

OTAY WATER DISTRICT
PUBLIC RELATIONS, LEGAL & LEGISLATIVE COMMITTEE MEETING
and
SPECIAL MEETING OF THE BOARD OF DIRECTORS

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA
Board Room

TUESDAY
January 23, 2018
12:00 P.M.

This is a District Committee meeting. This meeting is being posted as a special meeting in order to comply with the Brown Act (Government Code Section §54954.2) in the event that a quorum of the Board is present. Items will be deliberated, however, no formal board actions will be taken at this meeting. The committee makes recommendations to the full board for its consideration and formal action.

AGENDA

1. ROLL CALL
2. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

DISCUSSION ITEMS

3. ADOPT THE 2018 OTAY WATER DISTRICT LEGISLATIVE PROGRAM GUIDELINES AND PRIORITIES (OTERO) [5 minutes]
4. APPROVE A FOURTH AMENDMENT TO EXTEND THE SVPR COMMUNICATIONS' CONTRACT FOR AN ADDITIONAL TWENTY-FOUR (24) MONTHS THROUGH JANUARY 31, 2020; AND INCREASE THE CONTRACT AMOUNT BY \$60,000, WITH AN AMOUNT NOT-TO-EXCEED \$135,000 (OTERO) [5 minutes]
5. ADJOURNMENT

BOARD MEMBERS ATTENDING:

Tim Smith, Chair
Mark Robak

All items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

The Agenda, and any attachments containing written information, are available at the District's website at www.otaywater.gov. Written changes to any items to be considered at the open meeting, or to any attachments, will be posted on the District's website. Copies of the Agenda and all attachments are also available through the District Secretary by contacting her at (619) 670-2280.

If you have any disability that would require accommodation in order to enable you to participate in this meeting, please call the District Secretary at 670-2280 at least 24 hours prior to the meeting.

Certification of Posting

I certify that on January 19, 2018 I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 24 hours in advance of the meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on January 19, 2018.

/s/ Susan Cruz, District Secretary

AGENDA ITEM 3



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	February 7, 2018
SUBMITTED BY:	Tenille M. Otero, Communications Officer	PROJECT:	Various DIV.NO. ALL
APPROVED BY:	<input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	2018 Legislative Program Guidelines and Priorities		

GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors adopt the 2018 Otay Water District Legislative Program Guidelines and Priorities.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To provide direction to staff and the Otay Water District's legislative advocates in the formulation of the District's response to legislative initiatives on issues affecting the District during the 2018 legislative session.

To present to the Board of Directors the 2018 Legislative Program Priorities, which staff and legislative advocates will proactively monitor and/or take action on during the 2018 legislative session and throughout the year.

ANALYSIS:

Otay Water District maintains a set of legislative policy guidelines to direct staff and its legislative advocates on issues important to the District. The legislative guidelines are updated annually with the proposed updates presented to the District's Board of Directors for review, comment, and adoption. The attached 2018 Legislative

Program represents policy guidelines on legislation for the Board's consideration.

Each legislative session, representatives to the California Legislature sponsor 2,000 or more bills or significant resolutions. While many bills fail to make it out of their house of origin, many others go on to be signed by the governor and become law. These new laws can affect special districts in substantive ways. The same is true with each session of the House of Representatives and the U.S. Senate.

The 2018 Legislative Program establishes guidelines and policy direction that can be used by staff when monitoring legislative activity to facilitate actions that can be taken quickly in response to proposed bills. The guidelines provide a useful framework for staff when evaluating the potential impact of state or federal legislation on the District. This is particularly helpful when a timely response is necessary to address a last minute amendment to legislation and should calls or letters of support or opposition be needed.

Legislation that does not meet the guidelines as set forth or that has potentially complicated or varied implications, will not be acted upon by staff or District's legislative advocates, and will instead be presented to the Board directly for guidance in advance of any position being taken.

The San Diego County Water Authority has its own set of legislative guidelines that is comprehensive program at a wholesale and regional level. District staff has evaluated and selected policies and issues from the Water Authority's guidelines that may have a direct impact on the District. These policies and issues have been incorporated into the District's guidelines. Although the District is a retail agency and is focused on its local service area, if there are issues or policies contained in the Water Authority's Legislative Policy Guidelines that could benefit or impact the District, the General Manager, District staff, and the District's legislative advocates may act on those issues respectively.

The 2018 Legislative Guidelines presents staff's initial recommendations for the Board's review, and seeks the Board's feedback for any additional modifications. Staff will then incorporate the Board's recommendations into the final document.

In general, the guidelines look to protect the District's interest in a reliable, diverse, safe, and affordable water supply. Moreover, they seek to maintain local control over special district actions to

protect the Board's discretion and ratepayers' interests, and maintain the ability to effectively and efficiently manage District operations. In addition they express the District's ongoing support for water-use efficiency, recycled water, seawater desalination, capital improvement project development, organization-wide safety and security, binational cooperation, and funding, including the equitable distribution of water bond proceeds. These guidelines also demonstrate the District's strong and collaborative support and efforts to advocate against a "one-size-fits-all" approach to emergency drought declarations and regulations.

In addition, staff is presenting the District's "top 10" or so priorities for the year (Attachment D). This list highlights specific legislation or issues the District is proactively reviewing or taking action on during the 2018 legislative session.

Unfortunately, it is too early in the legislative session to know the specifics on the bills as the deadline for bill introduction is February 16, 2018. Typically, lobbyists and legislative staff wait until the last couple of days leading up to the deadline, and then hundreds of bills will be introduced. For now, District staff nor does its legislative consultant know what the priority bills of interest will be, but will assess them as they are introduced and monitor those bills/issues that may affect the District throughout the year. Attached you will find a list of priority issues that District staff and/or the Water Authority is currently monitoring and/or may take or has already taken a position on. The bills/issues highlighted in the attachment consist of mostly the two-year bills that are currently on the agenda from the 2017 legislative session. Staff will report to the Board as necessary throughout the year to provide an update on legislative issues affecting the District and if the District is taking a position on specific issues.

FISCAL IMPACT:

Joe Beachem, Chief Financial Officer

None.

LEGAL IMPACT:

None

Attachments: Attachment A - Committee Action
Attachment B - 2018 Otay Water District Legislative Program

Attachment C - 2018 Otay Water District Legislative
Program Redlined
Attachment D - 2018 Legislative Priorities



ATTACHMENT A

SUBJECT/PROJECT:	2018 Legislative Program Guidelines and Priorities
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COMMITTEE ACTION:

The Public Relations, Legal and Legislative Committee is scheduled to review this item at the monthly Board meeting to be held on February 7, 2018. The attachment will be updated with notes from the committee's discussion.

