speed rail every year as a continuous appropriation. Republicans to change these allocations after Governor Brown has departed.

### ***Governor Appoints New DWR Director***

After the retirement of Department of Water Resources director Mark Cowin at the end of last year and acting director Bill Croyle earlier this year, Governor Brown has appointed Grant Davis to lead the influential water management agency.

Davis is a Petaluma Democrat who most recently was the general manager of the Sonoma County Water Agency. During his tenure as general manager, the district became carbon-free in 2015, providing water to ratepayers through 100 percent renewable energy, an achievement that aligns with the Governor's environmental goals for the state. Before that, he was executive director of the Bay Institute from 1997 to 2007, senior district representative for Congressman Lynn Woolsey from 1993 to 1997 and principal of Impact Consulting from 1990 to 1993. Davis comes in during a crucial period for the agency, including repair of the Oroville Dam spillway and the possible construction of the \$16 billion California WaterFix project.

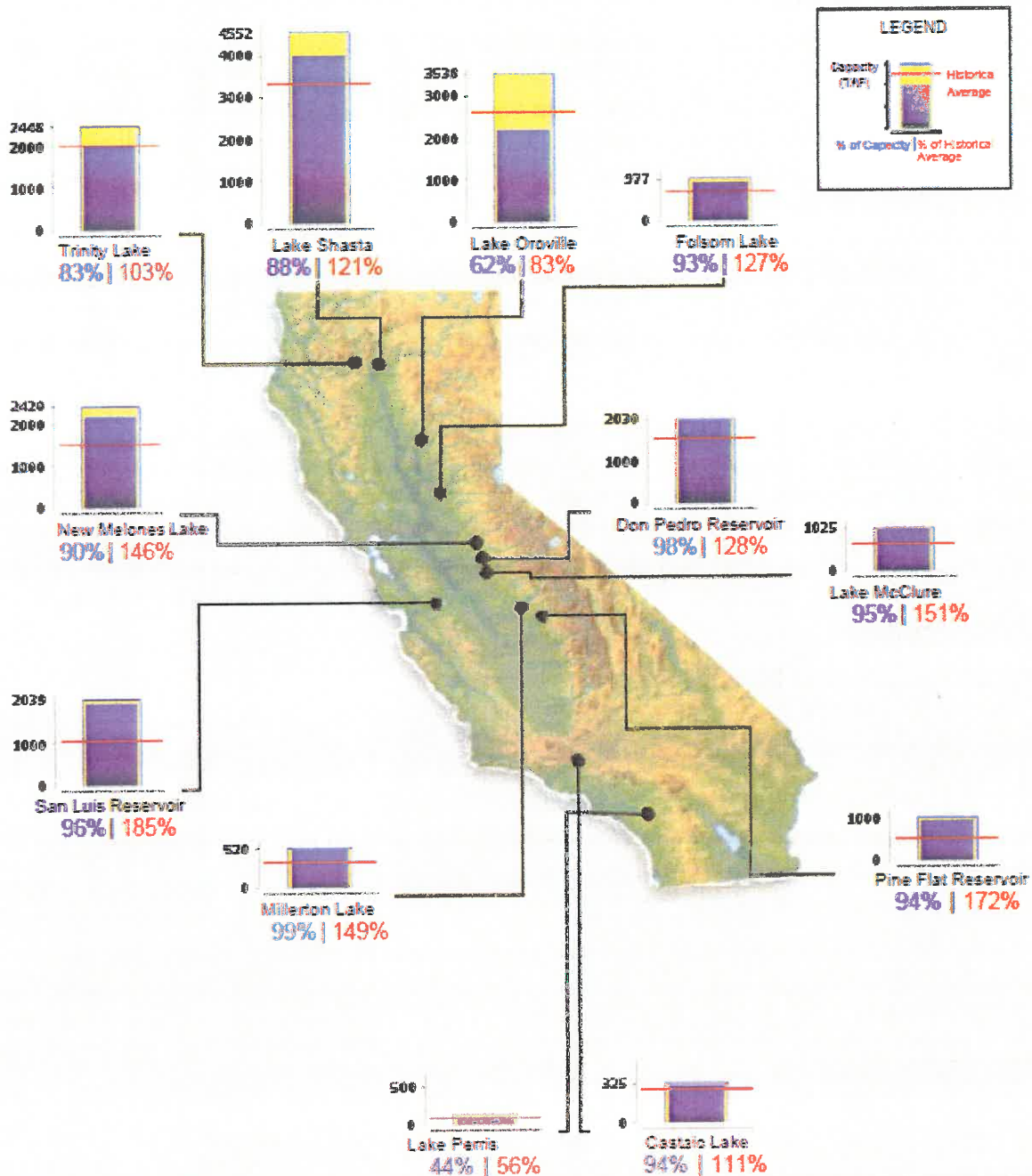
Davis will have to be confirmed by the Senate sometime during the next year.

### Reservoir Conditions

California's massive 2017 snowpack lasted well beyond normal, with skiers hitting the slopes on the 4<sup>th</sup> of July, but has rapidly melted to next to nothing. Some slopes and shady areas continue to stop hikers in their tracks, but the state is registering no measurable snowpack. However, reservoirs have remained well above average as the snow melt has rushed down Northern California rivers.

Ending At Midnight - July 25, 2017

### CURRENT RESERVOIR CONDITIONS



### ***PPIC Releases New Poll on Californians and the Environment***

The Public Policy Institute of California released their annual statewide poll on environmental issues. This year the poll focused on water supply and climate change.

In the wake of a historic drought, only 37 percent of adults surveyed said water supply was a big problem in their region, compared to 62 percent last July. Forty-six percent of Inland Empire residents said that water supply was a big problem in their region.

The poll revealed that 72 percent of California adults favor new laws, such as SB 32 (Pavley, 2016), that mandate reductions in greenhouse gas (GHG) emissions. Similarly, 56 percent of adults support the cap-and-trade program, although 56 percent of Californians said they had not heard of the system.

Respondents also generally supported goals for increased renewable energy generation. Seventy-six percent of adults were in favor of both the current 50 percent target and the 100 percent target being considered this legislative session (SB 100).

The full survey can be found at PPIC's [website](#).

### ***Legislative Update***

The first half of July was a rush of committee hearings and bill amendments before the deadline for bills with fiscal impacts to be out of policy committee by July 14 and all non-fiscal bills by July 21. The legislature went on summer recess on July 21 and will return August 21 for the final three weeks of the 2017 Legislative Session.

In addition to cap and trade, discussed above, there was a flurry of activity on other energy measures, including SB 100, as well as significant activity on establishing long-term water use efficiency standards.

### **SB 100: 100 Percent RPS**

Senate President Pro Tem Kevin de Leon (D-Los Angeles) introduced legislation to establish an accelerated Renewable Portfolio Standard (RPS) culminating in 100 percent clean power by 2045. The bill accelerates the current 50 percent requirement to 2026 and creates a new 60 percent renewable requirement by 2030.

The Investor Owned Utilities (IOUs) are concerned about the renewable electricity mandates and would prefer broader clean energy goals, with a focus on GHG emission reductions providing opportunities for the market to work in the most cost-effective manner, without compromising reliability.

Coming as a surprise to most, the author agreed to take amendments to require the State Water Project to transition to zero-carbon/renewable energy resources by the end of 2045. Metropolitan Water District and the State Water Contractors are working over the summer recess with the author and committee staff to remove this provision from the bill.

The bill passed both the Assembly Utilities and Energy and Natural Resources Committees before the summer recess and is now awaiting action by the Appropriations Committee.

### **Water Financing**

Senator Bill Monning (D-Carmel) is pursuing legislation that would create a fund for clean drinking water. SB 623 (Monning), sponsored by the Community Water Center, creates the "Safe, Affordable Drinking Water Fund." Stakeholders representing agriculture and some urban water interests have been working with the proponents of the bill to reach a compromise. ACWA continues in fierce opposition to a public goods charge.

