

# NOTICE OF MEETING

---

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

OF THE  
BOARD OF DIRECTORS  
OF THE



IS SCHEDULED FOR  
**WEDNESDAY, JANUARY 13, 2016**  
**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, JANUARY 13, 2016  
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 December 9, 2015.

**B. PROPOSED 2016 FEDERAL AND STATE LEGISLATIVE PRIORITIES**

It is recommended that the Committee/Board adopt Federal and State Legislative Priorities.

**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. **FEDERAL LEGISLATION MATRIX (WRITTEN)**
- E. **2<sup>ND</sup> QUARTER PLANNING AND ENVIRONMENTAL RESOURCES UPDATE (POWERPOINT)**
- F. **PLANNING AND ENVIRONMENTAL RESOURCES UPDATE (ORAL)**
- 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: SR

**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, January 7, 2016.

  
\_\_\_\_\_  
April Woodruff

**ACTION  
ITEM  
1A**



## **MINUTES**

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

**WEDNESDAY, DECEMBER 9, 2015  
9:00 A.M.**

#### **COMMITTEE MEMBERS PRESENT**

Steven J. Elie, Chair  
Michael Camacho

#### **STAFF PRESENT**

P. Joseph Grindstaff, General Manager  
Chris Berch, Executive Manager of Engineering/AGM  
Martha Davis, Executive Manager of Policy Development/AGM  
Christina Valencia, Chief Financial Officer/AGM  
Kathy Besser, Manager of External Affairs  
Andy Campbell, Deputy Manager of Planning and Environmental Resources  
Javier Chagoyen-Lazaro, Manager of Finance and Accounting  
Warren Green, Manager of Contracts and Facility Services  
Jason Gu, Grants Officer  
Sylvie Lee, Manager of Planning and Environmental Resources  
Suresh Malkani, Principal Accountant  
Lisa Morgan- Perales, Senior Water Resources Analyst  
Sapna Nangia, Senior Internal Auditor  
Jason Pivovarov, Senior Engineer  
Craig Proctor, Pretreatment and Source Control Supervisor  
Peter Soelter, Senior Internal Auditor  
Teresa Velarde, Manager of Internal Audit  
April Woodruff, Board Secretary/Office Manager

#### **OTHERS PRESENT**

Travis Hickey, Audit Committee Advisor

The meeting was called to order at 9:06 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 November 11, 2015.

#### **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
- ◆ Federal Legislation Matrix
- ◆ Planning and Environmental Resources Update

**GENERAL MANAGER'S COMMENTS**

General Manager Joseph Grindstaff had no additional comments.

**COMMITTEE MEMBER COMMENTS**

There were no Committee Member comments.

**COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS**

There were no Committee Member requested future agenda items.

With no further business, Director Elie adjourned the meeting at 9:10 a.m.

Respectfully submitted,

April Woodruff  
Board Secretary/Office Manager

\*A Municipal Water District

**APPROVED: JANUARY 13, 2016**

**ACTION  
ITEM  
1B**

Date: January 20, 2016

To: The Honorable Board of Directors

From: P. Joseph Grindstaff  
General Manager

Submitted by: Kathy Besser  
Manager of External Affairs

Subject: Proposed 2016 Federal and State Legislative Priorities

---

### **RECOMMENDATION**

It is recommended that the Board of Directors adopt the 2016 Federal and State Legislative Priorities.

### **BACKGROUND**

#### **Federal Legislative Priorities**

##### *FY 2015/16 Appropriations Priorities include:*

- **Title XVI/WaterSMART Funding:** In 114<sup>th</sup> Congress, IEUA will be asking for an additional \$12.4 million for the Chino Desalter Phase 3 Expansion Project. Congressman Aguilar has again offered to take the lead in gathering delegation signatures on a letter of support. The \$1.15 trillion Omnibus Appropriations bill passed in December included \$23.3 million for Title XVI and \$20 million for WaterSMART grants. It is important to note that funding for “western drought relief” was \$100 million, double the amount enacted in 2014.
- IEUA has submitted a separate Title XVI grant application for the “Joint IEUA-CVWD Recycled Water Supply Optimization Project.” The application requests \$2.75 million for the Baseline Street Recycled Water Pipeline Project and Heritage of Village Recycled Water Project.

##### *Federal Action Priorities*

- **Title XVI Funding – Cucamonga Valley Water District:** IEUA officials met with Department of the Interior staff, and are working with local Bureau of Reclamation staff, to determine how CVWD’s \$10 million authorization can be used prior to it expiring in 2019, either through an administrative fix, or alternately, attempting a legislative fix.



- **Drought-Related Legislation:** Support federal funding for drought relief in California and reasonable reform of the Endangered Species Act (ESA); oppose any amendment to ESA that would shift responsibilities from federal contractors to state contractors or efforts that take control of water rights out of state jurisdiction and into federal jurisdiction.
- **U.S. Tax Code:** Continue to oppose removal of tax exempt status for municipal debt. Support congressional efforts to authorize and direct the U.S. Treasury's Internal Revenue Service to exempt water conservation-related rebates from being considered taxable under U.S. tax laws.
- **Water Quality:** Support administrative (EPA, Bureau of Reclamation) and legislative action to identify and promote the use of salt-less water softening technology. Oppose any efforts to endorse salt-based technologies.
- **Regional Water Resources Management:** Support additional federal funding of Title XVI grant program and for the federal EPA/State Revolving Loan program that enables the State Water Resources Control Board to provide low interest loans for recycled water projects (currently used as a matching source of funds for the State's Proposition 1 grant program). Support revised Title XVI authorization for the Inland Empire Regional Recycled Water Program to permit additional projects, including research on recycled water, salinity management, water treatment, renewable energy. Support incentive programs to promote water use efficiency, including EPA's *WaterSense* program.
- **Local Water Supply Management:** Support administrative and legislative initiatives to promote recycled water as a drought-proof water supply and protect use of tertiary-treated recycled water while advancing potable reuse. Support initiatives to promote stormwater capture, expand groundwater management and clean-up of contaminated groundwater.
- **CyberSecurity:** Support national associations and coalition efforts to develop standard guidelines and best management practices to provide a consistent and ongoing course of action to reduce vulnerabilities in process control systems for major water system providers.

### **State Legislative Priorities**

#### *Legislative Initiative:*

- Work with a member of the Agency's state delegation to advance legislative or budget plan to support the state's methane gas/greenhouse gas emission reduction targets by accelerating organics diversion from local landfills, consistent with administration's draft 2015 Short Lived Climate Pollutant Reduction Strategy. Proposed initiative would demonstrate an accelerated program through regional cooperation for organics diversion (food waste, fats, oil, grease, and green waste from local landfills to IEUA anaerobic digester and composting facilities).