Effective Date: 02/07/2018



Legislative Policy Guidelines

Purpose

The Otay Water District's legislative policy guidelines reflect policy positions adopted by the Board of Directors through 2017. The guidelines provide direction to staff and the legislative advocates when they evaluate proposed legislation that may affect the District, other local water agencies, or regional water management and use. Legislation that meets or fails to meet, the principles set forth in the guidelines may be supported or opposed accordingly. The guidelines permit the General Manager, District staff, and the District's legislative advocates to act in a timely fashion between Board meetings on issues that are clearly within the guidelines.

While the title of this document suggests these policy guidelines are applicable solely to state and federal legislative issues reviewed by the San Diego County Water Authority, the District and other state and local water agencies, increasingly state and federal regulatory and administrative bodies are developing rules, guidelines, white papers, and regulations that can significantly affect the District, its wholesale supplier, and other local agencies. Otay District staff, including the District's legislative team, often utilize these Legislative Policy Guidelines to provide guidance on emerging and active regulatory and administrative issues.

Legislation that does not meet the principles set forth in the guidelines or that has potentially complicated or varied implications will not be acted upon by staff or the legislative advocates in between Board meetings and will instead be presented to the Board directly for guidance in advance of any position being taken.

The San Diego County Water Authority has its own set of legislative guidelines that is a comprehensive program at a wholesale and regional level. District staff has evaluated and selected policies and issues from the Water Authority's guidelines that may have a direct impact on the District. These policies and issues have been incorporated into the District's guidelines. Although the District is a retail agency and is focused on its local service area, if there are issues or policies contained in the Water Authority's Legislative Policy Guidelines and they could benefit or impact the District, the General Manager, District staff, and the District's legislative advocates may act on those issues respectively.

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A. Bay-Delta

Support efforts to:

1. Require the Delta Stewardship Council or DWR to provide periodic analyses of the cost of the proposed Delta improvements to the Legislature and the public.
2. Provides conveyance and storage facilities that are cost-effective for the San Diego region's ratepayers, improve the reliability and quality of the San Diego region's water supplies, and protect the Bay-Delta's ecosystem.
3. Require water agencies and other entities that contract to pay the costs of improvements in the Delta to obtain take-or-pay contracts with their member agencies to pay the fixed costs of the improvements.
4. Finalize and evaluate the Bay-Delta Conservation Plan the California Water Fix, or other conveyance proposals to address Bay-Delta environmental and water quality issues and to ensure the solution is cost effective.
5. Finalize Bay-Delta planning work and ongoing studies of new water storage facilities, and support efforts to promote additional surface and underground water storage infrastructure that are cost effective ensure water availability and quality.
6. Resolve conflicts between urban and rural water users, water management and the environment in the Bay-Delta.
7. Fast-track design, permits and construction for pilot projects in the Bay-Delta to create barriers to keep fish away from Bay-Delta water pumps, improve water quality and supply reliability.
8. Implements a long-term, comprehensive solution for the Bay-Delta that:
 - i. Achieves the co-equal goals of water supply reliability and environmental restoration embodied in the 2009 Delta bill package.
 - ii. Provides deliberative processes that are designed to ensure a meaningful dialogue with all stakeholders in order to reduce future conflicts and challenges to implementation of a Bay-Delta solution.
 - iii. Provides regulatory certainty and predictable supplies to help meet California's water needs in the long-term.
 - iv. Provides a Bay-Delta solution that acknowledges, integrates and supports the development of water resources at the local level including water use efficiency, seawater and brackish water desalination, groundwater storage and conjunctive use, and recycled water including direct and indirect potable reuse.
 - v. Improves the ability of water-users to divert water from the Delta during wet periods, when impacts on fish and ecosystem are lower and water quality is higher.
 - vi. Develops a statewide water transfer market that will improve water management.
 - vii. Improves coordination of Central Valley Project and State Water Project operations.
 - viii. Restores the Bay-Delta ecosystem to a point where species listed under the state and federal Endangered Species Acts are no longer threatened or endangered, taking into account all factors that have degraded Bay-Delta habitat and wildlife.
 - ix. Ensures a meaningful dialogue with all stakeholders and that ecosystem restoration issues are addressed in an open and transparent process.

- x. Provides a Bay-Delta solution and facilities that are cost-effective when compared with other water supply development options for meeting Southern California's water needs.
 - xi. Identifies the total cost of any Bay-Delta solution before financing and funding decisions are made, which must include the cost of facilities, mitigation and required or negotiated ecosystem restoration.
 - xii. Allocates costs of the Bay-Delta solution to stakeholders in proportion to benefits they receive.
 - xiii. Requires a firm commitment and funding stream by all parties to pay for the proportional benefits they will receive from a Bay-Delta solution, through take-or-pay contracts or the legal equivalent.
 - xiv. Conditions financial support on provisions allowing access to any water conveyance or storage facilities that are included in the Bay-Delta solution.
 - xv. Uses public funds to support specific projects and actions with identified costs that protect and restore the environment and provide broad-based public benefits.
 - xvi. Provides "right-sized" facilities to match firm commitments to pay for the Bay-Delta solution.
 - xvii. Provides SWP contractors and their member agencies access to all SWP facilities to facilitate water transfers.
 - xviii. Continues state ownership and operation of the SWP as a public resource.
 - xix. Improves efficiency and transparency of all SWP operations.
- 9. Provide the State Water Project (SWP) with more flexibility to operate their systems to maximize water deliveries while avoiding unacceptable impacts to third parties, habitat or the environment.
 - 10. Focus on statewide priorities, including construction of an approved method of conveyance of water through or around the Delta that provides water supply reliability to the Delta water uses.
 - 11. Provides for the state's share of funding for Bay-Delta conveyance projects.
 - 12. Consider complementary investments in local water supply sources, regional coordination, and south of Delta storage as part of an overall comprehensive Bay-Delta solution.
 - 13. Protects and safeguards San Diego region's Preferential Rights on the Metropolitan Water District Act.
 - 14. Authorize and appropriate the federal share of funding for the long-term Bay-Delta solution.
 - 15. Provide the ongoing state share of funding for the long-term Bay-Delta solution.
 - 16. Provide state funding for aquatic toxicity monitoring in the Bay-Delta. Such legislation should not place a surcharge on water supply exports nor should it substantively reduce funding for other measures that protect the environment and public health.

