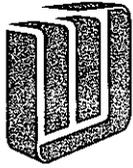


(SEE REVISED LETTER DATED JULY 6, 1992)

8-21



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

July 6, 1992

To: Board of Directors (Special Committee on Legislation--Action)
(Executive Committee--Action)

From: General Manager

Subject: Senate Bill 929 (Presley-Riverside) and ACA 44 (Farr-Carmel)

Report

Senate Bill 929, the Economic and Environmental Recovery Act, proposes state conservation and development policies to guide public plans and investments and establishes a state infrastructure bank to provide loans and matching grants to local agencies for infrastructure, housing and natural resources protection.

The bill creates an Office of Planning and Research and a Planning and Advisory and Assistance Council which must prepare an environmental goals and policy report every four years relating to statewide environmental goals. The state must submit a multi-year capital outlay plan to the legislature each year as part of the budget.

The bill requires each local agency that acquires, constructs and/or maintains public facilities to prepare a capital improvement program which must annually be revised and submitted to the state. It calls for the designation and/or creation of a local infrastructure agency to set priorities for infrastructure investment and develop growth management policies.

The bill would create a new, yet to be defined, regional agency that could review and potentially approve all capital projects in the local region. Metropolitan's projects, as well as those of other water agencies, could be overruled or delayed. In the interest of minimizing delays to Metropolitan's projects and increased costs to be borne by Metropolitan, efforts should be made to provide an exemption for Metropolitan.

SB 929 is similar to SB 434, which the Special Committee on Legislation and the Executive Committee opposed on June 30, in requiring fiscal authorities, adoption of a master plan and an annual capital program. It proposes in a

July 6, 1992

time of limited fiscal resources to focus governmental investment. On July 1, the Assembly Local Government Committee sent SB 434 to interim study. SB 929 was approved by the Assembly Local Government Committee and sent forward to the floor for action.

ACA 44 is a constitutional amendment to allow local agencies to approve local bonds for infrastructure, housing and natural resources conservation by a majority vote that will be on the ballot in November 1992. This would provide the funding base for SB 929.

A copy of SB 929 and ACA 44 is attached to this letter. Also attached is a history of growth management/regional restructuring legislation and activities by Southern California governmental activities to restructure the planning process.

Staff will be bringing forward a set of principles for the Board to consider for participation in the ongoing dialogue in Sacramento on growth management/regional restructuring legislation.

Board Committee Assignments

This letter is referred to:

The Executive Committee for action because of its jurisdiction to study, advise and make recommendations with regard to legislation affecting the District pursuant to Administrative Code Section 2417, Subdivision (a); and

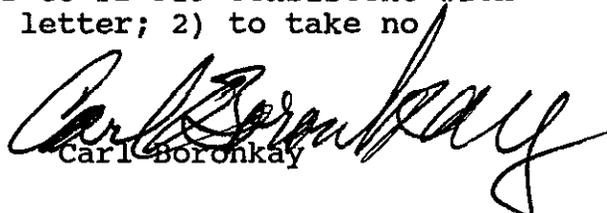
The Special Committee on Legislation for action because of its jurisdiction to review and make recommendations based upon presentations of the General Manager regarding proposals for state legislation and amendments thereto, pursuant to Administrative Code Section 2581, Subdivision (a)

Recommendation

SPECIAL COMMITTEE ON LEGISLATION AND EXECUTIVE COMMITTEE FOR ACTION.

It is recommended that the General Manager be authorized: 1) to seek amendments to SB 929 consistent with the objectives expressed in this letter; 2) to take no position on ACA 44.

AB/lf
Attachment


Carl Boronkay

Attachment A

Growth Management/Regional Planning

BACKGROUND

For the last four years, a number of governmental entities and private sector groups in California have addressed the issues of growth management, regional planning, governance and streamlining of government processes and decision making. Entities who have studied these issues include LA 2000, the California League of Cities, the California Association of Supervisors, the Consensus Project at CSU-Sacramento, the California Planning Association, the Office of Assembly Research and most recently, the Uebberoth Commission on California Competitiveness.