*State Action Priorities:*

- **Renewable Energy/Greenhouse Gas (GHG) Emission Reductions:** Continue to support legislation (AB1144 – Rendon) and other programs that would increase the value of the Renewable Energy Credits (RECs) generated and sold by wastewater treatment agencies that utilize their renewable energy on-site in California; oppose administrative or legislative actions that impose financial obstacles to the implementation of low carbon energy initiatives; support the approval and funding of a bioenergy incentive program; monitor legislation and administrative initiatives that will modify targets/funding/requirements for the Cap and Trade program and the Governor’s greenhouse gas reduction goals.
- **Water/Energy Nexus:** Continue to support legislation (SB 471 – Pavley) which would authorize a grant and loan program for water projects that result in a net reduction of water-related GHGs; support legislation and budget proposals authorizing grant funding for energy efficiency, greenhouse gas reductions, development of renewable resources and energy storage projects.
- **Water Projects:** Monitor administrative/legislative actions to ensure ability of water agencies to conduct intrastate and interstate water transfers; monitor definition of eligible projects as those designed to reduce the amount of water imported or to be supplied by the publicly owned utility, including, “without limitation” storm water capture and treatment, water recycling, development of local groundwater resources, groundwater recharging, and water reclamation covers all of the regional needs in the future.

Monitor initiative submitted by Board of Equalization Vice-Chair George Runner and State Senator Bob Huff that redirects unspent High Speed Rail Proposition 1A (2008) and Proposition 1 (2014) water bond money to build new surface water and groundwater storage projects without adding more debt or levying new taxes. The initiative also establishes priorities for the state’s use of water as a constitutional amendment.

- **Financial Initiatives:** Monitor initiative submitted by a coalition led by the California League of Cities (and includes the California State Association of Counties and the Association of California Water Agencies) that would amend Prop 218 and treat stormwater and flood control infrastructure the same as water and sewer, and expressly authorize conservation-based tiered water rates and lifeline rates; monitor SB 20 – Pavley, which would impose a public goods charge to fund water infrastructure projects in low-income communities, support the introduction of lifeline rates, among other items; support measures to reduce the cost of financing water infrastructure planning and construction; continue to protect property tax receipts for local agencies.
- **Local Water Supply Management:** Support administrative and legislative initiatives to promote recycled water as a drought-proof water supply and protect use of tertiary recycled water while advancing potable reuse; support administrative and legislative initiatives to promote stormwater capture, expand groundwater management and clean-up of contaminated groundwater; monitor SB 163 – Herzberg, which would require half of

treated wastewater to be used for beneficial purposes, including landscape watering, by 2026 and 100% usage by 2036.

- **Drought:** Support State funding for drought relief initiatives; monitor SWRCB administrative actions for new requirements and restrictions in response to the drought; promote the use of existing state standards for water efficiency as a performance measure for the emergency and permanent conservation regulations.
- **California Water Action Plan:** Support implementation of the Governor's comprehensive water strategy, consistent with IEUA's goals and objectives.
- **Bay Delta Conservation Plan/California WaterFix:** Support administrative/legislative action and funding to keep the BDCP on schedule; continue support for implementation of 2009 Delta/water management legislative package; continue to support administrative and legislative action and funding for advance emergency response and near-term Delta improvements; monitor Cortopassi Initiative (#15-0003), slated for the November 8, 2016 ballot, which would force public infrastructure bonds amounting to more than \$2 billion and requiring new or increased taxes or fees onto the ballot for voter approval.
- **Water Quality:** Support initiatives and state funding to protect/improve water quality from various constituents including salinity, perchlorates, nitrate and volatile organic compounds.
- **Drinking Water Program:** Support adoption of recycled water requirements.
- **Salinity Management:** Monitor water softener discussions and oppose legislation that would constrain the ability of local government to appropriately regulate the use of salt-discharging water softeners.
- **Water Bond:** Monitor implementation of bond funding, including the split of monies between recycled water and desalination; monitor Jerry Meral's eight proposed water bond initiatives.
- **Groundwater Legislation:** Monitor implementation of the 2014 Sustainable Groundwater Management Act, including subsequent legislation to address expedited adjudications and designation of groundwater as a beneficial use.

### **Proposed 2016 Strategy**

The following are proposed actions intended to promote and monitor the Agency's administrative and legislative priorities in 2016.

- **Congressional and State Briefings:**
  - Continue regular meetings with members and their staff to provide an update on the Title XVI funding request, proposed drought legislation and other local

- priorities for the Agency. Also use these interactions to showcase IEUA programs and achievements.
- Continue participation in the annual Federal Legislative Luncheon with Eastern MWD, Western MWD, and Metropolitan Water District of Orange County, including compilation of Legislative Briefing Book.
  - Meet with state legislative staff in their state and local offices to discuss local issues, Agency projects/programs and the priorities of the region.
- Facility Tours:
    - Continue to invite congressional and state officials and their staff to tour IEUA's facilities. Showcase Agency's groundwater basins, inflatable dams (stormwater capture), renewable energy projects and one of the regional wastewater treatment plants and/or desalter.
  - Conferences:
    - Monitor upcoming events/conferences. The following is a list of possible events/conferences:
      - Association of California Water Agencies (Sacramento and D.C.)
      - California Association of Sanitation Agencies (Palm Springs and D.C.)
      - Southern California Water Committee
      - WateReuse Association, California Section
      - American Water Works Association
  - Legislative calls:
    - Continue to participate in legislative coordination calls with the following:
      - Santa Ana Watershed Project Authority
      - Metropolitan Water District
      - WateReuse
      - California Association of Water Agencies
      - Southern California Water Committee
      - Association of California Water Agencies

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

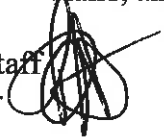
None.


**INFORMATION  
ITEM  
2A**

Date: January 20, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (1/13/16)

From: P. 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**

#### January

- January 14, Blood Drive, IEUA HQB Event Room, 10:00 a.m. – 2:00 p.m.

#### February

- February 25, Cypress Elementary GIES Dedication, 9751 Cypress Ave., Fontana, 5:00 p.m. – 6:30 p.m.

#### April

- April 20, IEUA Earth Day Event (Student Day), Chino Creek Park, 9:00 a.m. – 2:00 p.m.
- April 21, IEUA Earth Day Event (Community Day), Chino Creek Park, 4:00 p.m. – 7:00 p.m.
- April 22, Eagle Canyon Elementary GIES Dedication, 13435 Eagle Canyon Drive, Chino Hills, 11:30 a.m. – 1:00 p.m.

#### May

- May 5, Truman Middle School GIES Dedication, 16224 Mallory Drive, Fontana, 2:00 p.m. – 3:00 p.m.
- May 24, Cortez Elementary School GIES Dedication, 12750 Carissa Ave., Chino, 5:45 p.m.

Outreach/Education - Civic Publications Newspaper Campaign

- IEUA staff is working with Civic Publications to develop an email blast and display ads for outreach. The *Kick the Habit* campaign theme will be implemented within these outreach tools.

Media and Outreach

- IEUA staff is working with member agencies to distribute *Kick the Habit* mirror clings and vehicle magnets. To date, the city of Chino, city of Ontario, Chino Basin Water Conservation District, Fontana Water Company, and San Antonio Water Company have requested and received vehicle magnets and clings. Internally, staff is working with Facilities Management on distribution and placement of vehicle magnets on all Agency vehicles.
- A *Kick the Habit* print advertisement ran in the *Chino Champion* on December 26, 2016.
- *Kick the Habit* bus advertisements began on October 5, 2015 and will run for six months. Mirror clings have been placed in restrooms at the Ontario Mills Mall for six months, and we are working with management at Victoria Gardens and the Chino Spectrum to do the mirror cling displays at these locations as well.

