



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

**WEDNESDAY, APRIL 4, 2018
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 February 14, 2018.

B. SUPPORT FOR AB 2050 – THE SMALL WATER AUTHORITY ACT OF 2018

Staff recommends that the Committee/Board support AB 2050 – the Small Water Authority Act of 2018.

2. INFORMATION ITEMS

A. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)

- B. LEGISLATIVE REPORTS (WRITTEN)
 - 1. West Coast Advisors
 - 2. Innovative Federal Strategies
- 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

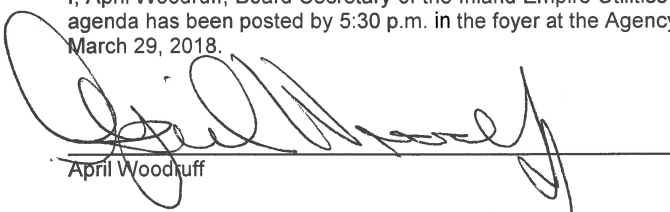
*A Municipal Water District

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: _____

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, March 29, 2018.



April Woodruff

**ACTION
ITEM
1A**



MINUTES

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

WEDNESDAY, FEBRUARY 14, 2018
9:00 A.M.

COMMITTEE MEMBERS PRESENT

Steven J. Elie, Chair
Michael Camacho

STAFF PRESENT

Halla Razak, General Manager
Chris Berch, Executive Manager of Engineering/AGM
Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM
Randy Lee, Executive Manager of Operations/AGM
Christina Valencia, Executive Manager of Finance & Administration/AGM
Andrea Carruthers, Acting Manager of External Affairs
Sylvie Lee, Manager of Planning & Environmental Resources
Stephanie Riley, External Affairs Analyst
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT

None

The meeting was called to order at 9:14 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 January 10, 2018.
- ◆ Recommended that the Board support Proposition 68 – The California Clean Water and Safe Parks Act;

as a Consent Item on the February 21, 2018 Board meeting agenda.

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

General Manager Halla Razak 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 9:29 a.m.

Respectfully submitted,

April Woodruff
Board Secretary/Office Manager

*A Municipal Water District

APPROVED: MARCH 14, 2018

**ACTION
ITEM
1B**

Date: April 11, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

Committee: Community & Legislative Affairs

#HR

04/04/18

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

Subject: Support for AB 2050 - The Small Water Authority Act of 2018

Executive Summary:

AB 2050, the Small Water Authority Act of 2018 (Caballero, D-Salinas), aims to assist in ensuring that every Californian has safe, clean, affordable and accessible drinking water. As of November 2017, the State Board has identified 331 water systems (as of March 2018) statewide that have served contaminated drinking water or cannot provide a reliable water service due to unsound infrastructure or lack of local financial, managerial, or technical resources. AB 2050 creates the Small Water Authority and proposes to merge these non-compliant water systems into a larger and more robust public water system that would take advantage of improved technical, managerial and financial capacities associated with larger water systems. The bill sets forth a proposed process and structure for the creation of these new consolidated small water authorities. Further details can be found in the attached AB 2050 fact sheet.

AB 2050 is sponsored by Eastern Municipal Water District and the California Municipal Utilities Association. Metropolitan Water District of Southern California and Cucamonga Valley Water District are among the supporters of this bill.

Staff's Recommendation:

Staff recommends that the Board support AB 2050 - the Small Water Authority Act of 2018.

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:

None.

Environmental Determination:

Not Applicable

Business Goal:

Supporting AB 2050 is in line with IEUA's business practices goal of advocating for development of policies, legislation and regulations that benefit the region.

Attachments:

Attachment 1 - AB 2050 Fact Sheet

Attachment 2 - AB 2050 Support Letter



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

A Solution to Providing Safe Drinking Water to Communities Served by Chronically Non-Compliant Systems

Background

In 2012, Governor Jerry Brown signed into law Assembly Bill 685 (Eng), establishing the Human Right to Water and declaring that it is the policy of the state that every Californian has a human right to safe, clean, affordable, and accessible drinking water.

Water Accessibility and Safety Concerns in California

Nearly 800,000 people in California lack access to safe and reliable drinking water on a daily basis. The State Water Resources Control Board (State Board) has identified 329 (as of November 2017) systems statewide that chronically serve



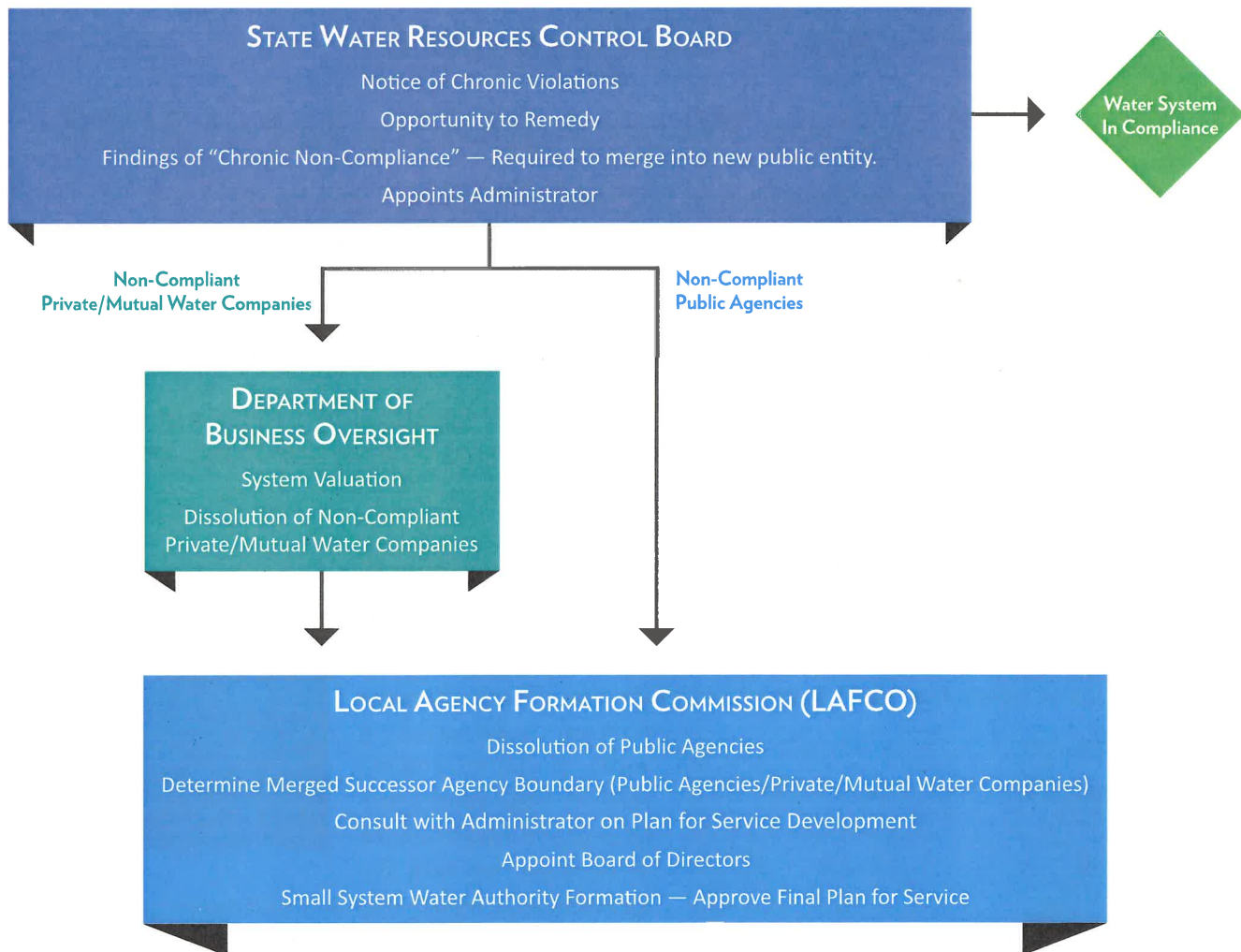
contaminated drinking water or cannot provide reliable water service due to unsound infrastructure or because they lack the local financial, managerial, and technical resources to do so. The vast majority of these systems are small, rural systems that typically serve less than 10,000 people. A sustainable solution is necessary to address this drastic health and safety crisis.



To date, laws have been passed that address various elements of the water accessibility issue including voluntary and forced consolidations, supplying resources and technical support, and limiting the development of new unsustainable water systems. While these efforts have created a portfolio of options to address this critical issue of water accessibility in California, immediate and lasting changes to the governance structure of chronically non-compliant small systems are still needed to protect public health and safety.

The Small System Water Authority Act of 2018

AB 2050 would create the Small System Water Authority Act of 2018, providing yet another valuable tool to prevent chronically non-compliant water systems from serving contaminated water to Californians. AB 2050 proposes to merge non-compliant water systems into a larger and more robust public water system that can take advantage of improved economies of scale, streamlined managerial functions and enhanced financial capacity.



