



*Dedicated to
Satisfying our Community's
Water Needs*

**AGENDA
MESA WATER DISTRICT
BOARD OF DIRECTORS
Monday, November 25, 2019
1965 Placentia Avenue, Costa Mesa, CA 92627
3:30 p.m. Special Board Meeting**

**LEGISLATIVE & PUBLIC AFFAIRS COMMITTEE MEETING
Monday, November 25, 2019 at 3:30 p.m.**

CALL TO ORDER – 3:30 p.m. or as soon thereafter as the Finance Committee agenda permits.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

Items Not on the Agenda: Members of the public are invited to address the Board on items which are not on the agenda. Each speaker is limited to three minutes. The Board will set aside 30 minutes for public comments.

Items on the Agenda: Members of the public may comment on agenda items before action is taken, or after the Board has discussed the item. Each speaker is limited to three minutes. The Board will set aside 60 minutes for public comments.

CONSENT CALENDAR ITEMS:

Approve all matters under the Consent Calendar by one motion unless a Board member, staff, or a member of the public requests a separate action.

1. State Advocacy Update
2. Outreach Update

ACTION ITEMS:

Items recommended for approval at this meeting may be agendized for approval at a future Board meeting.

3. Orange County Advocacy Consulting Services
4. State Advocacy Consulting Services
5. Legislative Platforms
6. Proclamation Honoring Kathleen Tiegs

PRESENTATION AND DISCUSSION ITEMS:

7. Orange County Update
8. Mesa Water Upcoming Events



REPORTS:

9. Report of the General Manager
10. Directors' Reports and Comments

INFORMATION ITEMS:

11. Rate Adjustment Communications

In compliance with California law and the Americans with Disabilities Act, if you need disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, or if you need the agenda provided in an alternative format, please contact the District Secretary at (949) 631-1206. Notification 48 hours prior to the meeting will enable Mesa Water District (Mesa Water) to make reasonable arrangements to accommodate your requests.

Members of the public desiring to make verbal comments utilizing a translator to present their comments into English shall be provided reasonable time accommodations that are consistent with California law.

Agenda materials that are public records, which have been distributed to a majority of the Mesa Water Board of Directors (Board), will be available for public inspection at the District Boardroom, 1965 Placentia Avenue, Costa Mesa, CA and on Mesa Water's website at www.MesaWater.org. If materials are distributed to the Board less than 72 hours prior or during the meeting, the materials will be available at the time of the meeting.

ADJOURNMENT



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MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Stacy Taylor, External Affairs Manager
DATE: November 25, 2019
SUBJECT: State Advocacy Update

RECOMMENDATION

This item is provided for information.

STRATEGIC PLAN

Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

This item is updated for the monthly meeting of the Legislative & Public Affairs Committee.

DISCUSSION

Staff will provide an updated State Advocacy report at the Legislative & Public Affairs Committee meeting.

FINANCIAL IMPACT

In Fiscal Year 2020, \$170,000 is budgeted for Support Services; \$89,860 has been spent to date.

ATTACHMENTS

None.



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MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Celeste Carrillo, Public Affairs Coordinator
DATE: November 25, 2019
SUBJECT: Outreach Update

RECOMMENDATION

This item is provided for information.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water® and about water.
Goal #6: Provide outstanding customer service.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

This item is updated for the monthly meeting of the Legislative & Public Affairs Committee.

DISCUSSION

Mesa Water District's (Mesa Water®) outreach program aims to connect Mesa Water with its constituents in order to achieve Goal #4 of the Board of Directors' (Board) Strategic Plan. Outreach activities are also designed to achieve the Strategic Plan goals related to customer service and/or regional water issues involvement by educating and informing the District's constituents about Mesa Water, water issues, and water in general. Mesa Water's constituents include external audiences, such as customers, community members, elected officials, industry colleagues, media, water districts and special districts – as well as internal audiences, such as staff, retirees and Board members.

Upcoming Fiscal Year 2020 Events

1. **5th Grade Assembly** - Whittier Elementary School, 1800 Whittier Avenue, Costa Mesa: Tuesday, November 26, 11:00 a.m.
2. **4th Grade Assembly** - Killybrooke Elementary School, 3155 Killybrooke Lane, Costa Mesa: Tuesday, November 26, 2:00 p.m.

The benefits of Mesa Water's outreach program include:

- Informing constituents about Southern California's perpetual drought, the historical drought facing California, and the importance of developing local and cost-effective sources of safe, reliable water for Mesa Water's service area and the region at large;
- Educating constituents about the importance of water and water stewardship, in order to sustain Southern California's population, quality of life, business, and economy;
- Educating constituents about Mesa Water's stewardship of ratepayer funds and financial responsibility to fund, invest in, and save for the current and future provision of safe and reliable water for the District's service area;



- Informing constituents of the District's infrastructure improvements to ensure water quality and water reliability for its service area;
- Learning from constituents and evolving as a well-informed Board of Directors;
- Promoting water use efficiency to Mesa Water's customers and community members to help them save water, money, and the environment;
- Ensuring, for public health and safety reasons, that Mesa Water customers and community members identify the District as their water provider and as the source of information about water in emergency situations;
- Supporting Mesa Water's service area as an actively involved participant in programs that provide added value and benefits to the community;
- Informing the media of Mesa Water's activities that benefit the District's customers and community;
- Empowering Mesa Water's Board and staff with information that will help them provide the best possible service to the District's customers and community members; and,
- Strengthening Mesa Water's industry relations to provide opportunities for improving the District's business and operations -- including the areas of financial and human resources strength, infrastructure and technological innovation, and setting/supporting policies that have a positive impact on Mesa Water's service area -- so that the District can continue to provide safe, high-quality, reliable, and affordable water to its customers.

