



*Dedicated to
Satisfying our Community's
Water Needs*

**AGENDA
MESA WATER DISTRICT
BOARD OF DIRECTORS
Thursday, October 27, 2016
1965 Placentia Avenue, Costa Mesa, CA 92627
3:30 p.m. Special Board Meeting**

**LEGISLATIVE & PUBLIC AFFAIRS COMMITTEE MEETING
Thursday, October 27, 2016 at 3:30 p.m.**

**Teleconference Site:
1276 North High Street 306
Columbus, OH 43201**

Members of the Public may attend and participate in the meeting at both locations. Notice will be posted on door at the Teleconference Site.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

Non-Agendized Matters: Members of the public are invited to address the Board on matters which are not on the Agenda. Each speaker is limited to three (3) minutes. The Board will set aside thirty (30) minutes for public comments.

Agendized Matters: 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 five (5) minutes.

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. Advocacy Consulting Services Report
2. Legislative Consulting Services Report
3. Outreach Update

PRESENTATION AND DISCUSSION ITEMS:

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

None

ACTION ITEMS:

None

REPORTS:

4. Report of the General Manager
5. Directors' Reports and Comments



INFORMATION ITEMS:

None

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.

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

Revised

MEMORANDUM



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TO: Legislative & Public Affairs Committee
FROM: Stacy Taylor, External Affairs Manager
DATE: October 27, 2016
SUBJECT: Advocacy Consulting Services Report

RECOMMENDATION

This item is provided for information only.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water® and about water.

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 a verbal report to the Board.

FINANCIAL IMPACT

In Fiscal Year 2017, \$84,000 is budgeted; \$21,000 has been spent to date.

ATTACHMENTS

None.



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MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Stacy Taylor, External Affairs Manager
DATE: October 27, 2016
SUBJECT: Legislative Consulting Services Report

RECOMMENDATION

This item is provided for information only.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water® and about water.
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 (Mesa Water®) receives legislative consulting services from Townsend Public Affairs (TPA). As part of its service to Mesa Water®, TPA submits a monthly written report of its activities on behalf of the District, including a legislation matrix.

FINANCIAL IMPACT

In Fiscal Year 2017, \$60,000 is budgeted; \$15,000 has been spent to date.

ATTACHMENTS

Attachment A: Report & Legislation Matrix

MEMORANDUM

To: Mesa Water®

From: Townsend Public Affairs, Inc.

Date: October 17, 2016

Subject: Monthly Political and Activity Report

Specific Activities for the Month:

- TPA attended the State Water Resources Control Board public workshop on the *Report to the Legislature on the Feasibility of Developing Uniform Water Recycling Criteria for Direct Potable Reuse* and provided notes to staff.
- TPA is researching and compiling various organizations' recommendations for special district reserve levels.
- TPA is compiling an election matrix for Mesa Water staff to track new Orange County city council members, board members, and members of the Legislature after the November 8 election. TPA will assist Mesa Water staff in sending out congratulatory messages to each newly elected individual.
- TPA reviewed the Mesa Water Legislative Platform and provided suggested edits and additions to staff.

State Political Update

The Governor had until September 30 to sign or veto legislation passed by the Legislature. Overall, the Governor signed approximately 900 bills and vetoed 150 bills, a veto rate of 15 percent. This 15 percent veto rate represents Governor Brown's highest rate during his four terms as Governor. The Governor vetoed several bills that established new tax credits, expended new funds, or funded new programs. In several veto messages, the Governor stated that he would like to consider these types of proposals during the Budget negotiations in June, in order to maintain optimal fiscal forecasting and a balanced budget. The Legislature will return on December 5 to swear in the new members before recessing again until the first week of January.

Drought Update

California's 2015-2016 "water year" ended on September 30, 2016. The 2015-2016 water year was widely considered dry, despite parts of the State receiving above average amounts of rainfall. Although forecasters have admitted that the 2016-2017 water year largely remains a mystery, the Department of Water Resources has recently said that approximately 60 percent of the State remains in critical drought condition.