Education and Outreach Updates

- Water Discovery Program: 414 Girl Scout troop members, elementary, middle and high school students have taken part in the park field trip from July 1, 2015 through November 30, 2015. Seventeen additional Water Discovery Field Trips for school year 2015/16 have been scheduled. The Busing Mini-Grant program was extended through December 2020.
- Staff will begin outreaching MWD's "Water is Life" poster contest to all schools within IUEA's service area in January.
- IEUA staff is developing the FY 2014/15 Annual Report. The Annual Report will be booklet style design, finalized and distributed by end of January.
- Staff, in cooperation with member agencies, has recruited three teams for MWD's 2016 Solar Cup Competition to be held May 13-16, 2016. Final team names and contact information were submitted to MWD on October 1, 2015 for the 2016 program year: Chino High School (Chino), Chino Hills High School (Chino Hills) and Henry J. Kaiser High School (Fontana). All teams will be attending a mandatory technical workshop on January 30, 2016.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

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

**INFORMATION**  
**ITEM**  
**2B**





**December 31, 2015**

**To:** Inland Empire Utilities Agency

**From:** Michael Boccadoro  
President

**RE:** December Legislative Report

---

**Overview:**

December was a relatively slow month in Sacramento with Legislators working in their districts before returning to Sacramento in January. Final action on legislation was taken in October leaving November and December with no formal legislative activity. When members return in January, they will have until the end of the month to move any two-year holdover bills out of their house of origin.

As discussed in November, there have been significant efforts to advance reform of Proposition 218. A group of organizations including the Association of California Water Agencies (ACWA), have filed a Constitutional Amendment with the Secretary of State which would leave Prop 218 in Article XIII of the California Constitution unchanged, but would create a separate, optional, rate-making process in Article X of the Constitution. This amendment would redefine the definition of sewer service to include stormwater and flood water, expressly authorize low-income rates and set up a separate process to establish tiered, or conservation-based rates. The coalition is actively trying to gain the support of the Governor. The group is also planning a legislative push seeking placement on the ballot, which requires a two-thirds vote.

The California Public Utilities Commission (CPUC) has released a Proposed Decision (PD) on the new version of Net-Energy Metering (NEM 2.0.) The PD does not make any major changes to the program for commercial customers. The most significant changes are on the residential side which would add new interconnection costs and non-bypassable charges to distributed solar systems, while also imposing new minimum bill requirements and time-of-use rates that could complicate the solar value proposition. In addition, Southern California Edison is inching closer to their NEM 1.0 cap with 884 MW of capacity remaining before switching over to the NEM 2.0 program.

Statewide, the snowpack is 111 percent of average for December. In the northern Sierra, it is 116 percent of the norm; in the central Sierra, 121 percent of average and in the southern Sierra, 85 percent of the norm. Last year at this time, the statewide snowpack was little more than half the average, setting the tone for a dismal winter of bare Sierra slopes. Snow in these areas is a key source of water for the state. While the snowpack is doing well, reservoir conditions are still hovering at roughly the same levels they were at the end of September.

Fall salmon runs are significantly stronger than expected according to the National Marine Fisheries Agency, welcome news after inadequate cold flows hurt run of juvenile Coho salmon

earlier this year. The strong run is important as regulators have the ability to limit flows to protect salmon.

The State Water Resources Control Board released a proposed regulatory framework that extends the emergency conservation regulation, until October 2016, requiring urban water suppliers to meet state-mandated conservation targets, ranging from 4% to 36% over 2013 levels.

The proposal also proposes modifications including:

- A climate adjustment of up to four percentage points for water suppliers located in the warmest regions of the state;
- An adjustment to account for water-efficient growth since 2013;
- A reduction for urban water suppliers using new drought resilient water supplies; and
- Modification of the Commercial Agricultural Exclusion to set a threshold of at least \$1,000 per year in agricultural sales revenue for customers claiming the exclusion.

## **Inland Empire Utilities Agency Status Report – December 2015**

### ***Proposition 218 Reform***

As discussed in the November Report, following the April appellate court ruling striking down San Juan Capistrano's tiered water rate structure, and the Governor's October message noting that Prop 218 is the biggest impediment to public water systems establishing low-income water rate assistance programs and that Prop 218 is an obstacle to conservation pricing and stormwater improvements, several organizations worked together on a solution.

The Association of California Water Agencies (ACWA), the California League of Cities (League), and the California State Association of Counties (CSAC), officially filed a Constitutional Amendment with the Secretary of State for potential qualification for the November 2016 ballot to amend Title X of the California Constitution to offer an alternative ratesetting process for tiered water rates, redefine "sewer service" to include management of stormwater and flood water and allowing the rates for those services to be approved in a similar ratesetting process, and authorize voluntary low-income rates.

Some ACWA members are still pushing for further protections from the Legislature or any state agency requiring adoption of tiered rates as a condition for any sort of state funds (ie, SRF or bond.)

ACWA is hoping to get the Constitutional Amendment on the ballot through the legislative process rather than having to rely on signature gathering to qualify. The coalition fully understands a commitment of support from the Governor is essential to passing a Constitutional Amendment through the Legislature, and are in constant contact with the Administration. Even with the Governor's support, it will be very challenging to pull together a two-thirds vote in an

election year as many believe that it is unlikely all of the Democrats would be in favor of the amendment at this time, let-alone the handful of Republicans needed to achieve the super majority vote. Additionally, any legislative Constitutional Amendment must be completed by the early summer as the Secretary of State needs time to print ballots and mail them to overseas voters. This leaves a short window to get a measure passed.

To qualify via signatures, they will need close to 600,000 valid signatures (more than a regular ballot measure because it is a Constitutional Amendment).

West Coast Advisors is monitoring all workgroup discussions and will continue to work with IEUA staff to analyze draft language as it is released.

### ***Net-Energy Metering***

#### ***NEM Cap***

The existing NEM program is scheduled to sunset in June of 2016 or when each of the utilities reaches the “NEM Cap,” which is 5 percent of their aggregate peak load. All projects that are interconnected before the program closes will stay on the current NEM tariff for 20 years after their interconnection date. The following shows utility totals (installation and applications in the queue) toward their respective 5 percent caps. Southern California Edison is at 3.03 percent with 884 MWs remaining.

#### ***NEM 2.0***

As discussed in previous reports, with the current version of the NEM program set to expire soon, the CPUC has been working on crafting the next version of NEM, referred to as NEM 2.0, with interested stakeholders. The Proposed Decision that was released in December does not make any major changes to the program for commercial customers. The most significant changes are on the residential side that would add new interconnection costs and non-bypassable charges to distributed solar systems, while also imposing new minimum bill requirements and time-of-use rates that could complicate the solar value proposition.

The Proposed Decision is eligible for consideration in January, but has not been calendared.

