

- **Board of Directors**
Water Planning, Quality and Resources Committee

September 14, 2004 Board Meeting

10-4

Subject

Report on the California Performance Review process

Description

Staff has reviewed in detail, the recommendations from the California Performance Review report (CPR) on reforming California government released on August 3, 2004. The CPR proposes changes to the processes and services the state provides to Metropolitan, its member agencies, and other statewide water interests. As a result, significant benefits and impacts to Metropolitan are possible in the areas of: the State Water Project, water rights, CALFED, Colorado River and water quality.

An Executive Order signed by Governor Schwarzenegger on February 10, 2004, created the CPR to conduct a focused examination of California state government. The goal is to recommend practical changes to government agencies, programs and operations to reduce total costs of operations, increase productivity, improve services and make government more responsible and accountable to the public. The report frames the reorganization of state government by covering 278 issue areas with 1,200 recommendations. After receiving the 2,000-plus page document, the Governor directed the report to a 21-member commission that is conducting public hearings on the report's recommendations during August and September 2004.

Seventy-nine state departments would be consolidated into 11 integrated departments. Many existing agencies and departments having functions and program areas important to Metropolitan could be affected. Key agency relocations would fall within the Governor's office and four new departments described in [Attachment 1](#) and listed below:

- The Infrastructure Department
- The Department of Natural Resources
- The Department of Public Safety and Homeland Security
- The Department of Environmental Protection

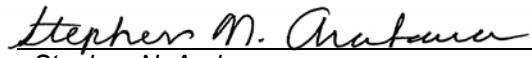
[Attachment 2](#) provides an anticipated CPR schedule including key dates for potential Metropolitan actions. One notable key date is the September 30, 2004, deadline for submitting written comments to the CPR Commission. As the process unfolds, we anticipate having many other opportunities to express viewpoints; some through formal submittals, other through meetings with key decision makers.

Despite the large volume of commentary and recommendations, the CPR report is short on implementation details, making it difficult at this stage to evaluate the benefits and impacts of recommendations in the key areas that are being analyzed for comment. Due to the large volume of material and short review period, staff plans to propose potential comments to the Executive Committee on September 28, 2004, for its consideration. In order to have the most thorough review possible, staff is collaborating with the State Water Contractors, Association of California Water Agencies, and Metropolitan member agency managers. These steps would support development of appropriate written comments by the upcoming CPR deadline of September 30, 2004. We anticipate some comments to be straight-forward, while others may initially be general and will be refined as more information is obtained through the CPR process. Staff will provide an oral report focusing on key issue areas for discussion at the September with the Water Planning, Quality and Resources Committee.

The formal process of decision making by the Governor and state Legislature will extend into 2005 and perhaps beyond. Staff will keep the Board informed as new information becomes available.

Fiscal Impact

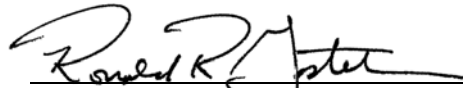
Fiscal impact is unknown.



Stephen N. Arakawa
Manager, Water Resource Management

9/8/2004

Date



Ronald R. Gastelum
Chief Executive Officer

9/8/2004

Date

Attachment 1 – California Performance Review Major Relocations of Agencies that Affect Metropolitan

Attachment 2 – California Performance Review Schedule

BLA #3101

**California Performance Review Major Relocations
of Agencies that Affect Metropolitan**

- The Department of Public Safety and Homeland Security
 - Division of Fire and Emergency Management
 - Division of Safety of Dams
 - Division of Flood Management

- The Department of Environmental Protection
 - Division of Air Quality
 - Division of Water Quality (would assume responsibilities for SWRCB and RWQCBs)
 - Division of Pollution Prevention, Recycling and Waste Management
 - Division of Site Cleanup and Emergency Response
 - Division of Pesticide Regulation

- The Infrastructure Department
 - Division of Water
 - Division of Energy
 - Division of Transportation
 - Division of Boating and Waterways

- The Department of Natural Resources
 - Division of Land Management
 - Division of Wildlife Management
 - Division of Parks, History and Culture

- Office of the Governor
 - Department of Food and Agriculture
 - Colorado River issues representation
 - Water Policy Council

California Performance Review Schedule

<u>CPR Process</u>		<u>Metropolitan Actions</u>	
Aug. 13	CPR Commission , Riverside Hearing Infrastructure	Aug. 13	Attended
Aug. 20	CPR Commission , San Diego Hearing Health and Human Services	Aug. 20	Hearing subject not relevant - no action
Aug. 27	CPR Commission , San Jose Hearing General Gov., IT, performance-based management & procurement and personnel	Aug. 27	Hearing subject not relevant - no action
Sept. 9	CPR Commission , Los Angeles Hearing Education, training, volunteerism	Sept. 9	Hearing subject not relevant – no action
Sept. 10	CPR Commission , Long Beach Hearing Corrections reform & public safety	Sept. 10	Will attend
Sept. 17	CPR Commission , Fresno Hearing Resource conservation & environmental protection	Sept. 17	Will attend
Sept 27	CPR Commission , UC Davis Hearing Government Reorganization	Sept. 27	Will attend
Sept. 30	Deadline for written comments	Sept. 30	Submit written comments to CPR Commission.
Fall//Winter 2004	<p>Little Hoover Commission</p> <p>Once CPR Commission hearings completed, Commission will deliver testimony to Governor without recommendations for action. Governor will decide what proposals to advance to Little Hoover Commission (LHC).</p> <p>If LHC receives proposal from Governor and, if approved, any government reorganization recommendations would be transmitted to Legislature during 2005 legislative session (see next page).</p>		Attendance will be determined

<u>CPR Process</u>		<u>Metropolitan Actions</u>	
<p>During 2005 legislative year</p>	<p>Process for Little Hoover Commission (LHC): (1) The Governor is required to submit any reorganization plan to the LHC at least 30 days prior to submitting the plan to the Legislature. (2) The LHC submits an advisory report to the Governor and the Legislature within 30 days of the reorganization plan being sent to the Legislature. In its report, the LHC makes a recommendation as to whether it believes the reorganization plan should go into effect, taking into consideration testimony received from one or more public hearings. (3) The LHC may not revise the plan but can offer recommendations to strengthen it through administrative actions or subsequent legislation.</p> <ul style="list-style-type: none"> • Legislature’s role following LHC recommendations: (1) Reorganization plan can be submitted by Governor to Legislature at any time during regular legislative session; (2) The Legislature must have 60 calendar days of a continuous session to consider the reorganization plan; (3) The Governor’s reorganization plan becomes effective the 61st day after it has been delivered to the Legislature (unless either the Senate or Assembly adopts, by majority vote, a resolution rejecting the plan). Legislature cannot make amendments to the Governor’s reorganization plan. <p>Additionally, the Administration may advance legislation, as needed or appropriate, to advance recommendations. Some actions may be implemented through the Governor’s executive powers.</p>	<p>During 2005 legislative year</p>	<p>Metropolitan to meet with legislative delegation and officials within the Governor’s administration and would submit input as needed during LHC process.</p>