Oppose efforts that:

- 1. Impose water user fees to fund ecosystem restoration and other public purpose, nonwater-supply improvements in the Delta that benefit the public at large.
- 2. Require additional reviews or approvals of Delta conveyance options beyond those provided by SBX7-1 (2009).
- 3. Transfer operational control of the State Water Project or any of its facilities to the Metropolitan Water District of Southern California (MWD), the State Water Contractors, the Central Valley Project Contractors, the State and Federal Contractors Water Agency, or any

entity comprised of MWD or other water project contractors, or any other special interest group.

B. Binational Issues

Support efforts to:

1. Promote and finance cross-border infrastructure development such as water pipelines, desalination plants or water treatment facilities to serve the San Diego/Baja California border region while protecting local interests.
2. Encourage enhanced cooperation between entities in San Diego and Baja California in development of supply and infrastructure projects that will benefit the entire border region.
3. Develop and enhance communications and understanding of the interdependence of communities on both sides of the border with the goal of improved cross-border cooperation.

Oppose efforts that:

1. Would usurp local control over the financing and construction of water supply and infrastructure projects in the San Diego/Baja California region.

C. Drought Response

Support efforts to:

1. Ensure the District and other local agencies including the Water Authority and San Diego County water agencies receive the water supply benefits of its investment in local water supply sources.
2. Allow local agencies to achieve compliance with emergency or non-emergency drought regulations or objectives through a combination of water conservation measures and development and implementation of local water supply sources that are not derived from the Delta.
3. Allow for local agencies to account for all water supplies available during droughts and other events when calculating the water supply shortage level.
4. Create a process for development and implementation of emergency drought declarations and regulations that recognizes variations among communities, regions, and counties with respect to their abilities to withstand the impacts and effects of drought.
5. Recognize variations among communities, regions, and counties with respect to their abilities to withstand the impacts and effects of droughts, and ensure that any temporary or permanent statutory or regulatory direction for improving water-use efficiency to meet statutory or regulatory goals or standards is focused on regional achievement of objectives rather than a one-size -fits -all approach.

Oppose efforts that:

1. Disincentivize or impede water agencies from making investments to maximize the potential for recycled water, potable reuse, desalination and other drought-resilient local water supplies.
2. Create a “one-size -fits -all” approach to emergency drought declarations and regulations that ignores variations among communities, regions, and counties with respect to their ability to withstand the impacts and effects of drought.

D. Financial Issues

- i. Fees, Taxes, and Charges
- ii. Funding
- iii. Rates
- iv. Water Bonds

i. Fees, Taxes, and Charges

Support efforts to:

1. Require the federal government and State of California to reimburse special districts for all mandated costs or regulatory actions.
2. Give special districts the discretion to cease performance of unfunded mandates.
3. Provide for fiscal reform to enhance the equity, reliability, and certainty of special district funding.
4. Provide incentives for local agencies to work cooperatively, share costs or resources.
5. Provide for the stable, equitable and reliable allocation of property taxes.
6. Continue to reform workers compensation.
7. Promote competition in insurance underwriting for public agencies.
8. Produce tangible results, such as water supply reliability or water quality improvement.
9. Require the Metropolitan Water District of Southern California (MWD) to refund or credit to its member agencies revenues collected from them that result in reserve balances greater than the maximum reserve levels established pursuant to state legislation.

Oppose efforts that:

1. Impose mandated costs or regulatory constraints on local agencies and their customers without providing subventions to reimburse local agencies for such costs.
2. Pre-empt the Water Authority's or its member agencies' ability to impose or change rates, charges, fees, or assessments.
3. Weaken the protections afforded the Water Authority or its member agencies under California's Proposition 1A (November 2, 2004).
4. Reallocate special districts reserves in an effort to balance the state budget.
5. Reallocate special district revenues or reserves to fund infrastructure improvements or other activities in cities or counties.
6. Establish funding mechanisms that put undue burdens on local agencies or make local agencies *de facto* tax collectors for the state.
7. Adversely affect the cost of gas and electricity or reduce an organization's flexibility to take advantage of low peak cost periods.
8. Add new reporting criteria, burdensome, unnecessary or costly reporting mandates to Urban Water Management Plans.
9. Add new mandates to the Department of Water Resources (DWR) to review and approve Urban Water Management Plans beyond those already addressed in DWR guidelines.
10. Mandate that water agencies include an embedded energy calculation for their water supply sources in Urban Water Management Plans or any other water resources planning or master-planning document.

11. Weaken existing project retention and withholding provisions that limit the ability of public agencies to drive contractor performance.
12. Establish change order requirements that place an unreasonable burden on local agencies, or raise financial risk associated with public works contracts.
13. Impair the San Diego County Water Authority or its member agencies' ability to provide reasonable service at reasonable costs to member agencies or to charge all member agencies the same rate for each class of service consistent with cost-of-service requirements of the law.
14. Impair the local water agencies' ability to maintain reasonable reserve funds and obtain and retain reasonable rates of return on its reserve accounts.
15. Mandate a specific rate structure for retail water agencies.
16. Impose a water user fee on water agencies or water users that does not provide a commensurate and directly linked benefit in the local area or region from which the water user fee is collected.
17. Impose a water user fee for statewide projects or programs, for which the projects or programs are not clearly defined, the beneficiaries identified, and reasonable costs identified.
18. Impose a water user fee in order to create a state fund that can be used to finance undefined future projects and programs.
19. Allow the state to retain more than five percent of water user fees for administrative costs.
20. Do not restrict the use of water user fees to only the specific purposes for which they are imposed, without any possibility of diversion to meet other fiscal needs of the state.
21. Impose a "public goods charge" or "water tax" on public water agencies or their ratepayers.
22. Impose a fee on water users to repay the principal and interest on a statewide general obligation bond.
23. Establish regulatory or permit fees that lack a nexus to the costs of oversight.
24. Establish a broad-based user fee that does not support a specific program activity; any fee must provide a clear nexus to the benefit the fee would provide.

ii. Funding

Support efforts to:

1. Require the federal and state governments to provide subvention to reimburse local governments for all mandated costs or regulatory actions.
2. Provide the Water Authority and its member agencies with additional forms of cost-effective financing for public facilities.
3. Revitalize the Title XVI federal funding program by converting new authorizations to a competitive grant program with congressional oversight while protecting existing Title XVI authorizations for the San Diego region.
4. Provide the Water Authority and its member agencies with grant funding for public facilities.
5. Authorize financing of water quality, water security, and water supply infrastructure improvement programs.

