

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

LEGISLATION COMMITTEE

September 13, 2011

Chair Ackerman called the meeting to order at 10:19 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, Heidel, Lewinger, and Record.

Members absent: Directors Montalvo, Morris, and K. Murray.

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

Staff present: Acuna, Bennion, J. Carrillo, L. Carrillo, Cole, DeBacker, Escuadro-Dailey, Green, Harris, Hiltcher, Kightlinger, Man, Neal, Patterson, Philp, Scully, 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 AUGUST 13, 2011

Approved

Moved: Lewinger

Seconded: Ballin

3. COMMITTEE CHAIR'S REPORT

Chair Ackerman reported that Metropolitan joined the Inland Empire Utilities Agency, Western Municipal Water District and others in sponsoring San Bernardino County's annual Water Conference held in Ontario on August 26. Supervisors Josie Gonzales and Brad Mitzelfelt were the hosts for the conference which was attended by approximately

500 business and community leaders, including Metropolitan Directors Camacho, De Jesus and Evans. Chair Ackerman stated that featured presentations were provided by state Senator Jean Fuller and Gerald Meral, Deputy Secretary of the California Natural Resources Agency, who discussed local water development and state water supplies.

Chair Ackerman reported that on August 25, Director Camacho and staff attended a briefing by Senator Dianne Feinstein which was hosted by the Orange County Water District. The Senator's comments focused on intelligence and national security issues, and the federal budget deficit. She also discussed other issues including the need to resolve the Delta issues, groundwater storage and regional water supply projects, such as Orange County's water reclamation project. The Senator acknowledged Metropolitan and General Manager Jeff Kightlinger for Metropolitan's efforts to resolve the State's ongoing water challenges.

She also mentioned that staff will provide an update on Metropolitan's legislative review process, what the process involves for review and discussion. She stated that this review will be provided in October and November, in conjunction with staff's recommendations regarding Metropolitan's 2012 federal and state legislative proposals.

4. CONSENT CALENDAR ITEMS – ACTION

None

5. OTHER BOARD ITEMS – ACTION

8-6 Subject: Express support for SB 250 (Rubio, D-Bakersfield) –
Sacramento-San Joaquin Delta: Delta Plan: conveyance facility

Presented by: Kathy Cole, Executive Legislative Representative

Motion: Adopt the CEQA determination and express support for SB 250 (Rubio) consistent with Metropolitan's board-adopted Delta Action Plan.

Motion Carried Moved: Record Seconded: Peterson
 Abstain: Gray

6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS

a. Subject: Report on activities from Washington, D.C.

Presented by: Brad Hiltcher, Executive Legislative Representative

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

Overview:

- As reported last month, Congress agreed to approximately a trillion dollar budget reduction prior to adjourning for the summer constituent work period in August.
- The President, with the help of both Houses of Congress, formed a Super-Committee of twelve to identify an additional \$1.5 trillion in budget reductions to address the budget deficit.

Senate Appropriations Activities:

- The Senate moved forward with subcommittee and full committee markups of the Energy and Water Development Appropriations bill.
- Language on the bill is posted on the Senate Appropriations Committee website.

Senate Environment and Public Works Committee

- The Senate Environment and Public Works Committee passed a four-month extension of the current transportation bill.

House Appropriations Activities

- The House Appropriations Transportation and Infrastructure Committee passed a \$55.15-billion transportation and housing spending bill.

Administration

- The President gave a speech to Congress where he outlined a \$447-billion jobs package. Representatives Nick Rahall (D-WV) and Tim Bishop (D-NY) wrote a letter to the President, signed by 50 of their colleagues, urging him to include water infrastructure as an additional component to the jobs package in order to create jobs and help close the nation's massive water infrastructure spending gap.

Environmental Protection Agency (EPA)

- EPA announced that they have concluded that the substances of Perchlorate and Chromium 6 meet the criteria necessary for regulation under the Federal Safe Drinking Water Act.

Upcoming Hearings

- Newly introduced bill H.R. 2842 (Tipton, R-CO) – a measure to remove some of the obstacles to the FERC permitting process for small system hydropower.
- H.R. 200 (Baca, D-CA) – a measure that would provide grant funding for research on removing Perchlorate from the groundwater in the Inland Empire.