FINANCIAL IMPACT

In Fiscal Year 2020, \$437,180 is budgeted for the District's Public Affairs department expenses; \$166,390 has been spent to date.

ATTACHMENTS

None.



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MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Stacy Taylor, External Affairs Manager
DATE: November 25, 2019
SUBJECT: Orange County Advocacy Consulting Services

RECOMMENDATION

Recommend that the Board of Directors approve a contract change order with Lewis Consulting Group for a monthly retainer of \$5,000 for Orange County Advocacy Consulting Services from January 1 through June 30, 2020.

STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.
Goal #4: Increase public awareness about Mesa Water® and about water.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

Lewis Consulting Group (LCG) was initially retained in June 2016, under the General Manager's authority, and renewed annually since, to provide Orange County Advocacy Consulting Services for a monthly retainer of \$4,000. LCG's services include government relations work at the local and County levels in collaboration with Mesa Water District (Mesa Water®) staff.

Mesa Water has experienced an increased level of regional relations activities over the past several months and anticipates this increased activity level to continue. Staff recommends continuing to work with LCG as Mesa Water's representative for Orange County advocacy issues important to the District.

FINANCIAL IMPACT

In Fiscal Year 2020, \$170,000 is budgeted for Support Services; \$89,860 has been spent to date.

ATTACHMENTS

None.



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MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Stacy Taylor, External Affairs Manager
DATE: November 25, 2019
SUBJECT: State Advocacy Consulting Services

RECOMMENDATION

Recommend that the Board of Directors approve renewal of the contract with California Advocates for State Advocacy Consulting Services from January 1 to December 31, 2020 for an amount not to exceed \$84,000.

STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.
Goal #4: Increase public awareness about Mesa Water and about water.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

In 2014, Mesa Water District (Mesa Water®) retained, via a competitive procurement process for state advocacy consulting services, the advocacy firm California Advocates (CA Advocates); since then, the District has renewed the CA Advocates contract annually.

At its November 25, 2019 meeting, the Legislative & Public Affairs Committee will review and discuss the District's proposed 2020 Legislative Platforms for use regarding anticipated high-priority public policy issues. Advocacy for Mesa Water's platforms will continue to require significant work in Sacramento on multiple issues -- including alternative solutions to a water tax for funding the "human right to water" -- during Calendar Year 2020.

CA Advocates has been effective for Mesa Water on several high-priority issues through active legislative monitoring and engagement with the: Governor's administration; State legislature and its leadership, committees, consultants and staff; State Water Resources Control Board; Association of California Water Agencies; CalDesal; California Special Districts Association; WaterReuse; and others. Staff recommends continuing to work with CA Advocates as the District's lead Sacramento representative for advocacy issues important to Mesa Water. In 2020, per Mesa Water's procurement process, staff will conduct a Request for Proposals process for state advocacy consulting services starting January 1, 2021.

FINANCIAL IMPACT

In Fiscal Year 2020, \$170,000 is budgeted for Support Services; \$89,860 has been spent to date.



ATTACHMENTS

None.



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MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Stacy Taylor, External Affairs Manager
DATE: November 25, 2019
SUBJECT: Legislative Platforms

RECOMMENDATION

Recommend that the Board of Directors approve the proposed legislative platforms.

STRATEGIC PLAN

- Goal #1: Provide a safe, abundant, and reliable water supply.
- Goal #2: Practice perpetual infrastructure renewal and improvement.
- Goal #3: Be financially responsible and transparent.
- Goal #4: Increase public awareness about Mesa Water® and about water.
- Goal #5: Attract and retain skilled employees.
- Goal #6: Provide outstanding customer service.
- Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

This item is updated annually by the Mesa Water District (Mesa Water®) Board of Directors (Board).

DISCUSSION

The purpose of developing Mesa Water's legislative platforms is to establish a philosophical basis for policy principles and policy positions, agreed upon by the Board, to assist staff and advocacy consultants in monitoring, identifying, evaluating, and prioritizing legislation, administrative actions, and regulations that can impact Mesa Water and the interests of our constituents.

Mesa Water continues to engage with state legislative, administrative, regulatory and industry groups -- such as the Association of California Water Agencies, California Municipal Utilities Association, California Special Districts Association, State Water Resources Control Board, and others -- as well as with regional and local industry associations, to develop opportunities for beneficially influencing water issue discussions and policy decisions.

Mesa Water's proposed 2020 legislative platforms (see Attachment A) establish advocacy guidelines that allow timely response to certain types of legislation and regulations that are relevant to our operations including, but not necessarily limited to:

- infrastructure funding and fiscal policies;
- local governance/transparency issues;
- water quality and treatment mandates;
- water rate structures and conservation/water use efficiency;
- water resources public policy; and,
- water source development via desalination, potable reuse, recycled water, etc. to create new local water supplies.



Any policy issues with complex implications requiring further clarification will be presented to the Board for guidance. The legislative platforms relate to all seven of Mesa Water's strategic plan goals and can be updated on an as-needed basis and, minimally, annually.

FINANCIAL IMPACT

None.