In preparation for the uncertainty of future water supplies, the Metropolitan Water District has recently announced that they will begin to refill Diamond Valley Lake, a major southern California water reservoir. The storage of water is made possible by increased water allocations from the State Water Project, and will be the first increase of regional reserves in nearly four years. Diamond Valley Lake is expected to be more than 70 percent full by the end of the year.

Little Hoover Commission

On October 27, the Little Hoover Commission will conduct another public hearing on special districts. Unlike the first hearing on August 25 which focused on reserves and revenues, this hearing will focus on how special districts are preparing for climate change, particularly as it pertains to water supply and delivery, wastewater treatment and flood control. TPA will be in attendance at this public hearing and will provide a summary and notes to Mesa Water staff.

Direct Potable Reuse

On October 4, the State Water Resources Control Board (SWRCB) conducted a public workshop to solicit feedback on the *Report to the Legislature on the Feasibility of Developing Uniform Water Recycling Criteria for Direct Potable Reuse*. The workshop was largely focused on recapping the process that the SWRCB, the Expert Panel, and the Advisory Group went through to produce the aforementioned report.

The members of both the Expert Panel and the Advisory Group were strategically picked by the SWRCB in order to encompass all stakeholder groups, include all geographic regions, and take advantage of public agencies that have experience in the field. Overall, the draft report recommends that the development of Direct Potable Reuse (DPR) recycling criteria/regulations is feasible under specific circumstances. The draft report also contained specific recommendations to the SWRCB regarding any regulations for DPR, such as the inclusion of rigorous response protocols, the importance of monitoring requirements, the inclusion of public health agencies in the drafting of regulations, and refraining from codifying a specific treatment process that would stifle creativity and innovation.

Although the draft report states it is feasible to develop recycling criteria/regulations for DPR, it also states that a significant information gap exists in several areas. The SWRCB and the Division of Drinking Water (DDW) are committed to continuing their research to close this information gap, and will update the future draft regulations as time goes on with the intention of including the completed research before the regulations are finalized. It is expected that the regulations will be phased in as more information is made available to the DDW.

The public comment period for the draft report to the Legislature will end on October 25. Once it is finalized, the report will be presented to the Legislature before the December 31, 2016 deadline. TPA will continue to track any future DPR regulations and will keep Mesa Water informed.

State Water Use: August 2016

In the month of August, California urban water suppliers reduced their water use by 17.7 percent when compared to August 2013. Some concern has been raised regarding the State's focus on water conservation, considering urban water suppliers conserved 27 percent in the month of August just one year ago. The SWRCB has stated that they are currently examining the data to better understand where water conservation has slipped. Beginning next year, the State will decide if a return to state-mandated conservation rates will be required in order to conserve water in a safe and responsible way.

In August:

- Statewide water savings for August 2016 was 17.7 percent (124,094 acre-feet or 40.4 billion gallons), a decrease from July 2016's 20 percent savings, and also a decrease from August 2015's 27 percent statewide savings (63.5 billion gallons). August 2016 water savings are 36 percent lower than August 2015.
- Cumulative statewide percent reduction for June 2015 – August 2016 (fifteen months) is 23.3 percent, which equates to 2,024,599 acre-feet (659.7 billion gallons).
- Statewide average R-GPCD for August 2016 was 114.1 gallons; slightly up from 113.5 R-GPCD in July 2016 and also above 102.2 R-GPCD reported for August 2015.

Federal Legislative Update

With just two days to spare, Congress passed a Continuing Resolution (CR) on September 28 to fund the federal government through December 9. Congress must pass either another CR or its FY 2017 appropriations bills by then or face the second government shutdown in three years. Congress is scheduled to return from recess on Monday, November 14th, leaving three weeks of session left to hammer out a deal. December 16 is the targeted date to adjourn the 114th Congress.

