

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

WEDNESDAY, NOVEMBER 13, 2019 9:00 A.M.

#### **CALL TO ORDER**

#### **PUBLIC COMMENT**

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form, which is available on the table in the Board Room. Comments will be limited to three 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 August 14, 2019.

#### 2. <u>INFORMATION ITEMS</u>

- A. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)
- B. <u>STATE LEGISLATIVE REPORT AND MATRIX WEST COAST ADVISORS (WRITTEN)</u>
- C. <u>FEDERAL LEGISLATIVE REPORT AND MATRIX INNOVATIVE</u> <u>FEDERAL STRATEGIES (WRITTEN)</u>
- D. <u>CALIFORNIA STRATEGIES MONTHLY REPORT (WRITTEN)</u>

Community and Legislative Affairs Committee November 13, 2019 Page 2

- 3. **GENERAL MANAGER'S COMMENTS**
- 4. <u>COMMITTEE MEMBER COMMENTS</u>
- 5. <u>COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS</u>
- 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/Office Manager 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 and the IEUA Website at <a href="https://www.ieua.org">www.ieua.org</a> on Thursday, November 7, 2019.

April Woodruff

# ACTION ITEM



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

WEDNESDAY, AUGUST 14, 2019 9:00 A.M.

#### **COMMITTEE MEMBERS PRESENT**

Jasmin A. Hall, Chair Paul Hofer

#### **COMMITTEE MEMBERS ABSENT**

None

#### STAFF PRESENT

Shivaji Deshmukh, General Manager
Randy Lee, Executive Manager of Operations/AGM
Shaun Stone, Acting Executive Manager of Engineering/AGM
Christina Valencia, Executive Manager of Finance & Administration/AGM
Laura Mantilla, Executive Assistant
Cathleen Pieroni, Manager of Government Relations
Daniel Solorzano, Technology Specialist I
Wilson To, Technology Specialist II
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

#### OTHERS PRESENT

Eric Grubb, CVWD Erin Morales, CVWD

The meeting was called to order at 9:00 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 June 12, 2019 and July 10, 2019.

#### **INFORMATION ITEMS**

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

- Public Outreach and Communications
- ♦ State Legislative Report and Matrix West Coast Advisors
- ♦ Federal Legislative Report and Matrix Innovative Federal Strategies

Community and Legislative Affairs Committee August 14, 2019 Page 2

♦ California Strategies Monthly Report

#### **GENERAL MANAGER'S COMMENTS**

There were no General Manager comments.

### **COMMITTEE MEMBER COMMENTS**

There were no Committee member comments.

# COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

There were no Committee member requests for future agenda items.

With no further business, Director Hall adjourned the meeting at 9:04 a.m.

Respectfully submitted,

April Woodruff Board Secretary/Office Manager

\*A Municipal Water District

APPROVED: NOVEMBER 13, 2019

# INFORMATION ITEM 2A



Date: November 20, 2019

M

To: The Honorable Board of Directors From: Shivaji Deshmukh, General Manager

**Committee:** Community & Legislative Affairs

11/13/19

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

Subject: Public Outreach and Communication

#### **Executive Summary:**

- IEUA staff promoted National Energy Awareness Month in October by showcasing the Agency's renewable energy initiatives and by highlighting the water-energy nexus through social media channels.
- The Agency celebrated Water Professionals Appreciation Week by featuring IEUA staff on social media, placing Board-signed appreciation banners in all facilities, coordinating daily staff giveaways, delivering donuts, arranging a therapy dog experience, and bringing massage therapists to HQ-B and RP-1.
- On October 15, IEUA took part in hosting a portion of the 2019 California Special Districts Association Legislative Staffers Tour to showcase Agency initiatives, the Agency's new water quality lab and the Chino Creek Wetlands and Educational Park.
- IEUA staff promoted National Prescription Drug Take Back Day (October 26) on the Agency's social media channels and distributed a news release. The Agency received a Certificate of Recognition from Assemblymember Freddie Rodriguez.

#### Staff's Recommendation:

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

**Budget Impact** Budgeted (Y/N): Y Amendment (Y/N): N Amount for Requested Approval: Account/Project Name:

Fiscal Impact (explain if not budgeted):

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N/A

#### **Environmental Determination:**

**Statutory Exemption** 

N/A

#### **Business Goal:**

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

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

#### **Attachments:**

Attachment 1 - Background

Board-Rec No.: 19268



# Background

Subject: Public Outreach and Communication

#### November

 November 9, IEUA Volunteer Packing Party w/ Community Action Partnership of San Bernardino County, 9:00 a.m. – 11:00 a.m., HQB Event Room (Not an Agency sponsored event)

#### December

 December 18, IEUA Holiday Luncheon, 11:30 a.m. − 3:00 p.m., Los Serranos Country Club: 15656 Yorba Avenue, Chino Hills

#### Media and Outreach

- IEUA staff promoted National Energy Awareness Month in October by showcasing the Agency's renewable energy initiatives and by highlighting the water-energy nexus through social media channels.
- On October 2, IEUA, in partnership with the Metropolitan Water District of Southern California (MWD), Senator Connie M. Leyva and Assemblymember Eloise Gómez Reyes, hosted a Community Leaders Water Briefing behind HQ-A. The luncheon featured IEUA Vice President and MWD Director Jasmin Hall, MWD General Manager Jeff Kightlinger, Senator Leyva, and Assemblymember Reyes. A discussion took place focusing on water and legislative issues impacting our region and State. A tour of IEUA's Water Quality Laboratory and Chino Creek Wetlands and Educational Park was given after the program concluded. Over 100 community members participated in the event.
- The Agency celebrated Water Professionals Appreciation Week by featuring IEUA staff on social media, placing Board-signed appreciation banners in all facilities, coordinating daily staff giveaways, delivering donuts, arranging a therapy dog experience, and bringing massage therapists to HQ-B and RP-1.
- On October 15, IEUA took part in hosting a portion of the 2019 California Special Districts Association Legislative Staffers Tour to showcase Agency initiatives, the Agency's new water quality lab and the Chino Creek Wetlands and Educational Park.
- IEUA published its first post on Nextdoor on October 10, a platform staff will utilize to communicate directly with residents in IEUA's service area. Nextdoor targets messaging to IEUA's service area and reaches out to those actively engaged in the community. The post promoted all Agency education programs. As of October 28, the post has received 9,127 impressions, and over 2,500 email opens.
- IEUA staff promoted National Prescription Drug Take Back Day (October 26) on the Agency's social media channels and distributed a news release. The Agency received a Certificate of Recognition from Assemblymember Freddie Rodriguez in honor of the Agency's efforts in supporting this day.
- October: 28 posts were published to the IEUA Facebook page, 28 posts were published to IEUA's Instagram and 29 tweets were sent on the @IEUAwater Twitter handle.

- o The top three Facebook posts, based on reach and engagement, in the month of October were:
  - 10/12 Whitsett Pumping Plant Visit
  - 10/26 Wind Turbine Renewable Energy
  - 10/17 Happy National Energy Awareness Month
- o The top three tweets, based on reach and engagement, in the month of October were:
  - 10/2 MWD General Manager Jeff Kightlinger at Community Leaders Water Briefing
  - 10/8 CA Water Professionals Appreciation Week
  - 10/12 Whitsett Pumping Plant Visit
- o The top three Instagram posts, based on reach and engagement, in the month of October were:
  - 10/10 Water Professionals Appreciation Week Video
  - 10/28 Water Professionals Appreciation Week
  - 10/15 CSDA Legislative Tour
- A Kick the Habit ad ran in the Champion's Senior Living section on October 5.
- A Kick the Habit ad ran in the Champion's Fall Home and Garden section on October 12.
- A Kick the Habit ad ran in the Champion's Winter Connection section on November 2.
- A Kick the Habit ad ran in the IE Magazine October issue.
- The Kick the Habit digital banner ad continues to run in the Fontana Herald News.

For the month of October, there were 8,304 searches for a park in IEUA's service area on Yelp, where Chino Creek Wetlands and Education Park was viewed 607 times on a mobile device.

#### Education and Outreach Updates

- The Water Discovery Program field trips have begun for school year 19/20. The Water Discovery Program has reached over 455 students and 11 schools for this current school year. We currently have a total of 50 schools and 2,344 students scheduled for the 19/20 school year.
- Staff has reviewed the Garden in Every School® applications. Three schools were selected for site evaluations. Site evaluations took place in early September. All schools are now planning the site clearing process. The three selected schools are: Randall Pepper Elementary (Fontana), Loving Savior (Chino Hills) and St. Joseph (Upland).
- On October 23, staff facilitated a Water Discovery Program activity that focused on the region's water table and the aquifer. This activity focused on messaging that incorporated "Imagine a Day Without Water": a recognized day each October that promotes the value of water.

# INFORMATION ITEM 2B



#### October 31, 2019

To:

Inland Empire Utilties Agency

From:

Michael Boccadoro

Beth Olhasso Maddie Munson

RE:

October Report

#### Overview:

Water supply conditions sit at favorable levels for this time of the year. While overall capacity is declining as normal during this time of year, water managers are looking to the fast approaching winter to replenish storage.