ATTACHMENTS

Attachment A: Proposed 2020 Legislative Platforms
Attachment B: 2019 Legislative Platforms, Redline
Attachment C: Policy Positions



2020 Legislative Platforms

Proposed - Updated November 2019

Calendar Year 2020 marks the second year of California's two-year (2019 and 2020) legislative session, with the State legislature slated to reconvene at noon on Monday, January 6, 2020. Staff expects that legislative proposals and ongoing policy discussions from the 2019 session will return in 2020, including water legislation that could significantly impact Mesa Water District (Mesa Water®). The State administration and legislature explored several water issues in 2019, including, but not limited to:

- water use efficiency/conservation “clean up” legislation pertaining to data reporting and streamlining, water loss performance standards, and other topics related to SB 606/AB 1668;
- a statewide “public goods charge” (tax) on water to implement California’s Human Right to Water Law;
- water district consolidations;
- headwaters and forest management;
- climate change, water resilience, and related issues (i.e., energy use, inverse condemnation, public safety power shutoffs, etc.);
- low income water rates assistance programs (aka “lifeline rates” or LiWRA programs);
- water quality, PFAS, and other Constituents of Emerging Concern (CECs);
- recycled water and water reuse;
- California Environmental Quality Act (CEQA) reform (including proposals to alleviate homelessness); and,
- Delta Flows and the Delta Conveyance Project (DCP).

As policy discussions continue in 2020, the above issues will be the primary areas of legislative and regulatory focus. Additionally, in 2019, Governor Newsom issued two water-related Executive Orders: 1. California Water Resilience Portfolio; and, 2. Climate Change.

Furthermore, the Governor’s Administration, as well as State legislative leadership, lawmakers, and regulators will continue work on implementing the water conservation bills -- SB 606 and AB 1668 -- that passed in 2018.

Lastly, Mesa Water engaged with various agencies and associations that the district is affiliated with (i.e., ACC-OC, ACWA, AWWA, CalDesal, CMUA, CSDA, CWSA, MWDOC/MWD, OCBC, OCWD, OC Tax, SCWC, WaterReuse, etc.) to advocate on legislative/policy issues including, but not necessarily limited to: a potential “Split Roll” ballot initiative to amend Proposition 13; the Cortese-Knox-Hertzberg Act and LAFCO Protest Thresholds; and Ranked Choice Voting.

Listed below, for the Board’s consideration, are the proposed legislative and regulatory platforms regarding anticipated high-priority public policy issues in 2020 that could have major consequences for Mesa Water:



- **Water Rates** – Mesa Water supports local rate-setting control with rate structures, set by publicly-elected boards and councils, that best serve customers and comply with the law. Furthermore, Mesa Water supports cost-based water rates that:
 - represent the true, full cost of water services, including operational costs and infrastructure funding to ensure water system sustainability into perpetuity; and,
 - harmonize the concepts of conservation and legality, with rates that provide a strong price signal for ratepayers to conserve while also complying with legal mandates (i.e., Article X of the CA Constitution; SB 606 and AB 1668; and, Propositions 13, 26, and 218).
- **Proposition 13** – Mesa Water supports Article XIII A of the California Constitution (Prop. 13) and the taxpayer protections it provides as passed in 1978; and, Mesa Water opposes a “Split Roll” that would remove some of the protections of Prop. 13 from nonresidential properties in order to raise taxes on them.
- **Proposition 218** – Mesa Water supports Article XIII C and D of the California Constitution (Prop. 218) regarding government service assessments, fees, rates, and taxes, specifically:
 - the “2/3 vote” required from the legislature and voters for approval of new levies; and,
 - the “special benefit and proportionality requirements” provision which directly connects the special benefits received with reasonable proportionate costs, and ensures that assessments imposed for property-related (water) services must not exceed the proportional cost of the services attributable to the parcel.
- **Water Rate Assistance Programs (“WRAP”)** – Mesa Water supports localized “WRAP” (aka “lifeline rates” or LiWRA) programs that comply with Prop. 218 of the California Constitution and are funded either voluntarily or via nonrestricted/non-water-rates revenues.
- **Orange County Groundwater Basin** – Mesa Water opposes any potential streamlined process for adjudicating groundwater basins, including the Orange County groundwater basin which is currently managed by the Orange County Water District (OCWD).
- **Water Bonds Funding (Propositions 1 and 68)** – Mesa Water supports funding from the November 2014 and June 2018 water bonds for OCWD’s priority projects.
- **Water Desalination** – Mesa Water supports CalDesal in its desalination advocacy efforts, as well as the local and regional development of cost-effective and environmentally sensitive water desalination projects statewide -- including brackish and ocean water desalination and the proposed Huntington Beach and Dana Point projects -- in order to enhance the availability and reliability of local and regional water supply sources, and improve water supply reliability for Orange County, Southern California, and statewide.