### ***Snow Pack and Reservoir Conditions***

Statewide, the snowpack is 111 percent of average for the date. In the northern Sierra, it is 116 percent of the norm; in the central Sierra, 121 percent of average and in the southern Sierra, 85 percent of the norm.

Last year at this time, the statewide snowpack was little more than half the average, setting the tone for a dismal winter of bare Sierra slopes. Snow in these areas is a key source of water for the state.

When it comes to snowpack, the critical date is still months away. April 1 is when snowpack reaches its peak, and in a typical year that snow provides Californians with roughly a third of their water supply.

The recent storms have done little to refill critically low reservoirs, but the runoff has helped to slow the bleeding, and in a few, cases minimally improve supply.

The following is a chart of water levels at several California reservoirs comparing end of September levels to end of December levels:

Reservoir	Percent of Capacity		Percent of Historical Average	
	Sept. 28	Dec. 30	Sept. 28	Dec. 30
Lake Shasta	35%	31%	59%	51%
Lake Oroville	30%	29%	48%	47%
Folsom Lake	18%	24%	32%	49%
San Luis Reservoir	20%	20%	42%	30%
Lake Perris	36%	35%	47%	45%
Castaic Lake	36%	39%	45%	49%

### ***Strong Fall Salmon Run***

Long droughts like the one California is experiencing can take a toll on wild chinook salmon starving, overheating, disorienting and drying out the fish.

But up and down Central Valley rivers, the story is surprisingly different this fall. Salmon have come home to breed after a three-year struggle to survive migrations, predators, water-diversion pumps and drought.

The abundance is in sharp contrast to the meager returns for the Coho salmon on many coastal creeks, and for the endangered winter-run chinook on the upper Sacramento River, where overheated water killed many young fish earlier this year. Inadequate flows of cold enough water hurt survival of young winter-run salmon this spring on the Upper Sacramento River, with many of the endangered juveniles dying out, the National Marine Fisheries Service reported in October.

Officials say the fall run is doing better because of abundant food sources in the ocean the past three years and because of effective human intervention: operating hatcheries, trucking young hatchery fish out of shallow, drought-starved rivers, and delicately balancing the flow of water between people and fish.

The scene of plentiful salmon returning is playing out on several rivers, including the American near Sacramento, where nearly 8,000, salmon more than average, have swum into the federal Nimbus Hatchery. More than 16,000 salmon, also above average, have traveled up the Feather River to a hatchery below Oroville Reservoir north of Sacramento.

Dam and hatchery operators in California have taken unusual measures in the drought to protect salmon competing with 38 million state residents for limited water supplies. Officials have installed water-chilling equipment at hatcheries, released pulses of cold water behind dams, and reared baby fish longer in hatcheries than before.

They also have stepped up efforts to truck young hatchery-reared salmon for release in the Sacramento-San Joaquin Delta or San Francisco Bay. The giant taxi service moves salmon past meager drought-stricken rivers and streams, where fish can be overheated to death or picked off by predators.

State and federal environmental regulators have broad authority to limit pumping water from rivers and the Delta, and have faced criticism from environmentalists who say too much water has been diverted to people and farms at the expense of fish.

### ***SWRCB Emergency Conservation Regulations***

The State Water Resources Control Board released a proposed regulatory framework that extends until October 2016 the emergency conservation regulation requiring urban water suppliers to meet state-mandated conservation targets in late December.

As a reminder, under the existing emergency regulation, water suppliers must meet state-mandated conservation targets ranging from 4% to 36% over 2013 levels. The new proposal includes those targets, but also proposes modifications including:

- A climate adjustment of up to four percentage points for water suppliers located in the warmest regions of the state;
- An adjustment to account for water-efficient growth since 2013;
- A reduction for urban water suppliers using new drought resilient water supplies; and
- Modification of the Commercial Agricultural Exclusion to set a threshold of at least \$1,000 per year in agricultural sales revenue for customers claiming the exclusion.

The framework includes a recommendation that all credits and adjustments be capped so that the maximum allowable decrease for any individual water supplier does not exceed four percentage points. However, staff rejected stakeholder proposals for credits or adjustments related to non-potable recycled water use, sustainable groundwater management, regional compliance, and isolated hydrogeological regions that do not import or export water.

Public comment on the proposed framework will be accepted until Jan. 6, 2016 and the Board is expected to consider the proposal in early February.

### ***Legislation Update***

Members return to Sacramento in January. Quick action must be taken on “two-year” bills introduced in 2015 and still in their original house. The house of origin deadline for two-year bills is January 31. The Governor must submit his fiscal year 2016-17 budget to the Legislature by January 10.

Of note, Assemblyman Henry Perea (D- Fresno) has announced he will resign from the Assembly effective January 1. Perea has been the leader of the moderate Democrat caucus. Democrats have chosen Assemblyman Jim Cooper (D- Elk Grove) and Assemblyman Rudy Salas (D- Bakersfield) as the new leaders of the moderate Democrat caucus.

Speaker Atkins also announced several committee changes for 2016, shifting members around to accommodate Asm. Perea leaving and soon-to-be Speaker Elect Anthony Rendon (D-Lakewood) vacating his committee seats. The most notable change is Assemblyman Mike Gatto (D-Burbank) taking over as Committee Chair of the Assembly Utilities and Commerce Committee. No IEUA delegation members have changed committees, as of yet.

# *Innovative Federal Strategies* LLC

Comprehensive Government Relations

## MEMORANDUM

**To: Joe Grindstaff and Kathy Besser, IEUA**

**From: Letitia White, Jean Denton, and Drew Tatum**

**Date: December 31, 2015**

**Re: December Monthly Legislative Update**

---

### ***FY16 Appropriations Package Crosses Finish Line***

After passing two continuing resolutions in early December, Appropriators were able to out the finishing touches on an omnibus appropriations package that funds the federal government through September 30, 2016. The \$1.15 trillion package was introduced just after midnight on Wednesday, December 9 which delayed the House's original plan to vote on the legislation Thursday, December 10 and leave town. Instead, lawmakers held votes on Thursday, December 10<sup>th</sup> and Friday, December 11<sup>th</sup>. The House opted to "divide the question" in the rule for consideration, which meant that while the bill contained the text for both the appropriations and tax extenders, lawmakers took separate votes on the two parts of the bill. The House voted Thursday on the tax legislation, advancing it on a bipartisan vote of 318-109. The appropriations portion of the bill received its own bipartisan vote of 316-113. During prior years, the conservative wing of the House Republican caucus has complained that that leadership has moved appropriations bills that did not enjoy the support of the majority of the Republican caucus. In the end, an overwhelming number of Republican supported both the tax extenders and omnibus appropriations package.

In an effort to leave town the same week, the Senate also passed the omnibus and tax extenders package on Friday, December 11<sup>th</sup>. Legislation in the Senate can be stalled without the cooperation from all Senators, but Majority Leader Mitch McConnell (R-KY) was able to secure the cooperation he needed to quickly move through procedural hurdles with a unanimous consent agreement. Once the Senate received the House-passed package, Senators voted on three procedural motions and final passage within an hour, wrapping up all major legislative action for the year.