6. Establish spending caps on State of California overhead when administering voter approved grant and disbursement programs.
7. Require disbursement decisions in a manner appropriate to the service in question.
8. Encourage funding infrastructure programs that are currently in place and that have been proven effective.
9. Provide financial incentives for energy projects that increase reliability, diversity, and reduce greenhouse gasses.
10. Continue energy rate incentives for the utilization of electricity during low-peak periods.
11. Provide loan or grant programs that encourage water conservation for water users who are least able to pay for capital projects.
12. Provide for population-based distribution of funds to ensure adequate distribution of grant funding throughout the state.
13. Provide for the use of state grant funds for binational projects where the projects benefit water supply or water quality in the San Diego region.
14. Improve and streamline the state's reimbursement process to ensure timely remittance of IRWM funds.
15. Promote the ability of the Regional Water Management Group to more directly administer state grant funds specifically identified for IRWM Programs.
16. Require the state to rely on the local process for selection and ranking of projects included in an approved IRWM plan.

Oppose efforts that:

1. Impose additional administrative requirements and/or restricts the Water Authority's or its member agencies' ability to finance public facilities through the issuance of long-term debt.
2. Interfere with the responsibility of a region, operating under an Integrated Regional Water Management Plan, for setting priorities and generating projects to be paid from any IRWM accounts and grants.
3. Interfere with the control exercised by the San Diego funding subregion over the use and expenditure of any water-user fee revenues that may be dedicated to the region.
4. Establish IRWM funding criteria that limits local discretion in project selection.

iii. Rates

Support efforts to:

1. Maintain the authority of water agencies to establish water rates locally, consistent with cost-of-service requirements of the law.
2. Maximize the ability of water agencies to design rate structures to meet local water supply goals and that conform to cost-of-service requirements of the law.

Oppose efforts that:

1. Impair the Water Authority's or its member agencies' ability to provide reasonable service at reasonable costs to member agencies or to charge all member agencies the same rate for each class of service consistent with cost-of-service requirements of the law.
2. Undermine or weaken cost-of-service rate-making requirements in existing law.

3. Impair the District's ability to maintain reasonable reserve funds and obtain and retain reasonable rates of return on its reserve accounts.
4. Mandate a specific rate structure for retail water agencies.
5. Prescribe mandatory conservation-based rate structures that override the authority of the boards of directors of local water agencies to set rate structures according to the specific needs of the water agencies.
6. Usurp special district funds, reserves, or other state actions that force special districts to raise rates, fees or charges

iv. Water Bonds

Support efforts to:

1. Ensure an equitable share of funding to San Diego County, with major funding categories being divided by county and funded on a per-capita basis to ensure bond proceeds are distributed throughout the state in proportion to taxpayers' payments on the bonds.
2. Ensure a focus on statewide priorities, including restoration of fish and wildlife habitat, construction of an improved method of conveyance of water through or around the Delta that provides water supply reliability to Delta water users, promotion of greater regional and local self-sufficiency, surface storage, and promotion of water use efficiency.
3. Ensure funding from various propositions for local and regional water-related projects.
4. Include within IRWM funding money that a region may use over time to develop and refine its plan and to develop institutional structures necessary to establish and implement the plan.
5. Ensure primary consideration is given to funding priorities established by local and regional entities through their IRWM planning process.
6. Ensure that the application process for funding is not unnecessarily burdensome and costly, with an emphasis on streamlining the process.
7. Limit state overhead to no more than five percent of bond funding amounts.
8. Place as much emphasis and provides at least as much funding for surface storage as for groundwater storage.
9. Define the "San Diego sub-region" and "San Diego county watersheds" as "those portions of the westward-flowing watershed of the South Coast hydrologic region situated within the boundaries of San Diego County."
10. Fund emergency and carryover storage projects including those in San Diego County.
11. Consolidate administration of all voter-approved water-related bond funding in one place, preserves existing expertise within the state bureaucracy to manage bond-funding processes, and provide consistent application and evaluation of bond funding applications.
12. Ensure funding for water infrastructure projects help to resolve conflicts in the state's water system and provide long-term benefits to statewide issues including water supply, reliability, water quality, and ecosystem restoration.
13. Provide and expedite the state's share of funding for projects that advance the achievement of the co-equal goals of water supply reliability and Delta ecosystem restoration.

Oppose efforts that:

1. Changes or do not provide an equitable share of funding to San Diego County based on the San Diego County taxpayers' proportional contribution to repayment of the bonds.

2. Do not provide funding for infrastructure that resolves statewide or regional conflicts of water supplies.
3. Do not provide funding that result in net increases in real water supply and water supply reliability.
4. Commit a significant portion of bond funding to projects that do not result in net increases in real water supply or water supply reliability.

E. Governance/Local Autonomy

Support efforts to:

1. Expand local autonomy in governing special district affairs.
2. Promote comprehensive long-range planning.
3. Assist local agencies in the logical and efficient extension of services and facilities to promote efficiency and avoid duplication of services.
4. Streamline the Municipal Service Review Process or set limits on how long services reviews can take or cost.
5. Establish clear and reasonable guidelines for appropriate community sponsorship activities.
6. Reaffirm the existing “all-in” financial structure, or protect the San Diego County Water Authority voting structure based on population.
7. Promote measures that increase broader community and water industry representation/appointments on State decision making bodies

Oppose efforts that:

1. Assume the state legislature is better able to make local decisions that affect special district governance.
2. Create one-size-fits-all approaches to special district reform.
3. Unfairly target one group of local elected officials.
4. Usurp local control from special districts regarding decisions involving local special district finance, operations or governance.
5. Limit or diminish the power of the board of directors’ ability to govern the District’s affairs.
6. Modify the committee or board voting structure unless the board of directors has expressly authorized such changes.
7. Create unfunded local government mandates.
8. Create costly, unnecessary or duplicative oversight roles for the state government of special district affairs.
9. Create new oversight roles or responsibility for monitoring special district affairs.
10. Change the San Diego County Water Authority Act regarding voting structure, unless it is based on population.
11. Shift the liability to the public entity and relieve private entities of reasonable due diligence in their review of plans and specifications for errors, omissions and other issues.
12. Place a significant and unreasonable burden on public agencies, resulting in increased cost for public works construction or their operation.
13. Impair the ability of water districts to acquire property or property interests required for essential capital improvement projects.
14. Increase the cost of property and right-of-way acquisition, or restricts the use of right-of-ways.

15. Work to silence the voices of special districts and other local government associations on statewide ballot measures impacting local government policies and practices, including actions that could prohibit special districts and associations from advocating for positions on ballot measures by severely restricting the private resources used to fund those activities.
16. Prescribe mandatory conservation-based or other rate structures that override the authority of the board of directors to set its rate structure.
17. Circumvent the legislative committee process, such as the use of budget trailer bills, to advance policy issues including impacting special districts without full disclosure, transparency, or public involvement.