After much anticipation, the United State Fish and Wildlife Service (USFWS), the National Oceanic Atmospheric Administration (NOAA) and the Bureau of Reclamation released the updated operational rules for the Central Valley Project (CVP) and State Water Project (SWP). The rules govern when and at what level the state and federal pumps can operate and were last addressed in 2008 and 2009. The rules also address the amount of water that should be held back in major reservoirs, such as Lake Shasta, in order to provide cold water habitat for spawning salmon through Summer and Fall.

The medium and heavy-duty truck rules are progressing at the California Air Resources Board (CARB). The recently released first phase sets ZEV sales mandates while the second phase of the approach will set truck fleet reporting rules that will inform the development of a separate regulation schedule to be adopted in 2022 that will require fleet owners, likely including public agencies, to purchase a certain percentage of ZEV trucks.

The California Public Utilities Commission (CPUC) is expected to soon ask the State Water Resources Control Board (SWRCB) to extend the deadline for closure of four natural gas plants slated to close in 2020. The four plants were originally set for closure because they use once-through cooling, but now may be again needed for grid reliability over the next several years.

Southern California Edison has filed its 2021-2023 General Rate Case, Phase One. The utility is asking for a massive increase that, by 2023 would raise rates by over 50 percent over 2018 rates.

Finally, the Legislative Session is officially over for the year. The Legislature sent Governor Newsom 1,042 bills. By the end of the day on October 13 he had signed 870 and vetoed 172. His 16.5 percent veto rate matched the all-time high of former Governor Jerry Brown. The biggest bill left at the end of the session for IEUA was SB 1, Pro tem Atkins bill that would have locked in outdated science to help manage the Delta. As previously reported, both houses passed the bill, with several Inland Empire legislators abstaining from the vote thanks to efforts by IEUA. The bill was vetoed by the Governor, a major victory for the State Water Contractors and all those in opposition to the bill. It will likely return in some form next year.

# Inland Empire Utilities Agency Status Report – October 2019

#### Water Supply Conditions

The major reservoirs serving the State Water Project are doing very well for this time of the year. Storage is understandably declining during the late summer and fall seasons with limited precipitation. Water managers are looking to the rapidly approaching winter in hopes of a strong snowpack to keep water storage at favorable levels.

Ending At Midnight - October 29, 2019 CURRENT RESERVOIR CONDITIONS LEGENO 4552 3538 1000 1000 2446 2000 2000 2000 1000 1000 1600 Lake Oroville Lake Shasta Folsom Lake Trinity Lake 58% | 97% 62% | 121% 81% 124% 2420 2008 2050 MOCLUTE Date Not Updated Don Pedro Reservoir New Melonas Lake 1025 80% | 123% 83% | 149% Lake McClure 61% | 140% San Luis Reservoir 47% 90% Pine Flat Reservoir Millerton Lake 44% | 126% 52% | 138% 325 Lake Perris Castalc Lake 68% | 89% 87% | 115%

#### Feds Release Updated BiOps for Delta

After much anticipation, the United State Fish and Wildlife Service (USFWS), the National Oceanic Atmospheric Administration (NOAA) and the Bureau of Reclamation released the updated operational rules for the Central Valley Project (CVP) and State Water Project (SWP). The rules govern when and at what level the state and federal pumps can operate were last addressed in 2008 and 2009. The rules also address the amount of water that should be held back in major reservoirs, such as Lake Shasta, in order to provide cold water habitat for spawning salmon through Summer and Fall.

Because both the SWP and CVP projects go through endangered and threatened Chinook salmon and delta smelt habitat, the federal Endangered Species Act requires in depth scientific review of how proposed project operations will affect these species. This review is detailed in lengthy documents called Biological Opinions (BiOps). Water users have been calling for an updated review incorporating more recent scientific studies of the Sacramento-San Joaquin Delta ecosystem since the adoption of the 2008 and 2009 BiOps.

The old pumping rules were primarily comprised of a calendar-based approach that dictated when pumping could happen in the South Delta based on the liklihood smelt and salmon were in the vicinity of the pumps. Over the last decade, millions of dollars have been invested into further studies that suggest this calendar-based approach may not be the most accurate method of predicting when the endangered fish are near the pumps. Instead, the recently announced rules will rely on real-time monitoring to determine whether pumping will harm the endangered fish. The federal agencies have determined that the new rules will not cause any additional harm to the endangered and threatened fish species, a key determination required by the federal ESA.

While water users are lauding the plan as a vast improvement, federal fishery officials have said that it is unclear at this point whether or not the new rules will result in increased water deliveries for South of Delta water users. Because the new rules are such a departure from the existing calendar-based approach, it is difficult to know what the results of the real-time monitoring will be and how often pumping will be allowed based on the presence of endangered fish near the pumps. This rationale has not given confidence to environmental and angling groups who say the plan will damage dwindling salmon and smelt populations even further.

The new plan also calls for \$1.5 billion from the state and federal government to enhance science, restore habitat, and expand hatcheries. Lastly, the plan will also adjust water supplies held in Lake Shasta with models showing that there will be more cold water available for spawning salmon in the upper Sacramento River. The federal fisheries agencies also indicated that the new rules would complement ongoing efforts by the State to reach voluntary agreements with water users on water quality standards in the Delta.

Governor Newsom initially responded to the announcement with caution, saying that the State is still reviewing the plan. There has been some speculation that if the State was unsatisfied with the federal agencies' plan, the Department of Water Resources (DWR) and California Department Fish and Wildlife would prepare their own environmental analysis and operational rules for the SWP. This would be a significant departure from the way the CVP and SWP have historically been operated in close coordination. There is concern among SWP contractors that in order to overcompensate for a potential increase in South of Delta exports by the CVP, DWR could curtail SWP exports even further.

Most stakeholders are still reviewing the thousands of pages of materials, but there are sure to be extensive discussion and multiple lawsuits surrounding the new plan.

#### Environmentalists Push for Enhanced Medium and Heavy-Duty Truck ZEV Rules

Environmental, health and labor groups are increasing their advocacy at the California Air Resources Board (CARB) on the proposed medium and heavy-duty truck zero-emission vehicle (ZEV) sales mandates. The recently released proposal is similar to the draft released over the summer, despite significant effort from environmentalists to accelerate timelines.

The current phase of the rule proposes manufacturer ZEV sales requirements for model years 2024-2030. The second phase of the approach will set truck fleet reporting rules that will inform the development of a separate regulation schedule to be adopted in 2022 that will require fleet owners, including public agencies, to purchase a certain percentage of ZEV trucks.

#### Proposal by CPUC Would Keep OTC Plants Open

The California Public Utilities Commission (CPUC) is expected to soon ask the State Water Resources Control Board (SWRCB) to extend the deadline for closure of four natural gas plants slated to close in 2020. The CPUC and the Statewide Advisory Committee on Cooling Water Intake Structures both believe the extension is necessary for short-term grid reliability. The proposed decision says electricity generated by the gas plants is likely needed to ensure grid reliability in southern California through 2023 because recent backup power procurement efforts have not spurred additional capacity to make up for the amount of power that will be lost from the OTC plants.

The four plants were slated for closure under of the state's once-through-cooling (OTC) policy. The SWRCB's OTC rule requires more than a dozen costal power plants to shut down or replace their ocean-cooling systems in favor of technologies, such as closed-loop cooling, that don't trap fish against water intake screens or suck small marine life into the cooling system. Most, including the four involved in this decision, are being closed rather than retrofitted.

Environmentalists, community groups, and several legislators strongly oppose the plan noting that the extension is unnecessary for reliability, and the risks associated with extending the life outweighs any potential benefits.

The CPUC is expected to vote on the matter on November 7, and then the SWRCB will have final say. The SWRCB has not yet made any comments noting that the issue has not formally been referred to the board.

#### Southern California Edison General Rate Case

Southern California Edison has filed its 2021-2023 General Rate Case, Phase One. The utility is asking for a massive increase that, by 2023 would raise rates by over 50 percent over 2018 rates. In 2021 alone, they are asking for a \$1.15 billion, or 18 percent, increase. In total, SCE is asking ratepayers to pay \$4.8 billion more over the three-year rate case cycle then if the current base revenue requirement were to remain unchanged. Additionally, these increases do not include the costs recorded to fire mitigation memorandum accounts, which are forecast to total over \$510 million for 2019 alone.

SCE has cited fire safety and grid resiliency as the main drivers for the massive increases. While rate requests are usually reduced by the CPUC, with safety and resiliency being the driving factors of this case, it is likely that the final increase will be costly for water agencies and other customers.