- **Water Conservation/Water Use Efficiency** – Mesa Water supports accounting for water resource and supply investments -- such as desalination, potable reuse, and water recycling -- as part of any potential statewide effort to update urban water conservation goals. Mesa Water supports compliance flexibility and local control; maximum credit for drought-resilient supplies; and, water use and water loss target-setting by the legislature that is based on valid data and includes a glide path for enforcement as well as a variance process for unique situations. Mesa Water also supports the streamlining of water reporting data as part of the implementation of, and compliance with, SB 606/AB 1668.
- **Water Recycling** – Mesa Water supports OCWD and WaterReuse in its efforts to advance potable reuse legislation and regulations.
- **Water Quality, PFAS, and Constituents of Emerging Concern** – Mesa Water supports efforts by the Association of California Water Agencies (ACWA) and other water industry associations/organizations to protect public health by using the best available scientific data and cost/benefit analyses to inform the development of reasonable and fiscally-responsible water quality legislation and regulations which consider technical and economic feasibility while ensuring clean, safe drinking water.
- **Water Storage and Exchange Programs** – Mesa Water supports the “Beneficiaries Pay” principle for water storage and exchange/transfer programs provided that they are market- based, ensure full cost recovery at a minimum, and account for water loss.
- **CEQA Reforms** – Mesa Water supports the efforts of ACWA and other water industry associations/organizations to streamline CEQA to enhance efficiencies, reduce redundancies in the environmental review/permitting process, and eliminate unnecessary, costly, and time-consuming litigation and related delays.
- **Local Government** – Mesa Water supports the efforts of California Special Districts Association (CSDA) and other industry associations/organizations to ensure local control and representation, efficient delivery of government services, and appropriate reserve funds levels.
- **Local Agency Formation Commission (LAFCO)** – Mesa Water supports the existing protest thresholds for LAFCO-initiated reorganizations, per the Cortese-Knox-Hertzberg (CKH) Act, and opposes changes that would make it more difficult for citizens to protest a LAFCO-initiated reorganization. Additionally, Mesa Water opposes any changes to the CKH Act that would weaken local control and representation and/or broaden the mission, powers, and scope of LAFCOs without providing any added public benefit.
- **Special Districts Voting Methods** – Mesa Water supports exempting special districts from Cumulative Voting and Ranked Choice Voting methods, and opposes attempts to make these methods an option or a mandate for special districts elections.



- **Delta Functional Flows and Solutions** – Mesa Water supports the efforts of ACWA, Municipal Water District of Orange County (MWDOC), Metropolitan Water District of Southern California (MWD), and Southern California Water Committee (SCWC) to achieve a long-term solution for the Bay Delta that includes functional, unimpaired flows for optimal statewide water supply reliability, sustainability and quality, and Delta ecosystem health and restoration for the public benefit.
- **CA Headwaters and Forest Management** – Mesa Water supports the efforts of ACWA and other water industry coalitions to promote policies that enhance the pace and scale of headwaters and forest management -- including improved planning, coordination and implementation -- and increase financing, research, and resources to: protect water supply and quality; bring management practices in line with modern challenges; and, provide multiple benefits to the State's water users.
- **CA Water Resilience Portfolio and Climate Change** – Mesa Water supports Mesa Water supports the efforts of ACWA and other water industry associations/organizations in engaging with the Governor's Administration, lawmakers, and regulators on policies related to the Governor's Executive Orders on Water Resilience Portfolio and Climate Change and related issues including, but not necessarily limited to: energy use, inverse condemnation, and public safety power shutoffs.
- **Essential Public Utilities** – Mesa Water supports the concept of carving out Essential Public Utilities -- such as water and wastewater service providers -- from future legislation, administrative actions, and regulations that add costs or time delays to a utility's work by mandating new, unfunded operational practices, while providing no added public benefit.
- **Federal Drought Legislation** – Mesa Water supports the efforts of ACWA and other water industry associations/organizations in collaborating with U.S. representatives to develop bicameral, bipartisan federal drought legislation.



2019-2020 Legislative Platforms

Proposed Draft -
Updated ~~October~~
November 2019~~8~~

Calendar Year 20~~2019~~ marks the ~~first~~ second year of California's two-year (2019 and 2020) legislative session, with the State legislature slated to reconvene at noon on Monday, ~~December-January 6~~3~~~~, 20~~2018~~. Staff expects that legislative proposals and ongoing policy discussions from the 201~~98~~ session will return in 20~~2019~~, including water legislation that could significantly impact Mesa Water District (Mesa Water®). The State administration and legislature explored several water issues in 201~~98~~, including, but not limited to:

- water use efficiency/conservation "clean up" legislation ~~updating~~ "20x2020" pertaining to data reporting and streamlining, water loss performance standards, and other topics related to SB 606/AB 1668 Urban Water Management Planning;
- a statewide "public goods charge" (tax) on water to implement California's Human Right to Water Law;
- ~~water district consolidations;~~
- headwaters and forest management;
- ~~prohibiting residential water shutoffs; fire prevention and forest/headwaters/watersheds/wildlands protection; climate change, water resilience, and related issues (i.e., energy use, inverse condemnation, public safety power shutoffs, etc.);~~
- low income water rates assistance programs (aka "lifeline rates" or LiWRA programs);
- water quality, ~~and lead~~ PFAS, and other constituents of emerging concern (CECs);
- recycled water and water reuse;
- California Environmental Quality Act (CEQA) reform (including proposals to alleviate homelessness); and,
- Delta Flows and the Delta Conveyance Project (DCP) California WaterFix/EcoRestore.

As policy discussions continue in 20~~2019~~, the above issues will be the primary areas of legislative and regulatory focus. Additionally ~~in 2019, the November 2018 election will result in a new State Governor~~ Newsom issued two water-related Executive Orders: 1. California Water Resilience Portfolio; and, 2. Climate Change.- and Furthermore, the Governor's administration Administration, as well as ~~current and new state~~ State legislative leadership, lawmakers, and regulators ~~who will be dedicated to continue work on~~ implementing the ~~recently enacted~~ water conservation bills -- SB 606 and AB 1668 -- ~~which that~~ passed ~~during their~~ 2018-legislative session.

