



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

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

**CALL TO ORDER**

**PUBLIC COMMENT**

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form, which 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 Community and Legislative Affairs Committee meeting minutes of May 10, 2017.

**2. INFORMATION ITEMS**

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


**B. LEGISLATIVE REPORTS (WRITTEN)**

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

- C. CALIFORNIA STRATEGIES MONTHLY REPORT (WRITTEN)
- D. STATE LEGISLATION MATRIX (WRITTEN)
- E. FEDERAL LEGISLATION MATRIX (WRITTEN)
- 3. GENERAL MANAGER'S COMMENTS
- 4. COMMITTEE MEMBER COMMENTS
- 5. COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS
- 6. ADJOURN

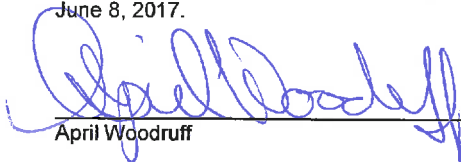
\*A Municipal Water District

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

Proofed by: 

#### 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, June 8, 2017.

  
April Woodruff

**ACTION  
ITEM  
1A**



## **MINUTES**

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

**WEDNESDAY, MAY 10, 2017  
9:00 A.M.**

#### **COMMITTEE MEMBERS PRESENT**

Steven J. Elle, Chair  
Michael Camacho

#### **STAFF PRESENT**

Kati Parker, Director  
Chris Berch, Executive Manager of Engineering/AGM  
Kathryn Besser, Manager of External Affairs  
Jason Gu, Grants Officer  
Liz Hurst, Water Resources Planner  
Sally Lee, Executive Assistant  
Laura Mantilla, Executive Assistant  
Jesse Pompa, Senior Engineer  
Stephanie Riley, External Affairs Analyst  
Shaun Stone, Manager of Engineering  
Christina Valencia, Chief Financial Officer/AGM  
April Woodruff, Board Secretary/Office Manager

#### **OTHERS PRESENT**

Mark Blindauer, Western AV  
Steven Kerns, CivicSpark  
Ana Lopez, CivicSpark

The meeting was called to order at 9:12 a.m. There were no public comments received or additions to the agenda.

#### **ACTION ITEMS**

The Committee:

- ◆ Approved the Community and Legislative Affairs Committee meeting minutes of March 8, 2017.

#### **INFORMATION ITEMS**

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

- ◆ Public Outreach and Communications
- ◆ Legislative Reports
- ◆ California Strategies, LLC Activity Report

- State Legislation Matrix
- Federal Legislation Matrix

**GENERAL MANAGER'S COMMENTS**

Acting General Manager Christina Valencia announced that the Agency has been awarded with the District Transparency Certificate of Excellence from the Special District Leadership Foundation. Once awarded, the Certificate of Excellence has a duration of two years. The Agency was first awarded in 2015 and has been awarded again in 2017.

**COMMITTEE MEMBER COMMENTS**

There were no Committee member comments.

**COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS**

There were no Committee member requests for future agenda items.

With no further business, Director Elie adjourned the meeting at 9:29 a.m.

Respectfully submitted,

April Woodruff  
Board Secretary/Office Manager

\*A Municipal Water District

**APPROVED: JUNE 14, 2017**

**INFORMATION  
ITEM  
2A**

Date: June 21, 2017

To: The Honorable Board of Directors

Through: Community and Legislative Affairs Committee (6/14/17)

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

Submitted by: *for* Kathy Besser *KB*  
Executive Manager of External Affairs and Policy Development/Assistant  
General Manager

Subject: Public Outreach and Communication

---

### **RECOMMENDATION**

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

### **BACKGROUND**

#### July (Smart Irrigation Month)

- July 19, Employee Appreciation Picnic, HQ Picnic Area (Behind HQA), 11:30 a.m. – 3:00 p.m.

#### September

- September 6, 2017, Rolling Ridge Garden in Every School® Dedication, 13677 Calle San Marcos, Chino Hills, Time TBD
- September 20, Chino Day at the LA County Fair, Pomona Fairplex (1101 W. McKinley Avenue, Pomona), 9:00 a.m. – 1:00 p.m.

#### Outreach/Education - Civic Publications Newspaper Campaign

- IEUA is working with Civic Publications to update the KickWaterWaste.com micro-site.
- IEUA is working with Civic Publications to distribute an email blast, which will lead viewers to a digital copy of the Agency's award-winning Annual Report.

#### Media and Outreach

- IEUA is continuing to run banner ads through *Fontana Herald News* and *La Opinión* newspapers.
- Staff has developed summer messaging tips that align with the Governor's Executive Order B-40-17.

- A *Kick the Habit* ad ran in the Champion Newspaper's *Healthy Living Issue* on June 17.
- Staff has developed a movie theater ad to run mid-May through early September that focuses on making water-use efficiency a way of life. This ad will run in Harkins Theater (Chino Hills), Victoria Gardens (Rancho Cucamonga), Ontario Palace (Ontario), and Ontario Mills (Ontario).
- In May, 40 posts were published to the IEUA Facebook page and 47 tweets were sent on the @IEUAwater Twitter handle.
- As part of "May is Water Awareness Month," IEUA ran a campaign on Facebook and Twitter that consisted of weekly posts with facts and information on groundwater, imported water, local supplies, and recycled water.
- The top three Facebook posts, based on reach and engagement, in the month of May were:
  - 5/8: Compost Awareness Week/Compost Giveaway
  - 5/9: Water is Life Poster Finalist Feature (K-5th Grade Category, 1st Place)
  - 5/22: Water is Life Poster Finalist Feature (9th-12th Grade Category, 1st Place)
- The top three tweets, based on reach and engagement, in the month of May were:
  - 5/9: Water is Life Poster Finalist Feature (K-5th Grade Category, 1st Place)
  - 5/18: 'Cheer On' Solar Cup Teams
  - 5/22: Solar Cup Teams Recognition

#### Education and Outreach Updates

- For program year 2016/2017, the Water Discovery Program provided field trips to approximately 3,851 students. Staff has begun scheduling field trips for program year 2017/2018 and to-date has scheduled two field trips and received additional enquiries.
- Staff has begun school site inspections for the qualifying 2017/2018 Garden in Every School® Mini-Grant participants. Staff will be visiting 12 schools with existing water-wise gardens. After site inspections take place and recommendations are made, schools will receive \$1,000 to fund garden materials.
- The 2017 MWD Solar Cup competition took place May 19 – May 21. Out of 43 teams that competed, Los Osos High School (Rancho Cucamonga) placed eighth overall and received the Teamwork Award for assisting another team with their equipment and offering advice. Chino Hills High School (Chino Hills) placed 16<sup>th</sup> overall, Chino High School (Chino) placed 18<sup>th</sup> overall and Henry J. Kaiser High School (Fontana) placed 41<sup>st</sup>. All the teams showed dedication and initiative.

#### PRIOR BOARD ACTION

None.

#### IMPACT ON BUDGET

The above-mentioned activities are budgeted in the FY 2016/17 Administrative Service Fund, External Affairs Services budget. The Garden in Every School® program expenses are budgeted in the Water Resources Fund.