President Barack Obama signed the package into law the same day ahead of a visit to San Bernardino and his family's annual Christmas trip to Hawaii.

The final package included \$1.15 trillion in spending for the remainder of fiscal year 2016 that began on October 1. Unlike last year's end-of-year CROmnibus that included a three month continuing resolution for the Department of Homeland Security, this bill funds each federal department for the remainder of the fiscal year and includes the necessary legislative language to give the departments the authority to start and stop particular projects. For the drought stricken

## *Innovative Federal Strategies LLC*

west, the package includes \$100 million in drought relief funding, \$50 million more than last year. We will keep you posted as that money becomes available through grant programs administered by the Department of the Interior. While most controversial policy riders were left out of the omnibus, Republicans were able to negotiate the inclusion of language that lifts the 40-year ban on crude oil exports. Republicans originally hoped to include language that would block Syrian refugees from entering the United States, but included a compromise bill that impacts the Visa Waiver program instead.

Lawmakers were also able to pass a tax-cut extension package that costs approximately \$650 billion over the next decade. A number of the tax provisions, including those for business research and development, small business expenses, individual deductions for state and local sales taxes, financing rules for multinational corporations, an enhanced Child Tax Credit, the Earned Income Tax Credit, charitable contributions, and teacher expenses, are made permanent in the legislation. The two pieces of legislation would suspend three taxes intended to fund the Affordable Care Act -- a so-called Cadillac tax on high-cost health insurance plans would be delayed from 2018 to 2020; a 2.3 percent tax on medical devices would be paused in 2016 and 2017; and a fee on health insurers would be paused for 2016.

### ***California Republicans Admit Defeat on Drought Legislation for the Year***

California Republicans, led by House Majority Leader Kevin McCarthy (R-CA) hoped to take advantage of end-of-year momentum to attach drought legislation to the omnibus appropriations package. While negotiations have continued among Republican and Democratic lawmakers from both the House and Senate, the progress made has not produced a final package that would be acceptable to both sides, the White House, and California Governor Jerry Brown. Citing the need and desire to take advantage of an El Nino year, McCarthy circulated his proposed compromise bill that addressed issues in the Central Valley while including programs he hoped would bring Senator Dianne Feinstein (D-CA) to the table.

Despite efforts from the Republican delegation to get local water agencies to support the effort, they seemed inclined to admit defeat in advance of the release of the omnibus. "We put proposals to provide solutions to the tremendous drought bearing down on our state," McCarthy said at a news conference. "Sadly, our senators once again have failed to rise and meet the challenge with us." In response, Feinstein released statement condemning efforts to include "at least a half-dozen items in the bill that I had rejected and that would have drawn objections from state or federal agencies — some of them would likely violate environmental law."

Senator Feinstein was also critical of the way the new legislation came about, citing the defunct rumor that she had worked with McCarthy on the compromise. She reiterated her calls to take a bill through regular order and indicated she hoped to have a bill ready before the end of 2015 for the Senate Energy and Natural Resources Committee in an effort to find a way to move forward, but she did not release revised legislation before Congress adjourned.

### ***Republicans Reflect on First Year Controlling Congress***

Republicans have just wrapped up their first year controlling both the House and Senate since the midterm elections in 2006 that gave control of the House and Senate to the Democrats. While Republicans won back control of the House in 2010, they were unable to secure enough Senate



## *Innovative Federal Strategies LLC*

seats to control the Senate until the 2014 midterm elections. As Congress was preparing to adjourn for the year, Republicans took a victory lap declaring that they had put Congress back to work during 2015—citing successes in crafting a two-year budget deal, a five-year transportation bill, an overhaul to the K-12 education system, fast-track trade authority for President Obama, changes to the NSA's bulk data collection program, and implementing a permanent fix to reimbursement rates for doctors.

To be clear, many of the legislative successes of the year were bipartisan in nature. With a conservative faction in Congress not willing to compromise, Republicans looked to Democrats to cut deals that would receive the bipartisan support they needed to become law. Additionally, Republicans needed bipartisan support in order to send something to President Obama that he would be willing to sign. While there were a number of bipartisan pieces of legislation, Republicans have also had some successes of their own making, including the passage of a bi-cameral budget that will allow them to use the reconciliation process to move some legislation with a simple majority. Senate Republicans amended the House-passed reconciliation package that would defund Planned Parenthood and gut portions of the Affordable Care Act. The House is expected to pass the package when they return in January. Even though it will be vetoed by President Obama, Republicans have delivered on a campaign promise to send legislation to the president's desk that makes substantial changes to his signature healthcare law.

Senate Majority Leader Mitch McConnell (R-KY) credits much of the Senate's success to an open amendment process. This year the Senate votes on approximately 200 amendments, a sharp increase to the 15 voted on during 2014. McConnell started the year with an open amendment process on legislation that would have approved the Keystone XL pipeline (legislation that was later vetoed by the president). That continued with many other major pieces of legislation, with the bipartisan budget agreement and the omnibus appropriations bills being notable exceptions. The Senate Majority Leader has indicated he intends to continue the open amendment process in 2016 and hopes that, coupled with more control of legislation at the committee level, will produce bipartisan legislation in the upcoming year.

Moving into 2016, Republican leaders in both chambers have indicated they'd like to continue the effort to return to regular order in the appropriations process as well as other legislation. In his first major speech after becoming the Speaker of the House, Paul Ryan (R-WI) said House Republicans will use 2016 to work with Democrats, but will also be a year when they cast a vision for where they would like the country to go rather than just being viewed as a party that opposes actions from the president.

### ***Outlook for January and 2016***

The Second Session of the 114<sup>th</sup> Congress convenes in Washington on January 4<sup>th</sup> at noon. The Senate will recess before considering legislation until the following Monday when it will return to consider at least one nomination. The House will not hold votes until Tuesday, when it will hold a vote to establish the quorum for the Second Session of the 114<sup>th</sup> Congress. On Wednesday the House will proceed to a vote on the reconciliation package amended by the Senate. The package includes provisions that defund Planned Parenthood and repeal certain portions of the Affordable Care Act. If it passes, which we expect it will, it will be the first time that Republicans will be able to send a measure to President Obama that repeals much of his

## *Innovative Federal Strategies LLC*

signature healthcare law. President Obama is expected to veto the reconciliation package if it reaches his desk. The House is also set to devote time to the consideration of judicial reform legislation in January. January will mark President Obama's last State of the Union Address. He is scheduled to address Congress on January 12, 2016.

The 2016 election will impact the Congressional schedule. The August recess will start earlier this year when lawmakers recess for the final two weeks of July for the Republican and Democratic Conventions where each party will officially nominate their candidates for the presidency. Additionally, Congress is scheduled to be in recess for most of the month of October through Veterans Day the second week of November. With three Republican Senators running for President, their campaign travel schedules could impact voting schedules throughout the year.

While there may be a number of recesses, Republican leaders in the House and Senate have promised that they will push for regular order again next year in the appropriations process. While the House six of their annual appropriations bills before the end of the fiscal year, the Senate eventually only passed one of the twelve appropriations bills, but not until a bipartisan budget agreement was reached. That agreement set new topline numbers for fiscal years 2015 and 2016, which could make it easier for lawmakers to move individual bills early this year.