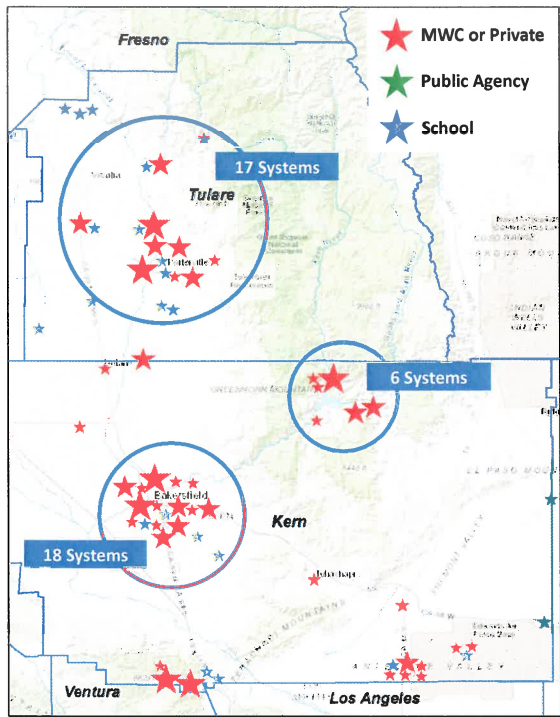
This bill authorizes the State Board to notify chronically non-compliant systems that they are in violation of public health and safety. Each system is then provided with an opportunity to develop a compliance plan within a given time period. If a system is unable to develop an approved plan, the State Board will then notify the county local agency formation commission (LAFCO) that it has determined the chronically non-compliant system needs to be dissolved and consolidated into an authority. Private and mutual water companies will be dissolved through the Department of Business Oversight and will receive compensation through a distressed business valuation process, if there is remaining value on the system. At this time any existing water systems also will have an opportunity to voluntarily consolidate with a new authority.

The State Board will appoint an Administrator by county in regions that have five or more chronically non-compliant systems. In regions that have less than five systems, existing consolidation recommendations may be a more appropriate course of action. The LAFCO will then form the new Small System Water Authority (Authority), which will have the unique powers to absorb, improve, and consolidate currently non-compliant public water systems

with either contiguous or noncontiguous boundaries. Each Authority will be required to submit a conceptual formation plan to the State Board. The Administrator will identify and hire critical staff and will ultimately complete a Final Plan for Service that will be approved, through a local public hearing process, at the LAFCO.

The new system will be formed as an independent special district, provided with new internal and external financing opportunities, increased transparency including an elected Board of Directors, and the system will be scaled to a size to develop, coordinate, or contract through regional agreements, the necessary infrastructure to treat contamination issues. This in turn will lead to more sustainable water systems that can effectively deliver safe and affordable drinking water to its residents.

SAMPLE Grouping of Non-Compliant Systems For demonstration purposes only.



Larger stars denote proportionately larger populations of small systems noted as "Out of Compliance" in State Water Board Database.

For more information regarding the Small System Water Authority Act of 2018

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March 22, 2018

The Honorable Anna Caballero
California State Assembly
P.O. Box 942849
Sacramento, CA 94249-0030

Subject: AB 2050: The Small System Water Authority Act of 2018 – Support

Dear Assembly Member Caballero:

Inland Empire Utilities Agency (IEUA) is pleased to support AB 2050 - The Small System Water Authority Act of 2018, and would like to thank you for sponsoring legislation to address this complex and critical issue. AB 2050 offers sustainable governance reforms necessary to address small water systems that chronically fail to provide safe and reliable drinking water. This bill seeks to establish a new category of public water agencies by merging formerly non-compliant drinking water systems in order to sustainably provide technical, managerial and financial capabilities to ensure the delivery of safe, clean, affordable, and accessible water.

IEUA recognizes that water accessibility is truly a concern in a number of regions throughout the state and something must be done to address this critical issue. As of February 12, 2018, the State Water Resource Control Board has identified 331 systems that cannot provide safe drinking water to their customers. These systems often serve fewer than 10,000 people, are typically located in disadvantaged communities, and are largely privately owned or mutual water companies. Systems that fail to provide access to clean, reliable, drinking water must be held accountable and have a plan to mitigate natural contaminants, manmade contaminants or fix their under-maintained water systems.

This bill authorizes the creation of a Small System Water Authority that will be authorized to absorb, improve and competently operate currently non-compliant public water systems with either contiguous or non-contiguous boundaries. By establishing lasting changes to the governance structures of failing water systems, the state of California will take substantial steps toward achieving their goal of making safe, clean and reliable drinking water a reality for all Californians.

Water Smart – Thinking in Terms of Tomorrow

Steven J. Elie
President

Michael E. Camacho
Vice President

Jasmin A. Hall
Secretary/Treasurer

Paul Hofer
Director

Kati Parker
Director

Halla Razak
General Manager

The Honorable Anna Caballero

March 22, 2018

Page 2

For these reasons, IEUA supports AB 2050 and supports your effort in addressing water accessibility issues. Please contact Kathy Besser, Executive Manager of External Affairs and Policy Development/Assistant General Manager, at kbesser@ieua.org or 909-993-1638 if we can be of any assistance.

Sincerely,
INLAND EMPIRE UTILITIES AGENCY

Steven J. Elie
Board President

cc: Eastern Municipal Water District
California Municipal Utilities Association

INFORMATION

ITEM

2A

Date: April 11, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

HAR

Committee: Community & Legislative Affairs

04/04/18

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

Subject: Public Outreach and Communication

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 "Water is Life" poster contest judging will take place today, April 4, from 12:00 p.m. to 3:00 p.m. in the HQB Event Room.

The Agency's two-day Earth Event is scheduled for April 18 and April 19. Student Day, April 18, will take place from 9:00 a.m. to 2:00 p.m. Community Day, April 19, will take place from 4:00 p.m. to 7:00 p.m.

April 26 is the Agency's Spring Blood Drive in the HQB Event Room from 8:00 a.m. to 1:00 p.m. for Agency employees and the public.

The total number of students participating in the Water Discovery field trips including student Earth Day for SY 2017/18 is 4,939.

Staff's Recommendation:

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

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

N/A

Environmental Determination:

Not Applicable

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.

Attachments:

Attachment 1 - Background

Background

Subject: Public Outreach and Communication

April

- April 4, “Water is Life” Poster Contest Judging, HQB Event Room, 12:00 p.m. – 3:00 p.m.
- April 18, Earth Day Event – Student Day, Chino Creek Wetlands and Educational Park, 9:00 a.m. – 2:00 p.m.
- April 19, Earth Day Event – Community Day, Chino Creek Wetlands and Educational Park, 4:00 p.m. – 7:00 p.m.
- April 22 – Earth Day
- April 26, Blood Drive, Building B Event Room, 8:00 a.m. – 1:00 p.m.

May

- May, Water Awareness Month
- May 6-12, International Compost Awareness Week
- May 18-20, MWD Solar Cup Competition, Lake Skinner

July

- July, Smart Irrigation Month
- July 18, IEUA Employee Recognition Picnic, IEUA (behind Building A), 11:30 a.m. – 3:00 p.m.

Media and Outreach

- Staff is working with partnering agencies to develop regional messaging based on the value of water and current water trends.
- Staff distributed the 2017 Annual Report via social media and email blasts.
- Multiple Earth Day ads will run in the *La Opinión*, *Daily Bulletin*, *Champion Newspaper*, *Fontana Herald News*, and via social media channels. An Earth Day event banner will be displayed on Central Avenue. KGGI 99.1 radio will also be promoting the Earth Day event and will be on-site during Community Day, April 19.
- External Affairs staff is working with Agency department leads to update the Agency external website.
- The city of Fontana is promoting the Agency’s Automatic Water Softener Rebate Program on their website, and staff is working with other cities.
- Staff ran an ad in the *Champion Newspaper*’s Spring Home and Garden section on March 10.
- A *Kick the Habit* ad will run in the *Champion Newspaper*’s Progress Edition on April 28.
- Staff continues to run banner ads with *Fontana Herald News*.
- March: 18 posts were published to the IEUA Facebook page and 18 tweets were sent on the @IEUAWater Twitter handle.
 - The top three Facebook posts, based on reach and engagement, in the month of March were:
 - 3/17: St. Patrick’s Day Post
 - 3/10: Earth Day Flyer Post

- 3/18: Poster Contest Post
- The top three tweets, based on reach and engagement, in the month of March were:
 - 3/8: #ThursdayThoughts
 - 3/20: Special Districts Dinner Post
 - 3/16: Groundwater Awareness Week Post

Education and Outreach Updates

- The Water Discovery field trips for program year 2017/18 are fully booked. To date, staff has provided field trips and/or scheduled approximately 3,714 students from July 2017 to May 2018. The total number of students participating in the Water Discovery field trips including student Earth Day is 4,939.
- IEUA hosted a Project W.E.T. (Water Education for Teachers) and Garden in Every School® Workshop on February 27. The workshop enabled educators to become Project W.E.T. certified and to qualify for the school year 2018/19 Garden in Every School® grant. The workshop was host to 27 educators from within IEUA's service area. Facilitators included IEUA staff along with member agency representatives. Participants also received an informative presentation from Facilities staff and IERCF staff.
- Student Earth Day is scheduled for Wednesday, April 18, 2018. Currently staff has 12 schools, approximately 1,250 students, scheduled to attend.
- Staff is working with past GIES recipients (2004-2017) to conduct site inspections and take updated photos for a comprehensive evaluation report.
- The deadline to submit posters for the *Water is Life* poster contest was March 28. All schools participating in this year's Earth Day event also turned in posters for the contest. Staff received over 1,300 posters. Judging will take place April 4. Images of the winning posters will be placed on banners to be displayed during the Agency's Earth Day event and will also be sent to the Metropolitan Water District to be entered in their regional contest.