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



**June 2, 2017**

**To:** Inland Empire Utilities Agency

**From:** Michael Boccadoro  
Beth Olhasso

**RE:** May Legislative Report

---

**Overview:**

June 2 was the final day for bills to pass out of their house of origin. While both houses worked to get bills out of appropriations committees and off the floor, budget committees worked on the state budget ahead of the June 15 deadline.

Establishing long-term water-use efficiency standards continues to be one of the hottest topics in Sacramento. Stakeholders have been working to reach a compromise among the water community, legislators and the Brown Administration.

The Governor released his May Revise, without many significant changes to resource related issues.

A California superior court has shelved the State Water Resources Control Board's drinking water maximum contaminant level (MCL) for hexavalent chromium (chrome-6) until the board completes an economic feasibility analysis of complying with the law.

The latest greenhouse gas (GHG) allowance auction had much stronger sales for current-year allowances than in previous quarterly auctions. While this is good news, sale of future-year vintage allowances remained weak, reflecting the continued uncertainty over the future of the program. This auction generated \$500 million for the Greenhouse Gas Reduction Fund.

Water supply conditions remain at record levels with most of the states reservoirs above 100 percent of normal for this time of year. The statewide snowpack is also significantly higher than normal and less than ten percent of the state remains in moderate drought conditions.

On May 13, the amount of energy demand met by renewables set a new record with 67.2 percent of all demand met by renewable energy.

Senate President Pro Tem Kevin de Leon (D-Los Angeles) introduced a bill to establish an accelerated Renewable Portfolio Standard (RPS) culminating in 100 percent clean power by 2045.

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

### ***Drinking Water MCL for Chrome-6 Held by Courts***

A California superior court has shelved the State Water Resources Control Board's drinking water maximum contaminant level (MCL) for hexavalent chromium (chrome-6) until the board completes an economic feasibility analysis of complying with the law.

The California Manufactures and Technology Association (CMTA) and Solano County Taxpayers Association argued that water agencies would have to dramatically raise rates on customers to meet the 10 parts per billion (ppb) standard, which took effect in 2014.

The decision sides with CMTA and the taxpayer group stating that regulators failed to determine whether the standard is economically feasible as required by the Safe Drinking Water Act. The judge also ruled that the MCL should be put on hold while the SWRCB completes the economic feasibility analysis.

### ***GHG Auction Shows Stronger Sales***

The latest greenhouse gas (GHG) allowance auction had much stronger sales for current-year allowances than in previous quarterly auctions. While this is good news, sale of future-year vintage allowances remained weak, reflecting the continued uncertainty over the future of the program.

As discussed in previous reports there is an ongoing legal challenge to the California Air Resources Board's authority under AB 32 to raise revenue for the state beyond the costs necessary to administer the cap-and-trade program, and that the auctioning of carbon allowances constitutes an illegal tax under Proposition 13 because it was not authorized by a two-thirds vote of the Legislature.

The latest auction raised about \$500 million for the Greenhouse Gas Reduction Fund (GGRF). However, the Governor is holding the appropriation of the GGRF until the legislature re-authorizes the cap-and-trade program by a two-thirds vote.

### ***New Record for Renewable Energy Production Met***

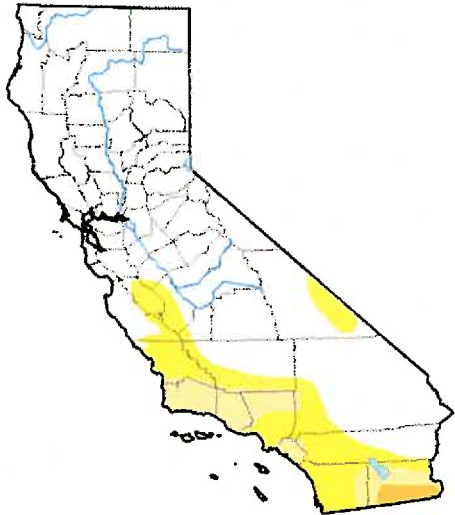
On May 13, the amount of energy demand met by renewables set a new record with 67.2 percent of all demand met by renewable energy. The record was reached partly because of the significant amount of hydropower on the grid in addition to the 59 percent met by wind and solar generation. The peak occurred at 2:55 PM, during the peak 10AM to 4PM solar generation period.

### Drought and Water Supply Update

Drought conditions remain low throughout the state, with less than ten percent of California experiencing any sort of drought conditions. This time last year, more than 86 percent of the state was experiencing drought conditions.

## U.S. Drought Monitor California

**May 23, 2017**  
(Released Thursday May 25, 2017)  
Valid 8 a.m. EDT



Statistics type: Traditional Percent Area Export table:

Week	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current <a href="#">2017-05-23</a>	76.47	23.53	8.24	1.06	0.00	0.00
Last Week <a href="#">2017-05-16</a>	76.47	23.53	8.24	1.06	0.00	0.00
3 Months Ago <a href="#">2017-02-21</a>	81.88	38.34	15.97	4.19	0.00	0.00
Start of Calendar Year <a href="#">2016-12-27</a>	17.47	62.53	68.67	57.79	40.60	16.31
Start of Water Year <a href="#">2016-09-27</a>	0.00	100.00	83.59	82.27	42.80	21.04
One Year Ago <a href="#">2016-05-24</a>	5.50	94.50	86.39	87.00	42.09	21.04

Estimated Population in Drought Areas **10,293,138**

[View More Statistics](#)

#### Intensity:

D0 (Abnormally Dry) D2 (Severe Drought) D4 (Exceptional Drought)  
 D1 (Moderate Drought) D3 (Extreme Drought)

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying [text summary](#) for forecast statements.

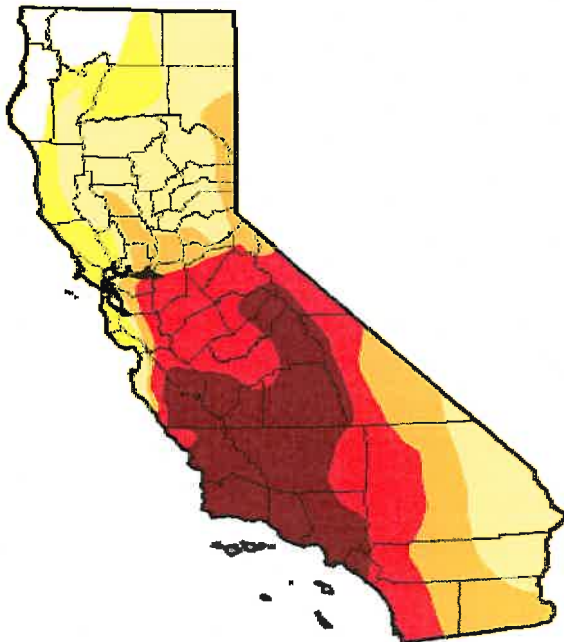
#### Author(s):