F. Optimize District Effectiveness

Support efforts to:

1. Give utilities the ability to avoid critical peak energy pricing or negotiate energy contracts that save ratepayers money.
2. Develop reasonable Air Pollution Control District engine permitting requirements.
3. Reimburse or reduce local government mandates.
4. Allow public agencies to continue offering defined benefit plans.
5. Result in predictable costs and benefits for employees and taxpayers.
6. Eliminate abuses.
7. Retain local control of pension systems.
8. Be constitutional, federally legal and technically possible.

Oppose efforts that:

1. Restrict the use of, or reallocate, district property tax revenues to the detriment of special districts.
2. Create unrealistic ergonomic protocol.
3. Micromanage special district operations.
4. Balance the state budget by allowing regulatory agencies to increase permitting fees.
5. Tax dependent benefits.
6. Require new reporting criteria on energy intensity involved in water supply.

G. Recycled Water

Support efforts to:

1. Reduce restrictions on recycled water usage or promote consistent regulation of recycled water projects to reduce impediments to the increased use of recycled water.
2. Reduce restrictions on injecting recycled water into basins where there is no direct potable use.
3. Provide financial incentives for recharge of groundwater aquifers using recycled water.
4. Make recycled water regulations clear, consolidated, and understandable to expedite related project permitting.
5. Promote recycled water as a sustainable supplemental source of water.
6. Allow the safe use of recycled water.
7. Facilitate development of technology aimed at improving water recycling.
8. Increasing funding for water recycling projects.

9. Support continued funding of the Title XVI Water Reclamation and Reuse Program including Water Reclamation and Reuse Projects, the WaterSMART Program, and the Desalination and Water Purification Research Program.
10. Increase awareness of the ways recycled water can help address the region's water supply challenges.
11. Create federal and state incentives to promote recycled water use and production.
12. Establish federal tax incentives to support U.S. companies in the development of new water technologies that can lower production costs, address by products such as concentrates, and enhance public acceptance of recycled water.
13. Establish a comprehensive national research and development, and technology demonstration, program to advance the public and scientific understanding of water recycling technologies to encourage reuse as an alternative source of water supply.
14. Provide incentives for local agencies to work cooperatively, share costs or resources to promote or expand the use of recycled water.
15. Further refine emergency regulations to reward local suppliers that have invested in using recycled water for landscape irrigation to maintain an incentive to continue expanding areas served by recycled water.
16. Encourage the use of recycled water in commercial, industrial, institutional, and residential settings.
17. Recognizes and supports the development of potable reuse as a critical new supply.
18. Define purified recycled water as a source of water supply and not as waste.
19. Mandate the reduction of wastewater discharges to the ocean absent inclusion of funding to offset the significant costs of implementation.
20. Authorize local governmental agencies to regulate the discharge of contaminants to the sewer collection system that may adversely affect water recycling and reuse.
21. Authorize and facilitate expanded use of local water resources including water recycling, potable reuse, graywater, and rainwater harvesting (e.g., cisterns and rain barrels), and brackish groundwater.
22. Streamline regulatory processes and requirements to encourage and support the development of potable reuse and non-potable reuse as a municipal water supply.
23. Recognize the entire interconnected urban water cycle, as well as public health and safety, must be taken into consideration in long-term water use efficiency policies, particularly including the unintended consequences of declining flows on water, wastewater, potable reuse and recycled water systems.

Oppose efforts that:

1. Restrict use of recycled water for groundwater recharge.
2. Establish new water or recycled water fees solely to recover State costs without also providing some benefit.
3. Limit the ability of local governmental agencies to regulate the discharge of contaminants to the sewer collection system that may adversely affect water recycling and reuse.
4. Establish unreasonable regulatory requirements or fees to the safe use of recycled water, which may unreasonably impede or create a disincentive to its further development.
5. Mandate the reduction of wastewater discharges to the ocean absent inclusion of funding to offset the significant costs of implementation.

H. Safety, Security and Information Technology

Support efforts to:

1. Provide funding for information security upgrades to include integrated alarms, access/egress, and surveillance technology.
2. Provide incentives for utilities and other local agencies to work cooperatively, share costs or resources.
3. Provide funding for communication enhancements, wireless communications, GIS or other technological enhancements.
4. Encourage or promote compatible software systems.
5. Fund infrastructure and facility security improvements that include facility roadway access, remote gate access and physical security upgrades.
6. Protect state, local and regional drinking water systems from terrorist attack or deliberate acts of destruction, contamination or degradation.
7. Provide funds to support training or joint training exercises to include contingency funding for emergencies and emergency preparedness.
8. Equitably allocate security funding based on need, threats and/or population.
9. Encourage or promote compatible communication systems.
10. Encourage and promote funding of Department of Homeland Security Risk Mitigation programs.
11. Recognizes water agencies as emergency responders to damage and challenges caused by wildfires, earthquakes, and other natural disasters, as well as terrorist and other criminal activities that threaten water operations, facilities and supplies.
12. Provide state grant or other funding opportunities to support seismic risk assessment and mitigation plans, or to mitigate vulnerabilities.
13. Provide funding for projects that enhance security against terrorist acts or other criminal threats to water operation, services, facilities, or supplies.

Oppose efforts that:

1. Create unnecessary, costly, or duplicative security or safety mandates.
2. Require expanded water system descriptions or additional public disclosure of public water systems details for large water suppliers in Urban Water Management Planning documents, potentially compromising public water systems and creating a conflict with the Department of Homeland Security's recommendation to avoid reference to water system details in plans available to the general public.

I. Water Services and Facilities

Support efforts to:

1. Provide funding to implement actions identified in the California Water Action Plan to lay a solid fiscal foundation for implementing near-term actions, including funding for water efficiency projects, wetland and watershed restoration, groundwater programs, conservation, flood control, and integrated water management and result in a reliable supply of high-quality water for the San Diego region.
2. Provide financial support to projects designed to mitigate the potential negative impacts of Global Climate Change on water supply reliability.
3. Promote the coordination and integration of local, state and federal climate change policies and practices to the greatest extent feasible.