Water Resources Development Act (WRDA)

After announcing that votes on the House WRDA bill (H.R. 5303) would be held after the general election in November, House Majority Leader Kevin McCarthy (R-CA) subsequently announced he would bring WRDA to the House floor on September 28, where it passed with a vote of 399-25. Though some Democrats initially insisted that the funding for the Flint, Michigan water crisis be included in the CR rather than a lame-duck session WRDA bill, they ultimately relented. The Senate passed their WRDA bill (S. 2848) on September 15 by an overwhelming bipartisan vote of 95-3. It authorizes \$9 billion for 30 flood protection, navigation, and ecosystem restoration projects under the U.S. Army

Corps of Engineers. The \$5 billion House bill authorizes 28 such projects. As House and Senate members and staff work to reconcile the two versions of the bill, one key issue will be funding to address the ongoing lead contamination problems in Flint, Michigan.

The House WRDA bill includes a provision sought by Orange County Water District (OCWD) that maintains the existing water conservation policy at Prado Dam, allowing the district to capture and store additional Santa Ana River water supplies. The provision also provides that non-federal interests shall pay only the separable costs associated with the evaluation, implantation operation and maintenance of an approved water supply conservation measure, consistent with OCWD's goals. The Senate WRDA bill contains similar language.

Drought Legislation

The path forward on drought legislation remains elusive, with appropriations bills likely remaining the most likely option for at least some components of either the House (H.R. 2898) or Senate (S.2533) bills making it to President Obama's desk this year.

Optimism that drought provisions might be included in the WRDA or energy bills has faded. White House Majority Leader Kevin McCarthy had suggested the House drought bill might be considered for inclusion in WRDA when it came to the floor, the Rules Committee did not include the bill among the list of amendments eligible for consideration during the WRDA floor debate. Likewise, the Energy Policy Modernization Act (S. 2012) championed by Energy and Natural Resources Committee Chair Senator Lisa Murkowski, faces its own challenges for advancing drought provisions. While the bill is currently in conference and the House version includes Representative David Valadao's drought bill in its entirety, the inclusion of nearly 40 other House bills is likely to weigh the entire bill down or require the abandonment of all controversial provisions.

Appropriations bills may be the last hope to move at least some drought-related provisions. As an appropriator, Senator Feinstein will be in a key position to insist on at least additional funding, if not new policy measures in the Energy and Water Appropriations bill or more likely omnibus. Conversely, she is likely to strongly oppose the inclusion of any of the more controversial water provisions from the House drought bill, especially those focused on increasing pumping at levels which exceed what is permissible under the CVP biological opinions.

On October 12, Association of California Water Agencies Executive Director Tim Quinn sent a letter to the California Congressional delegation urging action on drought legislation this year. In the letter, Quinn commented:

"Californians want both reliable water supplies for their economy and a healthy environment. Regrettably, under current federal policy they are getting neither. With the 2017 water year just begun, the time is now for Congress to realize its significant investment in trying to develop a bi-partisan, bicameral solution. ACWA urges the Congress to pass meaningful drought legislation now."

Federal Water Supplies

The U.S. Bureau of Reclamation's Central Valley Project began water year 2017 on October 1 with 4.9 million acre-feet of water in its six key reservoirs. The amount is 2 million acre-feet more than was in storage at the beginning of water year 2016. The amount of storage in the key reservoirs is 82% of the 15-year average of annual carryover of 6.0 million acre-feet. While the initial WY 2017 supplies are certainly an improvement over the last two years, improving reservoir conditions must be balanced against severely depleted groundwater supplies.

Here's how this year's initial supply compares to recent years:

- * WY 2015 carryover - 2.9 million acre-feet
- * WY 2014 carryover - 3.1 million acre-feet
- * WY 2013 carryover - 5.1 million acre-feet
- * WY 2012 carryover - 6.9 million acre-feet
- * WY 2011 carryover - 9.3 million acre-feet

The Bureau expects to make a preliminary assessment of the WY 2017 CVP water supply conditions in early spring, the same time it typically announces its first allocation for CVP contractors.