The appropriations process will begin once President Obama sends his budget to Congress. It is due in early February—a deadline that has been missed every year until last year. We expect the budget to arrive on time or even early this year.

Other high-profile items we expect to see on the agenda this year include:

- **Environmental Regulations** – While the omnibus appropriations bill did not block any EPA regulations—including the waters of the United States regulation—that Republicans detest, the fight will undoubtedly continue between Congress and the White House even as the courts work through many challenges brought against the regulations.
- **Drought legislation** – We anticipate that House Leader McCarthy and Senator Feinstein will continue negotiations in an effort to compromise on language for California in a west-wide drought package.
- **Criminal Justice Reform** - Momentum to reform sentencing and other aspects of the criminal justice system has been building throughout 2015, getting attention from the White House, members of both parties in Congress and presidential candidates. While there are still sticking points, including a mens rea provision, House and Senate leaders are working on measures to reduce minimum sentences for drug offenders. The mens rea provision supported by many Republicans is controversial because it would require prosecutors to prove that white-collar defendants knew or had reason to believe that the conduct they are being prosecuted for was unlawful.
- **The Trans-Pacific Partnership** – The TPP is a sweeping trade deal reached in October between the United States and 11 other Pacific Rim nations. While Congress gave the president the authority to negotiate the deal, it still requires an up-or-down vote in the House and Senate before being ratified. In an election year where leading presidential candidates on both sides of the isle oppose it, Senate Majority Leader Mitch McConnell (R-KY) has publically stated it is unlikely to come before congress prior to the election.

## *Innovative Federal Strategies LLC*

- **Puerto Rico's debt crisis – Puerto Rico has been struggling to repay billions of dollars in debt. They have been pushing lawmakers to allow the territory to restructure with bankruptcy protection, but have been unsuccessful in their efforts thus far—including an attempt to include language in the omnibus appropriations bill at the end of the year. Both House Speaker Paul Ryan (R-WI) and Senate Majority Leader Mitch McConnell have indicated it will be addressed in the new year.**
- **Mergers and acquisitions – With mergers and acquisitions reaching record highs in recent years, Congress is likely to hold hearings on them in 2016. The Senate Judiciary Subcommittee on Antitrust, Competition Policy and Consumer Rights, and the House Judiciary Subcommittee on Regulatory Reform, Commercial and Antitrust Law are expected to question executives and to hear concerns from those who oppose pending deals. While it is up to the Justice Department's Antitrust Division to block pending mergers, we expect to see Congress devote time at the committee level to review any pending or future planned mergers in 2016.**

# *Agricultural Resources*

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

December 30, 2015

## Legislative Report

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

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

**SU:** Legislative Report, December, 2015

---

The first session of Congress limped to an exhausting if not weary close in late December. Despite a year filled with intense political conflict and prolonged gridlock, Senate Majority Leader Mitch McConnell (R-KY) and Minority Leader Harry Reid (D-NV) both publicly acknowledged that 2015 was one of the most productive sessions in years when it came to a close on the eve of Christmas.

The Federal Government – defense and non-defense – was fully funded through September 30, 2016, end of the current fiscal year. As significantly, a shut-down, repeatedly threatened, was avoided.

A California drought bill, however, remains unresolved and seriously grid-locked.

### Snapshot.

- Congress adjourned in late December.
- Speaker Ryan and Minority Leader Pelosi worked together to pass funding bills for all Departments and agencies for the remainder of the Fiscal Year (September 30, 2016) based on funding levels worked out when Speaker Boehner was still in the Congress.

- After all was said and done, strong bi-partisan votes approved Federal funding in both the House and Senate. Strength of the votes surprised most observers.
- Freedom Caucus (in the House) opposition to the Omnibus funding bill became irrelevant House Rs and Ds jointly supported the funding bill.
- Significantly, the ever-constant threat of a Federal Government shut-down never materialized. Speaker Ryan publicly declared it wouldn't happen – and it didn't.
- Speaker Ryan demonstrated an ability to lead his deeply divided House R Caucus. When he became Speaker no one knew what to expect. His caucus was – and remains – deeply divided. Maybe it was a political honeymoon. Maybe it was the change. Maybe it was his personality. For right now the House is more productive and less contentious (though there are clear signs of internal strife and on-going discontent).
- Between Speaker Boehner and Speaker Ryan, a highway bill was enacted, a major tax extender bill was enacted, an education bill was passed – these and other long-stalled bill – each passed with strong bi-partisan support.
- Congress is, after its own drought, legislating again.

#### **Ways and Means – Tax Reform Back on the Agenda**

- Speaker Ryan, in one of his first speeches after becoming House leader, declared that tax reform would be a priority for House Rs in 2016 (not 2017 as many predicted).
- Incoming House Ways and Means Chair, Rep. Kevin Brady (R-TX), made similar statements.
- Both indicated that 2016 would be devoted to building a record for tax reform.
- The centerpiece of House R interest in tax reform – reducing rates for both personal and corporate rates – with announced targets of 25% rates for both.
- Unstated, in order to reduce rates (and maintain revenue neutrality), major sections of the tax code have to be repealed altogether, or, at the very least, amended and reduced – without question, this would include deductibility of municipal bonds. Put another way, the tax rate (corporate and personal), cannot be achieved without slashing the tax codes in a huge way. The Treasury Department reports that the “cost” of muni bonds – in tax terms – is huge.
- At risk – muni bonds are the primary funding for local governments across America.
- IEUA, along with ACWA, NWRA along with almost every major form of infrastructure (water energy, transportation, hospitals, schools, libraries, recreation, etc.), have been

working with the Municipal Bonds Coalition of America, headed by Columbia, SC Mayor, Steve Benjamin. This is a high priority for the US Conference of Mayors as well. The Coalition is planning an even more intensive effort in 2016.

### **Water/Weather/Drought**

#### **Drought Bill Stalls – Again – Effort for Bill Lead to Political Meltdown, Again**

- In late 2014, drought bill talks blew up over charges of secrecy and accusations of bad faith. Urban interests in San Francisco and Los Angeles were even accused of “taking” water that rightfully should go to the San Joaquin Valley – and the west side in particular.
- In happened again in December 2015.
- Behind closed door talks – this time between House Majority Leader McCarthy (R-Bakersfield).and California’s senior senator, Dianne Feinstein -- similarly broke apart again.
- House Ds were excluded – and furious. Secrecy and bad faith were, once again, the bookends of public charges. Letters, op-eds, leaked stories, charges and more charges – filled newspapers, blogs, DWR clips, MAVEN and just about every newsletter that covers the issue.
- Majority Leader McCarthy produced a 92-page version of the drought bill (reportedly unseen by Feinstein) and instructed House Appropriators to include it in the Omnibus funding bill in the closing days of the session. Unseen bill was not subject to review, hearings or a markup. The Majority Leader was forced to drop the bill and effort as opposition arose over its content, lack of transparency and exclusionary process. Once again, charges of bad faith and mistrust overwhelmed the effort.
- House Rs, particularly from the San Joaquin Valley, have publicly have attacked Senator Feinstein making legislation in 2016 even more difficult.
- Speculation and rumors have replaced any semblance of a normal legislative process.