4. Fund or otherwise facilitate ongoing implementation of the Quantification Settlement Agreement.
5. Provide reliable water supplies to meet California's short and long-term needs.
6. Promote desalination pilot studies and projects.
7. Encourage feasibility studies of water resource initiatives.
8. Increase funding for infrastructure and grant programs for construction, modernization or expansion of water, wastewater treatment, reclamation facilities and sewer systems including water recycling, groundwater recovery and recharge, surface water development projects and seawater desalination.
9. Fund enhancements to water treatment, recycling, and other facilities to meet increased regulations.
10. Mandate uniform or similar regulations and procedures by state agencies in the processing and administering of grants and programs.
11. Streamline grant application procedures.
12. Reduce regulations and other impediments for willing sellers and buyers to engage in water transfer agreements.
13. Promote or assist voluntary water transfers between willing buyers and willing sellers and move those transactions through without delay.
14. Streamline the permitting and approval process for implementing water transfers.
15. Establish reasonable statewide approaches to sewer reporting standards.
16. Generate greater efficiencies, better coordinate program delivery, and eliminate duplication in programs for source water protection without lessening the focus on public health of the state's Drinking Water Program.
17. Target efforts to fix specific issues with water supplies within the state's Drinking Water Program.
18. Establish federal tax incentives to support U.S. companies in the development of new desalination technologies that can lower production costs, eliminate or reduce impingement or entrainment, reduce energy use, and enhance public acceptance of desalinated water.
19. Establish a comprehensive national research and development, and technology demonstration program to advance the scientific understanding of desalination to expand its use as an alternative source of water supply.
20. Require the State Water Resources Control Board to exercise its authority, ensure robust funding, and implement the Salton Sea mitigation and restoration plan, meet state obligations, and work with QSA stakeholders to find workable solutions to ensure the continuation of IID water transfers.
21. Support solutions to water supply issues that address common challenges, provide a comprehensive approach that is fair to all users, balance the needs of urban and rural communities, and take into consideration the interests of all stakeholders as well as the impact to the environment.
22. Further refine emergency drought regulations to eliminate a cap on credits and adjustments so as not to impose undue burden, financial or otherwise, on communities that have already invested in water conservation, development of new water sources, storage, or loss prevention.
23. Provide funding for water infrastructure development, infrastructure security, and rehabilitation and replacement projects that benefit ratepayers.

24. Provide funding for habitat preservation programs that address impacts resulting from construction or operation of water system facilities.
25. Provide funding for projects that enhance security against terrorist acts or other criminal threats to water operation, services, facilities, or supplies.
26. Provide incentives that encourage contractors to recycle or reduce waste associated with construction of water facilities.
27. Improve the local agencies' efforts to maintain and protect its property, rights of way, easements, pipelines, and related facilities and minimizes liability to local agencies and the District.
28. Protect the local agencies' properties from restrictions when surrounding properties are incorporated into preservation areas.

Oppose efforts that:

1. Make urban water supplies less reliable or substantially increase the cost of imported water without also improving the reliability and/or quality of the water.
2. Create unrealistic or costly water testing or reporting protocol.
3. Disproportionately apportion the cost of water.
4. Create undo hurdles for seawater desalination projects.
5. Create unreasonable or confusing sewer reporting standards.
6. Create administrative or other barriers to sales between willing buyers and willing sellers that delay water transfers.
7. Create a broad-based user fee that does not support a specific local program activity or benefit; any fee must provide a clear nexus to the benefit local ratepayers or local water supplies from the establishment that charge or fee would provide.
8. Create unrealistic or costly to obtain water quality standards for potable water, recycled water or storm water runoff.
9. Change the focus of the state's Drinking Water Program or weaken the parts of the program that work well.
10. Lessen the focus on public health of the state's Drinking Water Program.
11. Create one-size-fit-all approaches to emergency drought regulations that ignore variations among communities, regions, and counties with respect to their ability to withstand the impact and effects of drought.
12. Impose undue burden, financial or otherwise, on communities that have already invested in water conservation, development of new water sources, storage, or loss prevention.
13. Impose additional mitigation costs or obligations for the Salton Sea on the non-state parties to the Quantification Settlement Agreement.
14. Impairs local agencies' ability to provide and operate the necessary facilities for a safe, reliable and operational flexible water system.
15. Limits local agencies' sole jurisdiction over planning, design, routing, approval, construction, operation, or maintenance of water facilities.
16. Restricts local agencies' ability to respond swiftly and decisively to an emergency that threatens to disrupt water deliveries or restricts the draining of pipelines or other facilities in emergencies for repairs or preventive maintenance.
17. Authorizes state and federal wildlife agencies to control, prevent, or eradicate invasive species in a way that excessively interferes with the operations of water supplies.

18. Prohibit or in any way limit the ability of local agencies from making full beneficial use of any water, wastewater, or recycling facility and resource investments.
19. Impair the local agencies' efforts to acquire property or property interests required for essential capital improvement projects or acquisition of property to meet pipeline water drain-down needs for existing facilities.
20. Increase the cost of property and right of way acquisition.
21. Restrict the local agencies' use of public rights of way or increases the cost of using public rights of way.
22. Restrict the transfer of property acquired for purposes of environmental mitigation or environmental mitigation credits to other public or private entities for long-term management.

J. Water-Use Efficiency

Support efforts to:

1. Provide funding for water-use efficiency and water conservation programs including water-efficient devices, practices and demonstration projects and studies.
2. Encourage the installation of water-efficient fixtures in new and existing buildings.
3. Promote the environmental benefits of water-use efficiency and water conservation.
4. Enhance efforts to promote water-use efficiency awareness.
5. Offer incentives for landscape water-efficient devices including, but not limited to ET controllers and soil moisture sensors.
6. Develop landscape retrofit incentive programs and/or irrigation retrofit incentive programs.
7. Permit or require local agencies to adopt ordinances that require or promote water-efficient landscapes for commercial and residential developments.
8. Create tax incentives for citizens or developers who install water-efficient landscapes.
9. Create tax incentives for citizens who purchase high-efficiency clothes washers, dual-flush and high-efficiency toilets and irrigation controllers above the state standards.
10. Expand community-based water-use efficiency and education programs.
11. Develop incentives for developers and existing customers to install water-efficient landscape in existing developments or new construction.
12. Encourage large state users to save water by implementing water-efficient technologies in all facilities both new and retrofit.
13. Encourage large state water users to save water outdoors.
14. Educate all Californians on the importance of water, and the need to conserve, manage, and plan for the future needs.
15. Encourage technological research targeted to more efficient water use.
16. Give local agencies maximum discretion in selecting water-use efficiency and conservation programs that work for their customers and the communities they serve.
17. Require the Department of Water Resources to implement a uniform statewide turf rebate subsidy or incentive program.
18. Restrict Property Owners Associations from forbidding the use of California native plants, other low water use plants, mulch, artificial turf, or semi-permeable materials in well-maintained landscapes.
19. Provides for federal tax-exempt status for water-use efficiency rebates, consistent with income tax treatment at the state level.
20. Encourage the use of graywater where it complies with local guidelines and regulations and is cost-effective.