Lastly, Mesa Water engaged with various agencies and associations that the district is affiliated with (i.e., ACC-OC, ACWA, AWWA, CalDesal, CMUA, CSDA, CWSA, MWDOC/MWD, OCBC, OCWD, OC Tax, SCWC, WaterReuse, etc.) to advocate on legislative/policy issues including, but not necessarily limited to: a potential "Split Roll" ballot initiative to amend Proposition 13; the Cortese-Knox-Hertzberg Act and LAFCO Protest Thresholds; and Ranked Choice Voting.

Listed below, for the Board's consideration, are the proposed legislative and regulatory platforms



regarding anticipated high-priority public policy issues in 20~~2019~~ that could have major consequences for Mesa Water:

- **Water Rates** – Mesa Water supports local rate-setting control with rate structures, set by publicly-elected boards and councils, that best serve customers and comply with the law. Furthermore, Mesa Water supports cost-based water rates that:
 - represent the true, full cost of water services, including operational costs and infrastructure funding to ensure water system sustainability into perpetuity; and,
 - harmonize the concepts of conservation and legality, with rates that provide a strong price signal for ratepayers to conserve while also complying with legal mandates (i.e., Article X of the CA Constitution; SB 606 and AB 1668; and, Propositions 13, 26, and 218).
- **Proposition 13** – Mesa Water supports Article XIII A of the California Constitution (Prop. 13) and the taxpayer protections it provides as passed in 1978; and, Mesa Water opposes a “Split Roll” that would remove some of the protections of Prop. 13 from nonresidential properties in order to raise taxes on them.
- **Proposition 218** – Mesa Water supports Article XIII C and D of the California Constitution (Prop. 218) regarding government service assessments, fees, rates, and taxes, specifically:
 - the “2/3 vote” required from the legislature and voters for approval of new levies; and,
 - the “special benefit and proportionality requirements” provision which directly connects the special benefits received with reasonable proportionate costs, and ensures that assessments imposed for property-related (water) services must not exceed the proportional cost of the services attributable to the parcel.
- **Water Rate Assistance Programs (“WRAP”)** – Mesa Water supports localized “WRAP” (aka “lifeline rates” or LiWRA) programs that comply with Prop. 218 of the California Constitution and are funded either voluntarily or via nonrestricted/non-water-rates revenues.
- **Orange County Groundwater Basin** – Mesa Water opposes any potential streamlined process for adjudicating groundwater basins, including the Orange County groundwater basin which is currently managed by the Orange County Water District (OCWD).
- **Water Bonds Funding (Propositions 1 and 68)** – Mesa Water supports funding from the November 2014 and June 2018 water bonds for OCWD’s priority projects.
- **Water Desalination** – Mesa Water supports CalDesal in its desalination advocacy efforts, as well as the local and regional development of cost-effective and environmentally sensitive water desalination projects statewide -- including brackish and ocean water desalination and the proposed Huntington Beach and Dana Point projects -- in order to enhance the availability and reliability of local and regional water supply sources, and improve water supply reliability for Orange County, Southern California, and statewide.
- **Water Conservation/Water Use Efficiency** – Mesa Water supports accounting for water resource and supply investments -- such as desalination, potable reuse, and water recycling - as part of any potential statewide effort to update urban water conservation goals. Mesa



Water supports compliance flexibility and local control; maximum credit for drought-resilient supplies; and, water use and water loss target-setting by the legislature that is based on valid data and includes a glide path for enforcement as well as a variance process for unique situations. Mesa Water also supports the streamlining of water reporting data as part of the implementation of, and compliance with, SB 606/AB 1668.

- **Water Recycling** – Mesa Water supports OCWD and WaterReuse in its efforts to advance potable reuse legislation and regulations.
- **Water Quality-, PFAS, and Constituents of Emerging Concern** – Mesa Water supports efforts by the Association of California Water Agencies (ACWA) and other water industry associations/organizations to protect public health by using the best available scientific data and cost/benefit analyses to inform the development of reasonable and fiscally-responsible water quality legislation and regulations which consider technical and ~~economical~~economic feasibility while ensuring clean, safe drinking water.
- **Water Storage and Exchange Programs** – Mesa Water supports the “Beneficiaries Pay” principle for water storage and exchange/transfer programs provided that they are market-based, ensure full cost recovery at a minimum, and account for water loss.
- **CEQA Reforms** – Mesa Water supports the efforts of ACWA and other water industry associations/organizations to streamline CEQA to enhance efficiencies, reduce redundancies in the environmental review/permitting process, and eliminate unnecessary, costly, and time-consuming litigation and related delays.
- **Local Government** – Mesa Water supports the efforts of California Special Districts

Association (CSDA) and ~~the Local Agency Formation Commission (LAFCO)~~ other industry associations/organizations to ensure local control and representation, efficient delivery of government services, and appropriate reserve funds levels.

- **Local Agency Formation Commission (LAFCO)** – Mesa Water supports the existing protest thresholds for LAFCO-initiated reorganizations, per the Cortese-Knox-Hertzberg (CKH) Act, and opposes changes that would make it more difficult for citizens to protest a LAFCO-initiated reorganization. Additionally, Mesa Water opposes any changes to the CKH Act that would weaken local control and representation and/or broaden the mission, powers, and scope of LAFCOs without providing any added public benefit.
- **Special Districts Voting Methods** – Mesa Water supports exempting special districts from Cumulative Voting and Ranked Choice Voting methods, and opposes attempts to make these methods an option or a mandate for special districts elections.
- **Delta Functional Flows and Solutions** – Mesa Water supports the efforts of ACWA, Municipal Water District of Orange County (MWDOC), Metropolitan Water District of Southern California (MWD), and Southern California Water Committee (SCWC) to achieve a long-term solution for the Bay Delta that includes functional, unimpaired flows for optimal statewide water supply reliability, sustainability and quality, and Delta ecosystem health and restoration for the public benefit.
- **CA Headwaters and Forest Management** – Mesa Water supports the efforts of ACWA and other water industry coalitions to promote policies that enhance the pace and scale of headwaters and forest management -- including improved planning, coordination and implementation -- and increase financing, research, and resources to: protect water supply and quality; bring management practices in line with modern challenges; and, provide multiple benefits to the State's water users.
- **CA Water Resilience Portfolio and Climate Change** – Mesa Water supports the efforts of ACWA and other water industry associations/organizations in engaging with the Governor's Administration, lawmakers, and regulators on policies related to ~~thesethe~~ Governor's Executive Orders on Water Resilience Portfolio and Climate Change and related issues including, but not necessarily limited to: ~~fire prevention, forest/headwaters/watersheds/wildlands protection, energy use, inverse condemnation, and public safety power shutoffs.~~
- **Essential Public Utilities** – Mesa Water supports the concept of carving out Essential Public Utilities -- such as water and wastewater service providers -- from future legislation, administrative actions, and regulations that add costs or time delays to a utility's work by mandating new, unfunded operational practices, while providing no added public benefit.
- **Federal Drought Legislation** – Mesa Water supports the efforts of ACWA and other water industry associations/organizations in collaborating with U.S. representatives to develop bicameral bipartisan federal drought legislation.



Policy Positions

Updated: January 10, 2019

Mesa Water District (Mesa Water®) supports:

1. Groundwater Quality Protection
 - a. Support Orange County Water District's (OCWD) current groundwater quality protection programs
 - i. Basin Equity Assessment (BEA) Exemption Program for Impaired Groundwater (including the Mesa Water Reliability Facility)
 - ii. The MTBE, North Basin, and South Basin groundwater protection projects
 - iii. The Tustin and Irvine desalters
 - b. Encourage OCWD to protect the Basin from chlorides caused by seawater intrusion
 - i. Encourage OCWD to set a goal of maintaining protective elevations along the coast
 - ii. Encourage OCWD to hold semi-annual barrier meetings with Coastal Agencies (Huntington Beach, Mesa Water, and Seal Beach)
 - iii. Encourage semi-annual reporting on the barrier
2. Policies that raise and stabilize the Basin Pumping Percentage (BPP)
 - a. Support OCWD setting a target BPP that they intend to consistently meet
 - b. Support new water supply projects that help achieve this goal
 - c. Support OCWD adopting a water supply policy that sets a goal of developing water supply and recharge capabilities, including purchasing replenishment water, or other actions that result in a reliable and predictable source of groundwater at a BPP of not less than 80 percent. A goal of this policy is to accomplish this with a cost-neutral, or better, impact on producers when the avoided cost of purchasing imported water is considered
3. Policies that keep the Basin full
 - a. Support OCWD adhering to the BPP-setting formula
 - b. Support maximum production at the Groundwater Replenishment System (GWRS) to ensure a cost-effective, high-quality, environmentally-friendly and sustainable local water supply that benefits all OCWD producers and that increases the region's current and future water reliability
 - c. Support maximum wastewater flows treatable by the GWRS to the Orange County Sanitation District (OCSD) -- and support OCSD/OCWD's permanent acquisition of such wastewater flows -- to ensure source reliability for the GWRS
 - d. Support stormwater capture projects that are cost-effective (e.g., equivalent to or less than GWRS costs) and that contribute source water to the Basin Principal Aquifer
4. Basin Storage and Exchange/Transfer Programs that are market-based with the primary benefits accruing to OCWD, its Groundwater Producers, and the ratepayers they serve, with such Programs applying the "Beneficiaries Pay" principle and addressing issues including, but not limited to:
 - a. Full cost recovery, at a minimum, of a proportional share of the historic and future capital investments as well as operations and maintenance costs incurred by OCWD to manage the Basin
 - b. Full cost recovery, at a minimum, of the proportional value that entry into the Basin affords, including the value of reliability (and thus loss of reliability to the Groundwater Producers through the loss of available storage capacity) and the value of treatment