### SCE Test Year 2021 GRC Request (2021-2023 Cycle)<sup>2</sup>

Year	Increase (\$000)	GRC Rev. Req. (\$000)	% Increase
2020 (Authorized)		\$6,446,000	
2021	\$1,155,000	\$7,601,000	18%
2022	\$400,000	\$8,001,000	5%
2023	\$531,000	\$8,532,000	7%
Sum of 2021-2023 Increases	\$2,086,0000		
% Increase by 2023 (over 2020)	30%		
Cumulative Increase in Revenues	\$4,796,000		

<sup>\*</sup>Protest of The Utility Reform Network http://docs.cpuc.ca.gov/PublishedDocs/Effle/G000/M317/K095/317095059.PDF

#### Public Safety Power Shutoffs

Both PG&E and SCE have relied on Public Safety Power Shutoffs (PSPS) to try to limit wildfire ignition during high wind events. PG&E has been widely criticized for their handling of the shut-off events, leaving millions of customers in the dark with very little communication.

Water agencies throughout the state have struggled to find enough backup generation to keep their operations going. Many have an added problem of local air district permits limiting the runtime on backup diesel generators during prolonged shut-off events.

Senate President pro Tem Toni Atkins (D-San Diego) announced the creation of a working group to study the issue of PSPS. The working group will include the following Senators: Susan Rubio (D-Baldwin Park), Mike McGuire (D-Healdsburg), Bill Dodd (D-Napa), Hannah-Beth Jackson (D-Santa Barbara), Ben Hueso (D-San Diego), Ben Allen (D-Santa Monica), Henry Stern (D-Canoga Park), Nancy Skinner (D-Berkeley), Jerry Hill (D-San Mateo), and Scott Wiener (D-San Francisco).

ACWA has several workgroups meeting to compile experiences and discuss what measures or changes are needed for water agencies to continue operating during PSPS events. WCA is participating in these working groups.

It is expected that there will be several proposals introduced in January on the PSPS topic, and this will likely be a very hot topic when the legislature returns.

#### Legislative Update

October 13 marked the final action of the first year of the 2019-2020 legislative session. The Legislature sent Governor Newsom 1,042 bills. By the end of the day on October 13 he had signed 870 and vetoed 172. His 16.5 percent veto rate matched the all-time high of former Governor Jerry Brown.

AB 1180 (Friedman): AB 1180 will require the SWRCB to update the state's non-potable recycled water regulations by 2023. These regulations have not been revised since 2000. An update to these regulations, incorporating the knowledge and lessons learned from nearly two decades of non-potable water recycling, will help the state to achieve its ambitious goals for recycled water use. The bill also promotes recycled water use for dual plumbed buildings and for commercial, industrial and institutional (CII) uses by requiring the Water Board, through its update of Title 17 backflow

regulations, to include the use of a change over device, such as a swivel ell. This bill is sponsored by WateReuse. The measure was signed by the Governor.

#### SB 1 (Atkins)

As previously reported, SB 1 by pro Tem Atkins, was an attempt to backstop any environmental regulations the Trump administration tries to roll back. The State Water Contractors, AWCA and other water agencies raised serious concerns about key provisions of the bill. A coalition of business (California Chamber of Commerce) and water interests formed to try to secure amendments to address those concerns.

The main concern was that the language would handcuff the CA Department of Fish and Wildlife (DFW) from being able to apply new science, new adaptive management practices or consider current hydrologic conditions, by locking in the current biological opinions, and incidental take permits in place as of January 19, 2017. It would also have allowed the state to add federally listed endangered species to the California Endangered Species Act, bypassing the normal public process.

Locking these permits in place could have also essentially ended any discussion of voluntary agreements (VAs). The VA process began after the State Water Resources Control Board issued a draft plan for 40 percent unimpaired flows on the San Joaquin River (a second phase would consider unimpaired flows on the Sacramento River). Massive backlash led to the start of talks to create VAs. VA talks have been fruitful and are close to completion. The VAs will rely on a series of measures to sustainably manage flows, restore habitat and protect native species. If the 2017 rules are locked into place, the VAs could fall apart, causing irreparable harm to the effort.

The proponents of the bill, lead by the Defenders of Wildlife, were believed to be seeking these changes because they are unhappy with the VAs and because they would like to get two species, orca whales and steelhead trout, listed under the CA Endangered Species Act.

Because this bill was authored by the pro Tem, and clearly a top priority for her as it was the first bill introduced in the year, opponents were cautious in their approach. The oppose unless amended coalition, including MWD, ACWA and the State Water Contractors, offered a set of amendments that would take care of their opposition without compromising the pro Tem's goal of protecting California from of federal rollback on environmental regulations. The Newsom administration got involved because of the implications for the VAs and attempted to bring parties together to come up with a solution.

The Administration weighed in with amendments that, while never made public, were rumored to take care of the concerns of the opposition coalition. The pro Tem chose not to take the amendments offered by the opposition coalition or the administration. The bill ultimately passed out of both houses. IEUA's communication with its representatives was important, and while the bill did pass, several members from the Inland Empire chose to abstain from voting on the bill.

The Governor vetoed the bill, as expected. With the recent release of the BiOps, it is likely that some version of the bill will come back next year. Talks are underway with the supporters and the author to see how the ultimate goal can be achieved without damaging the VA process.

#### Water Bonds

Within the final few weeks of the session, two additional water bonds were introduced in the legislature. As reported previously, an initiative was submitted for a \$7.8 billion bond for the November ballot, and SB 45 (Allen) has been in print since January. Recently, Speaker Rendon

indicated that he was open to entertaining a water bond and two were subsequently introduced in the Assembly. Eduardo Garcia (D-Coachella), chair of the Assembly Water, Parks and Wildlife Committee, introduced AB 352, the \$3.9 billion Wildlife Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020. Assemblymember Kevin Mullin (D-San Francisco) introduced AB 1298 the Climate Resiliency, Fire Risk Reduction, Recycling, Groundwater and Drinking Water Supply, Clean Beaches, and Jobs Infrastructure Bond Act of 2020 without funding amounts included.

No action was taken on these measures at the end of session, and leadership has started a working group process to work out details of a bond. Expectations are that a single bond coulf be shaped and passed by June 2020 and appear before voters on the November 2020 Presidential Election.

### IEUA BILL POSITIONS—October 31, 2019--- FINAL 2019 ACTION

Bill Number	Author/Sponsor	Title and/or Summary	Summary	IEUA Position
AB 292	Quirk WateReuse	Recycled water: raw water and groundwater augmentation	This bill would eliminate the definition of "direct potable reuse" and instead would substitute the term "groundwater augmentation" for "indirect potable reuse for groundwater recharge" in these definitions. The bill would revise the definition of "treated drinking water"	SUPPORT  2-year bill
AB 405	Rubio	Sales and use taxes: exemption: water treatment	augmentation."  Would exempt from Sales and Use Tax the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, chemicals used to treat water, recycled water, or wastewater regardless of whether those chemicals or other agents become a component part thereof and regardless of whether the treatment takes place before or after the delivery to consumers.	SUPPORT  Held in Approps
AB 533	Holden  MWD	Income taxes: exclusion: water conservation or efficiency programs: water runoff management improvement programs	This bill, for taxable years beginning on or after January 1, 2019, and before January 1, 2024, would provide an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a water service provider for any water conservation or efficiency program or water runoff management improvement program, as provided.	SUPPORT  Held in Approps
AB 557	Wood	Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program	Would appropriate \$9,250,000 from the General Fund to the Department of Water Resources in the 2019–20 fiscal year to operate the Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program.	SUPPORT  Held in Approps
AB 654	Rubio	Public records: utility customers: disclosure of personal information	Would authorize a local agency to disclose the name, utility usage data, and home address of utility customers to an officer or employee of another governmental agency when the disclosure is not necessary for the performance of the other governmental agency's official duties but is to be used for scientific, educational, or research purposes, and the requesting agency receiving the disclosed material agrees to maintain it as confidential in accordance with specified criteria.	SUPPORT  2- year bill

AB 756	Christina Garcia	Public water systems: perfluoroalkyl substances and polyfluoroalkyl substances.	Would authorize the State Water Resources Control Board to order a public water system to monitor for perfluoroalkyl substances and polyfluoroalkyl substances. The bill would require a community water system or a nontransient noncommunity water system, upon a detection of these substances, to report that detection, as specified. The bill would require a community water system or a nontransient noncommunity water system where a detected level of these substances exceeds the response level to take a water source where the detected levels exceed the response level out of use or provide a prescribed public notification.	OPPOSE  Signed by Governor
AB 841	Ting	Drinking water: contaminants: perfluoroalkyl and polyfluoroalkyl substances	Would require the Office of Environmental Health Hazard Assessment to adopt and complete a work plan within prescribed timeframes to assess which substances in the class of perfluoroalkyl and polyfluoroalkyl substances should be identified as a potential risk to human health, as provided. The bill would require the office, as part of those assessments, to determine which of the substances are appropriate candidates for notification levels to be adopted by the state board. The bill would require the Office of Environmental Health Hazard Assessment, by January 1, 2022, to provide to the Legislature an update on the assessment.	SUPPORT  2- Year Bill
AB 1180	Friedman  WateReuse	Recycled Water	The California Safe Drinking Water Act requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Current law requires, on or before January 1, 2020, the state board to adopt standards for backflow protection and cross-connection control through the adoption of a policy handbook, as specified. This bill would require that handbook to include provisions for the use of a swivel or changeover device to supply potable water to a dual-plumbed system during an interruption in recycled water service.	SUPPORT