BILL	AUTHOR	SUMMARY	LATEST ACTION	MESA WATER POSITION	OTHER POSITIONS
Mesa Water® Priority Legislation (FY 15-17)					
AB 1755	Dodd [D]	The Open and Transparent Water Data Act. Would enact the Open and Transparent Water Data Act. The act would require the department (DWR), by January 1, 2018, to create, operate, and maintain a statewide integrated water data platform that, among other things, would integrate existing water and ecological data information from multiple databases and provide data on completed water transfers and exchanges. The act would require the department, the state board, and the Department of Fish and Wildlife to develop protocols for data sharing, documentation, quality control, public access, and promotion of open-source platforms and decision support tools related to water data and to submit to the Legislature a report on those protocols.	Signed by the Governor.	Watch	ACWA- Support Met-Support MWDOC- Support OCWD- NYC IRWD- NYC CSDA- Watch
AB 2022	Gordon [D]	Advanced purified demonstration water: Would authorize the operator of a facility producing advanced purified demonstration water, as defined, to cause that water to be bottled and distributed as samples for educational purposes and to promote water recycling. The bill would prohibit the advanced purified demonstration water from being distributed unless the water meets or is superior to all federal and state drinking water standards. The bill would authorize advanced purified demonstration water to be bottled at a licensed water-bottling plant in compliance with specified provisions. Amendments taken on 3/31/16 were minor, while amendments taken on 8/15/16 were accepted from the SWRCB.	Signed by the Governor.	Support	ACWA-Favor Met-Support MWDOC-Support OCWD- Sponsor IRWD-Support CSDA-Support
AB 2348	Levine [D]	Department of Finance: infrastructure investment. Would authorize the Department of Finance to identify infrastructure projects in the state for which the department will guarantee a rate of return on investment for an investment made in that infrastructure project by the Public Employees' Retirement System. The bill would create the Reinvesting in California Special Fund as a continuously appropriated fund and would require the moneys in the fund to be used to pay the rate of return on investment. The bill would require the rate of return on investment to be subject to the availability of moneys in the fund.	Vetoed by the Governor.	Watch	ACWA-NYC Met-Watch MWDOC-Oppose OCWD- NYC IRWD- NYC CSDA-NYC

AB 2488	Dababneh [D]	<p>Protected species: unarmored threespine stickleback: taking or possession. Would permit the Department of Fish and Wildlife to authorize, under the California Endangered Species Act, the take of the unarmored threespine stickleback (<i>Gasterosteus aculeatus williamsoni</i>) attributable to the periodic dewatering, inspection, maintenance, or repair of the Metropolitan Water District of Southern California's Foothill Feeder water supply facility from Castaic Dam to the Joseph Jensen Treatment Plant in the County of Los Angeles, as specified, if certain conditions are satisfied. Amendments on June 21 added a reporting requirement for MET</p>	Signed by the Governor.	Support	ACWA- Favor Met-Sponsor MWDOC- Support OCWD- NYC IRWD- Support CSDA- Support
ACA 8	Bloom [D]	<p>Local government financing: water facilities and infrastructure: voter approval. Would create an additional exception to the 1% limit for a rate imposed by a city, county, city and county, or special district to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of wastewater treatment facilities and related infrastructure, potable water producing facilities and related infrastructure, nonpotable water producing facilities and related infrastructure, and stormwater treatment facilities and related infrastructure, that is approved by 55% of the voters of the city, county, city and county, or special district, as applicable, if the proposition meets specified requirements, and would authorize a city, county, city and county, or special district to levy a 55% vote ad valorem tax. This bill contains other related provisions and other existing laws.</p>	Failed to pass before the legislative deadline and is now dead.	Watch	ACWA-Support Met-Support MWDOC-Support OCWD- NYC IRWD-NYC CSDA-Support If Amended
SB 163	Hertzberg [D]	<p>Wastewater treatment: recycled water: SB 163 was amended the last week of the Legislative session to address wastewater treatment. The bill would declare that the discharge of treated wastewater from ocean outfalls, except in compliance with the bill's provisions, is a waste and unreasonable use of water in light of the cost-effective opportunities to recycle this water for further beneficial use. Amendments taken on June 8 changed the date of compliance to January 1, 2033 to achieve a 50% beneficial reuse of treated wastewater. Additionally, these amendments make it a waste of water for water replenishment districts or water districts to not take this treated water</p>	SB 163 was pulled by the author and gut and amended to address issues with bail and pre-trial releases. The author has indicated he will address the wastewater management issue next session.	Watch	ACWA-Not Favor Met-Oppose unless amended MWDOC-Oppose OCWD- NYC IRWD-Oppose CSDA-Oppose

