

NOTICE OF MEETING

OF THE
**PUBLIC, LEGISLATIVE AFFAIRS,
AND WATER RESOURCES
COMMITTEE**

OF THE
BOARD OF DIRECTORS
OF THE



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

IS SCHEDULED FOR
WEDNESDAY, JULY 8, 2015
9:00 A.M.

AT THE ADMINISTRATION HEADQUARTERS
6075 Kimball Avenue, Building A
Chino, CA 91708



**PUBLIC, LEGISLATIVE AFFAIRS, AND WATER RESOURCES
COMMITTEE MEETING
OF THE BOARD OF DIRECTORS
INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS, CHINO, CALIFORNIA**

**WEDNESDAY, JULY 8, 2015
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 are 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 Public, Legislative Affairs, and Water Resources Committee meeting minutes of June 10, 2015.

B. APPROVAL OF A MEMORANDUM OF UNDERSTANDING FOR THE DEVELOPMENT OF A RECYCLED WATER INTERCONNECTION WITH MONTE VISTA WATER DISTRICT AND THE CITY OF POMONA

It is recommended that the Committee/Board:

1. Approve the Memorandum of Understanding (MOU) between IEUA, Monte Vista Water District and the City of Pomona for the development of a Recycled Water Interconnection; and
2. Authorize the General Manager to make non-substantive changes and execute the final MOU.

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)

F. PLANNING AND ENVIRONMENTAL RESOURCES 4TH QUARTER UPDATE (POWERPOINT)

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, July 2, 2015.



April Woodruff

**ACTION
ITEM
1A**



MINUTES

**PUBLIC, LEGISLATIVE AFFAIRS, AND WATER RESOURCES
COMMITTEE MEETING
INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS, CHINO, CA**

**WEDNESDAY, JUNE 10, 2015
9:00 A.M.**

COMMITTEE MEMBERS PRESENT

Steven J. Elie, Chair
Michael Camacho

STAFF PRESENT

Christina Valencia, Chief Financial Officer/Assistant General Manager
Kathy Besser, Manager of External Affairs
Sylvie Lee, Manager of Planning and Environmental Resources
Lisa Morgan-Perales, Water Resources Analyst II
Katherine Plank, External Affairs Specialist I
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT

Shawn Perumean, CVWD

The meeting was called to order at 9:10 a.m. There were no public comments received or additions to the agenda.

ACTION ITEMS

The Committee:

- ◆ Approved the Public, Legislative Affairs, and Water Resources Committee meeting minutes of May 13, 2015.
- ◆ Recommended that the Board:
 1. Amend Contract No. 4600001343 with Innovative Federal Strategies (IFS) to provide federal legislative services from July 1, 2015 through June 30, 2016, at a monthly retainer fee of \$6,500 per month, plus reasonable business expenses, with no change in the current rate;
 2. Amend Contract No. 4600001344 with Agricultural Resources to provide federal legislative service from July 1, 2015 through June 30, 2016, at a monthly retainer fee of \$6,000 per month, plus reasonable business expenses, with no change in the current rate; and
 3. Authorize the General Manager to finalize and execute the amendments;

as a Consent Calendar Item on the June 17, 2015 Board meeting agenda.

◆ Recommended that the Board:

1. Amend Contract No. 4600001846 with West Coast Advisors to provide state legislative consulting services from July 1, 2015 through June 30, 2016, at a monthly retainer fee of \$9,800 per month, plus reasonable business expenses, with no change in the current rate; and
2. Authorize the General Manager to finalize and execute the amendment;

as a Consent Calendar Item on the June 17, 2015 Board meeting agenda.

Director Elie stated that it has been three years since the Agency went out for RFPs for the two federal and state legislative contracts, and suggested that staff take the three legislative contracts out for RFPs next year.

◆ Recommended that the Board:

1. Amend Contract No. 4600000419 with California Strategies, LLC to provide strategic local government consulting services from July 1, 2015 through June 30, 2016, at a monthly retainer fee of \$6,000 per month, plus reasonable business expenses, with no change in the current rate; and
2. Authorize the General Manager to finalize and execute the amendment;

as a Consent Calendar Item on the June 17, 2015 Board meeting agenda.

INFORMATION ITEMS

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

- ◆ Public Outreach and Communication Report
- ◆ Legislative Reports
- ◆ California Strategies, LLC Activity Report
- ◆ State Legislation Matrix
- ◆ Federal Legislation Matrix
- ◆ East Declez; Intent to Purchase Property
- ◆ Planning and Environmental Compliance Update

GENERAL MANAGER'S COMMENTS

NONE

COMMITTEE MEMBER COMMENTS

NONE

COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

NONE

With no further business, the meeting adjourned at 9:45 a.m.

Public, Legislative Affairs, and Water Resources Committee
June 10, 2015
Page 3

Respectfully submitted,

April Woodruff
Board Secretary/Office Manager

*A Municipal Water District

APPROVED: JULY 8, 2015

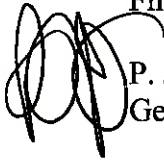
**ACTION
ITEM
1B**





Date: July 15, 2015

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (07/08/15)
Engineering, Operations & Biosolids Committee (07/08/15)
Finance, Legal & Administration Committee (07/08/15)

From:  P. Joseph Grindstaff
General Manager

Submitted by: Chris Berch 
Executive Manager of Engineering/Assistant General Manager

for Sylvie Lee 
Manager of Planning and Environmental Resources

Subject: Approval of a Memorandum of Understanding for the Development of a Recycled Water Interconnection with Monte Vista Water District and City of Pomona

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the Memorandum of Understanding (MOU) between Inland Empire Utilities Agency, Monte Vista Water District and the City of Pomona for the development of a Recycled Water Interconnection; and
2. Authorize the General Manager to make non-substantive changes and execute the final MOU.

BACKGROUND

The attached MOU has been developed to initiate the planning process of creating alternative approaches in determining the long term water supply options for IEUA and the expansion of the Recycled Water system. In August 2013, IEUA began working on two of its long term planning initiatives; the Integrated Resources Plan (IRP) and Recycled Water Program Strategy (RWPS). Several conceptual projects have been identified in the IRP, including recycled water interties to supplement recycled water for the IEUA service area.

During peak summer months the IEUA Recycled Water system experiences over 85 percent allocation of the recycled water produced by its treatment plants for recycled water demands (direct use and groundwater recharge). As the system is being planned for growth and demand management, interties with neighboring agencies are being considered to maximize the beneficial use of recycled water.

One project that is being considered for the recycled water intertie is the recycled water from the City of Pomona, which lies within the Monte Vista Water District (MVWD) service area. This project would include a new connection between the existing IEUA recycled water system and the proposed expanded City of Pomona recycled water system. In addition, the feasibility for using non-reclaimable system brine waste as a source water for advanced treatment and potential injection into Management Zone 1 (MZ1) of the Chino Basin will be evaluated. This promising aspect of the project could provide long term solution for the land subsidence issues associated with the MZ1.

IEUA will work with MVWD and the City of Pomona to refine the project scope, initiate planning activities and determine the long term costs and benefits for the region in developing the project. The MOU will trigger the development of a Feasibility Study that will be used to submit a grant application for the project. The MOU is scheduled to be considered by MVWD in July and by the City of Pomona in August 2015.

This MOU is consistent with the *Agency's Business Goal* of increasing *Water Reliability* by meeting the region's need to develop reliable, drought-proof and diverse local water resources in order to reduce dependence on imported water supplies.

PRIOR BOARD ACTION

On August 20, 2014, the Board approved an MOU for Recycled Water Interconnection for the WRCRWA project with Jurupa Community Services District and Western Municipal Water District.

IMPACT ON BUDGET

The Project will be cost shared equally by IEUA, City of Pomona and MVWD.

Attachment: Memorandum of Understanding

**MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF POMONA, MONTE VISTA WATER DISTRICT
AND INLAND EMPIRE UTILITIES AGENCY
REGARDING
INTERCONNECTION TO SUPPLEMENT WATER SUPPLY**

WHEREAS, City of Pomona (“Pomona”) has an established recycled water system with entitled rights for such recycled water; and

WHEREAS, Pomona has rights to brine wastewater, along with non-potable water from its groundwater basin; and,

WHEREAS, Inland Empire Utilities Agency (“IEUA”) has established a regional wastewater treatment and recycled water distribution system and sees the need for additional recycled water supplies in the future; and

WHEREAS, IEUA has brine wastewater that is available within its region; and

WHEREAS, Monte Vista Water District (“MVWD”) owns property and infrastructure that could facilitate the distribution, advanced treatment, and recharge of available recycled water supplies and available brine wastewater supplies within the northern Management Zone 1 region of the Chino Groundwater Basin; and

WHEREAS, Pomona, MVWD and IEUA (“the Parties”) desire to develop a supplemental water supply to assist in meeting water needs and recognize that partnering would help mitigate existing and future potential land subsidence conditions, offset current potable demands, and enhance groundwater pumping within the Chino Groundwater Basin; and

WHEREAS, the Parties desire to enter into this Memorandum of Understanding (“MOU”) in order to initiate formal negotiation and development of a project to provide regional mitigation and water supply benefits to all Parties; and

WHEREAS, the Parties would desire to commence a Feasibility Report to evaluate the benefits and the feasibility of the interconnection of the recycled water systems, and to evaluate potential advanced treatment and recharge of available recycled water and brine wastewater supplies.