21. Provide incentives, funding, and assistance to water agencies so that they can meet the water demand management measure requirements in the Urban Water Management Planning Act.
22. Provide incentives, funding, and other assistance to facilitate water-use efficiency partnerships with the energy efficiency sector.
23. Recognize local control in determining water use efficiency criteria, such as impact of recycled water salinity on irrigation use and efficiency for the application of non-potable recycled water.
24. Encourage reasonable tracking of water use and improved efficiency in the Commercial, Industrial, and Institutional (CII) sector.

Oppose efforts that:

1. Weaken federal or state water-efficiency standards.
2. Introduce additional analytical and reporting requirements that are time-consuming for local agencies to perform and result in additional costs to consumers, yet yield no water savings.
3. Permit Property Owners Associations to restrict low water use plants, mulch, artificial turf, or semi-permeable materials in landscaping.
4. Repeal cost-effective efficiency standards for water-using devices.
5. Repeal cost-effective efficiency standards for water-using devices.
6. Create stranded assets by establishing long-term demand management water-use efficiency and water supply requirements that are inconsistent with the Urban Water Management Planning Act.
7. Prescribe statewide mandatory urban and agricultural water-use efficiency practices, including, but not limited to, methods, measures, programs, budget allocation, and designation of staff dedicated to water conservation programs, that override the authority of the boards of directors of local water agencies to adopt management practices that are most appropriate for the specific needs of their water agencies.
8. Mandate regulation of the CII Sector in a manner that is discriminatory, or sets unachievable Best Management Practices or compliance targets, or would otherwise impair economic activity or the viability of the CII sector.
9. Mandate that water agencies include an embedded energy calculation for their water supply sources in the Urban Water Management Plan or any other water resource planning or master planning document.

Effective Date: 02/~~04~~07/2017~~8~~

Legislative Policy Guidelines

Purpose

The Otay Water District's legislative policy guidelines reflect policy positions adopted by the Board of Directors through 2017. The guidelines provide direction to staff and the legislative advocates when they evaluate proposed legislation that may affect the District, other local water agencies, or regional water management and use. Legislation that meets or fails to meet, the principles set forth in the guidelines may be supported or opposed accordingly. The guidelines permit the general manager, District staff, and the District's legislative advocates to act in a timely fashion between Board meetings on issues that are clearly within the guidelines.

While the title of this document suggests these policy guidelines are applicable solely to state and federal legislative issues reviewed by the San Diego County Water Authority, the District and other state and local water agencies, increasingly state and federal regulatory and administrative bodies are developing rules, guidelines, white papers, and regulations that can significantly affect the District, its wholesale supplier and other local agencies. Otay District staff, including the District's legislative team, often utilize these Legislative Policy Guidelines to provide guidance on emerging and active regulatory and administrative issues.

Legislation that does not meet the principles set forth in the guidelines or that has potentially complicated or varied implications will not be acted upon by staff or the legislative advocates in between Board meetings and will instead be presented to the Board directly for guidance in advance of any position being taken.

The San Diego County Water Authority has its own set of legislative guidelines that is comprehensive program at a wholesale and regional level. District staff has evaluated and selected policies and issues from the Water Authority's guidelines that may have a direct impact on the District. These policies and issues have been incorporated into the District's guidelines. Although the District is a retail agency and is focused on its local service area, if there are issues or polices contained in the Water Authority's Legislative Policy Guidelines and they could benefit or impact the District, the General Manager, District staff, and the District's legislative advocates may act on those issues respectively.

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A. Sacramento-San Joaquin Bay Delta (Bay-Delta)

Support efforts to:

1. Require the Delta Stewardship Council or DWR to provide periodic analyses of the cost of the proposed Delta improvements to the Legislature and the public.
2. Provides conveyance and storage facilities that are cost-effective for the San Diego region's ratepayers, improve the reliability and quality of the San Diego region's water supplies, and protect the Bay-Delta's ecosystem.
3. Require water agencies and other entities that contract to pay the costs of improvements in the Delta to obtain take-or-pay contracts with their member agencies to pay the fixed costs of the improvements.
4. Finalize and ~~implement~~ evaluate the Bay-Delta Conservation Plan the California Water Fix, or other conveyance proposals to address Bay-Delta environmental and water quality issues and to ensure the solution is cost effective.
5. Finalize Bay-Delta planning work and ongoing studies of new water storage facilities, and support efforts to promote additional surface and underground water storage infrastructure that are cost effective ensure water availability and quality.
6. Resolve conflicts between urban and rural water users, water management and the environment in the Bay-Delta.
Provide ongoing federal and state funding for the Bay-Delta, and those, which focus attention to Bay-Delta financing, affordability, commitments to pay, and the demand for Bay-Delta water. Equitably allocate costs of the Bay-Delta solution to all those benefiting from improvements in proportion to the benefits they receive.
9. Fast-track design, permits and construction for pilot projects in the Bay-Delta to create barriers to keep fish away from Bay-Delta water pumps, improve water quality and supply reliability.
10. Implements a long-term, comprehensive solution for the Bay-Delta that:
 - i. Achieves the co-equal goals of water supply reliability and environmental restoration embodied in the 2009 Delta bill package.
 - ii. Provides deliberative processes that are designed to ensure a meaningful dialogue with all stakeholders in order to reduce future conflicts and challenges to implementation of a Bay-Delta solution.
 - iii. Provides regulatory certainty and predictable supplies to help meet California's water needs in the long-term.
 - iv. Provides a Bay-Delta solution that acknowledges, integrates and supports the development of water resources at the local level including water use efficiency, seawater and brackish water desalination, groundwater storage and conjunctive use, and recycled water including direct and indirect potable reuse.
 - v. Improves the ability of water-users to divert water from the Delta during wet periods, when impacts on fish and ecosystem are lower and water quality is higher.
 - vi. Develops a statewide water transfer market that will improve water management.
 - vii. Improves coordination of Central Valley Project and State Water Project operations.