Brad Rippey, U.S. Department of Agriculture

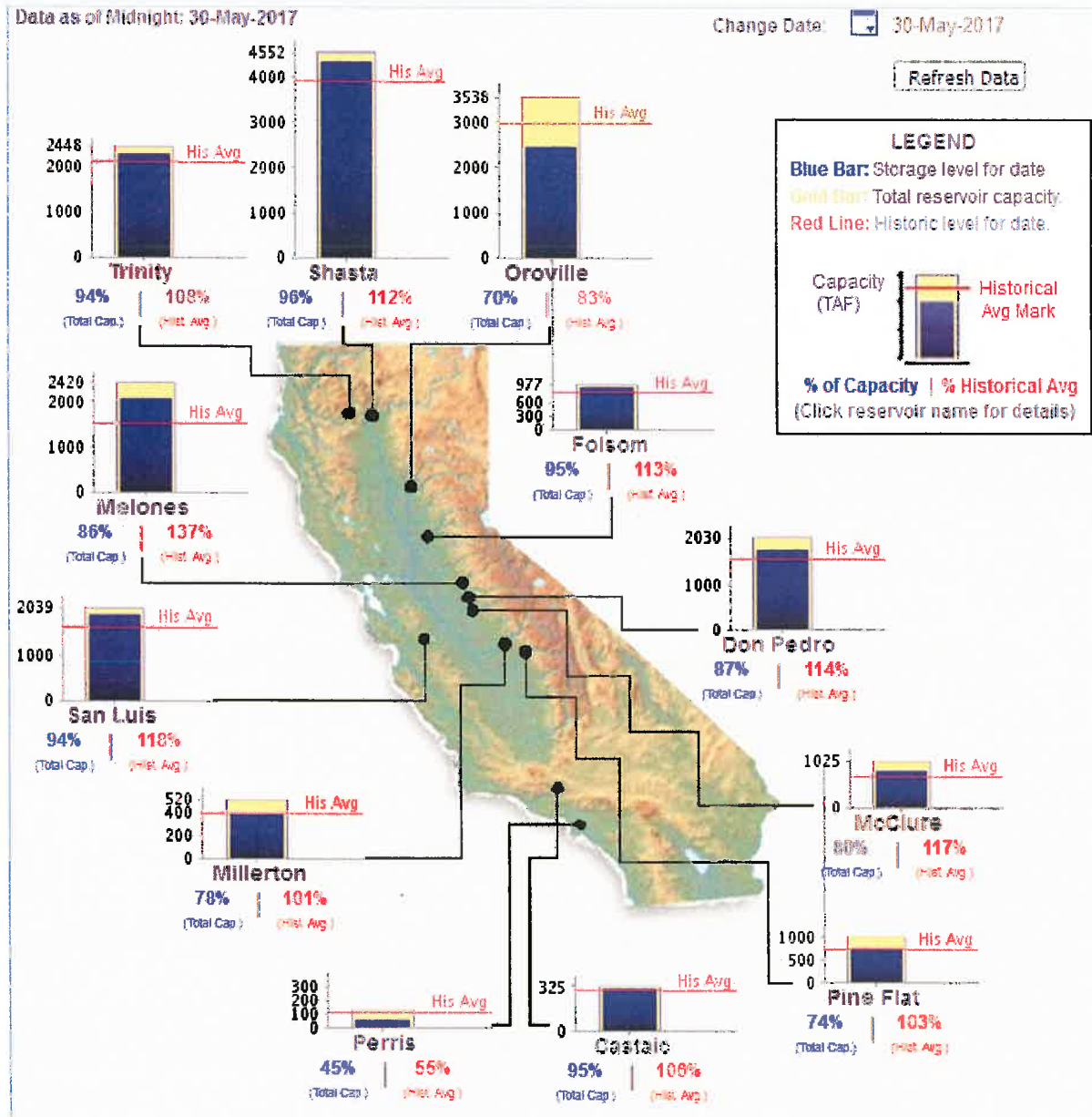
Download:

[View drought planning resources](#)

**May 24, 2016**



State reservoir conditions continue to sit above average, with a few exceptions. Lake Oroville is lower than it should be this year because of the spillway repairs. Reservoir managers are working hard to save as much water as possible, but also manage for significant snow runoff as temperatures heat up.



The statewide snowpack remains almost 200 percent of normal for this date. Statewide, the snowpack is still more than 60 percent of April 1 averages. Skiers are looking forward to hitting the slopes on the Fourth of July.

## Snow Water Equivalent (inches)

Provided by the California Cooperative Snow Surveys

Data For: 31-May-2017

% Apr 1 Avg. / % Normal for this Date



Change Date:

[Refresh Data](#)

NORTH	
Data For: 31-May-2017	
Number of Stations Reporting	23
Average snow water equivalent	12.0"
Percent of April 1 Average	42%
Percent of normal for this date	183%

CENTRAL	
Data For: 31-May-2017	
Number of Stations Reporting	39
Average snow water equivalent	21.7"
Percent of April 1 Average	74%
Percent of normal for this date	218%

SOUTH	
Data For: 31-May-2017	
Number of Stations Reporting	24
Average snow water equivalent	15.6"
Percent of April 1 Average	59%
Percent of normal for this date	155%

STATEWIDE SUMMARY	
Data For: 31-May-2017	
Number of Stations Reporting	86
Average snow water equivalent	17.4"
Percent of April 1 Average	61%
Percent of normal for this date	191%

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

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

The Investor Owned Utilities (IOUs) are concerned about the renewable electricity mandates and would prefer broader clean energy goals, with a focus on GHG emission reductions providing

opportunities for the market to work in the most cost-effective manner without compromising reliability.

In addition to the accelerated timeline, the bill originally sought to increase the usage of renewable gas, which could have potentially significantly increased the cost of natural gas and electricity rates. However, those provisions were recently removed. SoCalGas is continuing to pursue the provisions to create a renewable gas standard (RGS), whether in SB 100 or in another vehicle later in the session.

### ***Legislative Update***

June 2 was the final day for bills to pass out of their house of origin. While both houses worked to get bills out of appropriations committees and off the floor, budget committees worked on the state budget ahead of the June 15 deadline.

The Governor released his May Revise, without many significant changes to resources issues.

### **Cap and Trade Reauthorization**

AB 151 (Burke, D-Inglewood) and AB 378 (C. Garcia, D-Bell Gardens) both address the continuation of the cap-and-trade program.

AB 378 is strongly supported by the environmental community as there is a growing movement among environmental justice advocates to end the cap-and-trade program altogether. They contend that the cap-and-trade program has failed to reduce pollution in disadvantaged communities.

AB 151 also seeks to extend the cap and trade program, but is favored by the business community at this time. AB 151 focuses on setting up a process for developing more offset projects, especially in disadvantaged communities.

AB 378 failed passage on the Assembly Floor, while AB 151 was not taken up before the June 2 deadline.

### **Water Financing Bills**

Several bills were introduced to create a fund for clean drinking water. As previously reported Senator Bill Monning (D-Carmel) is pursuing legislation that would create a fund for clean drinking water. SB 623 (Monning), sponsored by the Community Water Center, creates the “Safe, Affordable Drinking Water Fund” and will likely be amended to include an assessment to address drinking water contamination.