The main point of contention for the urban water suppliers is the proposal to add an up to \$1 per month charge on all residential meters to fund the operation and maintenance of failing water systems. The agricultural community is also working to reach consensus on provisions for a funding mechanism of their own that would help clean up contaminated groundwater basins.

The bill was not in its final form before its July 11 hearing in the Assembly Environmental Safety and Toxic Materials Committee. It is anticipated that a funding mechanism will be added to the bill somewhere in the appropriations process, likely as the bill is passed and moved onto the floor. At the July 11 hearing, even Democrats voiced their concern about the amount of rate-payer money that would be required. Many noted that Legislators could withhold future votes once the funding piece is added.

### **Water Use Efficiency Legislation**

As previously reported the Brown Administration released a final report on "Making Conservation a Way of Life" in early April. Shortly after, the Governor released budget trailer bill language to establish a process for creating long-term water use efficiency standards. Many in the water community are concerned with the proposed legislation because it deviates from the final report in that it leaves broad authority for the SWRCB to develop efficiency standards. There are several other aspects of the trailer bill that have caused the water community to be generally concerned.

The Governor's office has been hosting meetings throughout the early summer to hear and address the concerns of the water community. They released a revised Trailer Bill in mid June, but indicated they will hold proceeding so that members of an Assembly working group can attempt to develop an acceptable proposal to move through the legislative process.

The water community, under the leadership of the Association of California Water Agencies (ACWA) has developed their own legislation to establish short and long-term efficiency standards, with only the short-term urban water management plans bill still active.

Finally, Assemblymember Laura Friedman (D-Burbank), a former MWD director, introduced three bills that put the Governor's original trailer bill language into policy bills that are being considered in the normal legislative process. Only two of her bills are currently moving.

The bills were heard in Senate Natural Resources and Water Committee on July 11 and Chair Hertzberg (D-Van Nuys) took the opportunity to take control of the process. He held all bills and only passed out two, AB 1654 (Rubio) and AB 1668 (Friedman), and stripped them of all

language except “intent” language that states *“This bill would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.”*

Senator Hertzberg set up a process to be run through his committee in coordination with the Assembly Water, Parks and Wildlife Committee and other Assembly stakeholders, to craft a comprehensive policy to be put forth when members come back from summer recess. Additionally, he and Senator Nancy Skinner (D-Berkeley) introduced a Senate version of the same intent language, SB 606, so that part of the final package can be in a Senate bill.

Stakeholders were encouraged to submit comment letters to the Natural Resources and Water Committee outlining their preferences for legislation. It is believed that the committee will work with stakeholders as it develops its proposal.

### **Proposition 218 Reform**

Senator Bob Hertzberg has introduced two bills to address Proposition 218 reform. The bills pick up where the 2016 ACWA effort left off. SB 231 is sponsored by the California Water Foundation and addresses stormwater, specifically how to finance stormwater capture, cleanup and reuse in rates. The bill ran into a little trouble from many California cities worried that the bill might add onto the already onerous new MS4 permit requirements. The bill passed off the Senate floor with 23 votes, just two over the minimum needed. The bill is on the Assembly floor awaiting a final vote.

SCA 4, also by Senator Hertzberg is a constitutional amendment that would address lifeline and conservation rates. ACWA has agreed to sponsor SCA 4, and has been working out the final details about which article of the California Constitution to amend. The compromise position seems to be using Article 17, an empty article of the constitution. Disagreement continues between the author’s office and ACWA, with ACWA wanting complete transparency by referencing Article 13 and Prop 218. Hertzberg’s office prefers the language to be vague, to help the bill gain votes by avoiding Proposition 218. Since the bill is a Constitutional Amendment, it is not subject to the typical legislative deadlines.

### **Recycled Water**

The WaterReuse bill (AB 574, Quirk) which would re-define specific categories of recycled water passed out of both the Senate Environmental Quality Committee and the Senate Natural Resources and Water Committee. The bill is in Appropriations Committee where it faces a challenge with a hefty price tag. Proponents are working with committee staff and SWRCB staff to re-evaluate the cost associated with implementing the bill.



# *Innovative Federal Strategies* LLC

Comprehensive Government Relations

## MEMORANDUM

**To:** Joe Grindstaff, Kathy Besser  
**From:** Letitia White, Jean Denton, Annie Wake  
**Date:** July 29, 2017  
**Re:** July Monthly Legislative Update

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### ***House Passes \$788 Billion Spending Bill***

The House passed a \$788 billion spending bill Thursday that complies with President Donald Trump's demands to boost the military, reduce clean-energy programs and start funding a wall on the U.S.-Mexico border.

The bill, passed 235-192, would fund the Departments of Defense, Energy and Veterans Affairs, the Legislative Branch and Army Corps of Engineers in fiscal 2018. Republican leaders added \$1.6 billion in border-wall funding to win the backing of House conservatives. The bill, H.R. 3219, has little chance of passing the Senate in its current form. Senate Democrats, whose votes would be needed for passage, intend to block it in the hopes of a deal later this year to increase domestic spending. The bill does, however, set up a bargaining position for House Republicans heading into possible spending talks with Democrats.

"You've got a unified position in the House and that's a good place to be right now," said Representative Mac Thornberry (R-TX), the chairman of the House defense panel. No schedule for bipartisan budget talks has been set and it is unclear whether Congress can avoid a government shutdown when the fiscal year begins October 1. By including border-wall funding that alienates Democrats, Republicans have increased the risk that Congress will be unable to complete the spending bills on time.

### **Partial Shutdown**

That would either lead to a partial shutdown of government services or require Congress to pass a stopgap spending measure. The President has said a "good" shutdown may be needed to secure funding for the wall.

Representative Tom Rooney (R-FL), a member of the House spending panel, said he fears the current strategy will lead to a stopgap spending bill in late September that would continue current spending levels and policies. "The lowest common denominator always prevails around here," Rooney said.

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Representative Nita Lowey (D-NY), the top Democrat on the spending panel, also said Congress would likely have to pass a stopgap bill into December because the bill cannot win bipartisan support. "You can call it kicking the can down the road, you can call it whatever you want," Representative Lowey said. "This is not the way to do business."

### 12 Spending Bills

Representative Rooney and other Republicans had initially hoped to vote on a legislative package combining all 12 of the annual spending bills. He said that would give House Republicans the upper hand in any shutdown situation because they could argue they did their work to fund the government.

In that scenario, Senate Democrats "would get the blame for any shutdown," Representative Rooney said. Republican members weren't willing to back the 12-bill package. Moderates said the eight bills not in the spending package would impose \$8 billion in cuts to domestic agencies from current levels, while some conservatives wanted deeper cuts. Moderate Representative Charlie Dent (R-PA) said the House couldn't pass a bill based on those levels. "That's why we need a bipartisan budget agreement," he said

### ***Appropriators Fund Popular Municipal Programs***

This past month the Appropriations Committees of the House and Senate continued to move domestic appropriations bills. All twelve FY18 appropriations bills in the House have moved out of full committee, while the Senate has reported six (Military Construction and Veterans Affairs, Energy and Water, Transportation, Housing and Urban Development (THUD), Agriculture, and Commerce, Science, and Justice) out of the full committee.

Within many of these bills, funding for municipal programs are included, and saw relatively high funding marks, despite the President's FY18 request almost universally cutting or zeroing-out said programs. A listing of highlighted programs' proposed funding levels is below:

#### House Appropriations: Subcommittee on Transportation, Housing and Urban Development

- **Housing and Urban Development (HUD)** – The legislation includes a net discretionary total of \$38.3 billion for the Department of Housing and Urban Development, a decrease of \$487 million below the fiscal year 2017 enacted level and \$6.9 billion above the Administration's budget request.
- **Community Planning and Development** – The bill contains \$6.6 billion for Community Planning and Development programs – \$209 million below the FY 17 enacted level.
  - Community Development Block Grants are funded at \$2.9 billion, \$100 million below the FY17 level and \$2.9 billion above the President's request.

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### Senate Appropriations: Subcommittee on Transportation, Housing and Urban Development

- **Housing and Urban Development (HUD)** – \$40.244 billion in discretionary appropriations for the U.S. Department of Housing and Urban Development, an increase of \$1.4 billion above the FY17 enacted level.
- **Community Planning and Development** – \$6.85 billion for Community Planning and Development programs, \$47 million above the FY17 enacted level.
  - The Community Development Block Grant formula program is funded at \$3.06 billion, the same funding level as FY17 and \$3.06 billion above the President's request.

### House Appropriations: Subcommittee Energy and Water

- **Bureau of Reclamation Funding**– \$1.229 billion in discretionary appropriations for the Bureau of Reclamation Funding, a reduction of \$209 million below the FY17 level and an increase of \$131.7 million above the FY 18 President's request.
- **Water Infrastructure Improvements Act (WIIN Act)**
  - Water and Related Resources is funded at \$1.091 billion, a reduction of \$64 million below the FY17 level and \$131.7 million above the President's request.

### Senate Appropriations: Subcommittee Energy and Water

- **Bureau of Reclamation Funding**– \$1.288 billion in discretionary appropriations for the Bureau of Reclamation Funding, an increase of \$190 million above the FY 18 President's request.
- **Water Infrastructure Improvements Act (WIIN Act)**
  - \$98 million drought resiliency programs
  - Water and Related Resources is funded at \$1.150 billion, a reduction of \$5 million below the FY17 level and \$190 million above the President's request.

### House Appropriations: Subcommittee on Commerce, Science, and Justice

- **Economic Development Administration (EDA)** – The legislation includes \$176 million for the EDA, a reduction of \$100 million below the fiscal year 2017 level and \$146 million above the President's request.

### Senate Appropriations: Subcommittee on Commerce, Science, and Justice

- **Economic Development Administration (EDA)** – The legislation includes \$276 million for the EDA, a reduction of \$22 million below the FY17 level and \$224 million above the President's request.

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### ***Obamacare Repeal Collapses as Senate GOP Blocks Health Bill***

A months-long effort by Senate Republicans to pass health-care legislation collapsed early Friday after Senator John McCain (R-AZ) joined two of his colleagues to block a stripped-down Affordable Care Act (ACA) repeal bill.

"I regret that our efforts were simply not enough, this time," Senate Majority Leader Mitch McConnell (R-KY) said on the Senate floor after the vote. "This is clearly a disappointing moment." "It's time to move on," he added after pulling the bill from the floor.

The decision by Senator McCain to vote no came after weeks of brinkmanship and after his dramatic return from cancer treatment to cast the 50th vote to start debate on the bill earlier this week. The GOP's "skinny" repeal bill was defeated 49-51, falling just short of the 50 votes needed to advance it. Republicans Susan Collins (R-ME) and Lisa Murkowski (R-AK) also voted against the measure.

It wasn't immediately clear what the next steps would be for the Republicans. The repeal effort had appeared to collapse several times before, only to be revived. And several Republicans pleaded for their colleagues not to give up, even as President Trump blasted the vote.

#### 'Let ObamaCare Implode'

"3 Republicans and 48 Democrats let the American people down, As I said from the beginning, let ObamaCare implode, then deal. Watch!" the President wrote on Twitter July 28 at 2:25 am Washington time.

House Speaker Paul Ryan (R-WI) said in a statement later that morning he is "disappointed and frustrated" that the Senate couldn't reach an agreement, but he urged the Senate to keep trying. "We should not give up," he said.

Senator Collins said in a statement the Senate should work on a plan "in a very careful way. That means going through the process of committee hearings; receiving input from expert witnesses" and working with lawmakers in both parties. Both the House and Senate proposals were crafted in secret, with no public hearings or input from Democrats.

House Freedom Caucus Chairman Mark Meadows (R-NC) insisted, though, that he had no intention of working with Democrats, saying the Republican-only path remains the only viable option. "In the end, we will prevail," the North Carolina Republican said.

Senator McConnell has struggled to find a compromise that satisfies conservatives, who have demanded a wholesale repeal of ACA, and moderates, who have been unnerved by predictions the bill would significantly boost the ranks of uninsured Americans.

Democrats immediately called for a bipartisan debate on how to fix the ACA.

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“We are not celebrating. We’re relieved,” Senate Minority Leader Chuck Schumer (D-NY) said after the vote. “Let’s turn the page and work together to improve our health care system.” He also said Democrats would be willing to help expedite bipartisan legislation and to advance Trump Administration nominations.

Republicans have been under intense pressure to deliver on their repeal promises. But repeated pleas -- and threats -- from the White House and conservative groups weren’t enough to push the bill through. “I sadly feel a great many Americans will feel betrayed, that they were lied to, and that sentiment will not be unjustified. You cannot campaign against Obamacare and then vote for Obamacare,” Senator Ted Cruz (R-TX) said early Friday.

### Loud Gasps

On evening of July 27, several Republicans were making the unusual argument that they would only vote to advance the measure if they got guarantees it wouldn’t pass the House. House Speaker Paul Ryan assured several senators that his chamber would start a conference negotiation if the Senate passed the bill.

Senator McConnell released the long-awaited text of his so-called skinny repeal bill late July 27, only a few hours before the pivotal vote. It would end the requirement that individuals buy health insurance, and suspend through 2026 the requirement that companies provide it for their workers.

It would also extend a moratorium on the tax on medical-device makers through 2020 and increase the amount that individuals can contribute to health-savings accounts. The measure would also defund Planned Parenthood for one year.

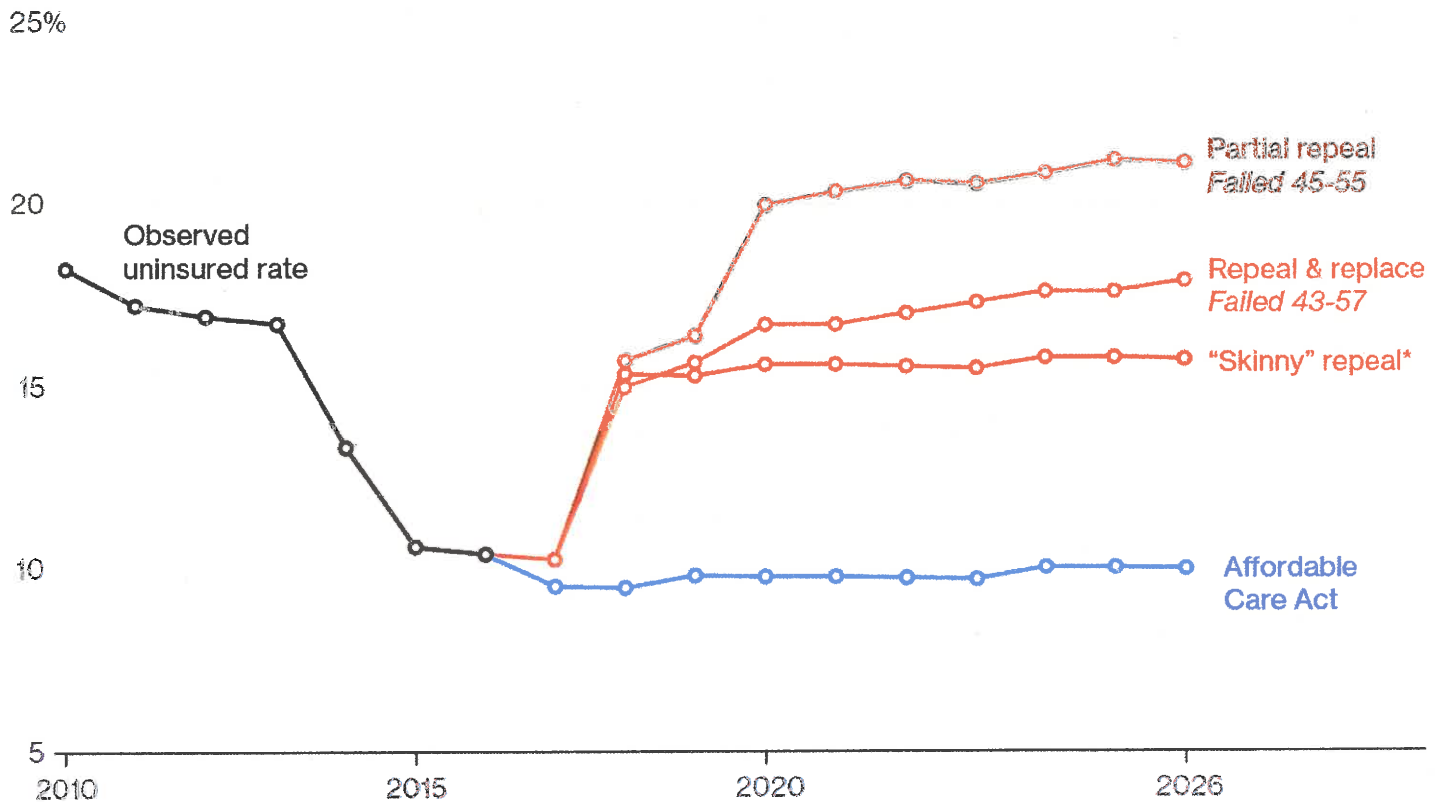
The Congressional Budget Office said late July 27 that the bill would result in an additional 15 million Americans without health insurance next year. It also said the measure would reduce the federal deficit by \$178.8 billion over a decade.

The defeat of the “skinny” repeal bill came after several other measures put forward by GOP leaders were also blocked. The Senate rejected a fuller repeal of the ACA by a 45-55 vote on Wednesday, July 26. Seven Republicans voted against it, including Senate Health Chairman Lamar Alexander (R-TN) and Senator McCain. Late July 27, a 43-57 Senate vote swept aside a revised version of McConnell’s Obamacare replacement, a measure negotiated in secret during weeks of tense GOP talks. Republicans had said late July 27 their plan was to get the “skinny” bill through the Senate and then negotiate with the House on a broader agreement to repeal and replace the ACA.

“Passing this legislation will allow us to work with our colleagues in the House toward a final bill that can go to the president, repeal the ACA, and undo its damage,” Senate McConnell said July 27 on the Senate floor. “I urge everyone to support it.”

By early Friday morning, Senator McConnell admitted defeat, saying his “only regret” is that they failed.

## Under All Proposed Senate Obamacare Repeal Bills, Uninsured Rate Would Spike



\*CBO scored an estimation of what would be included in a "skinny" repeal bill.  
Sources: Congressional Budget Office, National Health Interview Survey



Several Senate Republicans said they hoped this wasn't the end of the debate. "I am disappointed with this setback on efforts to fix our broken health care system," Senator Pat Toomey (R-PA) said in a statement. "Congress must not give up on repealing and replacing the failed health care law."

A crestfallen Senator Bill Cassidy (R-LA) said he hopes Democrats are now interested in working on a broader deal, like the one he developed with Collins. "I've tried in the past, as has Susan, to have a dialogue. It hasn't worked. Maybe this had to happen to begin to have a conversation," the Louisiana Republican said.

### ***Senate Holds Hearing on S. 357, the Santa Ana River Wash Plan Land Exchange Act***

Following the House passage of the Santa Ana River Wash Plan Land Exchange Act (H.R. 497), the Senate has begun moving its companion bill, S. 357, originally introduced in the last congress. On July 26 the Senate Energy and Natural Resources Subcommittee on Public Lands, Forests, and Mining held a hearing on S. 357, in which

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Subcommittee Chairman Mike Lee (R-UT) stated this was the first hearing of the panel in 2017 and that over half of the fifteen bills under consideration were also considered in the last session of Congress.

Other than the six Senators testifying on behalf of legislation they support the only other witnesses were Mr. Glenn Casamassa (Associate Deputy Chief, National Forest System, U.S. Department of Agriculture) and Mr. John Ruhs (Acting Deputy Director of Operations, Bureau of Land Management, U.S. Department of the Interior). Mr. Ruhs' testimony stated the Department's support of the bill, but would like to work with the sponsor and the Subcommittee on a few modifications. Neither Senators Diane Feinstein (D-CA) or Kamala Harris (D-CA) were present at the hearing.

### **Proposed Rewrite of Wetlands Rule Expected by December, EPA Says**

Rewriting rules that clarify the geographic scope of the Clean Water Act and limit toxic wastewater releases from power plants top the Environmental Protection Agency's (EPA) agenda on water-related regulations released July 20.

The first regulatory agenda issued since President Trump became president gives a timeline for when federal agencies plan to fulfill his executive orders to reconsider rules that he said are too burdensome. The Clean Water Rule seeks to clarify which wetlands and waterways are considered "waters of the U.S.," a term used in the Clean Water Act to specify areas subject to the law's permitting requirements and other provisions.

EPA and the U.S. Army Corps of Engineers plan to replace the Clean Water Rule (RIN: 2040-AF30) in two steps.

They plan to first repeal the stayed Obama-era rule—the proposal (RIN: 2040-AF74) to do so has been released from White House review, but not yet published—and then undertake a second rulemaking to replace it.

The agencies estimate that a proposal (RIN: 2040-AF75) for a replacement rule will be out by December, but the agenda is silent on when it will be issued in final form, an action that is likely to trigger lawsuits.

Attorneys specializing in water issues couldn't pin down what the EPA's timeline for proposing a rule rewrite might look like. "Until you see the proposed rule, it's hard to say whether they should have taken more time," Neal McAliley, a Carlton Fields attorney who specializes in Clean Water Act issues, stated.

Jan Goldman-Carter, director of the National Wildlife Federation wetlands and water resources program, said the timeline is "too fast" to conduct a "thoughtful legal and scientific analysis and meaningful public input to the proposal, but that lack of foundation doesn't seem to concern them."

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### ***House Passes H.R. 23, the Gaining Responsibility on Water Act***

On July 12, the House passed the controversial water bill, "Gaining Responsibility on Water Act," by a 230-190 vote over Democrats' objections that it would harm fisheries and undermine states' rights. Under the legislation, California's Bay-Delta Accord would be codified by a modified version of H.R. 23, which would also make changes to the state's Central Valley and State Water projects and streamline permitting processes.

The bill includes provisions from multiple other bills previously passed by the House that sought to increase the flow of water to areas of California that have experienced drought over the past five years. According to the bill's sponsor Representative David Valadao (R-CA), the bill "will enact policies to expand our water infrastructure and allow for more water conveyance while protecting the water rights of users across the state."

Democrats and the California Governor, Jerry Brown (D), opposed the legislation in part because "it pre-empts state environmental protections for fish in local rivers and undermines federal biological opinions on the endangered species status of some fish. Another section of the bill prohibits emergency releases of Trinity River water to prevent fish deaths on the Klamath River" according to one analysis.

Representative Ken Calvert (R-CA) disagreed and countered that last year environmental groups also raised arguments against California drought provisions included in Water Infrastructure Improvements for the Nation (WIIN) Act.

But Representative Jared Huffman (D-CA) disagreed with Representative Calvert and argued that the bill, "ignores" both California's own efforts to combat drought and the WIIN Act. Representative Huffman noted that no hearings on H.R. 23 have been held by the House Natural Resources Committee and the committee has not publicly stated how it's passage will affect this implementation of the WIIN Act. Finally, a number of California Democrats debated that the bill interfered with the state's right to manage its own water.

### ***California Delegation's Newest Member Sworn In***

Representative Jimmy Gomez (D-CA) is the only Democrat to be elected to a House seat in a special election this year. The California freshman is already getting his feet wet by focusing on water and environmental policy, and will join the House Natural Resources Committee as well as Oversight and Government Reform.

He stated "In California, they have a saying: Whiskey's for drinking and water is for fighting...Water is the lifeblood of California, and now I get to work on it from a federal perspective." He represents the California 34th, a district he describes as, "a tale of two districts,...One is very affluent versus one that's very working class." The seat was previously held by Congressman Xavier Becerra who Gov. Jerry Brown appointed to succeed now-Senator Kamala Harris as the state's Attorney General.



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### ***Trump Claims Dramatic Slow-Down Issuing Government Regulations***

The Trump Administration says it has shelved some 860 federal regulations over its first six months in office and dramatically slowed new rules as part of the president's push to reduce the role government plays in the economy.

In a new report released July 20, the Administration says the number of economically significant regulations have been halved since 2016, and there has been a 40 percent drop in the creation of other rules that would have a significant impact. While former President Barack Obama imposed regulations with \$6.8 billion in costs during the last five months he was in office, the White House says it has reduced costs imposed by government rules.

Regulations are typically measured by their benefits to society -- such as reductions of deaths -- in addition to their economic costs. The Office of Management and Budget (OMB) provided no estimate of benefits lost by the regulatory slowdown in a synopsis of the report released Wednesday evening.

"Government is using muscles it hasn't used in a really long time, exposing and removing redundant and unnecessary regulation," OMB Director Mick Mulvaney said in a statement.

The release of the report renews questions about whether President Donald Trump's deregulation push is doing more harm than good. Some critics say the President has held up valid regulations, including safety rules desired by industries.

#### Safety Rules

Under the umbrella of transportation agencies regulating aviation, automobiles, rail and highways, of the 43 proposed rules subject to review under an executive order President Trump issued at the beginning of his presidency, 34 of them -- or 79 percent -- are intended to improve safety.

The President, speaking July 19 at an event to promote products made in the U.S., said he hoped to accelerate the pace of deregulation in the coming months.

"What's happening, step by step, we've gotten rid of regulations, and a lot more are coming," President Trump said. "We have some statutory requirements where we're not allowed to do it until certain dates, but they're coming as fast as those dates come we've opened it up, and it's made a big difference for the farmer, home builder, for so many." Critics also say Trump's Administration has skirted the normal rule-making process by allowing his department heads to simply delay, for long periods, any rules they don't like.

Moreover, the reduced pace of regulations under the Trump Administration may not be entirely deliberate. The slow pace of appointments by the White House has left many

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agencies without top-level political appointees who traditionally manage the regulatory process. And the Administration is comparing its opening months -- as officials first get their footing -- to the final days of the Obama White House, when his Administration openly acknowledged it was engaged in a mad dash to finish new rules before the hand-off to a new president.

### Trump Impact

Neomi Rao, administrator of OMB's Office of Information and Regulatory Affairs, argues the White House effort is "reducing the overall regulatory burden on the American people."

"It fulfills longstanding principles to review and revise existing regulations to eliminate regulations that are ineffective, duplicative, and obsolete," she said in a statement. For the President, who has seen his push to repeal Obama's signature healthcare law stymied on Capitol Hill and little tangible progress on his tax overhaul and infrastructure plans, deregulation has offered a rare opportunity to make a direct policy impact.

President Trump has signed multiple bills rolling back Obama-era rules governing energy companies, and ordered reviews of efforts by the prior administration to restrict greenhouse gas pollution and protect wetlands and waterways. The Administration also delayed a rule requiring restaurants to disclose calories on menus, and reversed rules preventing debt collectors from charging high interest rates on overdue student loans.

### ***Trump Introduces Infrastructure Advisory Council and Senate Committee Leaders Develop Policy Priorities***

President Trump issued an executive order the week of July 17 formally creating the infrastructure advisory council he has previously said he wants New York real estate developers Richard LeFrak and Steven Roth to lead.

According to the order, the council will study and make recommendations about:

- Prioritizing U.S. infrastructure needs;
- Accelerating the pre-construction approval processes;
- Funding and financing options capable of generating new infrastructure investment during the next 10 years;
- Methods to increase public-private partnerships, including regulatory changes;
- Improving procurement methods, grant procedures, and infrastructure delivery systems; and
- Promoting advanced manufacturing and infrastructure-related technological innovation.

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Despite the creation of the Council, the Trump Administration has yet to introduce a detailed plan, which has been promised to appear "very soon" for weeks. Within Congress, a lack of leadership from the Administration has prompted the Senate Environmental and Public Works Committee to instigate its own legislative agenda. On July 17<sup>th</sup>, the Committee called for Senators to submit by that Friday, July 21, for "infrastructure priorities, policy proposals and recommendations" for a committee-produced title of a "comprehensive infrastructure bill."

In addition, minority members of the Senate Committee on Environment and Public Works (EPW), including Senator Kamala Harris, sent a letter to the Committee's Chairman Senator John Barrasso, with their project and policy priorities for comprehensive infrastructure legislation. Their blue print calls for \$1 trillion in infrastructure spending over 10 years, of which \$500 billion is within the EPW Committee jurisdiction.

Across Congress, there is increasing consensus that the President has missed an opportunity to instigate infrastructure legislation. As Senator Susan Collins (R-ME) stated, "It would have given him a win on an important agenda item for him. It would have been better received by Democrats, Congress and, frankly, citizens across the country."

### ***The Attorney General Reinstates Civil Asset Program***

The Attorney General Jeff Sessions, announced the reinstatement of the "civil asset forfeiture program," allowing state and local officials to seize the assets (including cash and other property) of people suspected of a crime.

The Obama Administration had previously halted this program in light of a number of instances of abuse, which were highlighted in a 2014 Washington Post investigation "that found that state and local police had seized almost \$2.5 billion from motorists and others without search warrants or indictments since 2001."

Deputy Attorney General Rod J. Rosenstein said that new and more robust measures would be instated to discourage misuse of the program. The Fraternal Order of Police, the National Sheriffs' Association, the Major Cities Chiefs Association are all supportive of the policy which Attorney General Sessions says is, "a key tool that helps law enforcement defund organized crime, take back ill-gotten gains and prevent new crimes from being committed, and it weakens the criminals and the cartels." However the program has both Republican and Democratic skeptics including Representative Darrell Issa (R-CA) and the ACLU.

***Trump Takes Travel Ban Dispute to U.S. Supreme Court Again***

President Donald Trump's Administration took the dispute over his temporary travel ban to the Supreme Court again, asking the justices to let the government bar entry into the U.S. by people with grandparents and cousins in the country.

The administration filed papers on July 14 asking the court to clarify a June 26 ruling that said the government had to admit at least some close relatives, including spouses and parents-in-law. A federal trial judge in Hawaii said the ruling meant the government couldn't exclude several other types of family members either.

The Hawaii judge's ruling "distorts this court's decision and upends the equitable balance this court struck," acting U.S. Solicitor General Jeffrey Wall said in court papers.

The Supreme Court already has agreed to hear arguments in the fall on Trump's 90-day ban, which applies to people entering the U.S. from six mostly Muslim countries. The June 26 ruling said a limited form of the ban could take effect in the meantime, allowing only people with a "credible claim of a bona fide relationship with a person or entity in the United States" to enter.

The limited travel ban took effect June 30. The Trump Administration announced it would let people enter the U.S. who had a parent, spouse, fiancé, child, sibling, son- or daughter-in-law, or a parent-in-law in the country. The standard excluded those with grandparents, grandchildren, aunts, uncles, nieces, nephews, cousins, and brothers- or sisters-in-law.

U.S. District Judge Derrick Watson ruled that the government's exemption from the ban was too narrow. "Common sense, for instance, dictates that close family members be defined to include grandparents," Watson wrote.

The Supreme Court had said people with a "bona fide relationship" included those visiting a close family member, students who have been admitted to a university or workers who have accepted an employment offer.

In announcing the Administration would immediately take the matter to the Supreme Court, Attorney General Jeff Sessions said in a statement July 13, "Once again, we are faced with a situation in which a single federal district court has undertaken by a nationwide injunction to micromanage decisions of the co-equal executive branch related to our national security."