- c. Accounting for water loss in a current or future year (both lost out of the Basin and lost due to inability to spread or extract)
 - d. Consideration that the above is merely a “break even” deal, and any program should bring significant benefits in excess of the above to OCWD and its Groundwater Producers
 - e. Deferring entering into any agreements until the *IRWD v. OCWD* lawsuit is resolved
 - f. Deferring entering into any agreements until the Metropolitan Water District of Southern California (MWD) Conjunctive Use Program has been terminated
 - g. Limiting any potential future storage agreements to storage programs that are compliant with OCWD Act Section 2.1.c
 - h. Maximizing the beneficial use of the Basin while maximizing Basin Pumping Percentage (BPP) for the Groundwater Producers overlying the Basin
5. Annexations
- a. Support financially neutral annexations into OCWD
6. A financially strong OCWD
- a. Support policies and practices that maintain OCWD’s current AAA credit rating from two of the three credit rating agencies
7. The potential merger of the Municipal Water District of Orange County (MWDOC) and OCWD if the merger:
- a. is mutually agreed upon by both MWDOC and OCWD, with any governance change supported by MWDOC’s and OCWD’s Boards of Directors;
 - b. encourages MWDOC and OCWD exploring mutual areas of efficiency that results in economic savings for the members of both agencies;
 - c. improves or, at a minimum, preserves the quality, reliability and sustainability of wholesale water services to the members of both agencies;
 - d. preserves the interests of groundwater producers currently existing within Orange County’s groundwater basin and protects those interests from diminished groundwater resources or supplies;
 - e. supports MWDOC’s current geographic boundaries, and preserves the existing boundaries of the Orange County groundwater basin for pumping and storage purposes;
 - f. supports MWDOC’s current mission, and allows the Orange County groundwater basin to remain unadjudicated;
 - g. respects the “one person one vote” principle if the new Board of Directors is a wholly elected board;
 - h. is facilitated openly and transparently; and,
 - i. increases the effectiveness of Orange County’s representation at MWD, with a coordinated and unified voice representing Orange County
8. Increased influence at Metropolitan Water District of Southern California (MWD)
- a. Support increased allocations of MWDOC resources for engagement at MWD
 - b. Support coordination of the entire Orange County MWD delegation
9. MWDOC’s priority initiatives at MWD
- a. Protect Mesa Water’s service area from any cost shifts as a result of the San Diego County Water Authority lawsuit
 - b. Encourage continued efforts in improving the Delta

- c. Seek opportunities for MWD to provide assistance (or partnership) with MWDOC on developing desalination in Orange County
- d. Continue to support MWD's discounted replenishment water program
- 10. Close working relationships with MWDOC on local issues and programs for which the organization is advocating at MWD
- 11. The current Mesa Water Strategic Plan, including the District's goals to:
 - a. Provide a safe, abundant, and reliable water supply.
 - b. Practice perpetual infrastructure renewal and improvement.
 - c. Be financially responsible and transparent.
 - d. Increase public awareness about Mesa Water and about water.
 - e. Attract and retain skilled employees.
 - f. Provide outstanding customer service.
 - g. Actively participate in regional water issues.
- 12. The development of cost-effective and environmentally sensitive sources of water, including recycling, groundwater clean-up, conservation, and desalination
- 13. The potential Huntington Beach Ocean Desalter project as it can possibly provide a new, reliable, quality water supply that is appropriately priced
- 14. The co-equal goals of improved water supply reliability and Delta ecosystem health
- 15. Water rates based on true costs in conformance with Prop. 218, and tax-free revenue
- 16. Policies that encourage economical and practical water efficiency for indoor water use, irrigation water use, and commercial and industrial water use, without stranding investments in potable reuse systems, including:
 - a. Indoor water use efficiency at the level needed for community health and safety -- as substantiated by a recently-commissioned, validated, and peer-reviewed end-use study -- and that protects local investments in potable reuse systems
 - b. Irrigation water use efficiency at the level necessary for productive crops and attractive landscapes
 - c. Commercial and industrial water use efficiency at a level that sustains economic vitality
- 17. Water use efficiency policies based on fact-based data and water use efficiency standards based on sound studies that are credible, replicable, and verifiable
- 18. Policies that establish regulatory and statutory parity for all types of recycled water, including purple pipe and potable reuse
- 19. Theft prevention of municipal metal infrastructure, such as fire hydrants, manhole covers, and backflow devices
- 20. The equitable treatment of OCWD -- and its programs and projects -- by the Santa Ana Watershed Project Authority (SAWPA) with respect to grants funding and related considerations as part of SAWPA's Integrated Regional Water Management planning and One Water One Watershed program.

Mesa Water opposes:

- 1. The encroachment of Mesa Water easements, rights-of-way, and property without negotiation, agreed upon compensation, and advance approval at the sole discretion of the District



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MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Stacy Taylor, External Affairs Manager
DATE: November 25, 2019
SUBJECT: Proclamation Honoring Kathleen Tieg

RECOMMENDATION

Approve a proclamation honoring Kathleen Tieg for her dedicated service and commitment to the Cucamonga Valley Water District, the Association of California Water Agencies, and other statewide water industry and government organizations.

STRATEGIC PLAN

Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

Director Kathleen Tieg of the Cucamonga Valley Water District (CVWD) has announced her retirement from the Board of Directors. Director Tieg has represented the residents of Division 2 since November 2005. She currently serves on the Human Resources/Risk Management Committee and the Government & Public Affairs Committee

She represents CVWD as a Director on the Fontana Union Water Company Board. Director Tieg serves as the Immediate Past President of the Association of California Water Agencies (ACWA) Board of Directors and Executive Committee. She also represents CVWD on the ACWA/JPIA Board of Directors and Executive Committee. Director Tieg was appointed Chair of the Southern California Water Coalition for the 2019-2020 term. She is actively involved in special district advocacy and serves on the Legislative Committee of the California Special Districts Association.

Director Tieg has been a resident of Rancho Cucamonga for over 60 years. She is currently retired from a distinguished career in water resource management working for a local wholesale water agency for over 30 years where she was actively involved in the formation of the Water Education Water Awareness Committee.

Director Tieg's last Board meeting will be on November 26, 2019 at 6 p.m. CVWD will host a small reception after the meeting.

FINANCIAL IMPACT

None.