Each of these studies has focused on restructuring government to marshal the resources to build the states infrastructure necessary to meet growing population and environmental standards. For example, in January 1987 the Assembly Office of Research, as part of the California 2000 series, addressed resource issues. A major focus of that study was water supply and quality. It called for a new master state water plan to supersede the last plan which was done in 1957.

In Southern California, LA 2000 completed its study which called for an integrated regional planning process built on a regional council and sub-regional councils made up of local government representatives. Single purpose agencies such as Metropolitan would carry out their sector's implementation of the regional plan. Their report asserts that such coordination would maximize and better utilize scarce public sector resources.

Two spheres of activity have taken place, one in Southern California with local governments and the private sector, and the other in the state capitol.

IN SACRAMENTO

In 1990 there were 54 separate pieces of legislation introduced dealing with growth management, regional planning and governance. The sheer number of measures precluded the legislature from taking any action that could provide a comprehensive response. The impetus for many of these bills was the increasing problems associated with California's unprecedented growth that was straining the infrastructure of the state from transportation to education. The premier bill was one introduced by Speaker Willie Brown which divided the state into seven regions, each with a comprehensive regional government.

None of these bills were passed by the legislature. There was a concerted and successful effort to delay passage until more comprehensive approaches could be developed and supported by local governments, transportation and air quality agencies, environmental advocates and the private sector. It was felt that singularly narrow focused measures would only hinder any local, regional or state efforts to address growth management effectively.

The political climate and the anticipated election of Governor Wilson also deterred action on the legislation. Wilson had stated that growth management would be a priority in his administration. It is important to note that all this discussion of how to manage growth responsibly came during a strong economic period when growth was placing a daunting burden on transportation and water systems, education and other California infrastructure.

In 1991 Pete Wilson appointed a Council on Growth Management and conducted hearings throughout the state. A draft report was released in July 1991. However, a formal Growth Management Policy Strategy, promised for release in December 1991, has been repeatedly postponed.

Also in 1991 the Legislature and the interest groups came together in the Consensus Project at CSU-Sacramento. Their report issued in January 1992 called for:

- 1) State policies to guide California's growth-related decisions in eight inter-related areas, agricultural and natural resources protection, conservation and development, air quality, transportation, affordable housing, economic development, physical and social infrastructure and social equity.
- 2) Governance and planning reforms necessary to carry out these guiding state goals and policies and fiscal restructuring to provide resources necessary for meaningful implementation of the above policies and planning reforms. They call specifically for the consolidation or integration of existing single purpose and regional agencies planning functions.
- 3) Also, they propose to restructure California's public investment strategies for increased efficiencies.

A number of legislative initiatives were also introduced purporting to represent the consensus view of some of the interest groups. These included AB-3 (Brown), SB 434 (Bergeson), SB 929 (Presley) and AB 908 (Farr). Until recently, all of these bills were held in abeyance pending formal release on the Governor's Growth Management Policies.

The release of the Ueberroth Commission on California Competitiveness Report in April and the state budget difficulties have caused several of these proposals to be amended and new hearings to be held. At minimum, the proposals seem to focus on coordinated, integrated state, regional and local planning with clear and consistent goals and policies. The process should cover basic functional planning areas:

- a) water quality and quantity
- b) air quality,
- c) transportation,
- d) housing,
- e) waste management - solid, hazardous and water.

Many also propose inclusion of the following functional areas:

- a) schools and education
- b) social infrastructure
- c) open space
- d) economic development
- e) flood control
- f) earthquake preparedness

Attached is the CSAC outline of growth management recommendations adopted in February of this year.

On June 23 a group of leading legislators and representatives of California's business, labor, environmental and civil rights communities endorsed a package of legislation called the Economic and Environmental Recovery Act. Groups endorsing the proposal included the California Council for Environmental and Economic Balance, Sierra Club, California Building and Construction Trades, the Planning and Conservation League, the South Coast Air Quality Management District, the Ethnic Coalition, the California Coalition for Rural Housing and the California Chapter of the American Planning Association. The bills they endorsed include:

- * SB 929 (Presley) which enacts state conservation and development policies to guide public plans and investments, and establishes a state infrastructure bank to provide loans and matching grants to local

agencies for infrastructure, housing and natural resources protection.

* ACA 44 (Farr) a constitutional amendment to allow local agencies to approve local bonds for infrastructure, housing and natural resources conservation by a majority vote that would be on the ballot in November 1992.

The coalition proposes enactment of comprehensive conservation and development policies to guide state, regional and local plans and investments toward sustainable, compact development. The policies provide for public health and environmental protection, economic vitality, public participation and accountability, coordination between agencies, and consistency among plans. The believe clear policies will help streamline the bureaucratic maze, so that growth can proceed in a way that is understandable to the developer and the public. Also it requires the preparation by the Governor of a coordinated state conservation and development strategy to guide state departments toward a sustainable future. The coalition sponsoring this package has agreed to continue working through the summer and fall to improve governmental decision making and plans to propose additional legislation in early 1993.

On July 1 the Assembly Committee on Local Government held a hearing on the two primary growth management bills, SB 434 and SB 929. As currently written:

SB 434 was amended to implement the recommendations of the Ueberroth Commission and is purported by the sponsor to enact a comprehensive growth management program based on the state policies, voluntary collaboration and local actions. At the July 1 hearing this bill was sent to interim hearing.

SB 929 creates an Office of Planning and Research (OPR) and a Planning and Advisory and Assistance Council which must prepare an environmental goals and policy report every four years relating to statewide environmental goals. OPR must divide the state into regional planning districts and prescribes a method to do so. The state must submit a multi-year capital outlay plan to the legislature each year as part of the budget. The bill requires each local agency that acquires, constructs or maintains public facilities to prepare a capital improvement program which must be annually revised and submitted to the state. These local infrastructure agencies will set priorities for

infrastructure investment and development management policies.

SB 929 is similar to SB 434 in requiring fiscal authorities, adoption of a master plan and annual capital program. It proposes in a time of limited fiscal resources to focus investment. SB 929 was passed out of the Assembly Committee and sent to the Assembly floor for action. It is anticipated that SB 929 may be enacted into law this year. However, it is quite possible the Governor, who has not issued his growth management policies, might veto SB 929. It is clear the legislature will focus on other growth management legislation restructuring in 1993. Water agencies have not been part of this dialogue.

IN SOUTHERN CALIFORNIA

In various regions around the state, regional planning agencies representing local governments have been working with special districts to improve the process for growth management and planning through a series of voluntary processes. The decreasing economy and reductions in public sector revenues have sharpened the focus on better planning, integrated decision-making and priority setting, as well as cost effective and efficient investment in infrastructure. Each region seems to be approaching the process differently.

In November 1988, voters of the County of San Diego approved Proposition C, directing establishment of Regional Planning and Growth Management Board and proposed the development of a regional growth management program which is substantially similar to the proposed comprehensive and growth management strategies proposed in the various legislative vehicles. Metropolitan has traditionally received growth projections from the San Diego Council of Governments and based our programs on those estimates.

In the Southern California Association of Governments region (Los Angeles, Orange, Imperial, Riverside, San Bernardino and Ventura Counties), there has been a different effort. However, over the last two years, SCAG has gone through an extensive discussion with its member local governments to find a new and more accurate way to conduct regional planning and implementation of those plans. This has lead to two areas of action. In February, SCAG at its General Assembly, voted to restructure itself with a new 66-member board with each board member representing the local governments serving a population of 250,000. This is designed

to lead to representation more reflective of and related to local government.

In addition, SCAG has set about preparing the regional comprehensive plan made up of a number of sector plans, such as transportation, air quality and water quality and quantity. These plans will have regional goals and standards. Sub-regional councils, such as the Western Riverside Council of Governments will develop and/or review these plans and approve them. SCAG will incorporate the submissions of the sub-regional agencies into the final regional plan. Local governments and single purpose agencies will implement the plan and local projects will be reviewed to conform with these plans. In effect, SCAG is attempting to develop a voluntary implementation of the process proposed by the Consensus Project and others. Metropolitan has traditionally received SCAG's growth forecasts and based our programs on their estimates. Metropolitan has committed to participate in the development of the water supply element for the accuracy and integration of the planning process for both water agencies and local governments.