SB 778 (Hertzberg) also initially funded third-party administrators in disadvantaged communities to run failing water systems. However recent amendments changed the bill to focus on publicly tracking the consolidation of failing water systems.

Both bills are still “works in progress” and were passed out of the Senate.



## Water Use Efficiency Legislation

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

The water community, under the leadership of the Association of California Water Agencies (ACWA) have developed their own legislation to establish short and long-term efficiency standards.

Finally, Assemblymember Laura Friedman (D-Burbank), a former MWD director, introduced three bills that put the Governor’s trailer bill language into policy bills that are being considered in the normal legislative process. A breakdown of the legislation follows:

AB 869 (Rubio) prohibits a retail water supplier from having to reduce recycled water use at any time. AB 869 is sponsored by several retail agencies in San Diego County. Passed to Senate.

AB 968 (Rubio) is ACWA’s long-term efficiency standards language. The bill aims to mirror the draft “Making Conservation a Way of Life” report but also excludes recycled water from efficiency standards. Failed in Assembly Appropriations Committee.

AB 1654 (Rubio) is ACWA’s “short term” efficiency measures bill. This bill amends the Urban Water Management Plan Act and prohibits the State Water Resources Control Board from requiring conservation in a water shortage situation if an agency has identified drought proof supplies in their UWMP. Passed to Senate.

AB 1668 (Friedman) includes the Governor’s language on short-term water management planning. The bill creates a new drought response plan by making numerous changes to water supply planning and drought planning to incorporate climate change, enhance water supply analysis, and strengthen the enforceability of urban water management plans (UWMP) and drought contingency planning. Passed to the Senate.

AB 1669 (Friedman) includes the Governor’s language on urban water conservation standards and use reporting. Failed in Assembly Appropriations Committee.

The Budget Trailer Bill was not passed by the budget committee in either house, both giving deference to the policy bill process. However, there is an ongoing stakeholder process that is being coordinated by the administration to continue work on the trailer bill. With neither of the long-term efficiency bills passing out of appropriations committee, it is likely that the trailer bill will become the primary vehicle for long-term efficiency standards.



### **Proposition 218 Reform**

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

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

### **Recycled Water**

The WaterReuse bill (AB 574, Quirk) which would re-define specific categories of recycled water passed out of the Assembly and will now head to the Senate for consideration.

# *Innovative Federal Strategies* LLC

Comprehensive Government Relations

## MEMORANDUM

**To:** Joe Grindstaff, Kathy Besser

**From:** Letitia White, Jean Denton, Christian Rodrick

**Date:** June 1, 2017

**Re:** May Monthly Legislative Update

---

### ***Congress Passes, Trump Signs Omnibus Appropriations Bill to Fund Government Through FY17***

The House and Senate passed a \$1.17 trillion spending bill that President Donald Trump signed on Friday, May 5th, avoiding a federal government shutdown by only a few hours. The House passed the bill by a vote of 309-118 and in the Senate, the measure passed by a vote of 79-18.

Despite many of President Trump's requests not being included, both Republican and Democrat Leadership are touting the spending legislation as a win. House Speaker Paul Ryan and Senate Majority Leader Mitch McConnell stepped up their efforts to also persuade Republicans to view it as a win for their party. Ryan said after a meeting of House Republicans that the defense spending in the bill — which takes the Pentagon to almost \$600 billion this year — amounts to a “game changer” that Republicans can't ignore.

The spending bill underscores the constraints on Republicans, even though they control the White House and both chambers of Congress. With just 52 Republican senators and a fractured GOP majority in the House, most legislation still needs some Democratic support to clear.

The bill contains \$1.3 billion for the Bureau of Reclamation, which is \$42 million above the fiscal year 2016 enacted level and \$205 million above the previous Administration's request. It includes \$3 billion dollars for Community Development Block grants (CDBG) which is equal to last year. Additionally, it provides a \$15 million increase to the Economic Development Agency, bringing their total to \$276 million.

### ***President Trump Delivers FY18 Budget Request to Congress***

President Trump delivered his formal budget request for FY18 to Congress on May 23<sup>rd</sup>, sending shockwaves through Washington, despite the lack of dramatic changes from his “Skinny Budget” proposal in April. The request, which proposes significant increases to defense and homeland security spending, offsets these increases with dramatic cuts to domestic programs. The plan proposes \$1.7 trillion in cuts to major social and entitlement programs for lower-income Americans as part of an effort to balance the budget within a decade. In the next fiscal year alone, discretionary spending would be cut by \$54 billion. The budget seeks \$603 billion for defense, about \$54 billion more than allowed for under spending caps instituted in 2011. The President also included a request to allow the U.S. Attorney General, or the Homeland Security

## Innovative Federal Strategies LLC

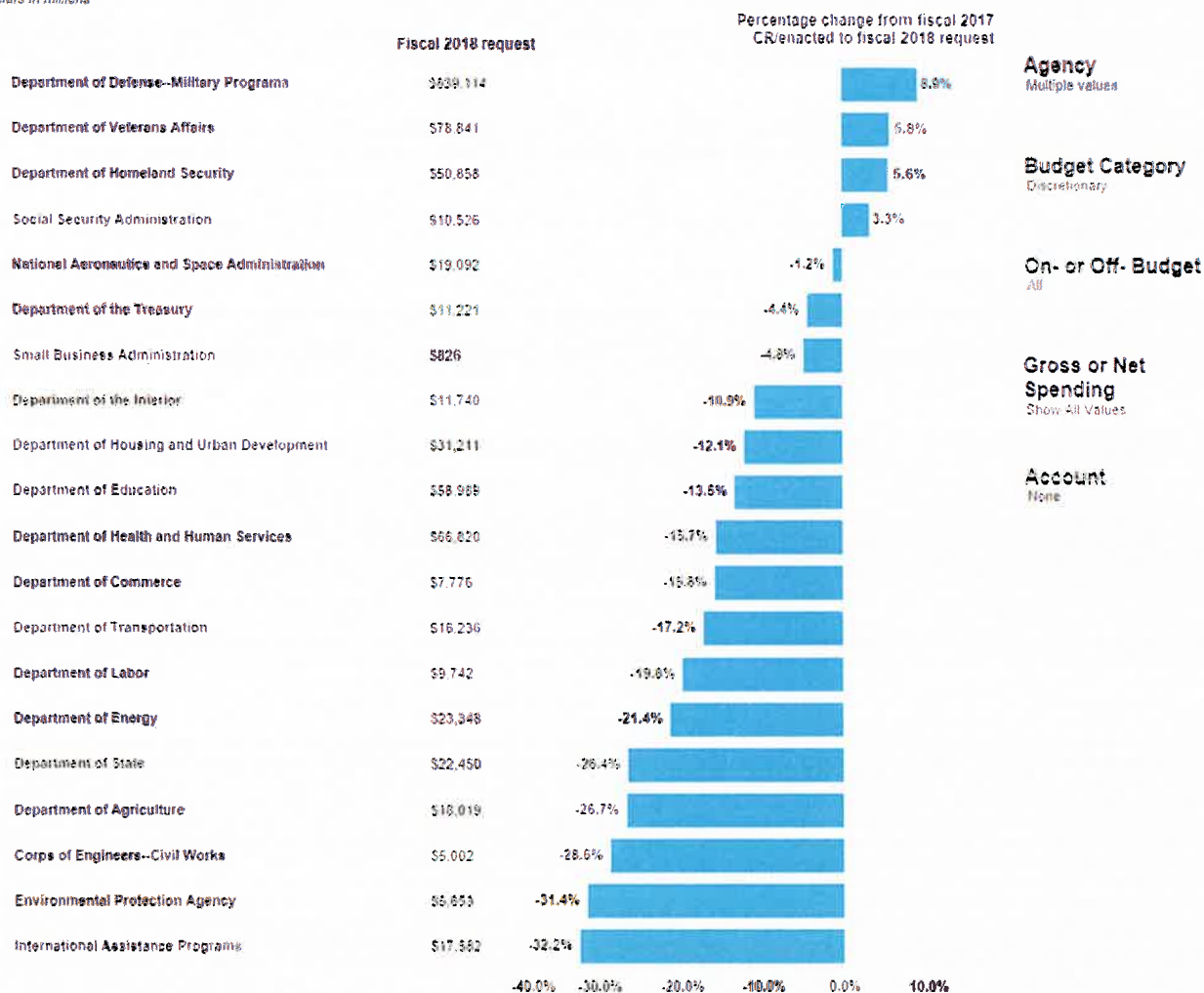
Secretary to condition certain grants and other law enforcement cooperation on complying with information requests as part of enforcing immigration laws, or, a city's status as a 'Sanctuary City.'