#### **Appropriations – Feinstein Leads Senate Effort to Include \$100 Million for Drought Relief**

- A year ago, Senate Feinstein, who serves on the Senate Appropriations Committee, was successful in securing a special, one-time \$50 million appropriation for drought relief in California.
- While the drought bill collapsed amid partisan charges and counter-charges, Senator Feinstein was successful securing a second installment of drought funding – this time for \$100 million.
- IEUA is working with its House Members to ask Interior Secretary Jewell to dedicate a major share of those funds for Title XVI and we are asking that the funds be allocated not just for previously authorized projects, but also projects approved by the State Water

Resources Control Board (this is potentially very important as it is another way to resolve the funding issue with the Cucamonga recycling project stalled by BuRec opposition.

#### El Nino

- 2015 came to a close in December with reports of a Sierra Nevada mountain snow pack that was characterized as “above normal.” Few reports are as welcome as this.
- These storms and snow are not “drought-buster” numbers, but early indications that the El Nino is real and is beginning to have a positive impact.
- Larger question – will the El Nino provide a positive “wet” January, February and/or March.

#### Unanticipated Drought-Related Federal Tax Issue

- The “unintended tax penalty” resulting from the Governor’s Drought Orders remains an issue.
- MWD continues to work with Senate Finance Chair, Sen. Hatch (R-UT) and his committee staff to devise a solution.
- This is not a California-only issue. Texas and other states are now concerned.

#### Drought Status – CA and Rest of the West

- **Drought Conditions – California.** Even with a series of December storms, the Drought Monitor displays California drought conditions as substantially the same as the last several months. As with the past several months, all 58 counties remained in drought.
- **El Nino.** Last month, I reported that westwide, the drought map would indicate that drought conditions are lessening in most western states. That is beginning to happen, which is encouraging.
- **Lake Mead.** Reports, just before December came to a close indicated that Lake Mead finished 2015 at its lowest level since the reservoir was being filled years ago. Even a strong Winter cannot correct this problem (but it’s a start).

#### Looking Into January 2016

- With December coming to a close and 2016 upon us that means a presidential year has arrived.
- In 30 days, the first primaries will take place in Iowa, then New Hampshire.
- To be sure, the election year impacts everything in Congress.
- Paris, San Bernadino and other similar situations are altering the national agenda as is Syria and the rest of the Mideast.

- Whether or not drought talks resume or remain stalled – unknown.
- Senator Murkowski, Chair, Senate Energy Committee has not yet indicated what she will do and/or when regarding a westwide drought bill. A westwide bill has yet to be introduced or circulated.
- The President’s State of the Union address is now scheduled for mid-January. The budget is still expected in early February.
- Last month, I concluded my monthly report stating, *“December is the last month of the calendar year. A presidential election year is but 30 days away. The first voting – the Iowa Caucus, followed by the New Hampshire primary is almost here. It will impact everything here in Washington.”* That’s about right.



**INFORMATION  
ITEM  
2C**



CALIFORNIA STRATEGIES, LLC

Date: December 30, 2015  
To: Inland Empire Utilities Agency  
From: John Withers, Jim Brulte  
Re: December 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 December that they wanted accomplished. Specifically discussed concept of Water Forum Initiative.
- 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 is pursuing.
- Received the recently released LAFCO report and updated strategy and approach to Plan for Service including references to LAFCO consultants and specific review of scopes of work
- Discussed County flood control and IEUA issues.
- Continue to monitor statewide water issues including the BDCP, water bond, and ongoing conservation activities.
- Outreach to Board Directors as needed on issues of interest
- Monitor Santa Ana Regional Board agenda and issues of interest to IEUA.
- Followed up with San Bernardino County per Mr. Grindstaff's request and reported back to him the results of the communication.

**INFORMATION  
ITEM  
2D**

**Federal Legislation of Significance**

Bill Number	Sponsor	Summary	Status
H.R.2029	House and Senate Appropriations Committees	Consolidated Appropriations Act, 2016	<p>The Consolidated Appropriations Act contains just north of \$23 million for Title XVI in FY2016. Additionally, the package contains \$100 million in Western Drought Money. We are coordinating an effort to have Members of Congress encourage the Department of the Interior to use that funding to supplement Title XVI and WaterSMART grants for FY16.</p> <p>The Consolidated Appropriations Act funds all federal agencies through the end of the Fiscal Year, which runs through September 30, 2016.</p>
H.R.1314	Former Speaker John Boehner (amendment)	<p>The bipartisan budget agreement suspends the debt ceiling through March of 2017, and provides \$40 billion in relief from the Budget Control Act caps for defense and domestic spending in Fiscal Years 2016 and 2017.</p>	<p>President Obama has signed the bipartisan agreement. It provides relief from sequestration in FY16 and FY17, providing additional funding for both defense and domestic spending priorities.</p>
S.1894	Sen. Dianne Feinstein	<p>Feinstein introduced legislation in the final days of the month to combat drought in California. Specifically for IEUA, it contains a title on recycled water. It also removed the requirement for Congress to authorize Title XVI projects.</p>	<p>First Legislative Committee Hearing was held in early October. Staff from the Senate Energy and Natural Resources Committee and the House Natural Resources Committee are attempting to preconference a bill with compromise language between the Senate and House drought bills, but proposals are not being traded back and forth. Additionally, a compromise bill is expected to be West-wide, not just include California.</p> <p>Feinstein has indicated she hoped to introduce an updated bill for consideration in a west-wide package before the end of 2015, but no legislative language was introduced before Congress adjourned for the year. Feinstein has also indicated she would like the bill to proceed through regular order rather than introducing a bill that has been pre-conferenced will little opportunity for amendment.</p> <p>Passed the House.</p>
H.R.2898	Rep. David Valadao	<p>Western Drought Legislation introduced by California House Republicans that would ease environmental</p>	<p>First Legislative Committee Hearing was held in early October. Staff from the Senate Energy and Natural Resources Committee and the House Natural Resources Committee are attempting to preconference a bill with compromise</p>

		<p>regulations provide for easier permitting for water storage projects</p>	<p>language between the Senate and House drought bills, but proposals are not being traded back and forth. Additionally, a compromise bill is expected to be West-wide, not just include California.</p> <p>California House Republicans attempted to attach their own version of a compromise drought bill to the omnibus appropriations package. Those efforts failed after Feinstein publically opposed the legislative language and criticized the manner in which the package was introduced.</p>
S.J.Res.22	Sen. Joni Ernst	<p>Congressional Resolution of Disapproval of the "waters of the United States" regulation introduced by the EPA and Army Corps of Engineers</p>	<p>The Senate has passed the resolution of disapproval of the "waters of the United States" regulation finalized by the EPA and Army Corps of Engineers. The House did not take up the resolution for adjourning for the year, but they might still pass it in early 2016. The resolution is subject to a veto from the president.</p> <p>The regulation is currently on hold nationwide as the courts hear arguments from states challenging the rule.</p>

**INFORMATION**

**ITEM**

**2E**

# 2nd Quarter Planning & Environmental Compliance Update



*Inland Empire Utilities Agency*

A MUNICIPAL WATER DISTRICT

# Pretreatment & Source Control

## Regional System

- \* 25 Permitted industries
- \* 3 Enforcement actions (1 Significant Non-Compliance)
- \* Local limits study evaluating need for dioxin local limit
- \* Conduct dioxin source identification study
  - \* Source water testing and trunk line monitoring

## North NRWS

- \* 39 Permitted industries
- \* 2 Enforcement actions and 3 permits renewed
- \* Wastewater Disposal Agreement & industry capacity allocation
  - \* 9 exceeded allocation (Jul-Oct 2015)
  - \* 8 exceeded historical maximum (Jul-Oct 2015)

## South Brine Line

- \* 12 Permitted industries
- \* No enforcement actions and 1 permit renewed
- \* OCSD Ordinance adoption (Feb 2016)
- \* OCSD local limits adoption (Feb 2016)
- \* Collection station MOU to replace permit





# Regulatory Compliance Update

## **SWRCB – DDW**

- \* CDA1 – 100% compliance
- \* GWR – Total nitrogen at Banana Basin and RP3 Basin

## **RWQCB**

- \* Dioxin exceedance RP-5 effluent
- \* De minimis discharge – TSS exceedance

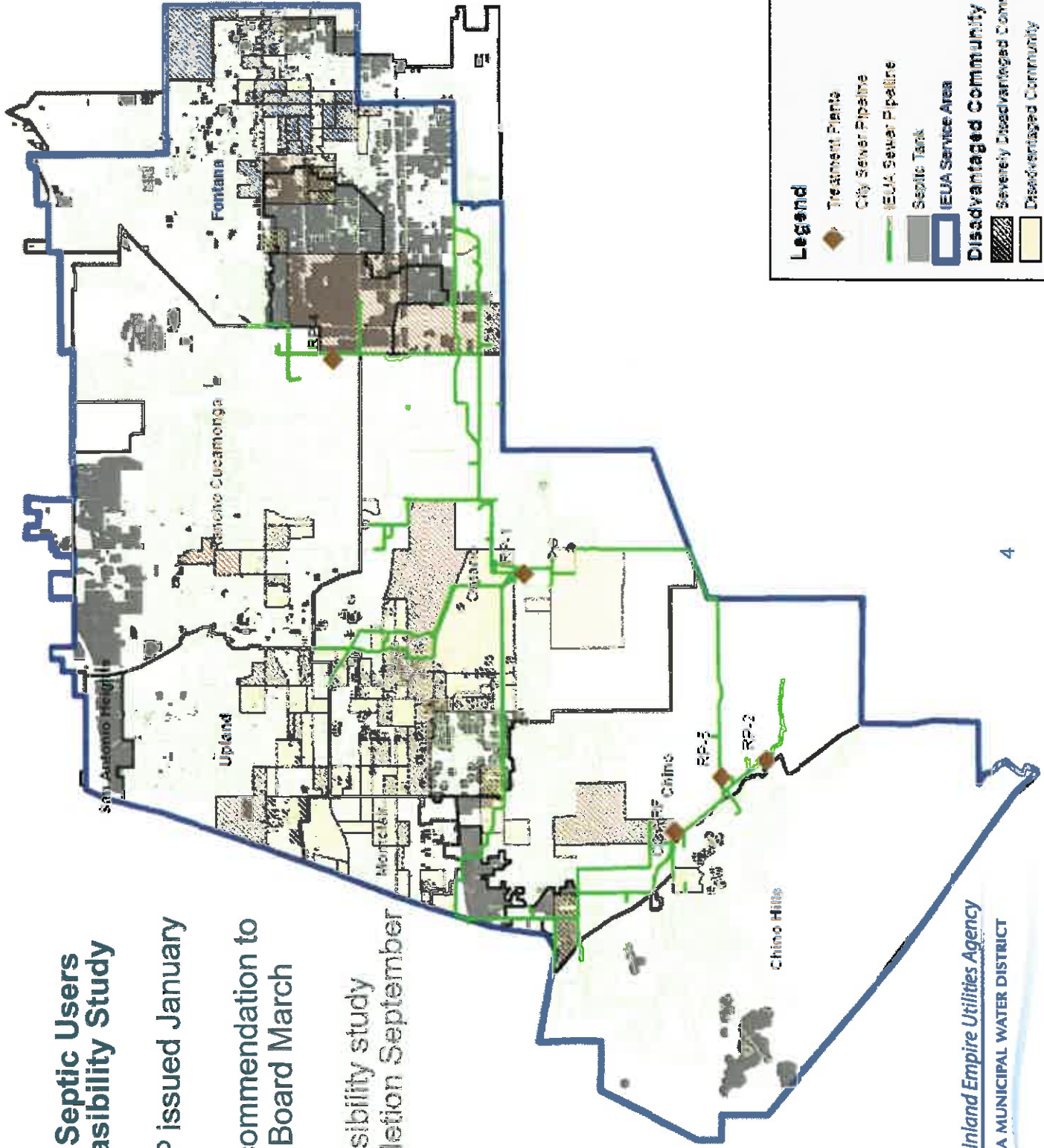
## **AQMD**

- \* All facilities – 100% compliance



# Septic Users Feasibility Study

- \* RFP issued January 2016
- \* Recommendation to IEUA Board March 2016
- \* Feasibility study completion September 2016



# Planning

## \* **Organics Diversion and GHG/SLCP Reduction**

- \* Waste grease assessment update
- \* Food waste survey
- \* Digester gas utilization evaluation

## **Santa Ana River Habitat Conservation Plan**

- \* Phase 1 completed
- \* Phase 2 Hydraulic Impact Modeling - completion by February 2016

## **Integrated Resources Plan Phase 1**

- \* Presented recommended strategy to Policy November 4
- \* Feb. 2016 Complete IRP Report
- \* Mar. 2016 Initiate IRP Phase 2

# Planning

## **SARCCUP**

- \* Preparing Decision Support Model – SBVMWD-led RFP
- \* Coordinating regional CEQA process with team

## **Recycled Water Injection Evaluation**

- \* Coordinating expert panel with NWRRI and State

## **Water Use Efficiency Business Plan**

- \* Final report in preparation for Jan. 2016 completion

# Water Resources Activities

## **Emergency Drought Regulations**

- \* Member agencies ahead of overall target
  - 28% overall target, 29.5 overall reduction
- \* IEUA recommendations to the SWRCB
  - Consider utilizing existing State efficiency standards for ongoing reporting; 55 gpcd indoors, 80% of local ET outdoors
- \* SAWPA Prop. 84 Grant
  - 3 IEUA member agencies have applied for rate structure grant funding
  - IEUA will submit request for installing a CIMIS ET station
  - IEUA will have been approved for a reimbursement of \$102,000 for previous land cover and water budget development with Omni Earth

## **Water Supply Allocation Plan (WSAP)**

- \* Tier 3 allocation 61,269 AF effective July 1, 2015 - June 30, 2016
- \* Sales through November 2015 = 23% Allocation