Mr. Hiltcher mentioned that the federal matrix has been updated and revised to more closely reflect the format of the state matrix.

b. Subject: Report on activities from Sacramento

Presented by: Kathy Cole, Executive Legislative Representative

Ms. Cole reported on activities in Sacramento:

Legislative Dates:

September 9: Last day of session
October 9: Last day for Governor to sign or veto bills from 2011
January 1: Statutes take effect

State Legislation:

- AB 134 (Dickinson, D-Sacramento) – Governor Brown recently signed Sacramento Regional County Sanitation District's (SRCSD) sponsored bill into law. AB 134 authorizes SRCSD to apply to the State Water Resources Control Board for an appropriative right for sale and transfer of SRCSD's treated effluent as water supply.
- SB 215 (Huff, R-Diamond Bar) – The bill extends the existing sunset date for Department of Fish and Game inspection and enforcement program for controlling spread of quagga mussels to January 2017. The measure moved successfully through the legislative process and awaits action by the Governor.
- SB 224 (Pavley, D-Agoura Hills) – The bill will direct the Department of General Services to provide some contract flexibility for Department of Water Resources over power and water contracts. The bill passed the Assembly and the Senate concurred in Assembly amendments, and it waits for the Governor to review.

State Budget:

- In search of options to the pending trigger cuts, the Legislature considered ABX1 20 (Blumenfield, D-Van Nuys) to require the Department of Finance to identify other alternatives to the \$2.5 billion cuts to education, public safety and social services. However, the bill died in the Senate.

Water Bond:

- Governor Brown asked for the removal of two Republican appointees made by former Governor Schwarzenegger to the California Water Commission, former Senator Dave Cogdill, the architect of the 2009 water bond, and Paul Kelley, former Sonoma County Supervisor and current President of the Association of California Water Agencies. The Governor would like his own appointees on the commission which he views as instrumental in shaping future decisions on water storage and Delta conveyance. Cogdill's year will end December 13, 2011, and Kelley's on January 1, 2012.
- The Governor called for a smaller water bond than the \$11.1 billion version on the November 2012 ballot. He stated that he would address it next year after presenting the plan for the Delta conveyance and expressed interest in reshaping the bond agreement.

Gubernatorial Appointments:

- On August 26, Governor Jerry Brown appointed Chuck Bonham as the Director of the Department of Fish and Game. His appointment requires Senate confirmation.

Update on End-of-Session Actions:

- SB 202 (Hancock, D-Oakland) - Elections: ballot measures. Could impact timing of ballot initiatives in 2012.
- SB 292 (Padilla, D-Van Nuys) - California Environmental Quality Act. Provides expedited judicial review of CEQA challenges to proposed stadium in the City of Los Angeles.
- AB 900 (Buchanan, D-San Ramon) – California Environmental Quality Act. Creates expedited judicial review procedures under CEQA for various types of LEED silver certified infill site projects, clean renewable energy projects and clean energy manufacturing projects.
- SB 617 (Calderon, D-Montebello) - State Government: Financial and Administrative Accountability. Revises Administrative Procedures Act to require state agencies to prepare standardized regulatory impact analysis with respect to the adoption, amendment, or repeal of major regulations proposed on or after November 1, 2013.

8. MANAGEMENT REPORT

Deputy General Manager Linda Waade reported that External Affairs staff has been working closely with Metropolitan's Legal Department, technical staff, and the Legislative Services staff to prepare and develop draft legislative proposals for 2012. She stated that a form was distributed to the Committee, similar to what was distributed last year, for director suggestions or ideas on potential legislative proposals. She stated that

the Committee can submit the forms to Linda Waade; Dee Zinke, Manager, Legislative Services; or Christina Neal, Group Manager, External Affairs and the director forms will be included with the other proposals.

Ms. Waade mentioned that on October 18, Metropolitan will convene its annual meeting with member agency legislative coordinators to view and discuss potential legislative proposals.

She also mentioned that at the November Legislation Committee meeting, a presentation will be given on the draft legislative proposals, and a report will be made at the monthly member agency managers' meeting.

Ms. Waade stated that in December, a board action letter recommending the legislative proposals for 2012 will be presented for the Board's consideration.

General Manager Jeff Kightlinger commented that former Director Nancy Sutley, now at Council on Environmental Equality, contacted him regarding a White House conference call that they had established on September 12, about jobs, and they wanted participants in California who do infrastructure, to be included in the call. Because of a conflict for Mr. Kightlinger, Assistant General Manager Strategic Water Initiatives Roger Patterson participated in the conference call on Mr. Kightlinger's behalf. Primarily they were interested in where our jobs are going to be found in California, what projects we are doing, and they spent a fair amount of time on the President's American Job Acts proposal. They were quite interested in any studies that would indicate what the amount of jobs in California that would be provided by water infrastructure projects that we have. Metropolitan has been doing some work with UC Berkley Economist David Sunding, who has been doing an analysis on how many jobs conveyance solutions and fixes in the Delta would generate. They are very interested in the outcome of the analysis and discussions will take place once it has been completed.

9. FUTURE AGENDA ITEMS

None.

Next meeting will be held on October 11, 2011.

Meeting adjourned at 10:55 a.m.

Linda Ackerman
Chair