AB 1194	Frazier	Sacramento-San Joaquin Delta: Delta Stewardship Council	Would increase the membership of the Delta Stewardship Council to 13 members, including 11 voting members and 2 nonvoting members	OPPOSE  2-year bill
AB 1204	Rubio ACWA	Public water systems: primary drinking water standards: implementation date.	Would require the adoption or amendment of a primary drinking water standard for a contaminant in drinking water not regulated by a federal primary drinking water standard or that is more stringent than a federal primary drinking water standard to take effect 3 years after the date on which the state board adopts or amends the primary drinking water standard. The bill would authorize the state board to delay the effective date of the primary drinking water standard adoption or amendment by no more than 2 additional years as necessary for capital improvements to comply with a maximum contaminant level or treatment technique.	SUPPORT  2-year bill
AB 1588	Gloria	Drinking water and wastewater operator certification programs	Current law requires the State Water Resources Control Board to issue a water treatment operator certificate and water distribution operator certificate by reciprocity to any person holding a valid, unexpired, comparable certification issued by another state, the United States, prescribed territories or tribal governments, or a unit of any of these. Current law requires the board to classify types of wastewater treatment plants for the purpose of determining the levels of competence necessary to operate them. This bill would require the board to evaluate opportunities to issue a water treatment operator certificate or water distribution operator certificate by reciprocity, or a wastewater certificate by examination waiver, to persons who performed duties comparable to those duties while serving in the United States military, as specified.	SUPPORT  Held in Senate Appropriations

AB 1672	Bloom	Product labeling: flushable products	Current law regulates the labeling requirements on various consumer products. This bill would express the intent of the Legislature to enact legislation to prohibit the	SUPPORT
	CASA		sale or advertisement of any nonwoven disposable product labeled as "flushable" or "sewer and septic safe" if that	0.77
ACA 1	Aguiar-Curry	Local government financing: affordable housing and public infrastructure: voter approval	product fails to meet specified performance standards.  The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements.	2-Year Bill SUPPORT  Assembly Floor- first vote failed, can be acted upon Jan 2020
SB 1	Atkins  Defenders of Wildlife	California Environmental, Public Health, and Workers Defense Act of 2019	Current state law regulates the discharge of air pollutants into the atmosphere. The Porter-Cologne Water Quality Control Act regulates the discharge of pollutants into the waters of the state. The California Safe Drinking Water Act establishes standards for drinking water and regulates drinking water systems. The California Endangered Species Act requires the Fish and Game Commission to establish a list of endangered species and a list of threatened species, and generally prohibits the taking of those species. This bill would require specified agencies to take prescribed actions regarding certain federal requirements and standards pertaining to air, water, and protected species, as specified.	OPPOSE UNLESS AMENDED
SB 200	Monning	Safe and Affordable Drinking Water Fund	Would establish the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and the long term. The bill would authorize the board to provide for the deposit into the fund	SUPPORT

			of federal contributions, voluntary contributions, gifts, grants, and bequests and would provide that moneys in the fund are available, upon appropriation by the Legislature, to the board to fund grants, loans, contracts, or services to assist eligible recipients.	Chaptered
SB 204	Dodd  Delta Interests	State Water Project: Contracts	Would require the Department of Water Resources to provide at least 10 days' notice to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature before holding public sessions to negotiate any potential amendment of a long-term water supply contract that is of project-wide significance with substantially similar terms intended to be offered to all contractors, or that would permanently transfer a contractual water amount between contractors.	WATCH  2- year bill
SB 307	Roth  National Parks Conservation Association	Water conveyance: use of facility with unused capacity	This bill would prohibit a transferor of water from using a water conveyance facility that has unused capacity to transfer water from a groundwater basin underlying desert lands, as defined, that is in the vicinity of specified federal lands or state lands to outside of the groundwater basin unless the State Lands Commission, in consultation with the Department of Fish and Wildlife, finds that the transfer of the water will not adversely affect the natural or cultural resources of those federal and state lands.	OPPOSE  Chaptered
SB 332	Hertzberg  NRDC	Ocean Discharge	Would declare, except in compliance with the bill's provisions, that the discharge of treated wastewater from ocean outfalls is a waste and unreasonable use of water. The bill would require each wastewater treatment facility that discharges through an ocean outfall and affiliated water suppliers to reduce the facility's annual flow as compared to the average annual wastewater discharge baseline volume, as prescribed, by at least 50% on or before January 1, 2030, and by at least 95% on or before January 1, 2040. The bill would subject the owner or operator of a wastewater treatment facility, as well as the affiliated water suppliers, to a civil penalty of \$2,000 per acre-foot of water above the required reduction in overall volume discharge for the failure to meet these deadlines.	OPPOSE UNLESS AMENDED Held in Approps

SB 414	Caballero  Eastern MWD/ CMUA	Small System Water Authority Act of 2019	Would create the Small System Water Authority Act of 2019 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2020, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance, for the period from July 1, 2018, through December 31, 2019, with one or more state or federal primary drinking water standard maximum contaminant levels, as specified.	SUPPORT  2- year bill
SB 667	Hueso		Would require the Department of Resources Recycling and Recovery to develop, on or before January 1, 2021, and would authorize the department to amend, a 5-year needs assessment to support innovation and technological and infrastructure development, in order to meet specified organic waste reduction and recycling targets, as provided. The bill would require, on or before June 1, 2021, the department, in coordination with the Treasurer and the California Pollution Control Financing Authority, to develop financial incentive mechanisms, including, among other mechanisms, loans and incentive payments, to fund and accelerate public and private capital towards organic waste diversion and recycling infrastructure.	SUPPORT IF AMENDED  2-year bill
SB 669	Caballero  ACWA/CMUA	Safe Drinking Water Trust	Would establish the Safe Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the State Water Resources Control Board. The bill would require the state board to administer the fund to assist community water systems in disadvantaged communities that are chronically noncompliant relative to the federal and state drinking water standards and do not have the financial capacity to pay for operation and maintenance costs to comply with those standards, as specified.	Held in Approps

AJR 8	Quirk	Nutria Eradication and	Would urge the United States Congress to specifically add California to the Nutria Eradication and Control Act of 2003 and to authorize an appropriation of \$4,000,000 to help the state implement a nutria eradication program.	SUPPORT  Chaptered
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# INFORMATION ITEM 2C

Comprehensive Government Relations

#### **MEMORANDUM**

To:

**IEUA Community and Legislative Affairs Committee** 

From:

Letitia White, Jean Denton, Drew Tatum, Shavenor Winters

Date:

November 4, 2019

Re:

October Monthly Legislative Update

#### Congress Faces Looming Funding Deadline

As the expiration date for the current continuing resolution (CR) looms Congress faces an evershortening timetable to pass and conference the twelve annual appropriations bills. The House and Senate still need to agree on the 302(b) subcommittee allocations for these appropriations bills before they can begin to negotiate the details of the final set of bills.

While there had been hope that the Chairman of the Senate Appropriations Committee, Richard Shelby (R-AL), and the Chairwoman of the House Appropriations Committee, Nita Lowy (D-NY), would be able to use the recess earlier this month to negotiate the subcommittee allocations for the twelve individual appropriations bills, Congress returned without a deal in place.

The House and Senate have used different allocations for their respective appropriation bills. House Democrats marked and passed 10 of their 12 bills under allocations that do not comply with the budget caps agreement passed by Congress over the summer while Senate Republicans, who did mark to the budget cap agreement, marked up 10 of their 12 bills under allocations opposed by Democrats.

Since the Senate had been unable to consider any of the individual appropriation measures passed through committee, the Senate instead took up H.R. 3055, a House passed minibus that contained five appropriations measures: Agriculture, Commerce-Justice-Science, Interior-Environment, Military Construction-VA, and Transportation-HUD. Appropriations Chairman Richard Shelby (R-AL) offered a substitute amendment allowing the Senate to use H.R. 3055 as the legislative vehicle for its fiscal year 2020 Commerce-Justice-Science, Agriculture-FDA, Interior-Environment, and Transportation-HUD appropriations bills. Since the Military Construction-VA Appropriations bill had not been advanced by the Senate Appropriations Committee, the measure was left out of the Senate minibus.

The Senate passed the package on Thursday, October 31 by a vote of 84-9. They also voted 82-11 to adopt an amendment by Sens. Doug Jones (D-AL) and Martha McSally (R-AZ) that would permanently bar reapportionments from the Mass Transit Account of the Highway Trust Fund under a formula funding test known as the Rostenkowski Test, effectively preventing a reduction of more than \$1 billion in funds nationwide

Despite passing the domestic minibus, Senators were unable to reach the 60 votes necessary to limit debate on the motion to proceed to a second, larger spending package H.R. 2740, which includes the Labor-HHS-Education, Defense, State-Foreign Ops, and Energy and Water appropriations bills. Senate Democrats, who had already blocked consideration of the legislation in September, warned they will continue to oppose the second measure until there is a bipartisan, bicameral agreement on the top-line 302(b) allocations.

With one minibus passing the Senate, Senate Appropriations Committee Chairman Richard Shelby (R-AL) has indicated he will focus on negotiating a slate of 302(b) subcommittee allocations with the House.

Despite appropriations bills moving in the Senate, appropriators in the House still do not believe that the first minibus will be conferenced ahead of November 21—when the current continuing resolution (CR) is set to expire.

Additionally, during the month of October, House Appropriations Committee Chairwoman Nita Lowey announced that she will be retiring at the end of her current term, opening the top spot on the House Appropriations Committee. Lowey, 82, is serving her first term atop the committee.

To date, the member with the second most seniority, Marcy Kaptur (D-OH), and the third most senior Democrat, Rosa DeLauro (D-CT) have both expressed interest in the post. Committee member and former Chairwoman of the Democratic National Committee, Representative Debbie Wasserman Shultz (D-FL) has also expressed interest. While they will certainly look to line up support ahead of the formation of the next Congress, the group of Democrats who recommend members to specific posts won't meet until after the election next November.

#### Senate Committee Holds Hearing on Water Resources Infrastructure

Earlier this month, the Senate Committee on Environment and Public Works hosted a panel of representatives from federal agencies to examine water resources infrastructure legislation. The hearing follows last month's hearing, largely focusing on the threat forever chemicals such as PFAS/PFOA. Chairman John Barrasso (R-WY) and Ranking Member Tom Carper (D-DE) stated that increasing access to clean drinking water for western states is one of the main concerns of the committee.

Various Senators expressed concern over timelines for PFAS/PFOA determinations, and Charlotte Bertrand, Deputy Assistant Administrator of the Office of Water at the Environmental Protection Agency shared that the agency will release a regulatory determination on PFAS/PFOA by the end of the year.

The EPA was on the receiving end of bipartisan criticism from the House and Senate over its process for regulating PFAS chemicals in drinking water. This contention furthers views that Congress may be moving toward wresting the process away from the agency.

Republicans and Democrats alike on the Senate Environment and Public Works Committee said this month that the agency is moving too slowly to set minimum standards for the presence of these chemicals in water.

Other topics of discussion included discussion on the Army Corps of Engineers thoughts on the Waters of the United States (WOTUS) rule that has been widely discussed and has been a controversial issue within the water and farming communities. The Trump administration's rush to repeal the Obama EPA's controversial Waters of the United States regulation has put it in the awkward legal situation of defending a much more expansive reading of the Clean Water Act (CWA) than it eventually wants to establish with a replacement regulation.

The WOTUS repeal, finalized late October, forces federal agencies to revert to a 1986 reading of the CWA until any replacement rule is complete. But because of two legal challenges filed against the repeal action, the Trump administration must now defend that earlier version.

The administration intends to replace the 1986 reading with one that greatly narrows federal authority. But one lawsuit, brought by the property rights group the Pacific Legal Foundation, argues that the stop-gap rule, relied on for decades, is far too broad.

"The decision to go back to the '86 regulations, even on what the administration plans to be an interim basis, continues to raise the same problem" as the Obama rule, said Anthony François, senior attorney for the Pacific Legal Foundation.

The White House's strategy is to use the 1986 rules as a legal hedge, so that the Obama-era regulations — much despised by industry and agriculture — are not reinstated if EPA's forthcoming WOTUS replacement gets tied up in court. In addition, the committee discussed the issue of flooding, it's devastating impacts, and repairing levies, and various Senators asked about state level projects in their states.

#### Case at Supreme Court Could Limit Clean Water Act

A Supreme Court dispute involving a coral reef off Hawaii could impose major limits on the U.S. Clean Water Act.

The justices are set to hear arguments Wednesday, November 6. The case, which centers on treated wastewater that makes its way into the waters off a picturesque Maui beach.

Maui County officials, supported by the Trump administration and business groups, are urging the court to say the treatment facility doesn't need a federal permit because it pumps its wastewater into the ground, not directly into the ocean. David Henkin, an Earthjustice lawyer challenging the discharges, said the county's position would "blow an enormous hole in the Clean Water Act."

But the U.S. Chamber of Commerce says environmentalists are trying to stretch the permit requirement so far it could apply to home septic systems. It would be "a massive expansion of the law," said Aaron Streett, a Houston lawyer who filed a brief for the business group.

The Hawaii treatment facility, three miles north of the town of Lahaina, releases 3 million to 5 million gallons of treated water a day into four underground pipes, known as injection control wells. The discharged fluid then mixes into the groundwater.

#### Critics Say Feds' California Water Plans Favor Farms Over Fish

Federal officials have unveiled plans to change water deliveries to agriculture operations in California, and opponents say the move could divert billions of gallons of water annually to serve farming needs while putting salmon, sturgeon, and other imperiled species at risk.

The U.S. Fish and Wildlife Service and National Marine Fisheries Service on Oct. 21 released assessments to revise operations of the Central Valley Project, which provides water to nearly 75% of the state's irrigated lands through a complex system of dams, reservoirs, canals, and aqueducts.

The federal Central Valley Protect, overseen by the Bureau of Reclamation, and California's State Water Project provide water supplies, hydropower, and flood control throughout the state, often in coordination.

Fish and Wildlife falls under the supervision of Interior Secretary David Bernhardt, who has advocated for weakening endangered species protections in favor of increased water allocations for agriculture.

The biological opinions call for increasing water storage, expanding hatcheries, allowing pulse flows to increase water supplies during important times, and spending an estimated \$1.5 billion over a decade on projects to protect endangered fish.

"We know that water is the lifeblood of the environment in California," Fish and Wildlife Pacific Southwest Regional Director Paul Souza said during a briefing call with media Oct. 22.

"These two projects also provide water for 25 million Californians, including some of the richest farmland anywhere in the world," Souza said. "They provide water for some of our greatest cities like Los Angeles. These biological opinions and the Bureau of Reclamation's proposed actions reflect our collective efforts to protect our fish and meet the needs of these 25 million Californians."

The opinions, which evaluate if operations will adversely affect species protected under the Endangered Species Act, haven't been updated in 10 years.

Federal officials say they incorporate updated science and actions based on real-time data or observations, not rules attached to calendar dates. They also require two separate independent reviews and the opinions will be evaluated by Reclamation during a separate environmental review, Souza said.

Supporters said the updates use recent science and address threats to species.

President Donald Trump ordered the Interior and Commerce departments in October 2018 to review water infrastructure projects in the West and expedite biological reviews.

Opponents call the revisions a water grab for farmers that weaken protections and could be devastating to fisheries and the environment. It could also force the state to reduce its water allocations to make up for federal diversions.

A briefing held in October by a Bureau of Reclamation official said the changes could allow for an average of an additional 500,000 acre-feet being exported from the Delta to the south for agriculture each water year.

#### EPA Proposes Overhaul of Lead Contamination Rule

The Environmental Protection Agency proposed an overhaul of a decades-old rule on testing for lead contamination in drinking water.

The agency is touting the new guidelines as a significant step to reduce the presence of lead in the nation's drinking water supply and as evidence of the Trump administration's commitment to ensuring clean water across the U.S. But critics say the changes will slow down the process of removing lead from cities' water systems.

EPA Administrator Andrew Wheeler rolled out the proposed rule, which the agency says is the first "major" overhaul of the Lead and Copper Rule since 1991, during an event in Green Bay, Wisconsin, on Thursday, October 10.

"Today, the Trump Administration is delivering on its commitment to ensure all Americans have access to clean drinking water by proposing the first major overhaul of the Lead and Copper Rule in over two decades," Wheeler said in a statement.

"By improving protocols for identifying lead, expanding sampling, and strengthening treatment requirements, our proposal would ensure that more water systems proactively take actions to prevent lead exposure, especially in schools, child care facilities, and the most at-risk communities."

Critics, though, are questioning the agency's claims, arguing that the changes may actually slow progress on removing lead from water.

The rule does not lower the lead action level as many public health experts had hoped. Those experts say the current level, 15 parts per billion (ppb), is too high to meaningfully reduce the blood lead levels of children who are exposed.

And the rule establishes a new two-tier system for addressing lead contamination.

When a city's water hits a new 10 ppb "trigger" level, cities would be required to reevaluate their water treatment processes and possibly add corrosion-control chemicals to city water.

Only at 15 ppb must cities begin to replace the full length of all of the lead service lines in their system. Under the new proposal, though, cities would be required to replace 3 percent of lead service lines each year -- lower than the current requirement of 7 percent.

Senate Budget Committee Makes Budget Reports Available for the Public Online Senator Mike Enzi (R-WY), Chairman of the Senate Budget Committee, announced the first release of a new Senate scorekeeping report. The report will provide regular budgetary updates to promote transparency in federal spending.

The Congressional Budget Act of 1974 requires Chairmen of House and Senate Budget Committees to provide members of Congress with regular updates on the effects that congressional actions have on the budget. Up until now, to comply with the law, Chairman Enzi compared current-law levels of spending and revenues to those assumed in the budget, and then he filed those comparisons in the Congressional Record. Unless you knew which date the Chairman filed the report in the Congressional Record and where to look, it was difficult to locate those findings.

The new Senate scorekeeping report goes a step further in making the Chairman's findings easier to understand and access by putting the reports on the Senate Budget Committee's website. The Senate scorekeeping report is compiled with assistance from the Congressional Budget Office.

Congress has not completed each step of the budget process—passing a budget and all 12 appropriations bills before October 1st—in 25 years. This has cultivated a lack of oversight and contributed to increased spending and to a rising debt. The nation's fiscal outlook is projected to get significantly worse over the next 10 years as federal debt is projected to rise by \$13 trillion by 2029.

To make the budgeting procedure better, Chairman Enzi released draft proposals in July aimed at creating a more responsible and accountable budget and spending process. The creation of the Senate scorekeeping report is part of the Chairman's efforts to reform and improve the Senate's fiscal transparency.

### Trump Plan to Divert Military Construction Funding Rejected by Court

A federal judge in Texas said he would block President Donald Trump's plan to build a wall on the Mexican border with funds shifted from the Pentagon's construction budget.

U.S. District Judge David Briones ruled Friday that Trump's declaration of a national emergency to redirect Defense Department appropriations to a wall project that Congress specifically refused to pay for was illegal. He told the plaintiffs to draft a preliminary injunction for his review.

While the District Court is expected to enjoin the administration from moving forward, the Trump administration is expected to appeal the ruling.

During the month of October, Congress again passed a joint resolution to overturn President Trump's emergency declaration at the southern border. On Tuesday, October 15 Trump vetoed the resolution, marking the second time he has been forced to do so.

"In short, the situation on our southern border remains a national emergency, and our Armed Forces are still needed to help confront it," he said in his veto message to the Senate, which the White House issued in the middle of the Democratic primary debate.

#### Senate Braces for Impeachment

Republicans are bracing for a high-stakes impeachment fight as soon as this fall as a trial in the Senate looks all but inevitable.

With House Democrats wading deeper into their ongoing impeachment inquiry into President Trump's interactions with Ukraine, GOP senators expect the House will ultimately pass articles of impeachment.

Senate Majority Leader Mitch McConnell (R-KY) already confirmed the Senate would hold a trial if the House sends articles of impeachment to the chamber.

Republicans are already studying up on the rules as they prepare for what will be a high-profile, politically charged showdown even as Trump is widely expected to avoid being convicted and removed from office by the Senate, an act that would require the approval of two-thirds of the closely divided chamber.

Trump's impeachment trial would be the third for a president in Senate history after Andrew Johnson and Bill Clinton — neither were removed from office.

But most senators will be handling their first trial as members of the chamber.

Only fifteen senators were serving in the Senate during Clinton's trial, including McConnell and Senate Minority Leader Charles Schumer (D-NY).

House Democrats are aggressively pursuing an inquiry into President Trump's request that Ukraine investigate former Vice President Joe Biden, a potential top rival in 2020. The focus of the potential articles of impeachment, or how many there would be, remains unclear.

The creeping inevitability that the Senate will have to act follows weeks of speculation that Leader McConnell could find a loophole to let the Senate avoid an impeachment trial that would otherwise eat up precious floor time and put some of his 2020 incumbents under a fierce spotlight.

That time frame would be similar to Clinton's impeachment trial, which took five weeks.

An impeachment trial could hit during a crucial stretch on the congressional calendar, potentially overshadowing legislation on government funding, the United States-Mexico-Canada Agreement (NAFTA 2.0), and a slate of other must-pass bills. The trial would also interfere with the campaigns of several Senators who in the middle of their own presidential campaigns.

GOP senators are publicly questioning if they could still move legislation by coming in early each day before the formal start of the trial.

#### Trump Announces New Energy Secretary

President Trump has tapped Deputy Energy Secretary Dan Brouillette to replace current Energy Secretary, Rick Perry. The President made the announcement in a tweet earlier this month.

"I want to thank Secretary of Energy Rick Perry for the outstanding job he has done," the president tweeted. "He will be leaving at the end of the year to pursue other interests. Rick was a great Governor of Texas and a great Secretary of Energy.......He is also my friend! At the same time, I am pleased to nominate Deputy Secretary Dan Brouillette to be the new Secretary of Energy. Dan's experience in the sector is unparalleled."

Brouillette is a former state energy regulator and worked as chief of staff to the House Energy and commerce Committee.

Secretary Perry announced his intention to step down earlier this month after his name became embroiled in the Ukraine scandal engulfing the Trump administration, although Secretary Perry insisted his exit had nothing to do with that and has been months in the making.

#### Ninth Circuit Judicial Picks Next to Face Senate Panel

This week two nominees for the ninth circuit court had their confirmation hearing before the Senate Judiciary Committee. The Ninth Circuit includes California, Arizona, Alaska, Guam, Hawaii, Montana, Nevada, Idaho, the Northern Mariana Islands, Oregon, and Washington. The court has been openly criticized by President Donald Trump over rulings against his administration's policies.

The Senate Judiciary Committee questioned Patrick Bumatay, a federal prosecutor, and Lawrence VanDyke, a deputy assistant U.S. attorney general, on their nominations to the U.S. Court of Appeals for the Ninth Circuit.

Some of the most contentious legal disputes in recent years have gone through the California-based circuit, including litigation over Trump's travel ban and, his asylum ban. He's castigated it for being liberal, once tweeting that it was a "total disaster."

A Senate hearing for Bumatay has been a long time coming. President Trump already nominated him to judicial posts on two other occasions: First to the Ninth Circuit and later to a federal district court in California. The Senate didn't act on either one.

California's two senators, Dianne Feinstein, the top Democrat on the judiciary panel, and Kamala Harris, also a committee member and a 2020 Democratic presidential candidate, opposed Bumatay's first Ninth Circuit nomination. The pair has tangled with the Trump White House over judicial nominations.

Prior to the hearing senators from both political parties raised dueling concerns about how the judicial confirmation process currently plays out. To be confirmed, judicial nominees must win a majority vote of the full Senate.

While Patrick Bumatay, an assistant U.S. attorney in San Diego, defended against criticism that he was too inexperienced to sit as an appellate judge, most of the scrutiny was directed at Lawrence VanDyke, who was declared "not qualified" in a report submitted by the American Bar Association.

#### U.S. Annual Budget Deficit Nears \$1 Trillion

The U.S. budget deficit widened to almost \$1 trillion in the latest fiscal year, surging to the highest level since 2012 as effects of the 2017 tax cuts have impacted revenues without offsets in spending.

The federal government's gap increased by 26% to \$984 billion in the 12 months through September, representing 4.6% of gross domestic product, the Treasury Department reported. The fourth straight increase confirms that the deficit under Trump is on pace to expand to historic levels.

The ballooning gap has stirred vigorous debates over how much the government can borrow and spend without driving up interest rates or inflation. At the same time, price gains and yields remain historically low despite the expanding deficit, which was as low as 2.2% of GDP under President Trump's predecessor, President Barack Obama.

For the 12-month period, spending rose 8.2%, the most since 2009, totaling \$4.45 trillion on increased outlays for the military, health care and education. Revenue advanced 4% to \$3.46 trillion, helped by \$70.8 billion in customs duties. For September alone, the surplus was \$82.8 billion, compared with \$119.1 billion a year earlier.

The non-partisan Congressional Budget Office has forecast that the deficit will top \$1 trillion in 2020, with estimates showing a shortfall of about \$1.2 trillion each year over the next decade. That would amount to nearly 5% of total gross domestic product, a measure that puts the deficit in context of the overall economy.

#### Administration Orders Limit Effect on Agency Guidance

President Donald Trump signed a pair of executive orders on Wednesday, October 10 intended to reduce the impact of supposedly non-binding guidance issued by agencies that the White House believes has become a back-door means of regulation.

Industries often seek guidance from agencies to help them comply with complex rules. These agency policy statements—memorandums, circulars, bulletins, and letters—aren't legally binding but often serve as the basis for enforcement. Critics view such guidance as an improper shortcut around formal rulemaking.

One example used by the White House is a 2015 blog post from the Department of Labor that declared many independent contractors should be classified as employees. This created confusion, raised costs for thousands of small businesses, and was done without public input, the White House said.

"President Trump is returning control over the government to the American people," acting Office of Management and Budget Director Russell Vought said via email. "These Executive Orders give this Administration the tools to defend Americans' freedom and liberty against off-the-book regulations and prevent unfair penalties from being levied on American families and businesses by rogue agencies."

One order, called "Bringing Guidance out of the Darkness Executive Order," mirrors the title of legislation (S. 380) sponsored by Senate Homeland Security and Governmental Affairs Committee Chairman Ron Johnson (R-WI). Johnson's bill would require federal agencies to post all guidance, directives, memorandums, and notices on one website.

The other order, called "Transparency and Fairness Executive Order," is intended to protect Americans against secret or unlawful interpretations of regulations, or from unfair or unexpected penalties, the White House said.

Bill Number (linked to the legislation on Congress.gov)	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
n/a		Status of the 12 annual appropriations bills in the House	The House has passed 10 of its 12 annual appropriations bills in three pieces of legislation. The first 9 passed in 2 separate minibus packages and the final bill went on its own.  The two remaining bills have advanced through the House Appropriations Committee and await action by the full House.	H.R.2740, First minibus (passed 226 - 203): Defense; Energy and Water: Labor-HHS; and State-Foreign Operations.  H.R.3055, Second minibus (passed 227 - 194): Agriculture; Commerce-Justice-Science; Military Construction - VA; Interior-Environment; and Transportation-HUD.  H.R.3351, Stand alone legislation (passed 224-196): Financial Services.  Not yet completed: Homeland Security and Legislative Branch.
n/a		Status of the 12 annual appropriations bills in the Senate	The Senate has not yet introduced or passed any of its twelve annual appropriations bills.	In total the Senate Appropriations Committee has advanced ten of its twelve bills, leaving only the Military Construction-VA and Labor-HHS bills to be advanced by the Committee.  On September 18, the Senate attempted to begin consideration of the first House minibus consisting of the following appropriations bills: Defense; Energy and Water: Labor-HHS; and State-Foreign Operations. The attempt failed to gain enough votes for cloture and Senate consideration.  The week of October 28, Appropriations Chairman Richard Shelby (R-AL) offered a substitute amendment allowing the Senate to use H.R. 3055- a House passed bill- as the legislative vehicle for the fiscal 2020 Commerce-Justice-Science, Agriculture-FDA, Interior-Environment, and Transportation-HUD appropriations bills.

H.R. 1695	Rep. Betty McCollum (D-MN)	Community Services Block Grant Reauthorization Act of 2019	The legislation would amend the Community Services Block Grant Act to reauthorize and modernize the Act.	The measure was introduced in the House on March 12, 2019 to the House Committee on Education and Labor.  The legislation has bipartisan cosponsorship.
S. 2356	Sen. Mike Braun (R-IN)	Define WOTUS Act of 2019	The measure would create a new WOTUS definition the void the previous Obama era definition that is currently tied up in litigation.	The legislation was introduced on the July 31 and referred to the Committee on Environment and Public Works.
H.R. 1764	Rep. John Garamendi (D-CA)	The bill to amend the Federal Water Pollution Act	The legislation would amend the Federal Water Pollution Control Act with respect to permitting terms, and for other purposes.	Introduced on March 15 and then referred to the Subcommittee on Water Resources and Environment.  This legislation has bipartisan cosponsorship.
S. 1790	Sen. Jim Inhofe (R-OK)	National Defense Authorization Act, 2020 Note: Included a rider on PFAS	The National Defense Authorization Act, 2020 is the annual authorization for Defense programs.  This year, the legislation included legislation aimed at addressing the risks and challenges associated with per- and polyfluoroalkyl substances (PFAS). This provision will ensure that the EPA sets a national drinking water standard for PFAS and PFOS. It will also require industrial manufacturers and users to notify the public when PFAS chemicals are released into the environment. The EPA will also have to issue guidance on how to dispose of and destroy PFAS. The legislation also provides authorization for funding for monitoring and sampling, and requires better interagency coordination on PFAS chemicals.	Passed the Senate on Thursday, June 27, 2019, though an amendment vote was held the following day.  Both chambers have proceeded to conference on their respective measures, with the House and Senate naming conferees to reconciled differences.  Note: Senator Jim Inhofe has released a separate "skinny" authorization bill that he said could be advanced if talks break down. The new legislation does not include language related to PFAS chemicals.

H.R.1497	Rep. Peter DeFazio (D-OR)	Water Quality Protection and Job Creation Act of 2019	Requires a report to Congress on the current and future workforce needs for publicly owned treatment works and information on steps taken to meet those needs.  Reauthorizes sections of the Federal Water Pollution Control Act that provide grants to States and interstate agencies, including: State Management Assistance: Section 106(a); Watershed Pilot Projects: Section 122(c); Alternative Water Source Projects Pilot Program: Section 220(d); Sewer Overflow and Stormwater Reuse Municipal Grants: Section 221(f)1); and State Water Pollution Control Revolving Funds.  Changes the length of permits for NPDES permits to not exceeding 10 years in certain circumstances.	Introduced on March 6 and referred to the Subcommittee on Water Resources and Environment of the House Transportation Committee.  The Committee marked up the legislation and reported it with an amendment in the nature of a substituteexpanding the scope of the legislation.
H.R. 1508 / S. 146	Rep. Blumenauer (D-OR) / Sen. John Hoeven (R-ND)	Move America Act of 2019	The measure would amend the Internal Revenue Code of 1986 to provide for Move America bonds and Move America credits.	The House bill was introduced on March 5 and then referred to the House Committee on Ways and Means.  Note: All tax issues are likely to be addressed as part of a larger tax package. The Ways and Means Committee is considering forming a tax extenders package, which would be the most likely venue for this legislation.  The Senate bill was introduced in the Senate on January 16th and referred to the Senate Committee on Finance.
H.R. 1744	Rep. Mark Takano (D-CA)	S.T.O.R.A.G.E. Act (Storage Technology for Operational Readiness And Generating Energy Act) Energy Storage Systems by Electric Utilities	The bill would provide for the consideration of energy storage systems by electric utilities as part of a supply side resource process, and for other purposes.	The bill was introduced on March 13 and the referred to the Committee on Energy and Commerce, and in addition to the Subcommittee on Energy of the Committee on Science, Space, and Technology.

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H.R.1162	Rep. Grace Napolitano (D-CA)	Water Recycling Investment and Improvement Act	This legislation would create a competitive grant program for the funding of water recycling and reuse projects by raising the authorization cap for the Title XVI program from \$50 million. The legislation would also raise the authorization cap from \$20 million to \$30 million for the Reclamation Wastewater and Groundwater Study and Facilities Act.	Introduced in the House on February 13.  The House Natural Resources Subcommittee on Water, Oceans, and Wildlife held a hearing on the legislation on June 13.
H.R.579	Rep. Scott Tipton (R-CO)	Water Rights Protection Act of 2019	This bill would prohibit the conditioning of any permit, lease, or other use agreement on the transfer of any water right to the United States by the Secretaries of the Interior and Agriculture, and for other purposes.	Introduced in the House on January 15th. Referred to the Conservation and Forestry Subcommittee of the Agriculture Committee on 2/7 and to the Water, Oceans, and Wildlife Subcommittee of the House Natural Resources Committee on 2/4.  A similar amendment was submitted to the House Rules Committee for consideration in the Interior-Environment Appropriations bill, but was not made in order by the Committee for floor consideration.
H. R. 855	Rep. Scott Peters (D-CA)	STRONG (Strengthening the Resiliency of our Nation on the Ground Act) Act	The bill would work to minimize the economic and social costs resulting from losses of life, property, well-being, business activity, and economic growth associated with extreme weather events by ensuring that the United States is more resilient to the impacts of extreme weather events in the short- and long-term, and for other purpose	Introduced in the House and referred to the Subcommittee on Economic Development, Public Buildings, and Emergency Management of the House Transportation Committee on February 7th.
S. 361/H.R. 807	Sen. Cory Gardner (R-CO) / Rep. Ken Buck (R-CO)	Water and Agriculture Tax Reform Act of 2019	The measure would work to amend the Internal Revenue Code of 1986 to facilitate water leasing and water transfers to promote conservation and efficiency.	Introduced and referred to the Committee on Finance (Senate) and Ways and Means Committee (House).
H.R. 420	Rep. Earl Blumenauer (D-OR)	Regulate Marijuana Like Alcohol Act	The bill would decriminalize marijuana and sets up legal framework to regulate marijuana.	Introduced in the House on January 9th and referred to the Committees on Energy and Commerce, Ways and Means, Natural Resources, and Agriculture.

S.420 /H.R. 1120	Sen. Ron Wyden (D-OR) / Rep. Earl Blumenauer (D-OR)	Marijuana Revenue and Regulation Act	A bill to amend the Internal Revenue Code of 1986 to provide for the taxation and regulation of marijuana products, and for other purposes.	The bill was introduced in the Senate on February 7th and was referred to the Finance Committee.  Introduced in the House on February 8th and was referred to the Committees on Judiciary, Agriculture, and Natural Resources.
H.R.34	Rep. Eddie Bernice Johnson (D-TX)	Energy and Water Research Integration Act of 2019	The legislation would ensure consideration of water intensity in the Department of Energy's energy research, development, and demonstration programs to help guarantee efficient, reliable, and sustainable delivery of energy and clean water resources.	The bill was introduced in the House on January 3rd. It was marked up and ordered to be reported by the House Science and Technology Committee on May 1, 2019 and was passed by the House on July 23, 2019 by voice vote. On July 24, the bill was referred to the Senate Committee on Energy and Natural Resources.
H.R. 2313	Rep. Jared Huffman (D-CA)	Water Conservation Rebate Tax Parity Act	The measure would amend the Internal Revenue Code of 1986 to expand the exclusion for certain conservation subsidies to include subsidies for water conservation or efficiency measures and storm water management measures.	The bill was introduced in the House on April 12 and then referred to the Committee on Ways and Means.  Note: All tax issues are likely to be addressed as part of a larger tax package. The Ways and Means Committee is considering forming a tax extenders package, which would be the most likely venue for this legislation.
H.R.1747	Rep. Rob Whittman (R-VA)	National Fish Habitat Conservation Through Partnerships Act	The measure aims to achieve measurable habitat conservation results through strategic actions of Fish Habitat Partnerships that lead to better fish habitat conditions and increased fishing opportunities, establish a consensus set of national conservation strategies as a framework to guide future actions and investment by Fish Habitat Partnerships, broaden the community of support for fish habitat conservation, fill gaps in the National Fish Habitat Assessment and the associated database of the National Fish Habitat Assessment, and communicate to the public and conservation partners.	A hearing has been held in the House Natural Resources Committee on the legislation and the legislation was ordered to be reported out of committee on September 25.

S.1419	Sen. James Lankford (R-OK)	Early Participation in Regulations Act	The legislation would direct agencies to issue advanced notices for rules costing more than \$100 million annually. The bill would require agencies to outline the problem the rule intends to solve and listen to the public's input on the subject.	On May 13, the bill was introduced into the Senate. It was then referred to the Committee on Homeland Security and Governmental Affairs. Hearings on the bill were held in both the Committee on Homeland Security and the Committee on Small Business. On July 19 the Committee on Homeland Security and Governmental Affairs ordered the measure to be reported favorably with an amendment in the nature of a substitute.  On September 10, the bill was placed on the Senate Legislative Calendar under General Orders.  The legislation has bipartisan cosponsorship.
H.R. 3794	Rep. Paul A. Gosar (R-AZ)	Public Land Renewable Energy Development Act of 2019	The bill would work to promote the development of renewable energy on public lands	The measure was introduced in the House on July 17, 2019 and was then referred to both the Committee on Natural Resources and the Committee on Agriculture. A hearing on the bill was held on July 25 by the Subcommittee on Energy and Mineral Resources. On August 9th, the bill was referred to the Subcommittee on Conservation and Energy of the House Agriculture Committee.  The measure was later referred to the Subcommittee on Energy and Mineral Resources were a hearing was held on the legislation.  The legislation has bipartisan cosponsorship.
S. 1344	Sen. Cory Booker (D-NJ) and Tim Scott (R-SC)	Reinstate Opportunity Zon <b>e</b> Data Mandates	The bill would require the Secretary of the Treasury to collect data and issue a report on the opportunity zone tax incentives enacted by the 2017 tax reform legislation.  The reporting requirements were part of the original legislation as introduced, but they were not incorporated in H.R.1 (the tax package) when it was advanced in the House and Senate.	The legislation was introduced in the Senate on May 7, 2019 and referred to the Finance Committee.  The legislation has bipartisan cosponsorship.

Enacted Legislation					
H.J.Res.31	Rep. Lucille Roybal-Allard (D-CA)	Consolidated Appropriations Act, 2019 (Conference Reports for the Agriculture, Commerce-Justice- Science, Financial Services-General Government, Interior-Environment, State-Foreign Operations, and Transportation-HUD Appropriations bills).	The House and Senate came to an agreement on a Conference Report for the 7 remaining FY19 appropriations bills after holding an official conference on the FY19 Homeland Security Appropriations bill. The Homeland Security section contained approximately \$1.3 billion for border fending in the Rio Grande Valley of Texas and slight reduction in funding for ICE detention beds. The other 6 appropriations bills contained conference reports similar to those that had been previously been released.	The bill was introduced on January 22nd and was passed by both the Senate and the House before being signed into law on February 15th. This bill's enactment finalized full year funding for all federal agencies for fiscal year 2019	
<b>S.47</b>	Sen. Lisa Murkowski (R-AK)	Natural Resources Management Act (renamed the John D. Dingell, Jr. Conservation, Management, and Recreation Act)  Included the following provisions: California Desert Protection and Recreation Act of 2019  Bureau of Reclamation Transparency Act  Santa Ana River Wash Plan Land Exchange Act	This bill sets forth provisions regarding various programs, projects, activities, and studies for the management and conservation of natural resources on federal lands. Specifically, the bill addresses: Land conveyances, exchanges, acquisitions, withdrawals, and transfers; the Santa Ana River Wash Plan Land Exchange Act; national parks, monuments, memorials, wilderness areas, other conservation and recreation areas; and federal reclamation projects. For California, the legislation included the Santa Ana River Wash Plan Land Exchange Act and the California Desert Protection and Recreation Act of 2019, which was a compromise between individual bills introduced by Senator Dianne Feinstein and Congressman Paul Cook in previous Congresses.	Introduced in the Senate on January 8th. The legislation passed the Senate by a vote 92 - 8 on February 12th. The measure was then taken up by the House and passed by a vote of 363-62. The bill was signed into law by President Trump on March 12, 2019.	
H.R. 2157	Rep. Nita Lowey (D- NY)	Supplemental Appropriations Act, 2019	This bill provides \$19.1 billion in FY2019 supplemental appropriations to several federal departments and agencies for expenses related to the consequences of recent wildfires, hurricanes, volcanos, earthquakes, typhoons, and other natural disasters.  The funding provided by this bill is designated as emergency spending, which is exempt from discretionary spending limits and other budget enforcement rules.	The Senate rejected the underlying legislation by failing to invoke cloture on the legislation as well as a substitute amendment due to disagreements over Puerto Rico and, after several attempts, later passed an alternative supplemental measure totaling \$19.1 billion.  The House passed the \$19.1 billion disaster relief package by a vote of 354-58 on June 3. The measure was signed into law on June 6.	

H.R. 3877	Rep. John Yarmuth (D-KY)	Bipartisan Budget Act of 2019	Treasury Department from utilizing extraordinary measures.  The 2-year proposal calls for increasing the discretionary spending caps for fiscal years 2020 and 2021 above the levels set in the Budget Control Act of 2011. The compromise would increase fiscal 2020 spending limits on non-	The legislation was introduced in the House on July 23, 2019 and then referred to the Committee on the Budget, and in addition to the Committees on Rules, and Ways and Means.  The measure was then considered and passed the House with a vote of 284 to 149. The Senate followed suit and passed the measure on August 1, 2019 with a vote of 67 to 28. The President signed the measure into on August 2, 2019.
S.1689	Sen. Cory Booker (D-NJ)	A bill to permit States to transfer certain funds from the clean water revolving fund of a State to the drinking water revolving fund of the State in certain circumstances, and for other purposes.	OCO fund, an increase of \$2.5 billion over the current OCO level.  Allows States to transfer certain funds from the clean water revolving fund of a State to the drinking water revolving fund of the State in certain circumstances, and for other purposes. The authority is valid for one year and must be requested by states in consultation with the EPA administrator to transfer no more than 5% of the clean water funds to drinking water funds after a determination that available funds in the clean water revolving fund of the State are necessary to address a threat to public health as a result of heightened exposure to lead in drinking water.	into law by the President on October 4.

H.R. 4378	Rep. Nita Lowey (D- NY)	Continuing Resolution	Continuing Resolution (CR), including the National Flood Insurance Program, the Export-Import Bank, the E-verify program, and other immigration authorities.	The House introduced a Continuing Resolution (CR) with limited anomalies to extend federal government funding through November 21 and avoid a government shutdown.  The House passed the measure by a vote of 301 to 123 on September 19, and the Senate proceeded to pass the legislation on September 26.  The legislation was passed into law on September 27.
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# INFORMATION ITEM 2D



#### CALIFORNIA STRATEGIES, LLC

Date:

November 4, 2019

To:

Inland Empire Utilities Agency

From:

John Withers, Jim Brulte

Re:

October 2019 Activity Report

- 1. This month Jim Brulte and John Withers participated in the monthly senior staff meeting which was attended by senior Executive Management Team members on October 7th.
- 2. Regional Contract
  - Meeting with Subgroups (Santa Ana River issues, Governance issues, Wastewater rates)
  - Chuck Hays raised property tax allocation issue
- 3. Chino Basin Program
  - Evaluated the various stakeholder projects and will consider alternatives
  - Discussed recycled water interties
  - Discussed September DWR meeting with Stakeholders.
  - Stakeholder issues:
    - 1. Resistance to water exchange
    - 2. Value of improvements
    - 3. Water quality in the future
- 4. Rate Study (Carollo)
  - Next workshop scheduled for 10/16 on discussion of recycled water rates.
  - Introduction of a fixed fee component to offset debt service costs
  - Goal is to be done by October with adoption by February/March
- 5. Discussed regional personnel changes and potential impacts on IEUA
- 6. Member Questions and Answers