INFORMATION
ITEM
2B



March 23, 2018

To: Inland Empire Utilities Agency

From: Michael Boccadoro
Beth Olhasso

RE: March Legislative Report

Overview:

March has provided more precipitation than most of the rest of the water year but hasn't risen to "Miracle March" levels yet. Proponents of Proposition 68 are hoping a dryer than normal winter will help increase the chances voters will support the proposition. They recently released polling data that shows 54 percent of voters support the measure with that number increasing to 66 percent after a "robust" campaign. The proponents have also indicated they have secured the funds to mount a serious statewide campaign for the measure.

With the bill introduction deadline behind them, members worked on the hundreds of bills introduced in the final days before the deadline, to prepare for policy committee hearings. All bills have now cleared the minimum 30-days in print before they can be amended or heard in committee. Bills are now being amended with substantive language and committee hearings have started in earnest. All bills must be out of policy committees by April 27.

Hot legislative topics continue to include water-use efficiency legislation and access to safe drinking water. Stakeholders are close to a compromise on water-use efficiency legislation and it is expected the legislation will be taken up sometime soon. The opposite can be said for SB 623, legislation to establish a Safe and Affordable Drinking Water Fee. Recent hearings in both the Senate and Assembly confirmed that parties remain nowhere near a compromise. With a 2/3 vote needed, it is unlikely this legislation will be heard before the June 5th primary.

There has been bill language introduced that would establish standards, or conditions, for any multi-state Regional Transmission Organization (RTO) in order for California electric providers to participate in the RTO. While the discussion over a western or regional energy grid has been ongoing for several years, a new leader of the discussion has emerged in Assembly Utilities and Energy Chair, Chris Holden (D-Pasadena). His bill, AB 813, is the legislative vehicle for the latest attempt.

Senior water rights holders won a small victory against the State Water Resources Control Board (SWRCB). At the end of last month, Santa Clara Superior Court Judge Brian Walsh ruled in favor of Byron-Bethany Irrigation District (BBID), finding that water districts with senior rights cannot be limited under the specific section of the water code that the SWRCB used in an attempt to limit the district's Pre-1914 rights during the drought.

Affordable housing advocate Assemblyman David Chiu (D-San Francisco) has introduced a bill that would re-create redevelopment agencies by siphoning off property tax revenues. IEUA was

very involved in the dissolution of redevelopment agencies process in 2011. WCA and IEUA staff are part of a workgroup at the California Special Districts Association on the issue and will continue to monitor the process for any changes to how passthrough property taxes are treated.

Inland Empire Utilities Agency Status Report – March 2018

CAISO Re-Org Update

As discussed in previous reports, the discussion over a western or regional energy grid has been ongoing for several years. The new leader of the discussion is Assembly Utilities and Energy Chair, Chris Holden (D-Pasadena) with his bill, AB 813. The bill would establish standards, or conditions, that any multi-state Regional Transmission Organization (RTO) would have to meet for California electric providers to participate in the RTO. The three part process outlined in the bill attempts to quell concerns about the process moving too quickly without proper stakeholder input.

The author has indicated that he will not be requesting an early hearing for this bill and will take as much time as legislative deadlines allow to work with stakeholders on the language. Along this vein, Holden held an informational hearing on the topic stating that an issue of this magnitude needs transparency and he would continue to work with stakeholders throughout the process. The hearing featured two panels.

The first panel was made up of CAISO staff only: Mark Rothleder, CAISO Vice President Market Quality and Renewable Integration, and Phillip Pettingill, CAISO Director of Regional Integration, presented CAISO's perspective on regionalization and provided the committee with an overview of their stated position on the need for regionalization.

The second panel featured representatives from four stakeholders, with two providing supporting comments (Union of Concerned Scientists and Independent Energy Producers Association) and two providing concerns (The Utility Reform Network and California Municipal Utilities Association) about regionalization.

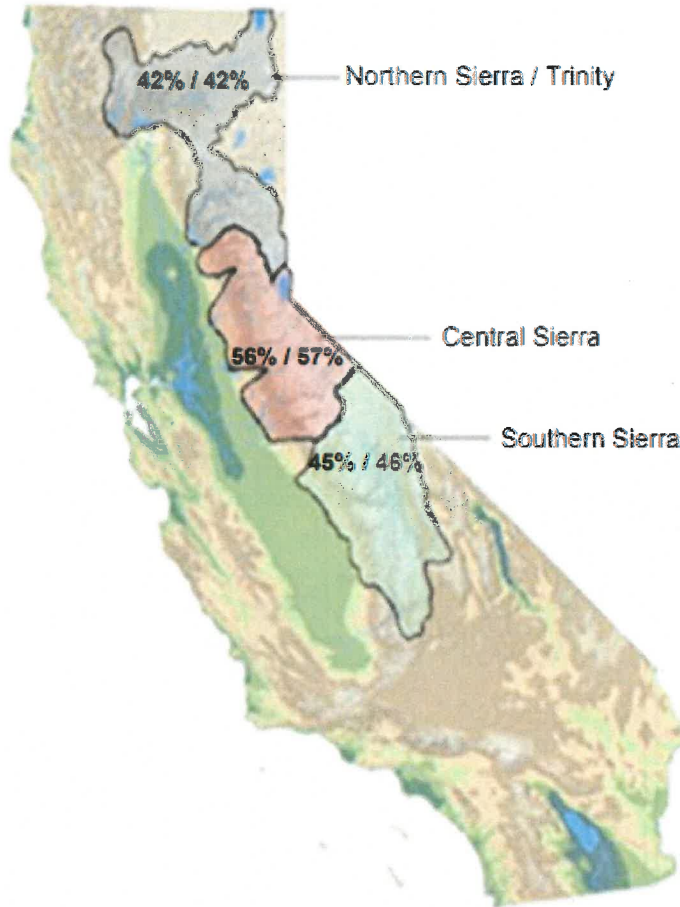
Members of the committee asked questions throughout the presentations focused on the impact on jobs, California's ability to track the specific energy resources (worrying about dirty coal, mostly), and transparency. It was clear from the hearing that there continues to be a wide variety – and strongly held – opinions about whether CAISO regionalization is a good idea at this time. It's likely that the information presented in the hearing will be taken into account and inform the direction of AB 813, which is expected to have its first hearing in May.

Water Supply Conditions

March storms while welcome have so far fallen short of the "Miracle March" needed to overcome the otherwise dry winter. The March 5th Department of Water Resources (DWR) snowpack survey at Phillips Station in the Sierra Nevada mountains showed just 39 percent of the historical average snowpack to date. This was a vast improvement from the prior reading of 7

percent but is still far short of “normal.” In the 10 days since the survey, electronic readings show snowpack at 42 percent of normal in Northern California and 49 percent statewide.

% of April 1 Average / % of Normal for This Date



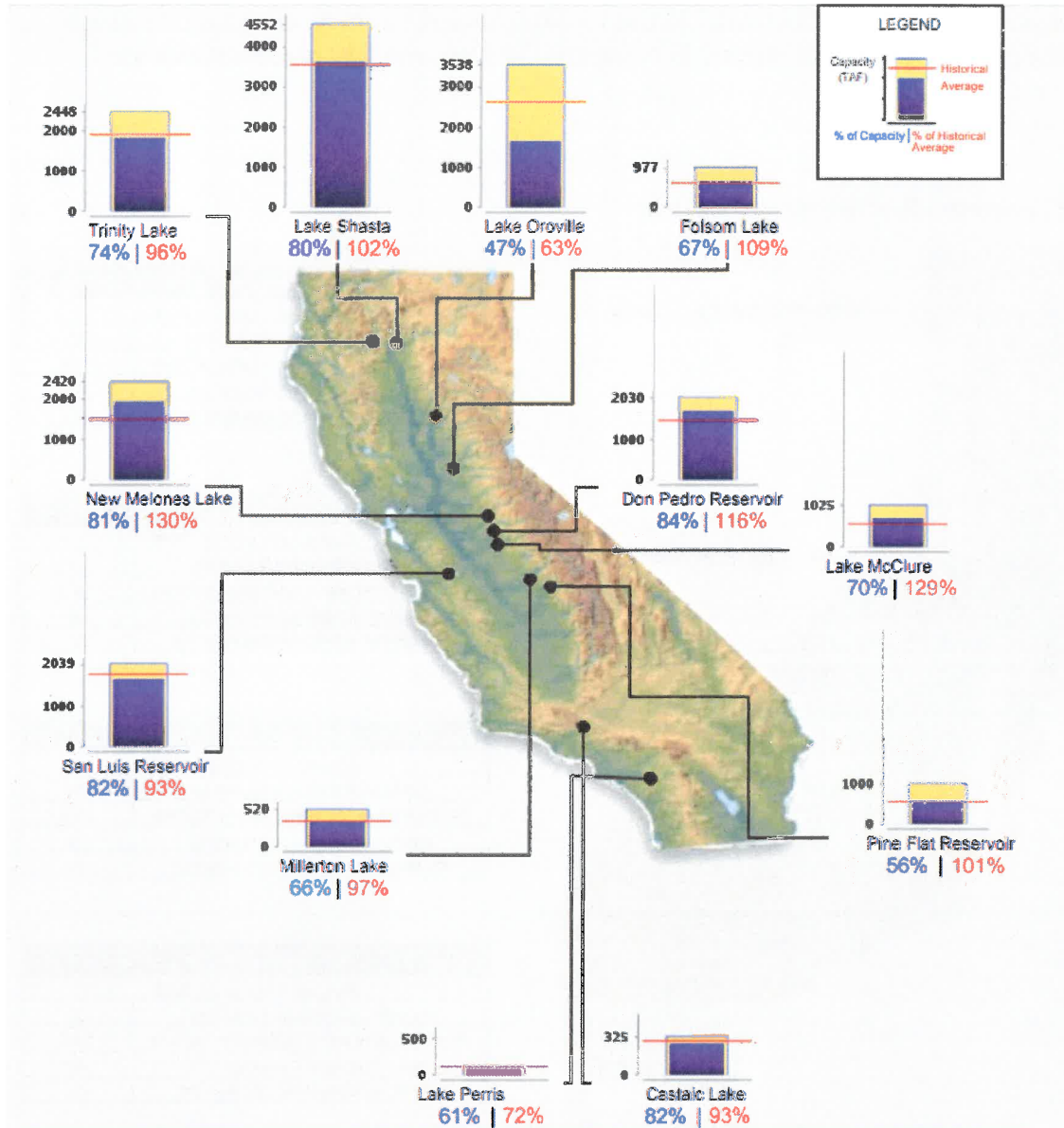
NORTH	
Data as of March 21, 2018	
Number of Stations Reporting	30
Average snow water equivalent (Inches)	11.6
Percent of April 1 Average (%)	42
Percent of normal for this date (%)	42

CENTRAL	
Data as of March 21, 2018	
Number of Stations Reporting	41
Average snow water equivalent (Inches)	16.4
Percent of April 1 Average (%)	56
Percent of normal for this date (%)	57

SOUTH	
Data as of March 21, 2018	
Number of Stations Reporting	22
Average snow water equivalent (Inches)	11.5
Percent of April 1 Average (%)	45
Percent of normal for this date (%)	46

STATE	
Data as of March 21, 2018	
Number of Stations Reporting	93
Average snow water equivalent (Inches)	13.7
Percent of April 1 Average (%)	49
Percent of normal for this date (%)	50

Reservoir conditions continue to hover around historical averages thanks to last year’s wet conditions. Lake Oroville continues to be managed very conservatively as crews work to rebuild and improve the damaged spillway, but with the plentiful March rains the reservoir has risen 20 feet in only a few weeks. While San Luis Reservoir currently sits at 93 percent of historical average, the reservoir is only at 82 percent of capacity leaving plenty of room for additional water. Despite this available capacity, thousands of acre feet of peak precipitation flows continue to be flushed through the Delta out to sea due to pumping restrictions, required by the California Endangered Species Act.



Byron-Bethany Irrigation District Wins Big in Water Rights Case

During the height of the drought, Byron-Bethany Irrigation District (BBID) was told to cease diversions of their pre-1914 water rights by the State Water Resources Control Board (SWRCB). BBID refused to do so, believing the SWRCB did not have the authority to restrain their senior water rights, resulting in the largest proposed fine ever by the SWRCB. After a botched enforcement proceeding, the matter moved to civil court.

At the end of last month, Santa Clara Superior Court Judge Brian Walsh ruled in favor of the water district, giving BBID a significant win over the SWRCB. Judge Walsh found that water districts with senior rights, such as BBID's, cannot be limited under the specific section of the water code that the SWRCB had cited. However, Judge Walsh noted that there may be other code sections that provide the SWRCB with sufficient authority to control senior water right holders.

The ruling was only on one portion of a larger trial. Other key issues are still pending before the court.

Redevelopment Agencies to Return?

Assembly Bill 3037 from Assemblyman David Chiu (D-San Francisco) would re-create a version of a program known as redevelopment that set aside billions of dollars in property taxes each year for local economic development and affordable housing. Governor Jerry Brown and lawmakers eliminated that program in 2011 during the depths of the state's budget crisis, arguing the effort was too costly and rife with abuses, such as money financing upgrades to luxury golf courses.

Brown has been hostile to previous attempts to revive redevelopment agencies. But the author said he hopes the Governor would be willing to work on a new program while he still can shape it. Leading Democratic candidates to replace Brown next year have endorsed bringing back redevelopment in some form. More than half a dozen Democratic lawmakers from different parts of the state are co-authoring AB 3037.

This is of particular issue to IEUA because of the pass-through property tax revenue the agency receives. IEUA has been working with a coalition lead by the California Special Districts Association on this issue since redevelopment agencies were dissolved years ago, and will continue to work in that coalition as this new legislation moves through the process.

Legislative Update

With the bill introduction deadline behind them, members worked on the hundreds of bills introduced in the final days before the deadline, to prepare for policy committee hearings.

All bills have now cleared the minimum 30-days in print before they can be amended or heard in committee, bills are being amended with substantive language and committee hearings have started in earnest. All fiscal bills must be out of policy committees by April 27.

Meanwhile, budget sub committees are reviewing the Governor's 2018-19 budget and developing their own budget proposals.

Water Use Efficiency

The proponents of SB 606 (Skinner) and AB 1668 (Friedman) related to water use efficiency, spent significant time finalizing language with stakeholders, the authors, other interested legislators, and the Brown Administration. The close-to-final draft was recently released and may be taken up for vote in the coming weeks.

Highlights of the recent draft includes language to require a process for variances as well as clarifies the process to lower the gallons per capita daily (GPCD) standards beyond those outlined in the legislation can only be done by the Legislature. The new language does not include an increase in the potable reuse credit. It remains at ten percent.

Various stakeholders have begun to remove opposition, including California Municipal Utilities Association and Metropolitan Water District of Southern California. ACWA is working through final amendment recommendations to fine tune a few technical elements of the bill.

Clean Drinking Water Fund

The conversation around SB 623 (Monning) continues, especially after the Brown Administration released a budget trailer bill with their proposal for implementing a Safe Drinking Water Fee. The language is consistent with SB 623 which would establish the Safe and Affordable Drinking Water Fund to provide operating and maintenance funds for disadvantaged communities with contaminated groundwater sources. The account would be funded by fees from all water users with an exemption for low income customers, an assessment on fertilizer, and an assessment on gallons of milk produced.

Both Assembly and Senate budget subcommittees heard presentations on the issue recently. Opposition came from urban water districts who continue to be adamantly opposed to a water tax and hardline environmentalists who believe that ag is getting let off the hook with a marginal fee and legal protections. Many agricultural groups expressed their support along with several environmental justice groups who have been developing the proposal. The committees did not take a vote.

It isn't clear yet which vehicle will move, but the Brown Administration isn't interested in a prolonged fight at the end of session over this issue. Opposition from a significant number of urban water agencies and ACWA remains very strong. With a 2/3 vote required for whichever vehicle ends up as the main safe drinking water fee vehicle, and a number of Democratic vacancies, it is unlikely the bill will move anytime soon. Activity and discussion is likely to pick up after the June 5th primary election, when the Democratic majority will be replenished.

Eastern Municipal Water District and the California Municipal Utilities Association have introduced AB 2050 (Caballero, D-Salinas) as an alternative to SB 623. Their bill looks at how to consolidate failing water agencies under a larger umbrella to provide cost effective technical, managerial and financial support. The bill is supported by Metropolitan Water District of Southern California, the Association of California Water Agencies, the Santa Ana Watershed Project Authority and many local water agencies. The measure has been referred to the Local Government and Environmental Safety and Toxic Materials (ESTM) committees and will be heard in ESTM on April 10.

SB 998 (Dodd)

A coalition of opponents to SB 998, Senator Dodd's (D-Napa) bill regarding water shutoffs, continue to meet with the author's staff to present an initial list of amendments. Currently, the bill prohibits a water agency from shutting off water service to a residential customer, under certain conditions. Concerns among stakeholders remain on how the whole shutoff process would work including any Proposition 218 issues that would arise as other customers have to assume the cost of service to any residential property that does not pay their bill.

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Comprehensive Government Relations

MEMORANDUM

To: Halla Razak and Kathy Besser

From: Letitia White, Jean Denton, Shavenor Winters

Date: March 23, 2018

Re: February Monthly Legislative Update

Fiscal Year 2018 Omnibus Appropriations

On Thursday, March 22 Congress passed the FY18 Consolidated Appropriations Act. After a threat to veto, with hours before government funding ran out, President Donald Trump signed the \$1.3 trillion spending package earlier this afternoon.

Like FY17 Congress shrugged off aggressive domestic funding cuts proposed in the President's Budget Request. The agreement maintains or increases funding for key programs that are used to fund infrastructure, economic development and public safety, among others.

The measure would increase spending on the military by \$80 billion and on domestic programs by \$63 billion over previous budget limits set out in the bipartisan budget agreement. In addition to the \$1.3 trillion in overall funding that was agreed to in February, the military would receive \$71 billion in war funds not subject to budget caps. The legislation includes more than \$21 billion for infrastructure projects across the country, including transportation, energy, water, and cyber.

The bill would provide for \$1.6 billion for border security, including money for fencing and levees at the U.S.-Mexico border but not the solid wall President Donald Trump has sought.

The omnibus would extend the authorization for the Federal Aviation Administration (FAA) through September and the flood insurance program through July 31.

Despite a push to punish so-called "sanctuary cities", that shield undocumented immigrants from deportation, the bill doesn't include riders that would restrict their federal funding.

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Below is a list of funding provided to programs of interest:

- Community Planning and Development: The bill contains \$7.7 billion for Community Planning and Development programs – \$866 million above the fiscal year 2017 enacted level.
- Community Development Block Grants: CDBG is funded at \$3.3 billion, \$300 million above the fiscal year 2017 level. The first significant increase since 2010.
- Economic Development Administration (EDA): The legislation includes \$302 million for the EDA, an increase of \$26 million above the fiscal year 2017 level.
- Clean Water and Drinking Water State Revolving Loan fund: The legislation provides \$2.9 billion for the state revolving funds, an increase of \$600 million. Also an increase of \$66 million to accelerate the cleanup of Superfund sites and respond to releases of hazardous substances.
- Bureau of Reclamation: The bill would provide \$1.48 billion for the Interior Department, \$163 million more than fiscal 2017 and \$373.6 million more than requested. Nearly all of that funding -- \$1.47 billion -- would go to the Bureau of Reclamation. The Bureau's drought assistance program would be extended through fiscal 2020 and its authorization would be increased to \$120 million, from \$90 million, for the duration of the program. The agreement provides \$34 million for WaterSMART grants and \$54.4 million for the Title XVI Water Reclamation and Reuse program. Also included is \$134 million for water storage projects authorized in the Water Infrastructure Improvements for the Nation (WIIN) Act.
- Water Infrastructure Finance and Innovation Act (WIFIA): A total of \$63 million for the program, an increase of \$53 million.
- TIGER (National Infrastructure Investments): The multimodal program is funded at \$1.5 billion, a \$1 billion increase over the fiscal year 2017 enacted level. Language is included in the bill to ensure that at least 30% of these funds go to rural communities.
- The HOME Investment Partnerships Program: Increased by \$412 million for a total of \$1.4 billion.
- Homeless Assistance Grants: Program funded at \$2.5 billion, which is \$130 million above the current enacted level. This funding will renew all current agreements with

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local homeless service providers. In addition, targeted funding is provided to address youth homelessness and to help victims of domestic violence.

- Transit Infrastructure Grants: Increased by \$834 million (including \$400 million to help communities modernize their bus systems and \$400 million for capital assistance to transit systems).
- Rural Broadband Infrastructure: \$600 million in funds to build a new broadband network.
- State and Local Law Enforcement Grants: Increased by \$1.2 billion for a total of \$2.9 billion in 2018. This includes a total of \$446.5 million, an increase of \$299.5 million more than fiscal year 2017, in DOJ grant funding to help State and local communities respond to the opioid crisis.
- State Opioid Response Grants: \$1 billion in new funding for grants to states to address the opioid crisis (this funding is in addition to the \$500 million provided in the 21st Century Cures Act).
- National Pre-disaster Mitigation Fund: Pre-disaster mitigation funding increased from \$149 million to \$249 million to build infrastructure that prevents loss of life and mitigates risks, reduces damage from future disasters, and lowers flood insurance premiums.
- HUD-VA Supportive Housing (HUD-VASH) Vouchers: Increase funding of \$40 million for new vouchers, while also protecting VA resources providing case management for homeless veterans.
- National Endowments for the Arts and Humanities: The bill includes \$153 million for each of the endowments, \$3 million above the fiscal year 2017 level for each endowment.

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Secretary Chao says President Trump Infrastructure Plan to Stimulate Local Investment

Transportation Secretary Elaine Chao defended President Donald Trump's infrastructure plan that calls for updating U.S. public works primarily by spurring non-federal investment, as Democrats questioned the amount of funding and its approach.

Sec. Chao appeared at the first congressional hearing by the Senate Environment and Public Works Committee on the administration's proposal Thursday, March 1 touting the proposal to change how roads, bridges and other public works are funded, built and maintained by providing federal "seed money" and streamlining project review and permits.

President Trump's infrastructure proposal is a 53-page document meant as an outline for legislation. It calls for allocating at least \$200 billion in federal funds over a decade, mostly to spur states, localities and the private sector to spend \$1.5 trillion, and reducing the time for issuing permits for projects to two years.

Committee Democrats questioned the amount of federal funding -- especially with proposals in Trump's fiscal 2019 budget to cut transportation funding.

While administration officials have said they're open to changes, there's no consensus about how to pay for the plan. Top Republican senators have questioned whether there's time to enact a bill this year before lawmakers face mid-term elections in November that will determine control of Congress.

Lame-Duck Session

Representative Bill Shuster (R-PA), Chairman of the House Transportation and Infrastructure Committee, has said a lame-duck session after November elections may be required, even though President Trump wants Congress to act quickly.

Republicans, including Senator John Barrasso (R-WY), the Chairman of the Environment Panel, have mostly applauded President Trump's proposals to streamline environmental reviews and permits for projects and promoted the need to get a bipartisan agreement, but they have not talked much about the funding.

Gas Tax

Sen. Carper (D-DE) also said the administration plan did not identify a way to pay for the \$200 billion. President Trump has offered support for a 25-cent increase in the federal gas tax during a private meeting but he hasn't publicly endorsed it and key Republicans have rejected the idea.

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Senator Chris Van Hollen (D-MD), asked Sec. Chao whether the president means "what he says" about increasing the fuel levy.

President Trump's plan is based on the principle that state and local entities that own most infrastructure should make their own decisions about projects, and that the federal government should give them an incentive to raise their own funds while helping pay for work in rural areas that cannot.

In response to questions about states that have already approved road bonds or raised gas taxes, Sec. Chao said they wouldn't be penalized. The administration's plan includes a provision to credit states and localities for past action to raise revenue.

Tax Law Issues

A last-minute wording change in the new tax law may limit the number of infrastructure public-private partnerships, one of the vehicles President Trump has touted to finance his plan to revive roads, bridges, and airports.

The 2017 tax act limits the tax breaks for payments from government entities to private companies unless the monetary exchanges are tied to a "master development plan," a term that isn't defined in tax code Section 118.

The change could have the effect of limiting a host of undertakings—toll roads, real estate development, and environmental projects—that don't meet the new standard.

Payments pursuant to master development plans are excluded from gross income, meaning the Internal Revenue Service's determination about what is—or isn't—such a plan could affect the economics of projects already in progress.

The new law also requires the master development plan to have been approved prior to the law's enactment. Thus tax breaks for public-private partnerships won't be available for projects that have yet to be fully planned. So the new airport that's been in the works for some time could be safe, but the drainage system for a river that changes course in the future could be out of luck.

Democratic Infrastructure Proposal

On Wednesday, March 7, Senate Commerce, Science and Transportation Ranking Member Nelson (D-FL) joined his Senate Democratic colleagues in introducing a sweeping infrastructure investment and jobs plan designed to repair the nation's roads and bridges, update water infrastructure, expand access to broadband, upgrade airports and transit systems, and more. The \$1 trillion proposal lays out a funding mechanism for its investments.