Now, therefore, the Parties hereby make the following mutual commitments:

1. The Parties shall work together cooperatively to help mitigate existing and future potential land subsidence conditions, to reduce reliance on imported water, and to increase local water supply reliability and sustainability.
2. The Parties shall work together cooperatively to define the parameters of a project to develop a recycled water intertie and to treat and recharge available recycled water and

brine wastewater supplies within the northwestern Management Zone 1 region of the Chino Groundwater Basin to the benefit of the Parties.

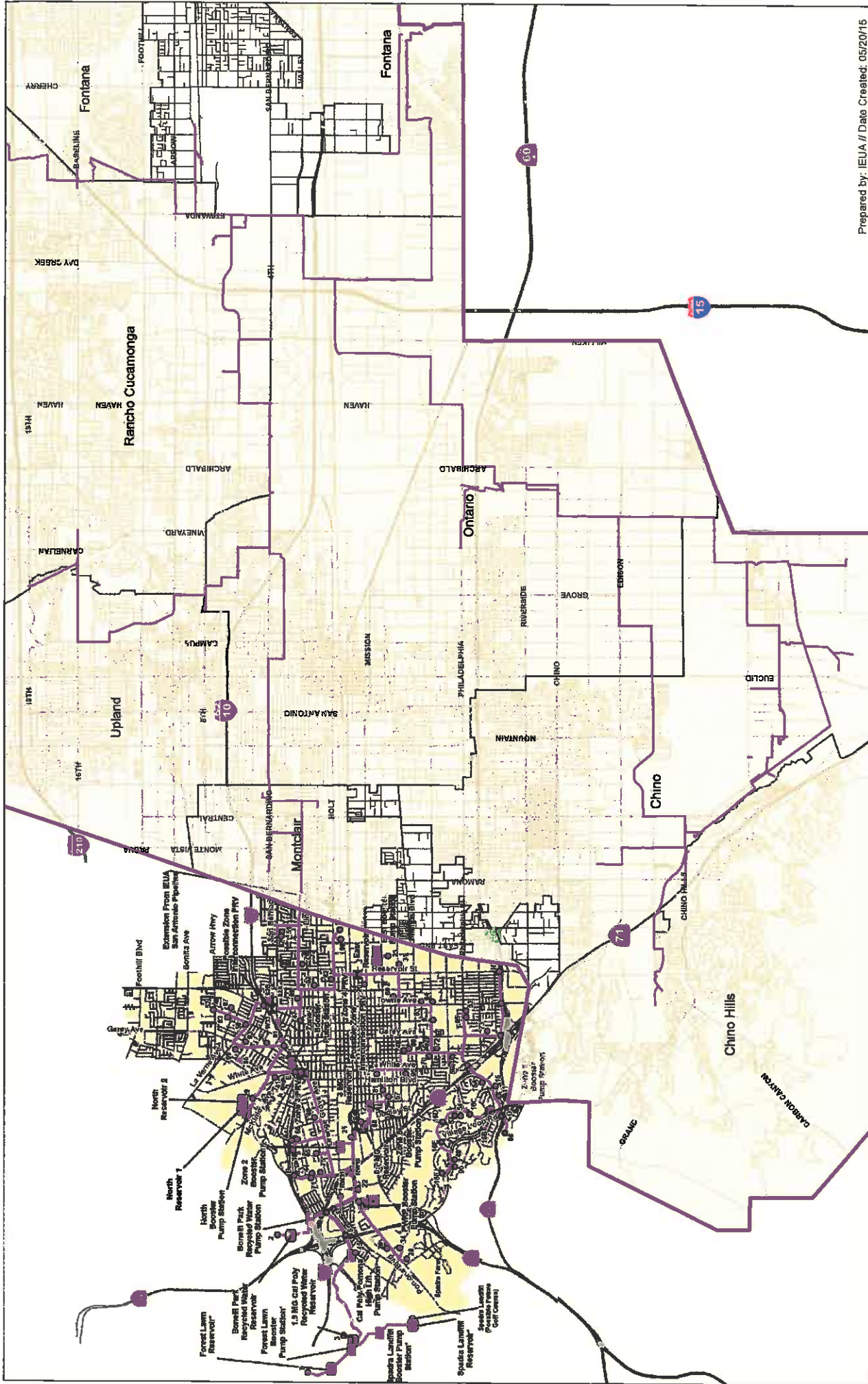
3. The source of the water to meet the Parties supplemental recharge and supply needs are anticipated to be diverted Title 22 approved tertiary treated wastewater from the Sanitation Districts of Los Angeles County Pomona Water Reclamation Plant.
4. The recycled water from the Pomona Water Reclamation Plant will be used to meet a portion of the Parties' water needs either via direct delivery or conveyed to IEUA's system to enhance groundwater recharge in the Chino Basin for later beneficial reuse within the region (See attached Figure 1).
5. The available non-potable recycled water and non-reclaimable water system brine wastewater from Pomona and IEUA could potentially be utilized for advanced treatment and reuse, recharge, and/or injection into the groundwater basin (See attached Figure 2).
6. Pomona and MVWD's property and infrastructure may potentially be utilized to convey, treat and/or recharge the northern portion of Management Zone 1 (See attached Figure 2).
7. The Parties shall work together to develop a Feasibility Report to develop a scope of work and evaluate the technical and financial feasibility of the project.
8. The Parties shall jointly prepare the Feasibility Report which will include alternatives for the project, preliminary engineered drawings, environmental assessments, and technical data as required for the development of the costs information for the project, institutional agreements and permits. The report will also include the anticipated schedule of the project based on the findings described above.
9. The Parties shall share equally in the cost of developing the Feasibility Report for the project. The preliminary cost estimate for the report is \$2~~50~~0,000, which is anticipated to take approximately nine (9) months to complete once the Parties are in agreement.
10. Following the completion of the report and a determination of project economic and technical viability, the Parties shall work diligently towards the development of a formal agreement for the Project Implementation.
11. Parties at this time shall reserve the right not to enter into an agreement with each other for any reason.
12. Other Parties may become a Project Partner at a later date, and the MOU will be amended at such date.

Executed this ___ day of August, 2015 by:

for City of Pomona

for Inland Empire Utilities Agency

for Monte Vista Water District

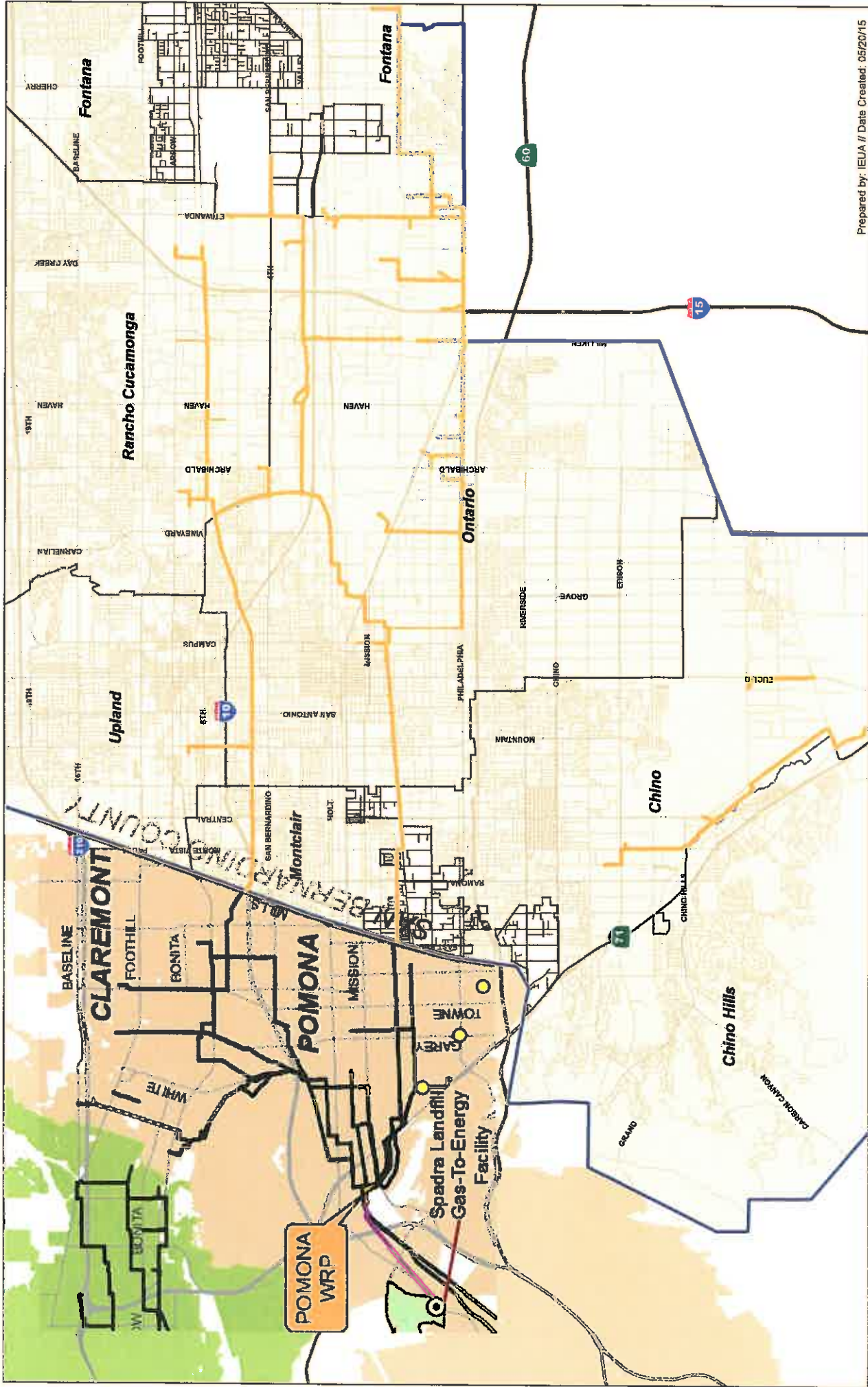


Prepared by: IEUA // Date Created: 05/20/15



Figure 1
City of Pomona and Inland Empire Utilities Agency Recycled Water System





Prepared by: IEUA // Date Created: 05/20/15



Inland Empire Utilities Agency
 City of Pomona and Inland Empire Utilities Agency NRW System



RECYCLED WATER INTERCONNECTION

CITY OF POMONA, MONTE VISTA WATER DISTRICT & IEUA

MEMORANDUM OF UNDERSTANDING



July 2015

Interconnection with City of Pomona

Objectives

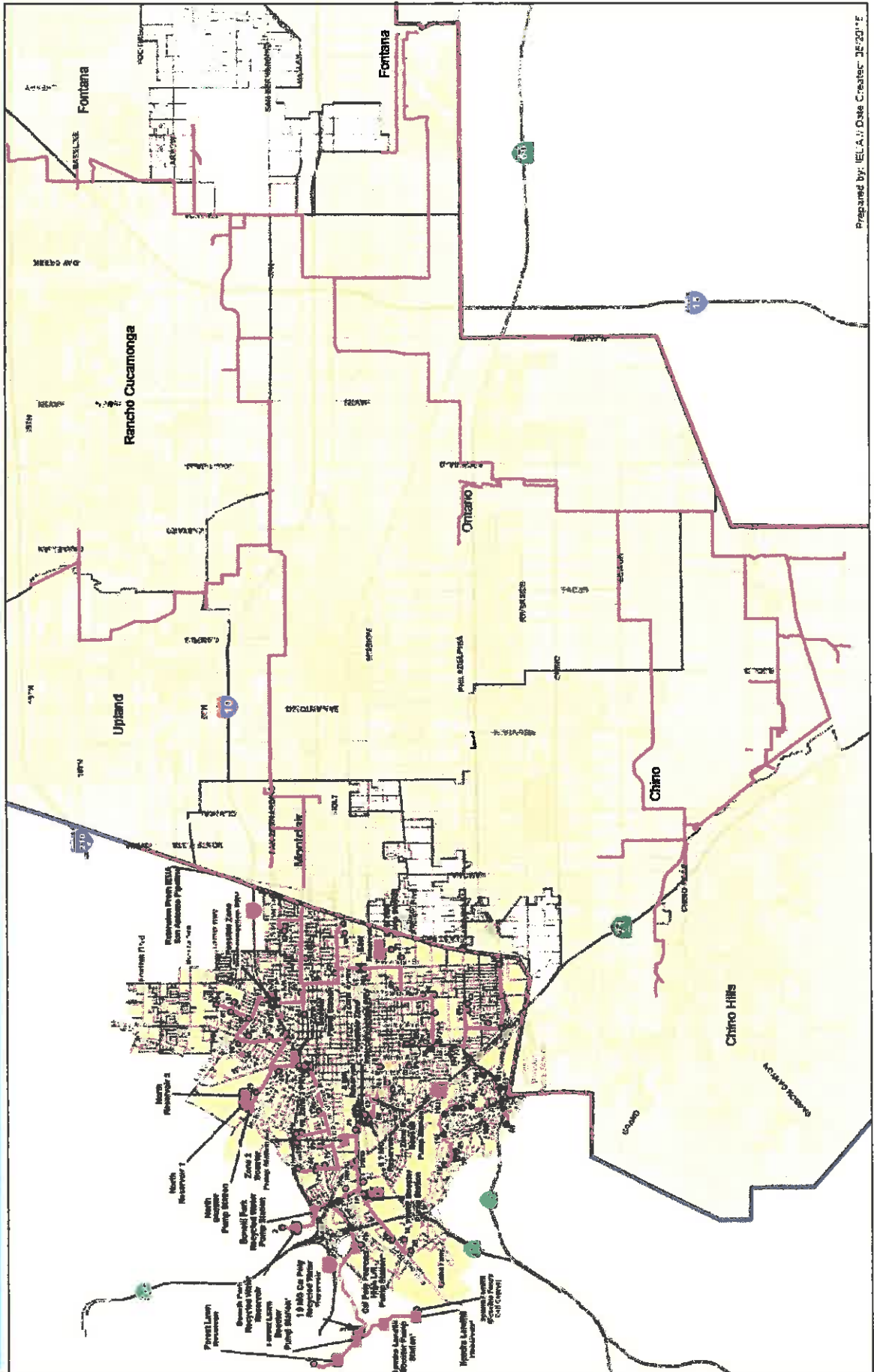
- Long term water supply options for the IEUA service area
- Expansion of the Recycled Water System
- Maximize the beneficial use of recycled water
- Consistent with the objectives of:
 - 2015 Integrated Water Resources Plan
 - 2015 Recycled Water Program Strategy

Interconnection with City of Pomona

Conduct Feasibility Study of the following:

- Recycled water intertie between the two agencies
- Use of advance treated Non-Reclaimable brine waste for injection in the Chino Basin

RW Interconnection



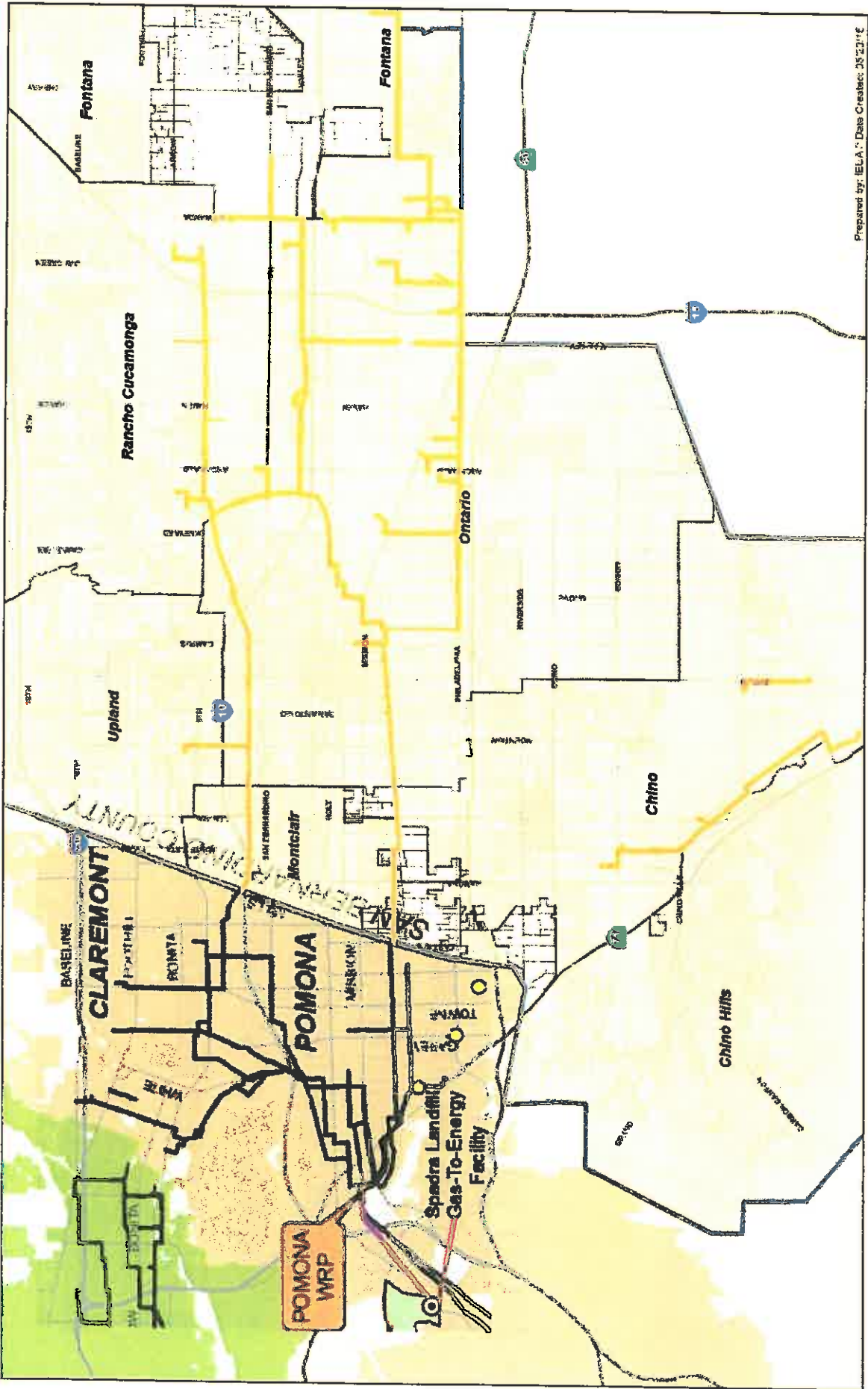
Prepared by: IELA, Date Created: 06/20/14



Figure 1 City of Pomona and Inland Empire Utilities Agency Recycled Water System



NRWS Brine Treatment



Inland Empire Utilities Agency
City of Pomona and Inland Empire Utilities Agency NRW System



MOU with City of Pomona & MVWD

- MOU will enable the parties to:
 - Refine project scope
 - Initiate planning activities
 - Determine long term costs & benefits for the region
 - Planning costs will be equally shared
 - Estimated feasibility study cost ~\$250,000

Next Steps

- Anticipated City of Pomona approval – July 2015
- Feasibility Study – Six to Nine months (Dec 2015 – Mar 2016)

This project meets the Agency's Business Goal of Water Reliability by maximizing the beneficial reuse of recycled water to enhance reliability and reduce dependence on imported water.

INFORMATION

ITEM


2A




Date: July 15, 2015

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (7/08/15)

From:  W. Joseph Grindstaff
General Manager

Submitted by: Kathy Besser 
Manager of External Affairs

Subject: Public Outreach and Communication

RECOMMENDATION

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

BACKGROUND

July 2015

- July, Smart Irrigation Month
- July 15, IEUA Annual Employee Appreciation Picnic, Butterfield Park, 17671 Mystic Canyon Drive, Chino Hills, 11:30 a.m. - 3:00 p.m.
- July 21, Drought Task Force Meeting, IEUA Headquarters, 10:00 a.m. - 11:30 a.m.

August 2015

- August 21, 9th Annual San Bernardino County Water Conference, Cal State San Bernardino (5500 University Pkwy, San Bernardino), 8:00 a.m. - 12:00 p.m.

September 2015

- September 23, Chino Day at the LA County Fair, 1101 W. McKinley Avenue, Pomona, 9:00 a.m. - 1:00 p.m.

October 2015

- October 17, Landscape and Water Conservation Fair, Chino Basin Water Conservation District, 4594 San Bernardino St., Montclair

Outreach/Education - Civic Publications Newspaper Campaign

- IEUA staff is working with Civic Publications to develop a Summer 2015 water-saving campaign. This campaign will focus on water saving in a drought and will include

display ads, an email blast and print media. All digital media will link to the IEUA micro-site with water-saving tips and rebate information.

Media and Outreach

- Staff ran water softener ads in the *Fontana Herald - Fontana Days* and the *Daily Bulletin* in the month of June.
- Staff placed a drought ad in the Miss Fontana 2015 book on June 12.
- Staff has placed a Smart Irrigation Month ad for the Chino Jr. Fair Program on July 4.
- IEUA staff is working with *La Opinion*, *Chino Champion* and *Fontana Herald* to develop campaigns for fiscal year 2015/16.
- IEUA staff is holding the second Drought Task Force meeting with member agencies on July 21 to continue the development of an outreach plan to implement a regional drought alert logo and tagline for consistent drought messaging across the region. Drought Task Force meetings will be held every other month.

Education and Outreach Updates

- The Summer Blood Drive held on June 17, 2015 was a successful event. Between the two donation locations, IEUA had 32 employees donate blood.
- Water Discovery Program: 1,837 Girl Scout troop members, elementary and high school students have taken part in the park field trip from September 24, 2014 through June 30, 2015. To date, staff has received three requests for summer field trips.
- IEUA staff is working in cooperation with Chino Basin Water Conservation District and member agency representatives to plan the Landscape Water Conservation Fair held annually in October. Date proposed for the Water Conservation Fair is Saturday, October 17.
- Staff is working with the Water Resources Analyst II and graphic design consultants on creating a tagline to implement using landscape signage, billboards and magnets. Signs have been made available online to members of the community to print and display in their yards.
- IEUA is working with Tripepi Smith & Associates on the creation of a member agency portal on IEUA's website where member agencies will log in to view and download documents. A new wire frame has been developed thus far. IEUA staff is currently working on the content migration phase of the project.
- IEUA is working on updating various facility illustrations and brochures. The educational component for these brochures is being updated in order for visitors and stakeholders to have a simple yet detailed visual of each IEUA facility and process.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

The above-mentioned activities are budgeted in the FY 2015/16 Administrative Service Fund, Public Information Services budget.

INFORMATION
ITEM
2B



June 26, 2015

To: Inland Empire Utilities Agency

From: Michael Boccadoro
President

RE: June Legislative Report

Overview:

The first half of June was dominated by the final negotiations and passage of the Fiscal Year 2015-2016 state budget. The Legislature and the Governor reached a deal on a \$115.4 billion spending plan that includes Governor Brown's more conservative revenue estimates and lower overall spending levels. Additionally, several trailer bills were passed that contained some significant policy changes. Among other measures, the "drought" trailer bill contained a provision granting authority to the State Water Resources Control Board (SWRCB) to mandate consolidation if one of the agencies "consistently fails to provide an adequate supply of safe drinking water" in a disadvantaged community in an unincorporated area.

Additionally, the budget appropriated more than \$1.7 billion in Proposition 1 funds, including more than \$210 million for recycled water and more than \$100 million for stormwater management.

The California Public Utilities approved a program allocating \$40 million for grants for biomethane injection interconnection costs. The decision provides incentives for half of a project's interconnection costs, up to \$1.5 million per project. There was a strong effort to increase the funding, but ultimately, the commission approved the original proposal.

State Water Contractors (SWC) filed a complaint requesting that the State Water Resources Control Board take action to protect State Water Project releases from unlawful diversions in the Sacramento-San Joaquin Delta (Delta). They note that as public water agencies release billions of gallons of freshwater from storage to maintain environmental and water quality standards in the Delta, substantial, unlawful diversions by water diverters south of the San Joaquin River threaten to increase the burden on limited stored water supplies, affecting both the environment and other water users.

The Bureau of Reclamation and the California Department of Water Resources filed notice in the federal register of their intent to prepare a partially Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS) on the Draft Bay Delta Conservation Plan and Natural Community Conservation Plan.

Specifically, three new alternatives for conveyance facilities will be evaluated: Alternative 4A with three intakes, Alternative 2D with five intakes, and Alternative 5A with one intake. Should one of these new alternatives be chosen, they would be analyzed through the interagency

consultation process as described the Federal Endangered Species Act and the California Endangered Species Act through the California Fish & Game Code.

The Public Policy Institute of California (PPIC) has released a poll that shows that Californians see water and drought as the most important issue facing the state, and most residents say people in their region are not doing enough to respond.

For the first time in a PPIC survey, Californians are most likely to name water and drought (39%) as the most important state issue, followed by jobs and the economy (20%).

Inland Empire Utilities Agency Status Report – June 2015

Budget

The Governor has signed the budget that he and legislative leaders reached an agreement on for the 2015-2016 Fiscal Year. The Legislature passed a larger budget before the constitutional June 15 deadline knowing the Governor would never approve the increased expenditures. The final budget is a \$115.4 billion spending plan that includes Governor Brown's more conservative revenue estimates and lower overall spending levels, while increasing funding for preschool and universities and expanding Medi-Cal coverage to undocumented children starting in May 2016.

There were also a number of drought provisions included in a trailer bill with exemptions from the California Environmental Quality Act to some drought-related groundwater and water recycling projects. The measure is narrower in scope than the one Gov. Jerry Brown originally proposed.

The trailer bill requires anyone who diverts 10 acre-feet of water or more to measure and report on their diversions and allows agencies to fine people who violate a water conservation measure as much as \$10,000.

The biggest controversy in the trailer bill was a section that grants authority to the State Water Resources Control Board (SWRCB) to mandate consolidation if one of the agencies "consistently fails to provide an adequate supply of safe drinking water" in a disadvantaged community in an unincorporated area. The SWRCB would have to take several steps before ordering a consolidation or extension of service, including notifying the affected systems, consulting with the relevant local agency formation commission (LAFCO), and allowing time to negotiate another means of providing an adequate supply of safe drinking water.

The SWRCB also would have to provide technical assistance and work with the affected systems to develop a financing package that benefits both systems, and hold at least one public hearing as close as feasible to the affected areas.

This final language was significantly narrowed from the broader authority originally presented by the Brown administration. ACWA and other organizations voiced strong opposition to the consolidation portion of the trailer bill.

The Legislature also approved trailer bill language related to drinking water fees as part of an omnibus resources trailer bill. The language keeps the existing drinking water fee structure in place for one year and creates a stakeholder process to provide input on proposed changes moving forward. It also requires SWRCB to adopt the first round of changes through the regulatory process instead of by emergency regulation as previously proposed.

Below is a breakdown of the drought, Proposition 1 implementation and water funding that was also approved in the budget.

Department	Purpose	\$ in millions	Fund Source
Protecting and Expanding Local Water Supplies			
SWRCB	Groundwater Contamination	783.4	Proposition 1
SWRCB	Water Recycling	210.7	Proposition 1
SWRCB	Safe Drinking Water in Disadvantaged Comm.	175.3	Proposition 1
SWRCB	Wastewater Treatment Projects	158.4	Proposition 1
SWRCB	Stormwater Management	101.0	Proposition 1
DWR	Groundwater Sustainability	60.0	Proposition 1
DWR	Desalination Projects	50.0	Proposition 1
Water Conservation			
DWR	Urban Water Conservation	54.0	Proposition 1/ General Fund
DWR	Agricultural Conservation	35.0	Proposition 1
DWR	Make Water Conservation a Way of Life	13.0	Proposition 1
DGS	Water Conservation at State Facilities	15.4	General Fund/ Special Funds
Emergency Response			
FFP	Enhanced fire protection	66.8	General Fund/ Special Funds
OES	CA Disaster Assistance Act	22.2	General Fund
DWR	Removal of Emergency Salinity Barriers in Delta	11.0	General Fund
CSD	Farmworker Assistance	7.5	General Fund
HCD	Rental Relocation Assistance	6	General Fund
SWRCB	Implement executive order	1.4	General Fund

Total \$1.771 Billion

The final piece of the budget to report on is the allocation of Greenhouse Gas Reduction Funds (GGRF). The GGRF allocates funds from cap and trade auction revenues to activities that will reduce greenhouse gasses in the state. The 2014-2015 budget set a permanent revenue allocation schedule where 60 percent of the funds are automatically appropriated in categories such as high speed rail and sustainable housing. The remaining 40 percent gets annually allocated by the legislature. This budget allocates the 60 percent as required by law, but does not allocate the over

\$800 million in remaining discretionary funds. The funds could get allocated at a later date. Concerns over the cap and trade program possibly being invalidated by the courts is likely a reason for the delay in the expenditures.

Biomethane Interconnection Grant Program

Implementation of AB 1900 (Gatto, 2013) continues at the California Public Utilities Commission (CPUC) with a decision that requires biomethane producers to fund the costs of complying with the cleaning, conditioning and testing standards. However, the CPUC also set up a new \$40 million incentive program to help with the interconnection costs.

The decision provides incentives for half of a project's interconnection costs, up to \$1.5 million per project. The program will last for five years. Some groups advocated for more total funds and a higher per-project cap. The CPUC decided to keep the original proposal but seemed open to make changes to the program should it prove to be successful and in need of increases.

State Water Contractors ask SWRCB to Protect Environmental Releases from Diversions

The State Water Contractors (SWC) filed a complaint requesting the State Water Resources Control Board take action to protect State Water Project releases from unlawful diversions in the Sacramento-San Joaquin Delta (Delta). As public water agencies release billions of gallons of freshwater from storage to maintain environmental and water quality standards in the Delta, substantial, unlawful diversions by water diverters south of the San Joaquin River threaten to increase the burden on limited stored water supplies, affecting both the environment and other water users.

“These landowners in the Delta have long-standing water rights that entitle them to water when nature provides it—but those rights do not entitle them to stored water paid for by others and intended for the environment. If nature ran its course, the Delta would not be suitable for drinking or farming this summer,” said Stefanie Morris, acting general manager of the State Water Contractors.

The Contractors note that historical measurements of salinity indicate that the Delta does not naturally stay fresh during droughts. Currently, however, state and federal water projects are responsible for maintaining freshwater conditions in the Delta year-round expressly for environmental purposes.

In their letter to the SWRCB, the Contractors claim that landowners who continue to divert water from within the Delta are taking the stored state and federal water project supplies needed to meet water quality requirements. On any given day, landowners in the Delta are diverting three to four times as much water as the state and federal water projects combined. Estimates show that landowners last year diverted as much as 300,000 acre-feet of water in excess of their water rights. This water was paid for by other water users and released into the Delta to improve water quality. In the same year, the State Water Project received just 200,000 acre-feet for all 26 million customers and 750,000 acres of farmland.

“We’re depending on stored water to meet environmental needs, but without action from the state, keeping the Delta water fresh this summer will be like trying to fill a bucket with a hole in

the bottom. We'll be depleting reservoirs to make up for what diverters south of the San Joaquin River are taking out," added Morris.

Historical data and extensive modeling show that the Delta would be much saltier without the state's major reservoirs. The SWC are requesting that the SWRCB issue an order requiring diverters south of the San Joaquin River to stop diverting in excess of their water rights. In addition to this immediate action, a long-term solution is needed as the state struggles to manage scarce resources.

Bureau of Reclamation files Notice of Intent to prepare recirculated EIR/EIS for the BDCP

The Bureau of Reclamation and the California Department of Water Resources have filed notice in the federal register of their intent to prepare a partially Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS) on the Draft Bay Delta Conservation Plan and Natural Community Conservation Plan.

The RDEIR/SDEIS will describe and analyze refinement of the resource area analyses, alternatives, and actions, including additional alternatives that describe conveyance alternatives that do not contain all the elements of a Habitat Conservation Plan/Natural Communities Conservation Plan that are described in the previously circulated Draft Environmental Impact Report/Environmental Impact Statement (EIR/EIS).

Specifically, three new alternatives for conveyance facilities will be evaluated: Alternative 4A with three intakes, Alternative 2D with five intakes, and Alternative 5A with one intake. Should one of these new alternatives be chosen, they would be analyzed through the interagency consultation process as described under Section 7 of the Federal Endangered Species Act and the California Endangered Species Act through Section 2081(b) of the California Fish & Game Code.

Further, the recirculated documents will evaluate alternatives to support a determination of the Least Environmentally Damaging Practicable Alternative by the U.S. Army Corps of Engineers.

PPIC Poll: Water and Drought Most Important CA Issue

The Public Policy Institute of California (PPIC) has released a poll that shows that Californians see water and drought as the most important issue facing the state, and most residents say people in their region are not doing enough to respond.

For the first time in a PPIC survey, Californians are most likely to name water and drought (39 percent) as the most important state issue, followed by jobs and the economy (20 percent). Water and drought is the most frequently named issue in all regions:

- Central Valley 53 percent
- San Francisco Bay Area 42 percent
- Orange/San Diego 37 percent
- Inland Empire 36 percent
- Los Angeles 31 percent

In addition, 69 percent of Californians say the supply of water in their part of the state is a big problem—a record high since the survey began asking this question in 2009.

Just 28 percent of Californians say that people in their part of the state are doing the right amount to respond to the drought, while 60 percent say that their neighbors are not doing enough (7 percent too much).

The survey also asked about the Governor’s order to implement water restrictions in cities and towns to reduce water usage statewide by 25 percent. Nearly half of residents (46%) say the restrictions do the right amount to respond to the drought. About a third (36%) say the restrictions do not do enough, and 12 percent say they do too much.

When asked about Governor Brown’s handling of the drought:

- 47 percent of Californians approve
- 38 percent disapprove
- 15 percent don’t know

Legislative Update

July 5 was the “House of Origin Deadline” in the Legislature. The bills that made it out of their original house are now working through the policy committee process in their second house, and have to be out of their policy committee by July 17. July 17-August 17 is the annual Summer Recess for the Legislature.

Below are bills IEUA is tracking:

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Comprehensive Government Relations

MEMORANDUM

To: Joe Grindstaff and Kathy Besser, IEUA
From: Letitia White, Jean Denton, and Drew Tatum
Date: June 26, 2015
Re: June Monthly Legislative Update

MEMORANDUM

To: Dean Martin, Interim City Manager, City of Banning
From: Letitia White, Jean Denton, and Drew Tatum
Date: June 26, 2015
Re: June Monthly Legislative Update

Appropriations Update

House and Senate appropriators continued their push to complete the twelve annual spending bills this month, but the process as a whole hit its first snag when Democrats banded together and blocked the Senate from considering the defense appropriations bill. A summary of this month's actions on appropriations bills is below. The Senate had just wrapped up consideration of the National Defense Authorization Act (NDAA)—the defense policy bill—on a bipartisan vote when Majority Leader Mitch McConnell (R-KY) attempted to overcome the first procedural hurdle and bring the first spending bill to the floor. Democrats went along with their Republican colleagues at the subcommittee and full committee levels to bring the bill to the floor, but they warned their cooperation would stop when the full Senate considered the bills. Democrats have indicated they will be unwilling to support any bills that adhere to the law passed in 2011 and signed by President Obama that places the overall cap on spending. Additionally, Democrats have criticized Republicans for using the Overseas Contingency Operations account, a fund not subject to the cap, to add additional money for defense while not providing the same sequestration relief to non-defense programs. Unlike in the House where Republicans can pass bills without a single vote from Democrats, Republicans will need at least six of their Democratic colleagues in order to overcome the procedural hurdles and clear a bill. In spite of the fact that the process has stalled in the Senate, House Republicans continued to churn through appropriations bills and send them to the Senate. With every successive appropriations measure considered by the House, President Obama has issued a veto threat. It is unclear where the

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process will move from here. Senate Majority Leader Mitch McConnell has indicated he will continue to force procedural votes on appropriations bills to make Democrats go on record not supporting the funding of federal agencies. Congress and the President still have three months to work out a plan before the current fiscal year ends. If their current tendency to wait until the last minute carries over to the appropriations process, we could be in for an interesting final few weeks of September.

Action taken on Appropriations bills this month:

- House
 - Commerce, Justice, Science Bill passed by the full House
 - Defense Bill passed at the full committee and by the House
 - Financial Services bill passed at the subcommittee and full committee
 - Interior bill passed by the subcommittee and full committee
 - State and Foreign Operations bill approved at the subcommittee and full committee level.
 - Transportation-HUD bill passed by the full House
- Senate
 - Commerce, Justice, Science Bill passed by the subcommittee and full committee
 - Defense bill passed by the subcommittee and full committee. The Senate was unable to consider the bill on the floor when blocked by Democrats.
 - Homeland Security bill passed by the subcommittee and full committee
 - Interior bill passed by the subcommittee and full committee
 - Legislative Branch bill approved by the full committee
 - Transportation-HUD bill approved by the subcommittee

Western Drought Continues to Divide California Delegation

The ongoing drought has continued to divide the California delegation despite no major action being taken by either party to offer federal assistance amid the fourth year of a serious drought. Senator Dianne Feinstein (D-CA) promised to produce a drought bill in late April, but still has not released any text to allow the Senate to move forward. Additionally, her quest for a California bill hit a snag earlier this month when the Senate Natural Resources Committee held a hearing on western drought, which prompted Chairwoman Lisa Murkowski (R-AK) to say the committee would focus on crafting legislation that would benefit the entire western United States rather than focus just on the needs of any one particular state. This could be part of the reason Senator Feinstein has not released her bill. She is friends with the Chairwoman, and could be working with her staff to craft legislation that would benefit California and its drought-stricken neighbors.

In the House, Democrat Jared Huffman released a drought bill written after getting input from stakeholders. Huffman said he wanted to present an alternative solution to the crisis, calling for \$1.2 billion in new water related appropriations to beef up investments in federal infrastructure to include federal dams, municipal water pipes, and water conservation and reuse programs. There are no offsets in the bill, meaning it has little chance of passing in a budget environment where spending caps and the rate of growth is a major concern among Republicans who have control of the House and Senate. Huffman said his approach was to take the best ideas from other

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proposed legislation to create a comprehensive plan to help combat the drought. California Republicans used the final few days before the July 4th recess to reintroduce their bill. Congressman Valadao (R-CA), Majority Leader Kevin McCarthy (R-CA) and other prominent western lawmakers introduced what they are calling the best shot for Federal lawmakers to address the drought. The bill would loosen environmental restriction on the water being pumped to farms and cities. It would also free up major water storage projects in the west by giving more flexibility for the construction of reservoirs and dams. Sponsors of the bill said they have worked with Senator Feinstein to allay most of her concerns, but she indicated she was concerned about provisions that would violate environmental law.

In addition to the work being done in Congress, the administration has stepped up drought-related efforts by releasing grant funding for projects partially funded by the Bureau of Reclamation. President Obama has announced that additional funding will be made available this summer for wildfire suppression activities and to help those displaced by the lack of available water. We will continue to keep you updated as funding availability announcements are made.

Transportation Ideas Floated in Advance of July Deadline

With a little more than a month before the July 31st Surface Transportation Authorization deadline, we are starting to see lawmakers seriously consider legislative proposals emerge for a long-term (6 year) authorization bill. The Senate Environment and Public Works Committee has produced and advanced a bipartisan bill, introduced by Senators Jim Inhofe (R-OK) and Barbara Boxer (D-CA), that would authorize more than \$250 billion for transportation programs. Inhofe and Boxer said in a summary of the bill that they would like to see stability return to multi-year transportation project investments while allowing for additional input from Congress on the projects the Department of Transportation funds. The bill provides for an increase of 3% in spending for each of the 6 years covered under the bill. Additionally the programs calls for greater transparency in how money is spent, while providing innovative financing tools for state and local governments who want to leverage federal funds for projects—especially in rural areas. The Senators have publically indicated that this is the first step in the process, noting that the Finance Committee will have to find the revenue streams to make the investment possible. They have called on their colleagues to continue those conversations so that Congress can pass a long-term bill before the end of July.

Meanwhile, the House Transportation Committee Chairman, Bill Shuster (R-PA), has publically indicated he believes another short term extension might be necessary while Congress debates how to pay for these programs. Amid these comments, the House Ways and Means Committee has held several hearings on means of financing a long-term bill, with a hearing devoted to a broad tax overhaul and another devoted to using a one-time tax on profits being held abroad. The Senate Finance Committee has held similar hearings, but both Chairmen have come out against using a one-time repatriation tax as a means of financing the bill, which leaves the future of the proposal in doubt. Both would prefer to see Congress address broad tax reform as a means of financing the nation's infrastructure.

Supreme Court Upholds Affordable Care Act Subsidies

The Supreme Court had a slate of controversial cases this term. One of the most anticipated rulings was on whether or not insurance subsidies could be granted to individuals who had

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coverage from the federal exchange rather than those “established by the States.” The court ruled in a 6-3 decision that those individuals would still be eligible to receive subsidies because their removal would threaten to unravel the underlying law by destabilizing insurance markets. The Court held that Congress would not have intended to destabilize insurance marketplaces in a law where the overarching intention was to provide healthcare to millions of Americans who were not covered before the law took effect. Republicans were disappointed by the outcome, but they have said that the ruling doesn’t mean the debate is over. They now plan to use the reconciliation instructions found in this year’s budget resolution to send a bill to President Obama to repeal and replace the law, though the bill must be crafted in such a way as not to add to the deficit. The good news for the legislative calendar is that Congress does not have to scramble to pass a legislative “fix” before thousands of Americans lost their subsidies and potentially the ability to pay for insurance.

Outlook for July

The House and Senate only have one month remaining before their month-long summer break. With a full agenda, the House will have four weeks to debate a surface transportation authorization, K-12 education, a potential reauthorization of the Export-Import Bank, and appropriations measures. Debate could be further complicated by recent Supreme Court rulings on gay marriage and the Affordable Care Act. Conservatives could push for additional votes to repeal and replace the Affordable Care Act using the budget reconciliation process to send a bill to President Obama’s desk.

Agricultural Resources

635 Maryland Avenue, N.E.
Washington, D.C. 20002-5811
(202) 546-5115
agresources@erols.com

June 26, 2015

Legislative Report

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

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

SU: Legislative Report, June 2015

Snapshot. It is not unfair to say that the last week in June was the most significant of the Obama presidency. Stunning developments unfolded – some in the works for years – each collided with one another, sometimes by the hour. Social and cultural issues didn't just dominate the news cycle – they overwhelmed it. The terrible shooting in South Carolina led to Governor Haley leading an effort to remove the Confederate Flag. Within 24 hours, Governors and others throughout the South were doing the same. President Obama, with Speaker Boehner flying with him aboard Air Force One (first time since Obama became President), flew to Charleston for the funeral together. Obama eulogy is considered by many to be his finest hour in the six and a half years of his presidency. At the same time, the Supreme Court upheld the Affordable Care Act, upheld Gay Marriage and upheld a key housing discrimination case. Internationally, Greece is on the verge of default at the EU which could lead to international financial shockwaves (to be played out over the next few weeks). On water policy and drought, the Feinstein-McCarthy legislative talks (behind closed doors for a year or more) collapsed with blame now dominating its discussion. San Joaquin Valley Reps. David Valadao and Devin Nunes then introduced a 170-page water/drought bill. Northern CA Rep. (and ranking D on the Water and Power Subcommittee, Jared Huffman released a 120-page draft bill inviting comments, discussion and deliberation. Bills are totally different. A form of water-drought gridlock exists and is perpetuated. Meanwhile, despite some precipitation in the Rocky Mountains, Lake Mead

dropped below the mandatory allocation trigger of 1075 with political alarms sounding throughout the seven-state region. Finally, leading AZ officials, fearing a forced allocation, are openly making “threats” directed at California. At EPA, the proposed “Waters of the US” regulations have generated a national backlash.

Bureau of Reclamation Grant

- ***New Bureau of Reclamation Grant to IEUA.*** BuRec grant awarded to IEUA for \$750,000 to expand two existing recharge Basins. Second grant in two months (earlier grant was for \$5 million).

Water and Drought

- ***Feinstein-McCarthy Drought Bill Talks Collapse.*** Talks over a drought bill – underway for at least a year or more – came to a halt (again). They blew up last Fall after a draft was leaked. At the time, those involved in the negotiations – Senator Feinstein, Reps. Valadao, Nunes, McCarthy, Denham, Costa and various SJ Valley water interests said they were “real close.” They weren’t. Negotiations resumed in December and continued for six months without agreement. The House Members and water districts insisted on overturning environmental laws and the SJ River Restoration program. Feinstein wouldn’t agree and Boxer began to publicly oppose. The same impasse is in place. No progress. Talks reportedly have stopped for now.
- ***Valadao-Nunes Bill Introduced.*** After the talks with Feinstein broke down, the SJ Valley Reps. announced that they would proceed with their own bill without Feinstein and Boxer – and with proposed statutory provisions which Feinstein and Boxer opposed. A 170-page bill was introduced. It effectively waives ESA, the Central Valley Project Improvement Act, and the San Joaquin River Restoration Act. The bill was introduced without a summary or section-by-section. It’s a very complex bill, laced with legally nuanced language (real intent of numerous sections undisclosed). While the bill states that water rights and areas-of-origin are respected, the practical effect of this bill will be to leapfrog them. This bill is highly controversial and further divides Californians regionally. It is believed that sponsors will ask to move the bill in July and pass it out of the House (so a political campaign can be waged in the Senate).
- ***Rep. Jared Huffman (D-CA) Circulates Draft Bill, Invites Comments and Discussion.*** In contrast to the Feinstein-McCarthy talks (behind closed doors on unseen drafts) and the Valadao-Nunes bill (not substantively discussed with anyone outside the SJ Valley), Rep. Huffman (represents Marin County and Coastal CA to Oregon), the ranking D on Water and Power Subcommittee, drafted a drought and water development bill (recycling is touted) – totally different approach, and circulated it in draft form and invited comment and suggestions from interested parties. His process, without a deadline, is underway.
- ***Senate Drought Hearing.*** Senator Lisa Murkowski, Chair, Senate Energy Committee held a westwide drought hearing in early June. She indicated that the Committee is considering a westwide drought bill (as opposed to a California-only bill). Timing

unclear.

- ***Lake Mead – Allocation Trigger Reached – Mixed Reports from Colorado River.*** Lake Mead dropped to just under 1075 – the mandatory allocation trigger level. In order to actually trigger a reallocation, the lower lake level would have to be sustained between August to January. Right now, it is likely that water levels will increase above 1075 later this year after run-off totals are finalized. If accurate, then a mandatory allocation will not occur in 2015 (but becomes more likely in 2016).
- ***Drought Conditions – California.*** At the end of June, all 58 California Counties remained in various levels of drought. According to the NOAA/USDA’s well-visited Drought Monitor web site, 100% of California remains is in drought and the June 23 weekly update report reported that more than 90% of the entire State was in severe, extreme or exceptional drought and – once again – more than 90% of the coastal regions (including Southern California) of the State and the entire Sacramento and San Joaquin Valleys were in the highest category of drought.
- ***Drought Conditions – Rest of the West.*** Last month, I reported that the drought map for the West abruptly changed following the huge storms in the Gulf, Texas and Oklahoma. Drought has all but disappeared east of the Rockies. Almost no drought conditions exist from the Dakotas down through Texas. Coastal states (CA, OR, and WA) remain in severe drought (getting worse in OR and WA). Same with Arizona, Nevada and Utah. Western MT, WY, NM and CO remain in drought, but the eastern part of each of those states are drought-free at this time.
- ***El Nino – Maybe.*** Last month, I reported that El Nino conditions point to “maybe.” That’s unchanged – and actively being watched by every imaginable interested scientist, weather expert and water agency.

Political Threats – From Arizona to California Getting Louder, More Shriil.

- Beginning about six, maybe nine months ago, Arizona water leaders began privately and publicly expressing outright alarm that California would “steal” Arizona water if the Colorado River dropped low enough to force a mandatory allocation.
- In the week, the Mayor of Phoenix was in DC attending a Washington Post renewable energy conference (I attended) and used the forum to sound the “California-wants-to-steal-AZ’s-Water concern multiple times in a 30-minute presentation.
- Almost overnight, articles in AZ papers are doing the same. One prominent blogger called it misplaced and a false alarm, but it continues, unabated. Look for these statements to be louder and more frequent – particularly as Lake Mead flirts with the 1075 allocation trigger level.

EPA-Corps of Engineers Issue New Clean Water Act Rule.

- EPA's regs are being politically attacked. In Congress, amendments to funding bills and other legislation are seeking to block their implementation.
- As reported last month, the proposed regs were both hailed and denounced (either both before anyone could have possibly read or reviewed them). Today, arguments appear to be more political than substantive.
- And, as a reminder, last month I reported that "*IEUA and others asked EPA and the Corps, after reviewing the draft, to exempt recycled water facilities and projects. As requested, these projects were exempted.*"

International and Security Issues Continue to Dominate and Influence the Congressional Agenda

- ***Major Foreign Policy and International Conflict Issues Continue to Dominate National Agenda.*** I've reported multiple times that Greece, in financial trouble, may default on EU loans, fail to reach an agreement to refinance, and, as a result, abruptly pull out of the EU. As of late June, it looks as if agreement will not be reached and Greece will default. International stock markets are already "feeling" the potential. If Greece defaults, the international financial markets move into uncharted territory – with the highest of risks.

2016 – Presidential Politics.

- 2016 President Election. Four candidates seeking the D nomination. And with Trump and Governor Jindal (R-LA) now in the race, 13 Rs are officially announced. NJ's Governor, Chris Christie is expected to announce in July. Five US Senators are now running for President (making running the Senate even more difficult).

Municipal Bonds

- ***Municipal Bonds for America Coalition Planning July Fly-In.*** Plans for a planned fly-in for July are now being finalized.

Quick Takes.

Utah joins OR, WA and CA – Calls for Drought Regs/Response. Most of UT is in severe drought. The Governor has joined other western governors – issued State Executive Order on conservation. ***Rumors – Settlement Pending Between Westlands – BuRed (Department of the Interior) on Drainage Settlement.*** Rumors are swirling that an agreement between the Feds and Westlands are soon to be announced (a billion dollar claim). ***Governor Brown attended MWD Board Meeting – Touts Need for Solutions and His Water Plan.*** Governor Jerry Brown attended a meeting with the MWD Board to advance his water agenda. He's been meeting with media and selected groups regularly. ***New Leader at AMWA.*** The AMWA Board selected its long-time AMWA senior official, Adam Krantz, to be the new President, effective immediately. ***Budget Deficits Dropping Dramatically.*** Further evidence that the economy is rebounding, the monthly deficits dropped significantly. ***NASA Report on Aquifers – Globally – Sounds***

Warning. NASA report high profile – huge media response, in US and around world.

■ ***Looking Into July.***

- * Each month – more about 2015-16 El Nino Conditions
- * House to move Valadao Bill – more polarization
- * Financial situation in Greece – and if default, repercussions

INFORMATION

ITEM

2D

IEUA2015 Legislation Tracking Matrix-- POSITIONS

Bill	Author	Subject	Status	Description	IEUA Position	Notes
<u>AB</u> 143	STONE (R)	Diamond Valley Reservoir: recreational use.		Current law, with certain exceptions, prohibits recreational use, in which there is bodily contact with water, in a reservoir in which water is stored for domestic use and establishes water standards for those exempted reservoirs. This bill would exempt from this prohibition recreational activity in which there is bodily contact with water by any participant in the Diamond Valley Reservoir if certain standards are met. This bill contains other related provisions.	Oppose	Bill was made a two-year bill.
<u>SB</u> 75	Budget Committee	Emergency Drought Appropriations	Held in Assembly	Emergency Drought Expenditures	Support	The Emergency Drought bills were passed in separate vehicles, ABs 91 & 92, contained the same language as SB 75

INFORMATION

ITEM

2C



CALIFORNIA STRATEGIES, LLC

Date: June 25, 2015
To: Inland Empire Utilities Agency
From: John Withers, Jim Brulte
Re: June Activity Report

Listed below is the California Strategies, LLC monthly activity report. Please feel free to call us if you have any questions or would like to receive any more information on any of the items mentioned below.

- Met with IEUA Executive Management Team to review priority issues and to discuss activities for June that they wanted accomplished.
- Participated in discussions with staffs of San Bernardino and IEUA to discuss coordination of County and District legislative and public policy issue agendas that Executive Staff wanted.
- Monitored LAFCO staff and Chair on the status and key issues related to the MSR process currently underway for water conservation districts countywide. Discussed MSR Lafco hearing and follow up items.
- Support and advise on IEUA/SBVMWD transfer transaction on an as needed basis.
- Provided an update on the recent filing of a Sphere of Influence amendment filing by the CVWRD.
- Continue to monitor statewide water issues including the BDCP, water bond, and drought relief act activities.
- Outreach to Board Directors as needed on issues of interest
- Monitor Santa Ana Regional Board agenda and issues of interest to IEUA.

INFORMATION

ITEM

2E

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Federal Legislation of Significance

Bill Number	Sponsor	Summary	Status
n/a	Sen. Dianne Feinstein	Potential introduction of drought legislation that could turn into a western drought bill that could loosen some environmental regulations to make additional water available.	Delayed. Apparently there are continued discussions with the Governor's office on a potential compromise. Feinstein is unlikely to introduce legislation if opposed by the Governor's office.
H.R.2898	Rep. David Valadao	Western Drought Legislation introduced by California House Republicans that would ease environmental regulations provide for easier permitting for water storage projects.	Introduced on 6/25. Will probably be considered before the August recess, though it will go through the Committee process first. This is priority legislation for the Majority Leader.
S.1140	Senator John Barrasso	Requires the Secretary of the Army and the Administrator of the Environmental Protection Agency to propose a regulation revising the definition of the term "waters of the United States".	Introduced and reported favorably by the Environment and Public Works Committee for consideration by the Senate.
H.R.1732	Rep. Bill Shuster	Requires the Secretary of the Army and the Administrator of the Environmental Protection Agency to withdraw their existing proposed rule regarding the waters of the United States and propose a new rule with additional stakeholder feedback.	This bill has passed the House. The Senate is currently considering their own version (mentioned above).
n/a	Rep. Paul Ryan or Senator Orrin Hath	Tax Reform Legislation specific to municipal bond preferential tax status.	There is currently no broad tax reform package up for consideration, but we suspect talk will continue as Congress looks at a long-term highway and transit funding bill.

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n/a	Rep. Jared Huffman	Provides for \$1.2 billion in new water related appropriations to help the western United States build storage capacity to help with long-term drought mitigation.	Huffman has circulated his bill, but it has not yet been introduced or received a bill number. As the bill does not have offsets, and Rep. Huffman is in the minority, we do not expect this bill to receive serious consideration.
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INFORMATION

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4th Quarter Update Planning & Environmental Resources



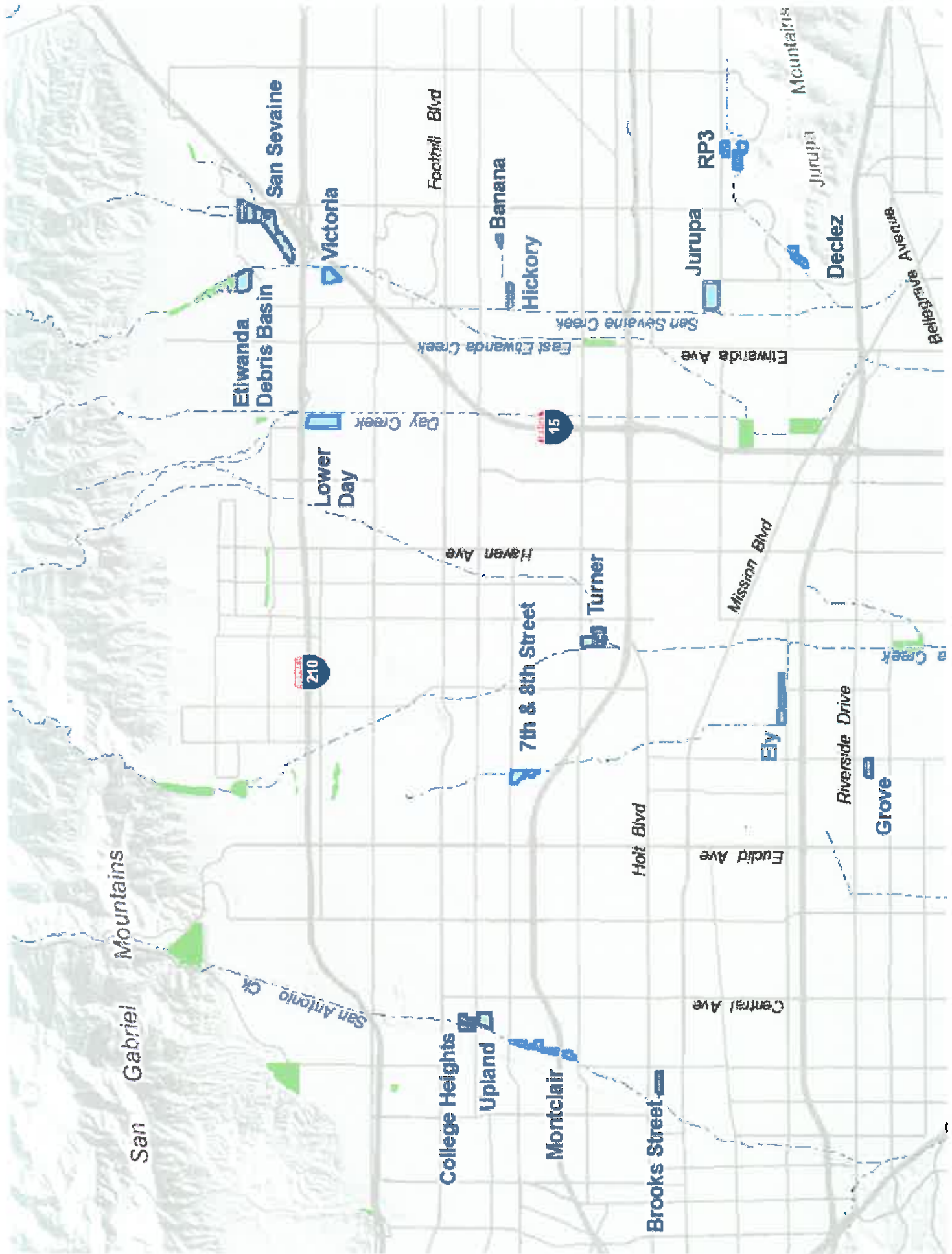
Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

July 2015

Long-Term Permitting

GWR Basins Operations & Maintenance (O&M)

- **California Department of Fish & Wildlife Permit**
 - Expires on June 30, 2022
- **Regional Water Quality Control Board Permit**
 - No expiration
- **United States Army Corps of Engineers (USACOE) Permit**
 - Nationwide Permit = General Permit
 - Expires every 5 years on March 18, 2017



Long-Term Permitting



Long-Term Permitting

Challenges of Current USACOE Permit:

- Nationwide permit expires every five years
- Time to negotiate permit: 2 years

Current Proposal:

- Obtain an Individual Permit for the GWR Facilities
- Expires every 10 to 15 years from date of issue
- Met with USACOE in February 2015
- Application submittal in Summer 2015

Regulatory Compliance Update

RWQCB

- All Facilities – 100% compliance
 - Reproduction Toxicity at RP-1 & CCWRF
- Category 3 SSO – Etiwanda NRWS Spill

AQMD

- All Facilities – 100% compliance

SWRCB – DDW

- CDA1 – 100% compliance
- GWR – 100% compliance
 - Total Nitrogen at RP3 Basin



Pretreatment & Source Control

Regional System

- Local Limits Study
- Enforcement Actions – 23 NOVs
- Permits Processed – 10
- Pretreatment Compliance Inspection

North NRWS

- Enforcement Action – 24 NOVs
 - 1 Permit Revocation
- Permits Processed – 10

South Brine Line

- OCSD Ordinance & Local Limits Revision
- Enforcement Action – 11 NOVs
- Permits Processed - 8



Planning

Prado Basin Adaptive Management Plan

- Monitoring Wells Installation Complete and AMP report being finalized

Santa Ana River Habitat Conservation Plan

- Phase 1 Completed
- Phase 2 Hydraulic Impact Modeling - Completion by January 2016

Integrated Resources Plan

- **Completed Tasks:**
 - Develop draft IRP goals and identify supply needs
 - Complete baseline water demand forecasts to address uncertainty
- **Tasks to be completed via Stakeholder Workshops**
- **Other Activities**
- **Fall: Draft IRP**

Water Resources Activities

- **Water Supply Allocation Plan (WSAP)** – effective July 1st
- **MWD Foundational Actions Programs** – Final reports
- **State Drought Emergency Water Conservation**
 - IEUA Drought Workshops held in May
 - Preparing Regional Outreach Messaging
- **DWR/SAWPA Prop. 84 Drought Grant**
 - Aerial imagery completion: August 2015
 - Technology Based Information System RFP in process

Questions?