SB 814	Hill [D]	<p>Drought: excessive water use: urban retail water suppliers. Would declare that excessive water use, as defined by each urban retail water supplier, is a waste or unreasonable use of water. This bill would prohibit excessive water use by a residential customer and would make a violation of this prohibition an infraction punishable by a fine of at least \$500 per 100 cubic feet of water used above the excessive water use definition in a billing cycle. By creating a new infraction, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws. Amendments on 6/21/16 were technical, and do not change the scope of the bill.</p>	Signed by the Governor.	Oppose	ACWA-Oppose Met-NYC MWDOC-Oppose Unless Amended OCWD- NYC IRWD-Watch CSDA-Watch
SB 919	Hertzberg [D]	<p>Water supply: creation or augmentation of local water supplies. This bill would require the CPUC to consult with the California Independent System Operator and adopt and implement policies or tariffs to address the oversupply of renewable energy resources by July 1, 2017. The adopted policies must include, but are not limited to, a tariff for use by facilities that create or augment local water supplies like desalination, brackish water desalting, water recycling, or water reuse facilities. Amendments taken in August were minor.</p>	Vetoed by the Governor.	Watch	ACWA-Favor if Amended Met-NYC MWDOC-NYC OCWD- Support IRWD-NYC CSDA-Watch
SB 1298	Hertzberg [D]	<p>Local government: fees and charges. Articles XIII C and XIII D of the California Constitution generally require that assessments, fees, and charges be submitted to property owners for approval or rejection after the provision of written notice and the holding of a public hearing. Would define the term "sewer" and would recast the definition of "water" to mean "water service," for these purposes.</p>	Was moved to the Assembly Inactive File and is now dead.	Watch. Working with Coalition	ACWA- Oppose Met- NYC MWDOC- NYC OCWD- NYC IRWD- Concerns CSDA- Concerns

MEMORANDUM



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TO: Legislative & Public Affairs Committee
FROM: Noelle Collins, Public Affairs Coordinator
DATE: October 27, 2016
SUBJECT: Outreach Update

RECOMMENDATION

This item is provided for information only.

STRATEGIC PLAN

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 for the monthly meeting of the Legislative & Public Affairs Committee.

DISCUSSION

Mesa Water District's outreach program aims to connect Mesa Water with its constituents in order to achieve Goal #4 of the District's Strategic Plan. Outreach activities are also designed to achieve the Strategic Plan goals related to human resources, 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, water districts and special districts; and media -- as well as internal audiences such as staff, retirees and Board members.

Staff recently conducted tours of the Mesa Water Reliability Facility (MWRF) for Whittier Law School Environmental Law Students and this year's Leadership Tomorrow class, increasing the number of MWRF visitors to 1247.

Upcoming FY 2017 Events

1. 5th Grade Assemblies at Whittier Elementary on Tuesday, November 22, 2016 at 9:40 a.m. and 10:40 a.m. and at College Park Elementary at 1:30 p.m.
2. OC Fair Art Contest Judging #drainstoocean on Monday, December 5, 2016
3. Fantasia presented by Vanguard University at Segerstrom Center for the Arts on Tuesday, December 6, 2016 at 8:00 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 2017, \$100,000 is budgeted; \$23,500 has been committed.

ATTACHMENTS

None.

REPORTS:

4. REPORT OF THE GENERAL MANAGER:

REPORTS:

5. DIRECTORS' REPORTS AND COMMENTS: