

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

LEGISLATION COMMITTEE

July 12, 2011

Chair Ackerman called the meeting to order at 10:30 a.m. in Committee Room 2-456 at Metropolitan's Headquarters.

Members present: Chair Ackerman, Vice Chair Peterson, Directors Abdo, Ballin, Barbre, Brick, Camacho, Fleming, Friedman, Gray, Griset, Lewinger, Montalvo, Morris, and Record.

Members absent: Directors Fellow, Heidel, and K. Murray.

Other Board Members present: Directors Blake, Brown, Camacho, Edwards, Evans, Foley, Grandsen, Little, J. Murray, Sanchez, Steiner, Wunderlich, and Wright.

Staff present: Acuna, Arakawa, Bennion, Cole (via video conference), Elliot, Hiltcher (via video conference), Kightlinger, Man, Muir, Neal, Patterson, Perry, Philp, Riss, Roberts, Scully, Stites, Upadhyay, Waade, T. Wong, and Zinke.

1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COMMITTEE ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION

None.

2. APPROVAL OF THE MINUTES OF THE LEGISLATION COMMITTEE MEETING HELD ON JUNE 14, 2011

Approved

Moved: Griset

Seconded: Record

3. COMMITTEE CHAIR'S REPORT

Chair Ackerman reported that on June 20 and 21, Chairman Foley led a delegation of directors for two days of meetings and briefings in Sacramento. Directors who joined

Chairman Foley were: Chair Ackerman, Vice Chair Peterson, Directors Randy Record, Gloria Gray, Larry Dick, Lynne Heidel, Jesus Quiñonez, Sylvia Ballin, and Dan Griset.

She stated that during this trip, they met with legislators from Metropolitan's service area as well as members representing other areas of the state including: Senate President pro Tem Darrell Steinberg (D-Sacramento), Senator Joe Simitian (D-Palo Alto), Assembly Members Fiona Ma (D-San Francisco) and Henry Perea (D-Fresno). They also met with Resources Agency Secretary John Laird, Interim Director of Department of Water Resources Mark Cowin, and Delta Stewardship Council Chair Phil Isenberg.

Chair Ackerman also reported that they heard updates on several important and timely topics including the state budget, implementation of the comprehensive 2009 Delta water package, and the 2012 water bond.

Chair Ackerman noted that they heard from the legislators and the Brown Administration officials regarding their perspectives on the current and future water supply and delivery situation for Southern California and the state.

Chair Ackerman acknowledged that Kathy Cole and her team coordinated a very successful and productive trip.

She also mentioned that she and Director Gloria Gray attended a series of meetings in Northern California with agricultural community members to better understand the possible impacts of future Delta conveyance options.

Director Gray commented that a key benefit of the trip was that they were able to hear directly from people who lived in the Delta.

4. CONSENT CALENDAR ITEMS – ACTION

None

5. OTHER BOARD ITEMS – ACTION

None

6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS

a. Subject: Report on activities from Washington, DC

Presented by: Brad Hiltcher, Executive Legislative Representative

Mr. Hiltcher reported on the following activities in Washington, DC:

Federal Budget:

- The Senate and House stayed in session and continued to work on the annual spending bills.
- The House Appropriations expedited action on some of the FY 2012 spending bills including Energy and Water Development; Commerce-Justice; and Interior and Environment appropriations. These measures included significant cuts to water-specific programs including: desalination, WaterSmart, Title XVI, Clean Water Act and Safe Drinking Water Act State Revolving Funds.

Federal Legislation:

- Both the House and Senate have marked up legislation to reauthorize the Department of Homeland Security Chemical Facility Anti-Terrorism Standards (CFATS) program for chemical facilities, including both H.R. 901 (Lungren) and H.R. 908 (Murphy) and S. 473 (Collins) that extend the current CFATS program and exempt water and wastewater treatment facilities. Another related measure S. 711 (Lautenberg) has yet to be scheduled for hearing.
- H.R. 2018 (Mica) regarding Clean Water Act regulations.

Informational Hearings:

- The Senate Committee on Environment and Public Works is conducting an oversight hearing on unregulated substances such as Chromium 6 and Perchlorate on July 12.

b. Subject: Report on activities from Sacramento

Presented by: Kathy Cole, Executive Legislative Representative

Ms. Cole reported on activities in Sacramento:

Legislative Dates:

- July 15: Summer recess upon adjournment.
- August 15: Legislature reconvenes from summer recess.

- September. 9: Last day for bills to pass; interim recess begins upon adjournment.

Sacramento Day

- On June 20, prior to the meetings scheduled with legislators as part of Metropolitan's Sacramento Day briefings as reported by Chair Ackerman, directors also had the opportunity to meet with Senators Bill Emmerson (R- Riverside), Bob Huff (R-Diamond Bar), Alex Padilla (D-Pacoima) and Assembly Members Betsy Butler (D-Torrance) and Jose Solorio (D-Santa Ana). Policy issues dominating the evening's discussion were redistricting, state budget and Delta package implementation.

State Budget:

- The Legislature passed a majority vote budget by the June 15 constitutional deadline which was immediately vetoed by Governor Brown. On June 28, the Legislature passed a second budget. Governor Brown signed the budget on June 30 and blue penciled nearly \$24 million in additional cuts.
- The budget does not include extension of tax rates that are set to expire June 30.
- Since January 2011, the Governor and Legislature have worked to bridge budget deficit of approximately \$26 billion, including:
 - Reform of redevelopment agencies (RDAs),
 - Severe cuts to Department of Park and Recreation resulting in closure of 70 state parks;
 - \$50 million General Fund cut to CalFire which will be replaced by fee to prevent fires in State Responsibility Areas;
 - Increasing nearly \$24 million in fees for water quality and water rights programs at State Water Resources Control Board; and
 - Eliminating 23 boards and commissions, as proposed in Governor's May Revise, which includes several related to natural resources (excluding the Colorado River Board).

State Legislation:

- SB 837 (Blakeslee, R-Santa Barbara): Sponsored by California Association of Realtors. Technical clean-up measure to Metropolitan-sponsored bill from 2009 (SB 407, Padilla). Governor signed measure on June 22.
- AB 741 (Huffman, D-San Rafael): Sponsored by Irvine Ranch Water District. Awaits action by Governor.

Informational Hearings:

- On June 27, Assembly Member Steven Bradford (D-Inglewood), Chair of the Assembly Utilities and Commerce Committee, convened an informational hearing to solicit interest and input from wide range of stakeholders on the continued need and validity of the energy Public Goods Charge.

- On June 29, the Senate Select Committee on the Environment, the Economy and Climate Change convened an informational hearing to provide an update and seek reactions to the implementation of AB 32 – with particular focus on proposed Cap-and-Trade program. Air Resources Board (ARB) Chair Mary Nichols announced ARB is still on target to implement regulations by January 1, 2012, but enforcement and compliance will be delayed until 2013.

8. MANAGEMENT REPORT

Ms. Waade reported that the Legislative Services team continues to be active with local and regional chambers of commerce and several business organizations.

She stated that in addition to the legislative updates, staff also presented the water supply outlook to San Gabriel Valley Economic Partnership and the Downey Chamber of Commerce.

Ms. Waade reported that in June, staff represented Metropolitan at the California Building Industry Association Annual Pacific Coast Builders Conference in San Francisco and provided updates on statewide building code changes related to water use efficiency.

She noted that the legislative staff is working on scheduling and confirming the community leader briefings, which is scheduled to reconvene in September. The dates will be announced once confirmed.

9. FUTURE AGENDA ITEMS

None

Next meeting will be held on August 16, 2011.

Meeting adjourned at 11:05 a.m.

Linda Ackerman
Chair