Both Republicans and Democrats on Capitol Hill quickly jumped to announce the request was "Dead on Arrival." Senator John McCain [R-AZ] slammed the proposal, stating it was "inadequate to the challenges we face, illegal under current law, and part of an overall budget proposal that is dead on arrival in Congress." House Appropriations Committee Chairman Rodney Frelinghuysen [R-NJ] also released a statement, reminding the public that "As outlined in the Constitution, the Congress, not the Executive Branch, has the 'power of the purse,'" and that Congress would be writing their own budget. Additionally, he stated his committee will "analyze the request, go through each and every budget line, question every witness, and demand spending justifications on behalf of the taxpayers who are footing the bill"

Below, you will find a graphic with the requested Budget Authority by Agency.

### Budget authority by agency

dollars in millions



## *Innovative Federal Strategies LLC*

### ***President Trump Sneaks Infrastructure Update into Budget Proposal***

With little buildup, President Trump included a Fact Sheet regarding the President's frequently touted \$1 trillion-dollar infrastructure plan. (You can read the fact sheet [HERE](#).) Key principles in the President's fact sheet include making targeted federal investments, encouraging states to "self-help", aligning infrastructure investment with entities best suited to provide sustained and efficient investment, and leveraging the private sector.

The President proposes an additional \$200 billion in direct government spending and the White House is mulling public asset sales to fund some of that money. The President's proposal also came with some specific ideas, including privatizing Air Traffic Control and expanding the Transportation Infrastructure Finance and Innovation Act (TIFIA). The President's proposal also pays attention to water issues, specifically calling for full funding for the Water Infrastructure Finance and Innovation Act (WIFIA) program.

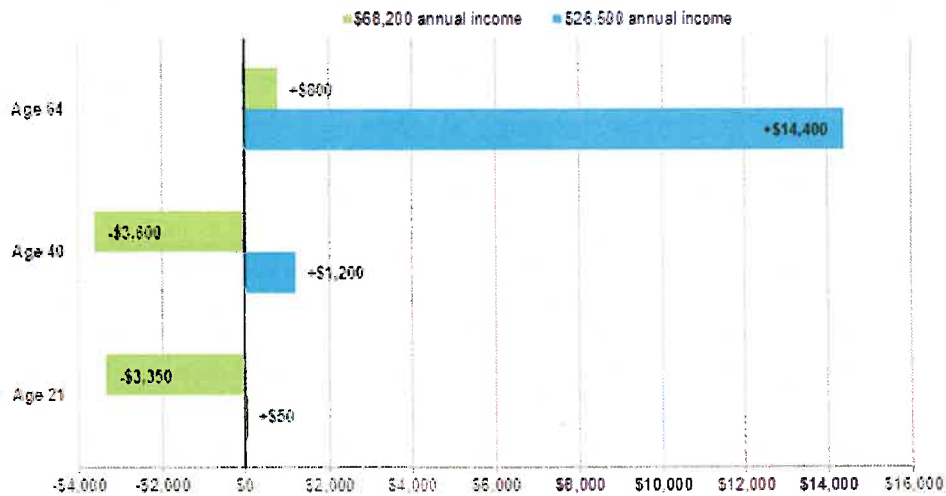
### ***House Passes Obamacare Replacement Bill***

House Republicans narrowly passed a bill to repeal and replace the Affordable Care Act (ACA) after months of tense negotiations, fulfilling a years long campaign promise to undo one of President Obama's signature accomplishments. H.R. 1628, the American Health Care Act includes provisions which

- Replace the individual and employer mandate penalties with a "continuous coverage" surcharge for those with a gap in coverage;
- Allow states to opt out of ACA's essential health benefit requirements and rules preventing insurers from charging more based on health status and age;
- Provide funding for high-risk pools, reinsurance programs and other purposes;
- Eliminate the ACA's income-based subsidies and replacing them with refundable, age based tax credits;
- Roll back the Medicaid expansion and converting Medicaid payments to states to a per capita cap system.

The Congressional Budget Office (CBO) found that the measure would reduce federal deficits by \$119 billion over 10 years and increase the number of uninsured by 23 million people in 2026. CBO estimated that premiums would be lower on average after 2020, though they could vary significantly based on health in states that opt out of the insurance rules and based on age and income. The following graphic shows how net premium costs would rise for older and lower-income people in states that don't opt out of insurance rules.

**Change in premium costs after subsidies in states that don't seek waivers**



Note: CBO estimated about 50 percent of the population lives in states that wouldn't seek a waiver from insurance rules.  
Source: BDOV calculations based on May 24 CBO cost estimate, Table 5

Bloomberg Government

The bill is expected to be revised drastically in the Senate, where Senate Majority Leader Mitch McConnell [R-KY] already has established a working group of Republican Senators to work on creating a Senate version of the legislation. Senator Lamar Alexander, [R-TN] who chairs the Senate health committee stated that the Senate will “write our own bill” in the hours following the House’s passage of the legislation.

***President Trump Takes First Foreign Trip***

President Trump took his first foreign trip as President, departing on May 19th for an 8-day trip that included stops across the Middle-East and Europe. The President had stops in Saudi Arabia and Israel, before meeting with the Pope in the Vatican City and meeting with other North Atlantic Treaty Organization (NATO) leaders in Europe. During the trip, the President worked to affirm some key relationships, but also had some tense exchanges with allies. Speaking before NATO members, he challenged member nations to ‘pay their fair-share’ and failed to wholeheartedly endorse NATO’s Article 5, the article which states any NATO member will view an attack against another NATO member as an attack against itself. (President Trump’s advisors later stated that ‘of course’ the president supports Article 5.)

The President received mixed reviews for the trip with relatively few major blemishes. Supporters praised trump for “sticking-to-the script,” and creating relatively little drama during the trip, however detractors critiqued the President on issues related to intelligence leaks, NATO and the Paris Climate Accord.

***Deputy AG Names Special Counsel over Russia Inquiry***

Deputy Attorney General Rod Rosenstein named former FBI Director Robert Mueller Special Counsel to oversee the Department of Justice’s investigation into Russian efforts to influence the 2016 campaign. The move immediately restored needed credibility to the investigation and was praised by politicians and critics across the political spectrum. For President Trump, reeling amid allegations he sought a loyalty pledge from recently fired FBI Director James Comey and asked him to drop an investigation into former National Security Adviser Michael Flynn, the move

## *Innovative Federal Strategies LLC*

provided welcome short-term relief. It gave Republicans seeking less drama from the White House something to cheer. And it granted Democrats a key demand for the inquiry to be managed by someone untainted by White House ties.

President Trump initially stated he welcomes the special counsel, in a statement he said “As I have stated many times, a thorough investigation will confirm what we already know there was no collusion between my campaign and any foreign entity.” However, he later claimed that he had been treated “more unfairly” than any other politician and that the investigation was simply a witch hunt.

### ***Outlook for June***

After returning from a week-long recess, Congress will have plenty to do and little time to do it, if it hopes to deliver on a number of President Trump’s key agenda items. During June, Congress will conduct hearings on the FY18 budget and will continue to conduct hearing on an upcoming infrastructure proposal. The House Appropriations Committee tentatively plans to begin marking up some bills in late June. Congress will likely begin discussing tax overhaul legislation and the Senate will begin to work on a healthcare bill to repeal and replace the Affordable Care Act. Both the House and Senate will also continue their own investigations into Russian meddling in the 2016 U.S. election, including June 8<sup>th</sup> testimony by fired FBI Director James Comey before the Senate Intelligence Committee. The House is also expected to bring up legislation to overhaul the Dodd-Frank bill that brought the most significant changes to federal financial regulation since the Great Depression.

President Trump has sworn he will investigate the high number of leaks coming out of his Administration. President Trump will also have to deal with fallout from his trip abroad including an expected June 1<sup>st</sup> decision on the Paris Climate Agreement, and how to work on trade deals with traditional European allies such as Germany who Trump has vowed to “change” the “MASSIVE trade deficit” with.

Rumors of a staff shake-up continue to dog the White House with increased fervor following the abrupt departure of White House Communications Director Michael Dubke. Amid these possible changes to his closest advisors, President Trump will need to continue appointing political staff throughout his administration and in a number of diplomatic positions.



# *Agricultural Resources*

635 Maryland Avenue, N.E.  
Washington, D.C. 20002-5811  
(202) 546-5115  
[dweiman@agriculturalresources.org](mailto:dweiman@agriculturalresources.org)

May 30, 2017

## Legislative Report

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

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

**SU: Legislative Report, May 2017**

---

### State of Affairs

- \* May came to a close with the House and Senate taking a one-week break for Memorial Day.
- \* During the month, a giant flurry of activity.
- \* FY 2017 funding was completed (through September 30). Almost all of the pending riders (highly controversial) were dropped.
- \* The Administration submitted its comprehensive budget recommendations to Congress for FY 2018 calling for sweeping cuts at EPA, State, Interior and other departments and/or agencies.
- \* The BuRec funding request is down.
- \* The funding request for Title XVI is down almost a third.
- \* Congress finally began its work on the FY 2018 appropriations bill (for the fiscal year beginning next October 1). House and Senate Appropriations Subcommittees began holding budget hearings with the various Departments and Agencies.
- \* Amid considerable controversy, the President withdrew the United States from the Paris Climate Accords generating a significant world-wide and domestic backlash.
- \* The Administration's "big three" – health care, tax reform and infrastructure – have been on-again, off-again creating confusion and uncertainty.
- \* Nominations are still lagging. There are some 500+ presidential appointees. Nominations have been announced or submitted for only about one in five.

- \* At Interior, Secretary Zinke was nominated and confirmed. The Deputy Secretary, David Bernhardt, was nominated and his confirmation hearing was held during the past month. The Senate Committee has scheduled a vote in Committee on his nomination for early June. DOI has almost 20 presidential appointees. As of Memorial Day, no other nominations have been announced or formally nominated.
- \* Secretary Zinke did announce the selection of 19 appointments – department wide (lower level appointments)..
- \* Key positions – Commissioner, BuRec, head of the Army Corps, Assistant Administrator for Water (EPA) – no nominations yet.

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

- \* Last month, I reported that *“health care (ACA or “Obamacare), tax reform and infrastructure are politically, financially and programmatically intertwined.”* That assessment remains even more accurate today
- \* I further reported that *“The House, in February, March and now April, was unable to bring a “repeal and replace” health care bill to the floor. Tax provisions in the health care bill were considered essential (and therefore linked) to/for the Tax Reform package. After House Rs pulled the health care bill, the President and House leadership announced that health care would be set-aside and they would, instead, turn to tax reform. Later in April, they announced that a revised “repeal and replace” would be reconsidered, but the month came to a close without a bill being called up.”*
- \* Earlier the House pulled their repeal health care bill. Having announced that health care would be set aside indefinitely, the House then reconsidered that decision after President Trump insisted that they proceed with a “repeal and replace” bill.
- \* Behind-the-scenes negotiations took place in the House among Republicans and a bill was put together from which Speaker Ryan was able to assemble a working majority.
- \* In the rush to move the bill (which then passed the House), there were no hearings, no markup, no report and no Congressional Budget Office (CBO) budget score.
- \* The CBO analysis was published, but after House consideration. The conclusion: the bill, as structured, would exclude up to 23 million individuals from coverage generating a significant political and public relations backlash.
- \* Senate Republicans were not pleased and have begun writing their own health care bill from scratch. Senate Republicans, including Senate Intelligence Committee Chair, Burr (R-NC), Susan Collins of Maine, Capito of West Virginia (among others), as May progressed, expressed open skepticism that a health care bill could be written during 2017.
- \* Meanwhile, on the tax reform front, President Trump announced in early February that



the Administration's Tax Reform legislative initiative would be made public and submitted to Congress in "a few weeks."

- \* Treasury finally released the Trump Tax Plan in April, but the so-called plan was a one-page itemization of principles. It was an outline – a framework. As an aside, this is precisely what Interior Secretary Babbitt did back in the Clinton Administration. He would become deeply involved negotiating California water legislation/conflicts but then only produce a "framework" statement.
- \* The Speaker and House Ways and Means Chairman, Rep. Kevin Brady (R-TX) and the Administration are not in agreement on a tax bill (primarily at issue – the Border Adjustment Tax favored by House leaders, but not the Administration). It's needed for the tax bill.
- \* The timetable on a tax bill in the House is also sliding – timing is more uncertain than ever.
- \* Chairman Brady had previously announced he would start vetting a bill with House Democrats, but then dropped that initiative.
- \* As the month came to a close, the President stated that he wanted to turn to his \$1 Trillion Infrastructure plan.
- \* The plan is primarily a tax-credit based-plan, with a relatively small Federal appropriations (cash) contribution (spread out over 10 years).
- \* The Administration has suggested – floated the idea – that tax reform and infrastructure investment be merged. This adds a layer of political, economic and administrative complexity and uncertainty.

#### Municipal Tax Deductibility

- \* The Trump Tax proposal asks that the corporate tax rate be lowered to 15% (Speaker Ryan and Chairman Brady recommended 20%). To accomplish that reduction, almost the entire tax code needs to be eliminated. Two well-regarded tax provisions, House leaders have announced, will be protected – the mortgage deduction and deductions for charity.
- \* The fate of deductibility of muni bonds is unclear – if not confusing.
- \* At various times President Trump, Treasury Secretary Mnuchin and even Chairman Brady have said, suggested, and/or indicated that this tax provision would be retained.
- \* Other statements from the Administration and Capitol Hill say the opposite.
- \* This uncertainty is likely to continue until a bill is actually introduced.

- \* The Municipal Bond Coalition of America, headed by Mayor Steve Benjamin, Columbia, South Carolina, has scheduled a fly-in and congressional briefing for early June. The Mayor will lead a delegation into the White House for a briefing for the WH, Treasury, OMB and others.

### Drought – Water Conditions

- \* This report is almost identical to the one submitted last month. That is, the lack of “drought” is the storyline. According to the Drought Monitor, there are signs of mild drought conditions in Southern San Joaquin Valley and along the coastal areas of Southern California.
- \* And, DWR Monthly Snow Surveys and reservoir conditions remain strong. As previously noted, the threat of late Spring flooding is the new concern.
- \* As Summer progresses, it’s important to watch the weather conditions across the entire Southern Tier – in the Southwest, Texas and across the South to Florida. Early signs of dry conditions are appearing.

### Looking Towards June-July

- \* Appropriations Committees will begin to process the FY 2018 funding bills.
- \* The debt ceiling limit is fast approaching requiring federal legislation. This is becoming the new battle-ground. Even the President, when the FY 2017 funding bill was enacted suggested that a Government shut-down might not be a bad thing. There has been, over the past month, a steady stream of “shut-down” talk. Very destabilizing.
- \* Maybe a health care bill. Maybe a tax bill. Maybe an infrastructure bill. Maybe!
- \* The White House is expected to clear several hundred nominations for Senate consideration.

### Final Note

- \* This report does not address the firing of the FBI Director, the appointment of a Special Independent investigation into Russian matters and the growing list of related issues. Suffice to say, these issues are competing with the legislative agenda and contributing to the lack of progress.

# # # # #

**INFORMATION**  
**ITEM**  
**2C**



CALIFORNIA STRATEGIES, LLC

Date: June 02, 2017  
To: Inland Empire Utilities Agency  
From: John Withers, Jim Brulte  
Re: May Activity Report

---

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

Here is our monthly activity report:

- Participated in our monthly meeting with the Senior Staff of the Agency
- Discussed Chino Basin Water Bank planning JPA work plan and associated fact sheet of basic project facts and benefits. Reviewed staff draft and provided comments on document draft.
- Participated in a broader meeting to discuss timing and steps toward adoption of the regional contract by the end of December.
- Responded to several requests for information from several Boardmembers

**INFORMATION  
ITEM  
2D**

**State Legislation**

Bill Number	Sponsor	Title and/or Summary	Summary/Status	IEUA Position
AB 574	Quirk	Potable Reuse	<p>Current law required the State Department of Public Health to develop and adopt uniform water recycling criteria for surface water augmentation, as defined, by December 31, 2016, if a specified expert panel found that the criteria would adequately protect public health health. Current law defined the terms “direct potable reuse,” “indirect potable reuse for groundwater recharge,” and “surface water augmentation” for these purposes. This bill would remove certain references to “direct potable reuse,” “indirect potable reuse for groundwater recharge,” and “surface water augmentation,” and would instead specify the four different types of potable reuse projects as “groundwater augmentation,” “reservoir augmentation,” “raw water augmentation,” and “treated water augmentation.”</p>	<p>SUPPORT</p> <p>In Senate Awaiting Committee Assingment</p>
AB 791	Frazier	Sacramento-San Joaquin Delta: State Water Project and federal Central Valley Project: new conveyance facility.	<p>The Sacramento-San Joaquin Delta Reform Act of 2009 prohibits construction of a new Delta conveyance facility from being initiated until the persons or entities that contract to receive water from the State Water Project and the federal Central Valley Project or a joint powers authority representing those entities have made arrangements or entered into contracts to pay for certain costs required for the construction, operation, and maintenance of the facility and full mitigation of property tax or assessments levied for land used in the construction, location, mitigation, or operation of the facility. This bill would require, before a water contractor enters into a contract to pay for these costs, that the lead agency provide the breakdown of costs for each water contractor entering into a contract and what benefits each contractor will receive based on the proportion it has financed of the proposed conveyance project.</p>	<p>OPPOSE</p> <p>Failed in Assm. Appropriations</p> <p>DEAD</p>

AB 792	Frazier	Sacramento-San Joaquin Delta: Delta Plan: certification of consistency.	The Sacramento-San Joaquin Delta Reform Act of 2009 establishes the Delta Stewardship Council and requires the council to develop, adopt, and commence implementation of a comprehensive management plan for the Delta, known as the Delta Plan. The act requires a state or local public agency that proposes to undertake a covered action to prepare and submit to the council a written certification of consistency with the Delta Plan before undertaking that action. This bill would prohibit the council from granting a certification of consistency with the Delta Plan until the board has completed its update of a specified water quality control plan.	OPPOSE  2 Year Bill
AB 793	Frazier	Sacramento-San Joaquin Delta: financing.	Would declare it to be state policy that the existing state of the Sacramento-San Joaquin Delta is recognized and defined as an integral component of California's water infrastructure. The bill would state that the maintenance and repair of the Delta are eligible for the same forms of financing as other water collection and treatment infrastructure and would specify the maintenance and repair activities that are eligible are limited to certain cleanup and abatement-related restoration and conservation activities.	OPPOSE  2 Year Bill
SB 231	Hertzberg	Local government: fees and charges.	Articles XIIC and XIID of the California Constitution generally require that assessments, fees, and charges be submitted to property owners for approval or rejection after the provision of written notice and the holding of a public hearing. Current law, the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with Articles XIIC and XIID of the California Constitution and defines terms for these purposes. This bill would define the term "sewer" for these purposes. The bill would also make findings and declarations relating to the definition of the term "sewer" for these purposes.	SUPPORT  Assembly Local Government Committee 6/14

AB 1668	Friedman	Water Conservation: guidelines	Creates a new drought response plan by making numerous changes to water supply planning and drought planning to incorporate climate change, enhance water supply analysis, and strengthen the enforceability of urban water management plans (UWMP) and drought contingency planning	WATCH  In Senate Awaiting Committee Assignment
AB 1669	Friedman	Urban water conservation standards and use reporting	Requires the State Water Resources Control Board (SWRCB) in consultation with the Department of Water Resources (DWR) to adopt long-term standards for urban water conservation and water use by May 20, 2021	WATCH  Failed Assembly Appropriations
AB 968	Rubio	Urban water use: water efficiency	Establishes a new 2025 water use efficiency requirement for urban retail water suppliers	WATCH  Failed Assembly Appropriations
AB 1654	Rubio	Water Shortage: Urban Water Management Planning	Creates a new drought response plan by recasting the requirements of a water shortage contingency analysis (WSCA), and creates a new annual water supply reporting requirement for urban water suppliers	WATCH  In Senate Awaiting Committee Assignment
AB 869	Rubio	Sustainable water use and demand reduction: recycled water	Excludes, from the calculation of any water use or water efficiency target established after 2020, recycled water, as specified, delivered within the service area of an urban retail or wholesale water supplier	WATCH  In Senate Awaiting Committee Assignment



**INFORMATION**  
**ITEM**  
**2E**

**Federal Legislation of Significance**

Bill Number	Sponsor	Title and/or Summary	Summary/Status
		Omnibus Appropriations Package	<p>The House and Senate passed an Omnibus Appropriations package to fund the government through the remainder of fiscal year 17. The bill was passed by the Senate on May 4<sup>th</sup> and signed by President Trump on May 5<sup>th</sup>.</p> <p>The FY17 package includes \$221.5 million for the Community Oriented Policing Services (COPS) Program. Within this funding, \$137 million is for the hiring of law enforcement, which is the same as last year. In addition, \$276 million is provided for the Economic Development Administration (EDA), an increase of \$15 million above the FY16 enacted level. Community Development Block Grants (CDBG) will receive \$3 billion, which is equal to the last year's funding level.</p> <p>For the Bureau of Reclamation, the legislation contains \$1.3 billion which is \$42 million above the fiscal year 2016 enacted level and \$205 million above the previous Administration's request. As the committee states these additional funds are for the Department of the Interior and the Bureau to help manage, develop, and protect the water resources of Western states.</p> <p>The omnibus does not include contain funding requested by President Trump to build a border wall or policy riders restricting so-called 'sanctuary cities' from receiving federal grants, defunding Planned Parenthood, or undermining the Affordable Care Act.</p>
H.R. 23	Rep. David Valadao (R-CA)	Gaining Responsibility on Water Act of 2017	<p>Among other things the legislation would require regulators to comply with the Bay-Delta Accord. The measure has been referred to the House Committee on Natural Resources and the Committee on Agriculture. At this time, it is our understanding that there isn't much of an appetite to revisit California drought legislation after just including language in the Water Resource Development Act passed at the end of 2016.</p>
	Rep. Bill Shuster (R-PA) /Sens. Jim Inhofe (R-WY) and Kamala Harris (D-CA)	Infrastructure Package	<p>Congressional hearings continue on the topic of an infrastructure package. During February both the House Transportation and Infrastructure Committee and the Senate Environment and Public Works Committee held a hearings on modernizing the nation's infrastructure. The Senate Commerce, Science and Transportation Committee is scheduled to hold a hearing on infrastructure access issues on March 1. We anticipate that both the House and Senate will continue to get feedback from stakeholders throughout the country as they continue to consider crafting an infrastructure package.</p>

			<p>While discussions continue, the Republican leadership has indicated that the legislation will likely not gain momentum until Congress concludes action regarding the Affordable Care Act and tax reform legislation.</p> <p>Along with his Budget request, on May 23<sup>rd</sup>, President Trump included a “Statement of Principles” for his desired \$ 1 trillion infrastructure proposal. <a href="#">(HERE)</a> Trump is calling for spending \$200 billion over a decade to jump start private, state and local spending on infrastructure. Additionally, the White house is mulling public asset sales to fund the plan.</p> <p>While the budget revealed some new information into what the Administration’s upcoming Infrastructure proposal will look like, it only provides an outline of what we expect to come this fall. Despite the infrastructure promises, the Transportation Department would actually see a great deal of cuts, including a complete elimination of the TIGER Program and Amtrak long distance routes. Attached to this email, you will find a slide on Transportation funding in the FY18 budget.</p>
H.R. 1663	Rep. Grace Napolitano (D-CA) / Rep. Rob Wittman (R/VA)	Water Resources Research Amendments Act	<p>This legislation would extend a Federal-State partnership aimed at addressing state and regional water problems, promoting distribution and application of research results, and providing training and practical experience for water-related scientists and engineers. H.R. 1663 would authorize \$9,000,000 annually over five years for grants to water resources research institutes and require two-to-one matching with non-federal funds. It would also promote exploration of new ideas, expand research to reduce energy consumption, and bolster reporting and accountability requirements.</p> <p>The bill has been introduced in the House Committee on Natural Resources and no actions have yet been scheduled on it.</p>
H.R. 497/ S.357	Rep. Paul Cook/ Sen. Dianne Feinstein	Santa Ana River Wash Plan Land Exchange Act	<p>This bill directs the Department of the Interior: (1) to quitclaim to the San Bernardino Valley Water Conservation District in California approximately 327 acres of identified federal land administered by the Bureau of Land Management, and (2) in exchange for such land, to accept from the Conservation District a conveyance of approximately 310 acres of its land.</p> <p>The Bill is scheduled for a hearing in front of the Federal Lands subcommittee of the House Natural Resources Committee. The bill has bipartisan, bicameral support.</p>

			On April 27 <sup>th</sup> HR 497 passed through the House Natural Resources Committee by unanimous consent, setting the bill up for a vote before the full House.
S. 32	Sen. Dianne Feinstein	California Desert Protection and Recreation Act	<p>This bill would designate important wilderness in the California desert and protect lands for recreation, wildlife and tourism. Aspects of the bill include:</p> <ul style="list-style-type: none"> <li>• Mandate study and protection of Native American cultural trails along the Colorado River.</li> <li>• Designate 230,000 acres of additional wilderness area between the Avawatz Mountains near Death Valley to Imperial County's Milpitas Wash.</li> <li>• Add 43,000 acres to Death Valley and Joshua Tree national parks.</li> <li>• Create a 75,000-plus acre special management area at Imperial County's Vinagre Wash.</li> <li>• Designate Inyo County's Alabama Hills as a National Scenic Area.</li> <li>• Prohibit new mining claims on 10,000 acres in Imperial County considered sacred by the Quechan Tribe.</li> </ul> <p>Additionally, the bill protects 140,000 acres of existing off-road vehicle riding areas from mining, energy development, military base expansion or other decisions that would close them to vehicle use.</p>
H.R. 2510	Rep. Peter DeFazio	Water Quality Protection and Job Creation Act of 2017	<p>This bill would amend the Federal Water Pollution Control Act to authorize appropriations for State water pollution control revolving funds.</p> <p>This bill has been introduced to the House Transportation and Infrastructure subcommittee on Water resources and Environment.</p>