In its new court filing, the Trump administration asked the court to block Watson's order temporarily while the justices consider the motion to clarify. The Administration also said Watson was wrong to permit more refugees to be admitted under a separate provision in Trump's executive order. Watson said the government couldn't exclude refugees once a resettlement agency has provided a formal assurance that it will provide basic services for the person.

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July 28, 2017

## Legislative Report

**TO: Joe Grindstaff**  
**General Manager, Inland Empire Utility Agency**

**FR: David M. Weiman**  
**Agricultural Resources**  
**LEGISLATIVE REPRESENTATIVE, IEUA**

**SU: Legislative Report, July 2017**

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### State of Affairs

- \* July came to a close and the House adjourned until after Labor Day.
- \* July came to a close and the Senate is still in – and may remains in session – until August 11.
- \* Month closes with a White House and Cabinet in turmoil. Significant change is underway and will likely continue into August.
- \* Wholesale shakeup of senior WH aides, including the firing/resignation of the Chief of Staff, Reince Priebus, appointment of a new Communications Director, the firing of a senior aide in the Communications shop, resignation of WH Spokesman, Sean Spicer, and the resignation of a Trump personal attorney
- \* President Trump is publicly urging Attorney General Jeff Sessions to resign.
- \* Rumors are churning that Secretary of State, Rex Tillerson, will likely step down soon. He took an unexpected break at the end of July.
- \* General Kelly, the Secretary at Homeland Security, was just moved to the WH to serve as WH Chief of Staff (first day will be July 31). This Cabinet position is now open and will require a new nominee.
- \* Senate considered health care – twice – and defeated it. In the end, the bill was then rejected by a dramatic late-night one-vote margin cast by Sen. John McCain.
- \* President Trump has directed the Senate to reconsider health care a third time, but it's not clear that Majority Leader McConnell is willing to do so. National polling does not

- support it.
- \* WH, Treasury, Speaker Ryan and Ways and Means Chair, Rep. Kevin Brady (R-TX) have released a two-page tax reform Statement of Principles – supported by the Administration and House Republican leaders.
  - \* President Trump, Speaker Ryan, and others are planning to “barnstorm” the country during the August break to build support for tax reform. However, the Statement of Principles is limited to the tax rate reductions, and all but silent identifying which existing provisions will be cut, eliminated, repealed and/or amended.
  - \* Appropriations bills are moving in the House (and the Senate is beginning to take them up).
  - \* Domestic funding for DOI, USDA, EPA and other Federal Departments/agencies is down, but the Administration’s funding recommendations were not followed. Congress effectively reinstated significant portions of the proposed cuts.
  - \* The controversial Valadao water bill, which overturns or repeals the CVPIA (Central Valley Project Improvement Act), was passed by the House and submitted to the Senate. Both Senators Feinstein and Harris have signaled opposition. What will happen remains unclear.
  - \* Water softener language is reappearing on bills, but it’s the language IEUA, ACWA, LA Sanitation District and other water users have approved. The issue remains on an active “watch” list.
  - \* Sen. Energy Committee Chair. Sen. Lisa Murkowski, and the Committee’s Ranking D, Sen. Maria Cantwell, reintroduced the comprehensive Senate Energy Committee Energy bill which died in Conference during the closing days of the last Congress. In the last Congress, the bi-partisan bill passed the Senate with 80+ votes. McConnell announced it would be called up after the July 4 break. Health care then dominated the Senate’s Agenda in July – and it did not happen, but this bill – still a bi-partisan effort – is ready to go.
  - \* At Interior, Deputy Director David Bernhardt was confirmed by the Senate on a largely partisan vote. He is scheduled to report to DOI in his new capacity on August 1.
  - \* Confirmation hearing for Brenda Berman, the President’s nominee for Commissioner, BuRec, was held. She appears to enjoy full committee support (the nomination was without controversy). An Energy Committee meeting to consider the nomination, scheduled for late July, was abruptly canceled. Whether or not her nomination (and others) will be considered by the Senate before they depart for the August recess is not known as of this report.
  - \* Two key appointments occurred in July. At WateReuse, after a lengthy search, the association selected Pat Sinicropi as the new Executive Director. She reports to her new assignment on September 5. Governor Brown selected Grant Davis, Manager, Sonoma County Water District, as the new head of DWR. He begins August 1.
  - \* Rep. Jimmy Gomez (D-CA) was elected to replace Rep. Xavier Becerra who was appointed by the Governor to serve as Attorney General (replacing Kamala Harris who was elected to the Senate seat replacing the retired, Sen. Barbara Boxer). Gomez was sworn in this month and was selected to serve on the House Natural Resources Committee.

- \* Nominations – submitted to the Senate and considered by the Senate began to speed up during the last 60 days. However, the fallout over Health Care may have the effect of slowing their consideration. In normal times, the Senate would move as many as are ready for confirmation just before departing on their August recess. Right now, there is far more uncertainty than clarity

### **Health Care (“Repeal & Replace”), Tax Reform and Infrastructure**

- \* Over the past several months, I reported that *“health care (ACA or “Obamacare), tax reform and infrastructure are politically, financially and programmatically intertwined.”* That assessment continues to be accurate today
- \* During July, the Senate became embroiled in a debate over whether or not to even consider the health care bill (several variations were in play). The vote on that was 51-50, with VP Pence providing the needed 51<sup>st</sup>, tie-breaking vote.
- \* A series of votes found the Senate rejecting version after version of “repeal” and/or “repeal and replace.”
- \* Finally, in a dramatic dead-of-night showdown vote, Senator John McCain joined two other Senate Rs to reject the McConnell-drafted bill. Right now, there is no health care bill pending. The emphasis is “right now.” The President publicly challenged the Senate to try again as July came to a close.
- \* Overlooked amid the high drama in the Senate, the House agreed to drop the BAT or Border Adjustment Tax. That is a \$1 Trillion provision that would have made tax reform more achievable. It’s gone. It’s out. Needed for the tax bill, it’s no longer on the table.
- \* As of the end of July, what happens next with health care is unknown.

### **Tax Reform and Municipal Bond Tax Deductibility**

- \* When the health care bill was rejected, two voices with competing messages emerged. First, the President publicly directed the Senate to try a third time. Second, many other voices (including some in the Administration), said no, it’s time to move on, and take up tax reform.
- \* Previous monthly reports have detailed the situation and risk(s) to muni bond deductibility.
- \* This report will focus on the linkage between health care and tax reform – and why the muni bond deduction is at greater risk given what happened to the health care bill.
- \* In simple terms, the health care bill was originally designed to be the foundation for the tax bill. Why? How? The Border Adjustment Tax. The \$1 Trillion it was slated to raise was to be used to underwrite the reduction in tax rates. Now, it’s not there and won’t be

there.

- \* In order to reduce rates for business and individuals (the heart of House GOP tax policy) to targeted levels – more provisions in the tax code will have to be repealed, amended or otherwise eliminated.
- \* In short, the muni bond provision is “on the bubble” and “at high risk.” More so given the rejection of the health care bill.
- \* It’s important to note that, as of the end of July, no tax bill has been introduced or even outlined. No one knows what’s in it.
- \* The two-page Statement of Principles does not include Democrats (not invited). It does not detail or identify any existing provision for repeal.
- \* Tax reform may become the next major agenda issue, but the Committee has yet to release it. A debate is underway over a bill no one has seen, for which no hearings have been held, and for which no analysis has been made.

#### **Drought – Water Conditions**

- \* As stated during the last several reports, the lack of extreme and extraordinary “drought” in California and in the Colorado River Basin is the storyline. According to the USDA/NOAA Drought Monitor, there are signs of mild drought conditions in Southern San Joaquin Valley and along the coastal areas of Southern California and along the San Diego-Imperial region.
- \* Severe drought has slammed Eastern Montana and the Dakotas. Drought emergencies were declared.
- \* Dry conditions are reappearing throughout the Western states – but only mildly (at this time).

#### **Looking Towards August and Post-Labor Day**

- \* Not clear what the Senate will do in the first two weeks of August (assuming they stay in session that long). Everything is up in the air.
- \* Appropriations Committees have started to process the FY 2018 funding bills. The House is close to completing action on all 12 bills. The Senate is now beginning to move their versions of the bill.
- \* As reported last month, *“the debt ceiling limit is fast approaching requiring federal legislation. This is becoming the new battle-ground. Even the President, when the FY 2017 funding bill was enacted suggested that a Government shut-down might not be a bad thing. There has been, over the past month, a steady stream of “shut-down” talk.*



*Very destabilizing.*” This remains a wild card issue – perhaps even more so given what happened to the health care bill.

**Final Note**

- \* July has been chaotic, sensational, intense and a whole lot more. The daily media reports convey all of it. It would be easy to dwell on the “who-done-it’s” and amplify what seems like outright craziness. I resist.
- \* I want to offer a different view. The health care bill in the House was a Republican-only debate. Same in the Senate. Didn’t work. Tax reform is being managed the same way – one party participates, another is excluded.
- \* Senator McCain, returned to the Senate after brain cancer surgery and delivered a riveting speech on the Senate floor denouncing secret process legislation and calling for a return to regular order.
- \* Within 24 hours of the health care defeat, a group of bi-partisan Senators began meeting – to see if a bi-partisan bill can be fashioned.
- \* Senators Murkowski and Cantwell have their bi-partisan energy bill – ready to go.
- \* Maybe – *just maybe* – the “McCain Challenge” just may have sparked a new direction for legislative business.

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**INFORMATION**  
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CALIFORNIA STRATEGIES, LLC

Date: July 29, 2017  
To: Inland Empire Utilities Agency  
From: John Withers, Jim Brulte  
Re: July Activity Report

California Strategies is pleased to provide consulting services to the Inland Empire Utilities Agency. In addition to our regular monthly meeting with the Senior Staff of the Agency, we continue to be available to members of the Senior Staff and Board Members throughout the year to deliver advice, answer questions or provide services consistent with the mission of IEUA. Here is our monthly activity report:

- We held our regularly scheduled face to face meeting with agency senior staff July 10<sup>th</sup>. Calstrat principals attended and did discuss various issues with senior staff including the Regional Contract, Water Bank planning efforts, and Little Hoover Commission.
- We reviewed and helped edit the IEUA comment letter on Little Hoover Commission recommendations with staff.
- We continued to review the Chino Basin Water Bank work plan and discussed the benefits with various stakeholders not directly associated with the agency.
- We answered inquiries from IEUA Board members
- We reviewed and approved final meeting schedule for the remainder of the calendar year.
- We reviewed General Manager recruitment activities and timeline.
- We conducted research on a project as requested by IEUA senior staff.
- We monitored Santa Ana Regional Board activity that might impact the district.
- We monitored the City of Fontana redistricting process.

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State Legislation

Bill Number	Sponsor	Title and/or Summary	Summary/Status	IEUA Position
AB 574	Quirk	Potable Reuse	Current law required the State Department of Public Health 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 health. Current law defined the terms “direct potable reuse,” “indirect potable reuse for groundwater recharge,” and “surface water augmentation” for these purposes. This bill would remove certain references to “direct potable reuse,” “indirect potable reuse for groundwater recharge,” and “surface water augmentation,” and would instead specify the four different types of potable reuse projects as “groundwater augmentation,” “reservoir augmentation,” “raw water augmentation,” and “treated water augmentation.”	<p>SUPPORT</p> <p>In Senate Appropriations Committee 7/5</p>
AB 791	Frazier	Sacramento-San Joaquin Delta: State Water Project and federal Central Valley Project: new conveyance facility.	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.	<p>OPPOSE</p> <p>Failed in Assm. Appropriations</p> <p>DEAD</p>

AB 792	Frazier	Sacramento-San Joaquin Delta: Delta Plan: certification of consistency.	The Sacramento-San Joaquin Delta Reform Act of 2009 establishes the Delta Stewardship Council and requires the council to develop, adopt, and commence implementation of a comprehensive management plan for the Delta, known as the Delta Plan. The act requires a state or local public agency that proposes to undertake a covered action to prepare and submit to the council a written certification of consistency with the Delta Plan before undertaking that action. This bill would prohibit the council from granting a certification of consistency with the Delta Plan until the board has completed its update of a specified water quality control plan.	OPPOSE  2 Year Bill
AB 793	Frazier	Sacramento-San Joaquin Delta: financing.	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.	OPPOSE  2 Year Bill
SB 231	Hertzberg	Local government: fees and charges.	Articles XIIC and XIID 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 XIIC and XIID 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.	SUPPORT  On Assembly Floor

AB 1668	Friedman	An Act Relating to Water	This bill would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.	WATCH  Senate Appropriations Committee
AB 1669	Friedman	Urban water conservation standards and use reporting	Requires the State Water Resources Control Board (SWRCB) in consultation with the Department of Water Resources (DWR) to adopt long-term standards for urban water conservation and water use by May 20, 2021	WATCH  Held in Assembly Appropriations
AB 968	Rubio	Urban water use: water efficiency	Establishes a new 2025 water use efficiency requirement for urban retail water suppliers	WATCH  Held Assembly Appropriations
AB 1654	Rubio	An Act Relating to Water	This bill would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.	WATCH  Senate Appropriations Committee
AB 869	Rubio	Sustainable water use and demand reduction: recycled water	Excludes, from the calculation of any water use or water efficiency target established after 2020, recycled water, as specified, delivered within the service area of an urban retail or wholesale water supplier	WATCH  Held in Senate Natural Resources and Water
SB 606	Skinner/Hertzberg	An Act Relating to Water	This bill would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.	In Assembly Appropriations Committee

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**Federal Legislation of Significance**

Bill Number	Sponsor	Title and/or Summary	Summary/Status
H.R. 3219		Make America Secure Appropriations Act, 2018	<p>A small omnibus package including the Defense, Energy and Water, Military Construction and Veterans Affairs, and Related Agencies, Legislative Branch, and Border Barrier funds from the Homeland Security Bill Appropriations Acts, fiscal year 2018.</p> <p>Highlighted bills in this package are below.</p> <p>H.R. 3219 was introduced in the House Rules Committee on Monday, June 24. It was passed on the House Floor by a vote of 235-192.</p>
	Rep. Charlie Dent (R-PA)	Fiscal 2018 Military Construction and Veterans Affairs, and Related Agencies Appropriations Act	<p>This legislation provides \$88.8 billion in discretionary funding, \$6 billion above the fiscal year 2017 level. Within this total, funding for the Department of Veterans Affairs was increased by \$4 billion over the fiscal year 2017 level, and increases access to services for veterans and regulatory oversight within the department. Also within the total, Military construction was increased by \$2.1 billion over the fiscal year 2017 level.</p> <p>This bill was passed out of the Appropriations Committee on June 15<sup>th</sup>. The Senate's corresponding legislation was reported out of the Senate Appropriations Committee in July.</p> <p>This bill was included in H.R. 3219 and passed on the House Floor by a vote of 235-192.</p>
	Rep. Mike Simpson (R-ID)	Fiscal 2018 Energy and Water Appropriations Act	<p>The House Appropriations Committee marked up the FY18 Energy and Water Bill in full committee on July 17<sup>th</sup>.</p> <p>Within the bill, the Bureau of Reclamation funding is reduced from the FY17 level but well above what the Administration had requested for FY18. Also, the bill would authorize the EPA and Army to withdraw from the Waters of the United States rule.</p> <p>This bill was included in H.R. 3219 and passed on the House Floor by a vote of 235-192.</p>
	Rep. Mario Diaz-Balart (R-FL)	Fiscal 2018 Transportation, Housing and Urban Development, and	<p>The House Appropriations Committee today approved the fiscal year 2018 Transportation, Housing and Urban Development funding bill on July 17, 2017.</p> <p>In total, the bill reflects an allocation of \$56.5 billion in discretionary spending – \$1.1 billion below fiscal year 2017 and \$8.6 billion above the request.</p>

		Related Agencies Appropriations Act	Within the bill, Community Development Block Grants are funded at \$2.9 billion, \$100 million below fiscal year 2017 level.
	Sen. Lamar Alexander (R-TN)	Fiscal 2018 Energy and Water Appropriations Act	<p>The Senate Appropriations Committee approved their FY18 Energy and Water Bill on July 20<sup>th</sup> in full committee markup.</p> <p>Within the bill the Committee recommended funding the Bureau of Reclamation at \$1,287,725,000, which is \$190,332,000 above the President's FY18 budget request. Similar to the House mark, the Senate provided \$34,406,000 for Title XVI and \$24,000,000 for WaterSMART grants. Also, an additional \$98,000,000 for drought resiliency programs authorized in the Water Infrastructure Improvements Act (WIIN Act).</p>
	Sen. Susan Collins (R-ME)	Fiscal 2018 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act	<p>The Senate Appropriations Committee marked up the FY18 Transportation, Housing and Urban Development, and Related Agencies Bill in subcommittee on July 25<sup>th</sup>. At this time the bill and report text has not been released.</p> <p>The FY2018 appropriations bill providing \$60.058 billion in discretionary spending for the U.S. Department of Transportation, U.S. Department of Housing and Urban Development, and related agencies. Within the bill, TIGER grants were funded at \$550 million, \$50 million above the FY2017 enacted level; and the Community Development Block Grant (CDBG) formula program is funded at \$3 billion.</p>
H.R. 23	Rep. David Valadao (R-CA)	Gaining Responsibility on Water Act of 2017	<p>Among other things the legislation would require regulators to comply with the Bay-Delta Accord and make changes to the state's Central Valley and State Water projects and streamline permitting processes. The bill included provisions from multiple other bills previously passed by the House that sought to increase the flow of water to areas of California that have experienced drought over the past five years. The measure was referred to the House Committee on Natural Resources and the Committee on Agriculture.</p> <p>By a vote of 230-190, the House passed H.R. 23, as amended, on July 12, 2017.</p>
	Rep. Bill Shuster (R-PA) /Sens. Jim Inhofe (R-WY) and Kamala Harris (D-CA)	Infrastructure Package	<p>Throughout the month, the House Transportation and Infrastructure Committee have held a series of hearings entitled, "Building a 21<sup>st</sup> Century Infrastructure for America," which have focused on various aspects of infrastructure, from passenger rail service to reauthoring the Federal Aviation Authorization (FAA).</p> <p>On June 7, President Trump outlined that he intends to leverage \$200 billion in direct federal funding over ten years to help stimulate \$1 trillion in investment in infrastructure. This federal funding will consist of 1) grants and loans that seek to</p>

			<p>privatize the country's air traffic control system, 2) grants to repair bridges, road, 3) enhanced loan program with the Transportation Infrastructure Finance and Innovation Act, and 4) incentive programs with grants to states and municipalities.</p> <p>One part of the president's plan has already been put into legislation. House Transportation and Infrastructure Committee Chairman Bill Shuster and Aviation Subcommittee Chairman Frank LoBiondo (R-NJ) introduced the FAA's reauthorization legislation, H.R. 4441, the 21<sup>st</sup> Century Aviation Innovation, Reform, and Reauthorization (AIRR) Act, which will transfer air traffic control operations from the FAA to a private, nonprofit, 13-member board. While Representative Shuster said that the bill does not "mirror" President Trump's infrastructure outline, he said that he considered many aspects of the proposal. Shuster has also voiced his hope that the committee will markup the legislation on Tuesday, June 27 and move to the floor in mid-July.</p> <p>Currently, it is unclear who will champion the bill in the other chamber. Senate Commerce, Science and Transportation Committee Chairman John Thune (R-SD) announced that the Senate's FAA reauthorization legislation will not include privatizing the air traffic control system. That said, Representative Sam Graves (R-MO), who last year voted against the 2016 FAA reauthorization bill, helped develop the legislation with Chairman Shuster.</p>
H.R. 1663	Rep. Grace Napolitano (D-CA) / Rep. Rob Wittman (R-VA)	Water Resources Research Amendments Act	<p>This legislation would extend a Federal-State partnership aimed at addressing state and regional water problems, promoting distribution and application of research results, and providing training and practical experience for water-related scientists and engineers. H.R. 1663 would authorize \$9,000,000 annually over five years for grants to water resources research institutes and require two-to-one matching with non-federal funds. It would also promote exploration of new ideas, expand research to reduce energy consumption, and bolster reporting and accountability requirements.</p> <p>The bill has been introduced in the House Committee on Natural Resources and no actions have yet been scheduled on it.</p>
H.R. 497/ S.357	Rep. Paul Cook (R-CA)/ Sen. Dianne Feinstein (D-CA)	Santa Ana River Wash Plan Land Exchange Act	<p>This bill directs the Department of the Interior: (1) to quitclaim to the San Bernardino Valley Water Conservation District in California approximately 327 acres of identified federal land administered by the Bureau of Land Management, and (2) in exchange for such land, to accept from the Conservation District a conveyance of approximately 310 acres of its land.</p>

			<p>On April 27<sup>th</sup> HR 497 passed through the House Natural Resources Committee by unanimous consent, and was schedule for the House Floor Consideration on June 2<sup>nd</sup>.</p> <p>This bill was passed by the House on June 27<sup>th</sup> by a vote of 424-0.</p> <p>The Senate Environment and Public Works Committee held a hearing on S. 357 on July 26, 2017. No further activity is anticipated until the Fall.</p>
S. 32	Sen. Dianne Feinstein (D-CA)	California Desert Protection and Recreation Act	<p>This bill would designate important wilderness in the California desert and protect lands for recreation, wildlife and tourism. Aspects of the bill include:</p> <ul style="list-style-type: none"> <li>• Mandate study and protection of Native American cultural trails along the Colorado River.</li> <li>• Designate 230,000 acres of additional wilderness area between the Avawatz Mountains near Death Valley to Imperial County's Milpitas Wash.</li> <li>• Add 43,000 acres to Death Valley and Joshua Tree national parks.</li> <li>• Create a 75,000-plus acre special management area at Imperial County's Vinagre Wash.</li> <li>• Designate Inyo County's Alabama Hills as a National Scenic Area.</li> <li>• Prohibit new mining claims on 10,000 acres in Imperial County considered sacred by the Quechan Tribe.</li> </ul> <p>Additionally, the bill protects 140,000 acres of existing off-road vehicle riding areas from mining, energy development, military base expansion or other decisions that would close them to vehicle use.</p> <p>The Senate Environment and Public Works Committee held a hearing on S.32 on July 26, 2017. No further activity is anticipated until the Fall.</p>
H.R. 2510	Rep. Peter DeFazio (D-OR)	Water Quality Protection and Job Creation Act of 2017	<p>This bill would amend the Federal Water Pollution Control Act to authorize appropriations for State water pollution control revolving funds.</p> <p>This bill has been introduced to the House Transportation and Infrastructure subcommittee on Water resources and <b>Environment</b>.</p>
H.R. 1654	Rep. Tom McClintock (R-CA)	Water Supply Permitting Coordination Act	<p>This bill would allow water project sponsors the opportunity to use an expedited permitting process for new or expanded surface non-federal storage facilities through the Bureau of Reclamation, which would be the lead and central agency coordinating the review process.</p>

			<p>The House Natural Resources Committee approved the bill by a vote of 24-16 on April 27<sup>th</sup>. The House Rules Committee on June 20<sup>th</sup> dictated final amendments for passage on the House Floor; this bill passed the House on June 22<sup>nd</sup> by a vote of 233-180.</p>
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