ATTACHMENTS

Attachment A: Draft Proclamation

A Day of Celebration to Honor the Career of Kathleen Tiegs

Whereas, Kathleen Tiegs was elected to the Board of Directors of the Cucamonga Valley Water District (CVWD) in November 2005 representing Division 2. She currently serves on the Human Resources/Risk Management Committee and the Government & Public Affairs Committee; and

Whereas, she represents the CVWD as a Director on the Fontana Union Water Company Board; and

Whereas, Director Tiegs serves as the Immediate Past President of the Association of California Water Agencies Board of Directors and Executive Committee; and

Whereas, she also represents CVWD on the ACWA/JPIA Board of Directors and Executive Committee; and

Whereas, Director Tiegs was appointed Chair of the Southern California Water Coalition for the 2019-2020 term; and

Whereas, she is actively involved in special district advocacy and serves on the Legislative Committee of the California Special Districts Association; and

Whereas, Director Tiegs has been a resident of Rancho Cucamonga for over 60 years. She is currently retired from a distinguished career in water resource management working for a local wholesale water agency for over 30 years where she was actively involved in the formation of the Water Education Water Awareness Committee.

Shawn Dewane, President

Marice H. DePasquale, Vice President

November 26, 2019

Jim Atkinson, Director

Fred R. Bockmiller, P.E., Director

James R. Fisler, Director



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MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Stacy Taylor, External Affairs Manager
DATE: November 25, 2019
SUBJECT: Orange County Update

RECOMMENDATION

This item is provided for information.

STRATEGIC PLAN

Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

This item is updated for the monthly meeting of the Legislative & Public Affairs Committee.

DISCUSSION

Mesa Water District's (Mesa Water®) government relations program includes monitoring local and regional political issues and policy-setting authorities (i.e., County of Orange, Orange County Local Agency Formation Commission, etc.). Mesa Water's consulting firm, Lewis Consulting Group, will provide an update to the Board.

FINANCIAL IMPACT

In Fiscal Year 2020, \$170,000 is budgeted for Support Services; \$89,860 has been spent to date.

ATTACHMENTS

None.



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MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Celeste Carrillo, Public Affairs Coordinator
DATE: November 25, 2019
SUBJECT: Mesa Water Upcoming Events

RECOMMENDATION

This item is provided for discussion.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water® and about water.
Goal #6: Provide outstanding customer service.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

60th Anniversary

Mesa Water District (Mesa Water®) will be acknowledging its 60th anniversary on January 1, 2020. As a recognition of this major milestone, Mesa Water will host an anniversary event at the Mesa Water Reliability Facility (MWRF) on Saturday, March 14, 2020.

In support of Goals #4 and #6 of the Board of Director's (Board) Strategic Plan, the public, members of the media, and elected officials will be invited to the event, to learn more about Mesa Water and water history. The event will include an interactive program, tours of the facility, and refreshments.

Staff will execute a communications plan starting in January 2020 to promote the anniversary, including the event on March 14, across existing communication channels including, but not limited to, the District's newsletter, social media, and website.

Water Issues Study Group

Mesa Water will once again be hosting the Water Issues Study Group (WISG) for the community. The four-part education series will feature a variety of community experts in water, including Mesa Water staff. Speakers are to be determined. The tentative dates and topics are as follows:



Date	Location	Event Topic
Wednesday, April 15, 2020	Mesa Water Boardroom	California Water History & Mesa Water Overview
Wednesday, April 29, 2020	Mesa Water Boardroom	Water Supplies: Water Quality Groundwater & Recycled Water; Imported Water
Wednesday, May 13, 2020	MWRF	Amber Water & Groundwater Cleanup; Water Use Efficiency
Wednesday, May 27, 2020	Mesa Water Boardroom	Future of Water Panel and Graduation

In support of Goals #4 and #6 of the Boards' Strategic Plan, the public and members of the media will be invited to the event. The series will include interactive topics, networking, a Questions and Answers session, and refreshments.

Staff will promote WISG starting in February 2020 across existing communication channels including, but not limited to, the District's newsletter, social media, and website.

FINANCIAL IMPACT

In Fiscal Year 2020, \$437,180 is budgeted for the District's Public Affairs department expenses; \$166,390 has been spent to date.

ATTACHMENTS

None.

REPORTS:

9. REPORT OF THE GENERAL MANAGER

REPORTS:

10. DIRECTORS' REPORTS AND COMMENTS



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MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Celeste Carrillo, Public Affairs Coordinator
DATE: November 25, 2019
SUBJECT: Rate Adjustment Communications

RECOMMENDATION

This item is provided for information.

STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.
Goal #4: Increase public awareness about Mesa Water and about water.
Goal #6: Provide outstanding customer service.

PRIOR BOARD ACTION/DISCUSSION

At its November 9, 2017 meeting, the Board of Directors (Board) adopted Resolution No. 1505 Determining Compliance with Procedural Requirements, Making Findings, Revising Water Rates, Revising Meter Rates, Revising Fireline Stand-by Charges, and Adopting a Rate and Charge Implementation Schedule, Amending Water Rate and Charge Schedule, Taking Related Actions and Superseding Resolution Nos. 1439 and 1475.

DISCUSSION

Based upon the five-year rate plan approved in 2017, and in accordance with preparation and mailing of Proposition 218 notices, Mesa Water District (Mesa Water®) staff will send, via mail starting December 1, 2019, a notice to its customers about adjustments to their water rates effective January 1, 2020. This information will also be updated and available on Mesa Water's website.

FINANCIAL IMPACT

In Fiscal Year 2020, \$437,180 is budgeted for the District's Public Affairs department expenses; \$166,390 has been spent to date.

ATTACHMENTS

None.