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The Senate Democrats' proposal would invest billions to modernize airports and waterways, rebuild crumbling schools and VA hospitals, overhaul road and bridge repairs, equip rural communities with high-speed internet, revitalize main streets across the country, and more. Their proposal aims to invest \$1 trillion in this country's infrastructure and create more than 15 million jobs. It would do this by undoing the recent Republican passed tax changes.

Specifically, the plan would be paid for through the following five measures:

- Return The Top Individual Tax Rate Back To 39.6%
- Restoring The Individual Alternative Minimum Tax To 2017 Law
- Restoring The Estate And Gift Taxes
- Closing The Carried Interest Loophole
- Bring The Corporate Tax Rate To 25%

According to the American Society of Civil Engineers, the U.S. must spend \$1.6 trillion above current funding levels just to get its infrastructure to a state of good repair. The Senate Democrats said that this historic proposal would make a significant dent in that by investing just over \$1 trillion in our country's infrastructure.

The Senate Democrats' plan would invest in the following programs:

- \$140 Billion to Repair America's Roads & Bridges
- \$10 Billion to Expand the TIGER Program
- \$115 Billion to Modernize America's Water & Sewer Systems
- \$115 Billion to Repair & Improve Public Transportation
- \$50 Billion to Modernize and Improve the Safety of America's Rail Infrastructure
- \$40 Billion for a new Vital Infrastructure Program
- \$30 Billion to Revitalize Main Street & Promote Innovative Transportation
- \$62 Billion for Neighborhood Revitalization, Lead Remediation, & Affordable Housing
- \$50 Billion to Rebuild America's Schools
- \$30 Billion to Modernize America's Ports & Waterways
- \$40 Billion to Improve America's Airports & Airspace
- \$25 Billion to Build More Resilient Communities
- \$80 Billion to Bring Innovation to America's Energy Grid & Promote Clean Energy
- \$40 Billion to Provide Universal High-Speed Internet
- \$15 Billion for Construction on America's Public Lands
- \$10 Billion for Tribal Infrastructure
- \$10 Billion to Address the Construction Backlog at VA Healthcare Facilities
- \$20 Billion in Innovative Financing Tools
- \$140 Billion to Ensure the Solvency of the Highway Trust Fund for the next 10 years

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Senate Commerce, Science and Transportation Committee Hearing

On Wednesday, March 14 the Trump administration sent an all-star team of five Cabinet secretaries to a Senate hearing to talk up its infrastructure proposals. But not even the combined talents of the secretaries of Transportation, Commerce, Labor, Agriculture and Energy seemed enough to move the ball on the \$1.5 trillion plan, and it remains unclear whether the measure will ever find its way to a vote in the House or Senate.

Senate Commerce, Science and Transportation Committee chairman John Thune, (R-SD) said he was hopeful that "both sides can come together on this and it can happen this year."

But several unanswered questions remain, chief among them where the \$200 billion in federal funding would come from and where states would find the remainder of the money.

The Trump plan commits \$200 billion in federal funding over 10 years to stimulate state and local spending and private investment. Half of the funding, \$100 billion, would be used as incentives to entice cities, counties and states to raise at least 80 percent of the infrastructure costs themselves.

That's a departure from the way many projects are funded now. Funding for federal-aid highways, including interstates, is usually allocated in an 80-20 federal-state split. So, President Trump's plan would flip that funding burden. Major mass transit projects are often funded on a 50-50 federal-local basis. Again, the Administration's plan puts a much greater burden on local taxpayers and users.

Estimates vary but the American Society of Civil Engineers has determined that there is a \$2 trillion investment gap when it comes to the country's infrastructure needs.

Committee Ranking Member Sen. Bill Nelson (D-FL) suggested that the recently-enacted tax cut be changed from a 21-percent corporate rate to 25 percent to pay for infrastructure, a non-starter as far as most Republicans are concerned.

Transportation Secretary Elaine Chao said that with some estimates as high as \$4 trillion to repair the nation's roads, bridges, ports and airports, "We cannot address a challenge of this magnitude with federal resources alone, or by borrowing." She said the administration was "agnostic" about where the state share of the funds would come from, but said the federal government only owns 10 percent of the nation's roads and bridges, implying it was up to state and local governments to figure out where to find the funds to finance their share of improvements.

Several states have already raised their gas taxes to fund road repairs, and others have instituted new tolls.

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Addressing criticism that the administration only released an outline of what it hopes to see in an infrastructure plan, Sec. Chao said the administration sent Congress a list of principles rather than specific legislation in "an open show of cooperation." She said the administration wants to work with Congress "and not be prescriptive" with specific legislative language.

One of the key principles for the administration, said Energy Secretary Rick Perry, was removing regulatory barriers to speed approval of construction projects. Sec. Perry called the current permitting process fractured and redundant, saying "it requires projects to navigate a huge maze of federal regulations." Sec. Perry emphasized President Trump's desire to see the process streamlined and "substantially cut back."

House Subcommittee on the Interior, Energy, and Environment Hearing

On Thursday, March 15 the House Oversight and Government Reform Subcommittee on the Interior, Energy, and Environment held a hearing to examine federal permitting processes, focusing on National Environmental Policy Act (NEPA) and the Clean Water Act. This is one of many hearings that have been held in response to the Administration's guiding principles for rebuilding our nation's infrastructure, which included streamlining and shortening the permitting process for infrastructure projects.

There was wide agreement from House Republicans around concerns regarding the length and process of the formal permitting process between the Army Corps of Engineers and the Environmental Protection Agency (EPA) while Democrats largely shared concerns over the lack of funding provided for state and local projects through the administration's proposal and the importance of protecting the environment while supporting growth.

House Subcommittee on Energy and Water Development Hearing

On Thursday, March 14, the House Appropriations Subcommittee on Energy and Water Development held a hearing on the FY19 budget request for the Bureau of Reclamation and the U.S. Army Corps of Engineers. Subcommittee Chairman Mike Simpson (R-ID) expressed his frustration with the Administration again requesting inadequate funding for water develop programs. The chairman went on to state it is safe to say Congress will again provide additional funding for these accounts. Bureau of Reclamation Commissioner Brenda Burman discussed the drought conditions in the west and Congressman Ken Calvert (R-CA) supported her assessment that new storage capacity needs to be a priority. A copy of the commissioner's testimony can be found [here](#).

President Trump Visits California

President Trump made his first presidential visit to California on Tuesday, March 13. Trump inspected eight wall prototypes constructed in the desert south of San Diego as he fights to overcome opposition from Democrats and skepticism from some Republican

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lawmakers over the cost of a barrier that was a central promise of his presidential campaign.

“Congress must fund the border wall and prohibit grants to sanctuary cities,” Trump said, referring to cities and states that limit their cooperation with federal authorities on immigration in objection to the president’s policies.

When asked whether he would veto a spending bill that would preserve grants to sanctuary cities or not fund the wall, Trump said he’s “looking at it.”

“We’re looking at it very, very strong. Sanctuary cities are protecting a horrible group of people in many cases, criminals,” he said.

U.S. Customs and Border Protection solicited bids last year using existing border security funding to build eight wall prototypes and awarded contracts to six private companies for mock-ups that are each 30 feet long and as much as 30 feet high. The agency is testing how well each prototype withstands attempts at breaching, climbing, digging and other factors.

Department of the Interior’s WaterSMART Funding Opportunities

Bureau of Reclamation has released three funding opportunities for fiscal year 2018, Water and Energy Efficiency Grants, Small-Scale Water Efficiency Projects and Water Marketing Strategy Grants, all of which are part of the Department of the Interior’s WaterSMART program initiative.

States, Indian tribes, irrigation districts, water districts, and other organizations with water or power delivery authority located in the Western United States or United States Territories are eligible to apply for these funding opportunities.

Gun Control Legislation in the Spotlight

Lawmakers continue to discuss legislation to tighten controls on firearms after the Valentine’s Day mass shooting at a school in Parkland, Florida.

A bipartisan bill H.R. 4240, Public Safety and Second Amendment Rights Protection Act of 2017 that would give states resources to help them submit information to the background checks system gets 200 co-sponsors in the House, Rep. Mike Thompson (D-CA) said in a statement. The bill also would expand the system to cover all commercial firearm sales, including those at gun shows, on the Internet and in classified ads.

Separately, Sens. Jeff Flake (R-AZ), Catherine Cortez Masto (D-NV) and Martin Heinrich (D-NM) are sponsoring a measure to prohibit the sale of devices that allow semi-automatic weapons to function similarly to automatic weapons. President Donald Trump has said he can address bump stocks with executive action and has signed a memorandum directing the Justice Department to come up with rules prohibiting “all devices that turn legal weapons into machine guns.”

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Included in the fiscal year 18 omnibus is the “Fix NICS Act” that’s designed to strengthen the National Instant Criminal Background Check System (NICS). Licensed dealers are required to use NICS to determine whether an individual is eligible to purchase a firearm.

The bill would require federal agencies to provide semiannual certifications to the Justice Department that they are submitting relevant records to NICS. Each federal agency would have to establish an implementation plan to increase reporting and verify the accuracy of their records.

Political appointees at agencies that haven’t complied with record submission requirements wouldn’t be eligible to receive bonus pay until the agency certifies its compliance.

The Justice Department would have to coordinate with state and tribal governments to establish similar implementation plans to maximize information sharing and to verify the accuracy of records.

DOJ would publish information online regarding states and tribes that don’t achieve substantial compliance with the implementation plan until they do. It also would give preference for all Bureau of Justice Assistance discretionary grant applications from states or tribes that have complied with the plans.

Report language would clarify that the Centers for Disease Control can research gun violence. A provision known as the Dickey Amendment bans agencies from advocating for gun control, and had for years been treated as a de facto ban on research, as well.

School Safety Grants

The Justice Department’s Secure Our Schools program would be reauthorized at \$100 million annually from fiscal 2019 through 2028. It would be carried out through the Bureau of Justice Assistance (BJA) and the Office of Community Oriented Policing Services (COPS).

BJA grants would cover training for school personnel and students, developing anonymous reporting systems, and operating threat assessment teams. COPS would cover local law enforcement coordination and training, installing metal detectors, and acquiring technology for expedited notification to law enforcement during emergencies.

INFORMATION
ITEM
2C



CALIFORNIA STRATEGIES, LLC

Date: March 22, 2018
To: Inland Empire Utilities Agency
From: John Withers, Jim Brulte
Re: March Activity Report

1. This month Senator Brulte and John Withers held their monthly meeting on March 5th with the senior staff of the agency.
2. Regional Contract
 - Kerns West was retained to develop a scoping plan of the top ten priorities for the project. The approximate timeframe is March 29-May 31. If approved IEUA and its member agencies expect to do the plan over the next two years.
3. Proposition One Grant Application
 - February 23rd was deadline to get appeal in to Water Commission staff for Eco System benefits
 - Goal is to receive a high eco system benefit score to go along with high project benefit score.
4. Chino Basin Water Bank Project Workshop
 - Project JPA has been formed for planning and reps of the agencies are selected
 - Project team lead by Ed Means held its second meeting
5. SB LAFCO
 - Out for new Executive Officer recruitment.

INFORMATION
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State Legislation

Bill Number	Sponsor	Title and/or Summary	Summary/Status	IEUA Position
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.	SUPPORT Senate Rules
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 Natural Resources and Water
AB 1876	Frazier	Sacramento-San Joaquin Delta: Delta Stewardship Council	The Sacramento-San Joaquin Delta Reform Act of 2009 establishes the Delta Stewardship Council, which consists of 7 members, and requires the council to develop, adopt, and commence implementation of a comprehensive management plan for the Delta, known as the Delta Plan. This bill would increase the membership of the council to 13 members, including 11 voting members and 2 nonvoting members, as specified.	OPPOSE Water, Parks and Wildlife—pulled from hearing by author
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 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.	SUPPORT Assembly Floor

SB 952	Anderson	Water Conservation: Local Water Supplies	SPOT BILL: Would state the intent of the Legislature to enact legislation that would require the State Water Resources Control Board to recognize local water agency investment in water supply and will ensure that local agencies receive sufficient credit for these investments in meeting any water conservation or efficiency mandates.	WATCH
SB 623	Monning	Water Quality: Safe and Affordable Drinking Water Fund	Would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the State Water Resources Control Board. The bill would require the board to administer the fund to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure. The bill would authorize the state board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, bequests, and settlements from parties responsible for contamination of drinking water supplies.	WATCH Assembly Rules Committee

Community and Legislative Affairs Committee

INFORMATION

ITEM

2E

Federal Legislation of Significance

Bill Number	Sponsor	Title and/or Summary	Summary/Status
H.R. 1625	Rep. Rodney Frelinghuysen (R-NJ)	Fiscal Year18 Omnibus	<p>On Monday, March 21, 2018 the House Appropriations Committee today introduced legislation to provide all discretionary funding for the federal government for the 2018 fiscal year. The bill contains the full legislation and funding for all the 12 annual Appropriations bills and it totals \$1.3 trillion.</p> <p>On Thursday, March 23, 2018 the Senate passed the legislation and President Donald Trump signed it into law on the saw.</p>
H.R.4902	Rep. John Katko (R-NY)	Securing Required Funding for Water Infrastructure Now Act	<p>The legislation would amend the Water Infrastructure Finance and Innovation Act of 2014 to provide to State infrastructure financing authorities additional opportunities to receive loans under that Act to support drinking water and clean water State revolving funds to deliver water infrastructure to communities across the United States.</p> <p>The bill was introduced on Tuesday, January 30, 2018 and referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce</p>
S 2364	Sen. John Boozman	Securing Required Funding for Water Infrastructure Now Act	<p>The intention of the bill is to amend the Water Infrastructure Finance and Innovation Act of 2014 to provide to State infrastructure financing authorities additional opportunities to receive loans under that Act to support drinking water and clean water State revolving funds to deliver water infrastructure to communities across the United States, and for other purposes.</p> <p>The legislation was introduced on Tuesday, January 30, 2018 and referred to the Committee on Environment and Public Works.</p>
S.2329	Sen. John Hoeven (R-ND)	Water Infrastructure Finance and Innovation Reauthorization Act of 2018	<p>This measure is designed to spur investments in water project development across the nation by supplementing federal funding of water infrastructure projects — including wastewater treatment, flood control and storm water management — with long-term, low-cost loans and loan guarantees, reauthorize and amend the Water Infrastructure Finance and Innovation Act of 2014, and double the Environmental Protection Agency’s fiscal year 19 WIFIA authorization to \$90 million and extend the program for five years, through 2024.</p> <p>The legislation was introduced Tuesday, January 23, 2018 was referred to the Committee on Environment and Public Works</p>

H.R.4492	Rep. Brian Mast (R-FL)	Water Infrastructure Finance and Innovation Reauthorization Act of 2017	<p>H.R. 4492 is a companion bill to S.2329 and would spur investments in water project development across the nation by supplementing federal funding of water infrastructure projects.</p> <p>This bill was introduced Thursday, November 30, 2017 and was referred to both the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce.</p>
H.R. 5127	Rep. Grace Napolitano (D-CA)	Water Recycling Investment and Improvement Act	<p>The legislation would assist water agencies with the expansion, planning, designing, and building of water recycling plants and modernizing water infrastructure by making changes to the WIIN Act Title XVI water recycling and reuse program by removing the requirement of funding projects that are in drought or disaster areas, increasing the authorization from \$50 million to \$500 million, making the program permanent rather than sun-setting in 2021, and taking away the requirement that the projects need to be designated in an appropriations legislation.</p> <p>The bill was introduced on Tuesday, February 27, 2018 and referred to the Committee on Natural Resources, and in addition to the Committee on Transportation and Infrastructure.</p>
H.R. 1892	Rep. John Larson (D-CT)	Bipartisan Budget Act of 2018- Vehicle for the Short-Term Continuing Resolution	<p>Government funding continues through Friday, March 23 218, and spending caps increased by about \$300 billion over two years.</p> <p>The measure also suspends the debt limit for about one year. provides \$84 billion for disaster relief and provide tax relief for wildfire victims, extends the Children’s Health Insurance Program an additional four years, repeal a Medicare cost-control panel known as the Independent Payments Advisory Board, renews a litany of expired tax provisions, and increases support for cotton and dairy producers by modifying agriculture programs.</p> <p>President Trump signed the legislation on Friday, February 09, 2018.</p>
H.R. 1370	Rep. Michael McCaul (R-TX)	Vehicle for the Short-Term Continuing Resolution	<p>The continuing resolution(CR) to fund the government through Friday, January 19, passed the House 231-188 and the Senate 66-32 on Thursday, December 21. The CR maintains current levels of spending through Jan. 19 and provide \$4.5 billion in emergency funding for missile defense work as well as other Pentagon expenses</p> <p>President Trump signed the legislation into law on Friday, December 22, 2017.</p>
H.R. 4667	Rep. Rodney Frelinghuysen (R-NJ)	Making further supplemental appropriations	<p>Making further supplemental appropriations for the fiscal year ending September 30, 2018, for disaster assistance for Hurricanes Harvey, Irma, and Maria, and calendar year 2017 wildfires, and for other purposes.</p>

			<p>The House passed the legislation by a vote of 251 to 169. The Senate did not take up the legislation and will revisit the issue in January 2018. The Senate read the second time and the legislation was placed on Senate Legislative Calendar under General Orders on January 4, 2018.</p>
S.1	Sen. Mike Enzi	Tax Cuts and Jobs Act	<p>This bill provides for the reconciliation pursuant to title II of the concurrent resolution on the budget for fiscal year 2018. Tax rates would be reduced, dozens of breaks would be eliminated, and the individual mandate from the Affordable Care Act would be eliminated. The corporate income tax rate would be set at 20 percent.</p> <p>S.1 was introduced by the Senate Budget Committee on Tuesday, November 28.</p>
	Sen. Thad Cochran (R-MS)	Fiscal 2018 Appropriations Act	<p>On November 21, 2017, the Senate Appropriations Committee released funding bills for Defense, Homeland Security, Financial Services and the Interior for fiscal year 2018. The remaining eight FY18 bills were approved by the committee prior to November.</p> <p>The committees were given</p>
H.R.1	Rep. Kevin Brady (R-TX)	An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.	<p>This bill amends the Internal Revenue Code to reduce tax rates and modify policies, credits, and deductions for individuals and businesses. Tax rates would be reduced, dozens of breaks would be eliminated, and the individual mandate from the Affordable Care Act would be eliminated. The corporate income tax rate would be set at 20 percent.</p> <p>H.R.1 was introduced on Thursday, November 2 buy the Committee on Ways and Means. The House voted 227-205 and passed the bill on Thursday, November 16. On December 2, the Senate passed an amendment by the Yeas and Nays: 227-207. On December 19, the conference report was agreed in the House with a vote of 227-203. The House agreed to the Senate amendment on December 20 with a vote of 224-201. The legislation became Public Law No: 115-97 on December 22, 2017.</p>
H. Con. Res. 71	Rep. Diane Black (R-TN)	Establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027	<p>Legislation that would change the tax code and increase the deficit by as much as \$1.5 trillion over a decade could be passed with simple majorities in both chambers under the Senate amendment to H. Con. Res. 71.</p> <p>The House agreed to the Senate Amendment and voted 216-212 to resolve. The proposed fiscal 2018 budget resolution would direct the tax-writing panels -- House Ways and Means and Senate Finance -- to produce reconciliation legislation by Monday, November 13, 2017.</p>

			<p>The plan calls for spending \$3.13 trillion in fiscal 2018, while bringing in \$2.49 trillion in revenue, for a deficit of \$641 billion. Those figures don't include "off-budget" items such as Social Security, which would bring total spending to \$3.99 billion in fiscal 2018. It would seek about \$5.1 trillion in spending reductions over the next decade and \$1.6 trillion in tax cuts.</p> <p>The House adopted its version of H. Con. Res. 71 by a vote of 219-206 on Thursday, October 5. The Senate adopted an amended version by a vote of 51-49 on Thursday, October 19. And, the House passed the Senate amended bill on Thursday, October 26 by a vote of 216-212. It now goes to the White House for the President's expected signature.</p>
H.R. 2266	Rep. John Conyers	Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2017	<p>Hurricane and wildfire relief efforts would receive an additional tranche of emergency supplemental funding under a House amendment to the Senate amendment to H.R. 2266.</p> <p>The \$36.5 billion aid package would: Appropriate \$18.7 billion for the Federal Emergency Management Agency's (FEMA) Disaster Relief Fund (DRF). As much as \$4.9 billion could be transferred to FEMA's Community Disaster Loan (CDL) program to help local governments and U.S. territories provide essential services. Cancel \$16 billion in loans to the National Flood Insurance Program (NFIP), which reached its borrowing limit after hurricanes Harvey and Irma. And allow as much as \$1.27 billion in previously appropriated funding to be transferred for emergency nutritional assistance in Puerto Rico.</p> <p>The Senate agreed to the House amendment to the Senate amendment to H.R. 2266 by 82-17. On October 26, 2017, the bill became Public Law No: 115-72.</p>
H.R. 3711	Reps. Lamar Smith (R-TX)/Ken Calvert (R-CA) /Bob Goodlatte (R-VA)	The Legal Workforce Act	<p>A bill that would require all U.S. employers to use the E-Verify electronic employment verification system. The requirement would be phased over a two-year period, starting with the largest employers. The agriculture industry would have an additional six months (or 30 months total) to come into compliance.</p> <p>H.R. 3711 was referred to the Committee on the Judiciary, and in addition to the Committees on Ways and Means, and Education and the Workforce on Friday, September 8th. On Wednesday, September 27th, H.R.3711 was referred to Judiciary Subcommittee on Immigration and Border Security. Judiciary Committee Consideration and Mark-up Session was held on Wednesday, October 25th. H.R. 3711 was ordered and reported (amended) by the yeas and nays: 20-10 on October 25, 2017.</p>

H.R. 601	Rep. Nita Lowey (D-NY)	Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017	<p>\$15.25 billion dollar bill for disaster aid following the destruction caused by Hurricane Harvey and anticipated by Hurricane Irma. This bill will also raise the debt limit and includes a continuing resolution funding the government until December 8th.</p> <p>H.R. 601 was passed in the Senate on Thursday, September 7 will additional Hurricane funding and the deficit reduction until December provisions. The House passed the bill on Friday, September 8, 2017, and was signed by the President on the same day (Public Law 115-64).</p>
H.R. 3354	Rep. Ken Calvert (R-CA)	Make America Secure and Prosperous Appropriations Act, 2018	<p>An omnibus package including the Interior; Homeland Security; Financial Services; Commerce, Science, and Justice; Transportation, Housing and Urban Development; Agriculture; Labour and Health and Human Services, and Education; and State and Foreign Operations Appropriations Acts, fiscal year 2018. The House-passed version of H.R. 3354 includes all 12 appropriations bills, including four that were previously passed in H.R. 3219.</p> <p>Highlighted bills in this package are below.</p> <p>H.R. 3219 was introduced in the House Rules Committee on Wednesday, August 16. was considered and passed by a vote of 211 to 198 on the House Floor on September 14, 2017. The Continuing Resolution, H.R.195, will run until February 8, 2018.</p>
H.R. 3219	Rep. Kay Granger (R-TX)	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 15th. 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 17th.</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 Related Agencies Appropriations Act	<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> <p>Within the bill, Community Development Block Grants are funded at \$2.9 billion, \$100 million below fiscal year 2017 level.</p>
	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 20th 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 25th. 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</p>

			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.
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. H.R. 23 was received in Senate, read twice and referred to the Committee on Energy and Natural Resources on July 18, 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 21st 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 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 21st 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 referred to the Subcommittee on Water, Power and Oceans on March 27, 2017.</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 27th HR 497 passed through the House Natural Resources Committee by unanimous consent, and was scheduled for the House Floor Consideration on June 2nd.</p> <p>This bill was passed by the House on June 27th by a vote of 424-0. The bill was referred to the Senate Committee on Energy and Natural Resources on June 28th and no further action has been taken.</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"> • Mandate study and protection of Native American cultural trails along the Colorado River. • Designate 230,000 acres of additional wilderness area between the Avawatz Mountains near Death Valley to Imperial County's Milpitas Wash.

			<ul style="list-style-type: none"> • Add 43,000 acres to Death Valley and Joshua Tree national parks. • Create a 75,000-plus acre special management area at Imperial County's Vinagre Wash. • Designate Inyo County's Alabama Hills as a National Scenic Area. • Prohibit new mining claims on 10,000 acres in Imperial County considered sacred by the Quechan Tribe. <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 Environment on May 19, 2017.</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. The House Rules Committee on June 20th dictated final amendments for passage on the House Floor; this bill passed the House on June 22 by a vote of 233-180. H.R. 1654 was referred to the Senate Committee on Energy and Natural Resources on June 26 and not further action has been taken.</p>
H.R. 195	Rep. Steve Russell (R-OK)	Continuing resolution through Feb. 8 & CHIP reauthorization	<p>The measure would extend funding for most federal agencies at the reduced fiscal 2017 spending levels initially provided by Public Law 115-56 to keep spending in line with the fiscal 2018 caps. It would be the fourth continuing resolution passed since the fiscal year began on Oct. 1.</p> <p>The legislation also would extend most anomalies and program extensions from the previous continuing resolutions, such as the National Flood Insurance Program.</p>

		<p>The measure would allow emergency missile defense funding provided under the last CR to be used for intelligence activities that haven't been specifically authorized by Congress.</p> <p>It also includes other anomalies that would allow funding for summer food programs for kids, NASA space exploration, the Energy Department inspector general, and small-business loans, to be apportioned at the rate needed to maintain operations and meet scheduling and other requirements. Additionally, the Housing and Urban Development Department could adjust funding for public housing agencies to administer Section 8 Housing Choice Vouchers in areas where the president declared a disaster in 2017 or 2018.</p> <p>The measure would provide \$21.5 billion for fiscal 2018 for CHIP, increasing to \$25.9 billion by fiscal 2023. The fiscal 2023 amount would come from two semiannual allotments of \$2.85 billion and an additional \$20.2 billion for the first half of the year that would remain available until expended.</p> <p>This House voted 230-197 to pass the legislation on January 18, 2018. The Senate amended the bill and voted 81-18. This legislation was resolved in the House on January 22, 2018 and passed with a vote of 266-150. The President signed the bill into law (Public Law 115-120) on January 22, 2018.</p>
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