- viii. Restores the Bay-Delta ecosystem to a point where species listed under the state and federal Endangered Species Acts are no longer threatened or endangered, taking into account all factors that have degraded Bay-Delta habitat and wildlife.
 - ix. Ensures a meaningful dialogue with all stakeholders and that ecosystem restoration issues are addressed in an open and transparent process.
 - x. Provides a Bay-Delta solution and facilities that are cost-effective when compared with other water supply development options for meeting Southern California’s water needs.
 - xi. Identifies the total cost of any Bay-Delta solution before financing and funding decisions are made, which must include the cost of facilities, mitigation and required or negotiated ecosystem restoration.
 - xii. Allocates costs of the Bay-Delta solution to stakeholders in proportion to benefits they receive.
 - xiii. Requires a firm commitment and funding stream by all parties to pay for the proportional benefits they will receive from a Bay-Delta solution, through take-or-pay contracts or the legal equivalent.
 - xiv. Conditions financial support on provisions allowing access to any water conveyance or storage facilities that are included in the Bay-Delta solution.
 - xv. Uses public funds to support specific projects and actions with identified costs that protect and restore the environment and provide broad-based public benefits.
 - xvi. Provides “right-sized” facilities to match firm commitments to pay for the Bay-Delta solution.
 - xvii. Provides SWP contractors and their member agencies access to all SWP facilities to facilitate water transfers.
 - xviii. Continues state ownership and operation of the SWP as a public resource.
 - xix. Improves efficiency and transparency of all SWP operations.
 - ~~i. Analyze or support a “Portfolio Approach”, “Around the Delta”, “right-sized”, or other alternatives that feature smaller conveyance facilities as a way to improve water quality, water transport, and reduce the possibility or impacts of levee failure, lower costs to water users and the public, reduce the level of environmental impacts, while potentially facing fewer legal and political challenges. Finalize Bay Delta planning work and ongoing studies of new water storage facilities, and support efforts to promote additional surface and underground water storage infrastructure that are cost effective ensure water availability and quality. Resolve conflicts between urban and rural water users, water management and the environment in the Bay Delta.~~
 - ~~ii.i. Provide ongoing federal and state funding for the Bay Delta, and those, which focus attention to Bay Delta financing, affordability, commitments to pay, and the demand for Bay Delta water.~~
 - ~~iii.i. Equitably allocate costs of the Bay Delta solution to all those benefiting from improvements in proportion to the benefits they receive.~~
 - ~~iv. Fast track design, permits and construction for pilot projects in the Bay Delta to create barriers to keep fish away from Bay Delta water pumps, improve water quality and supply reliability.~~
- ~~10. Provide deliberative processes that are designed to ensure meaningful dialogue with all stakeholders in an open and transparent process in order to reduce future conflicts and challenges in implementing a Bay Delta solution.~~

~~12. Provide a Bay-Delta solution that acknowledges, integrates and supports the development of water resources at the local level.~~

~~Improve the ability of water users to divert water from the Bay-Delta during wet periods when impacts to fish and the ecosystem are lower and water quality is higher.~~

~~Improve the existing Bay-Delta water conveyance system to increase flexibility and enhance water supply, water quality, levee stability and environmental protection.~~

~~Evaluate long-term threats to the Bay-Delta levees and conveyance system and pursue actions to reduce risks to the state's water supply and the environment.~~

~~Improve coordination of the Central Valley Project and State Water Project Operations.~~

~~Provide a Bay-Delta solution and facilities that are cost-effective when compared with other water supply development options for meeting Southern California's water needs.~~

~~Identify the total cost or perform appropriate cost studies to estimate consumer financial impact as well as the expected yield of any Bay-Delta solution before financing and funding decision are made to determine whether the solution is worth the expense.~~19.

11. Provide the State Water Project (SWP) with more flexibility to operate their systems to maximize water deliveries while avoiding unacceptable impacts to third parties, habitat or the environment.

~~Require a firm commitment and funding stream by all parties to pay for the proportional benefits they will receive from a Bay-Delta solution through take-or-pay contracts or the legal equivalent, and identify the impact to the remaining contractors if one or more contractors default or back-out.~~

~~Provide "right-sized" facilities to match firm commitments to pay for the Bay-Delta solution.~~

~~Provide SWP contractors and their member agencies access to all SWP facilities to facilitate water transfers to improve water management.~~

~~Continue state ownership and operation of SWP as a public resource.~~

~~Improve efficiency and transparency of all SWP operations.~~

12. Focus on statewide priorities, including construction of an approved method of conveyance of water through or around the Delta that provides water supply reliability to the Delta water uses.

~~Provide a solution that acknowledges, integrates and supports the development of resources at the local level including water-use efficiency, seawater desalination, groundwater storage and conjunctive use, and recycled water including direct and indirect potable water reuse.~~

13. Provides for the state's share of funding for Bay-Delta conveyance projects.

14. Consider complementary investments in local water supply sources, regional coordination, and south of Delta storage as part of an overall comprehensive Bay-Delta solution.

15. Protects and safeguards San Diego region's Preferential Rights on the Metropolitan Water District Act.

16. Authorize and appropriate the federal share of funding for the long-term Bay-Delta solution.

17. Provide the ongoing state share of funding for the long-term Bay-Delta solution.

18. Provide state funding for aquatic toxicity monitoring in the Bay-Delta. Such legislation should not place a surcharge on water supply exports nor should it substantively reduce funding for other measures that protect the environment and public health.

Oppose efforts that:

1. Impose water user fees to fund ecosystem restoration and other public purpose, nonwater-supply improvements in the Delta that benefit the public at large.

~~1.2.~~Require additional reviews or approvals of Delta conveyance options beyond those provided by SBX7-1 (2009).

~~2.3. Transfer operational control of the State Water Project or any of its facilities ~~from the state to~~ the Metropolitan Water District of Southern California (MWD), the State Water Contractors, the Central Valley Project Contractors, the State and Federal ~~Water~~ Contractors Water Agency Authority, or ~~to~~ any entity comprised of MWD ~~or and~~ other water project contractors, or any other special interest group.~~

B. Bin-National Initiatives Issues

Support efforts to:

1. Promote and finance cross-border infrastructure development such as water pipelines, desalination plants or water treatment facilities to serve the San Diego/Baja California border region while protecting local interests.
- ~~2. Develop cooperative and collaborative solutions to cross-border issues.~~
2. Encourage enhanced cooperation between entities in San Diego and Baja California in development of supply and infrastructure projects that will benefit the entire border region.
3. Develop and enhance communications and understanding of the interdependence of communities on both sides of the border with the goal of improved cross-border cooperation.

Oppose efforts that:

- ~~a. 1. Would Usurp local control over the financing and construction of water supply and infrastructure projects in the San Diego/Baja California region.~~

C. Drought Response

Support efforts to:

1. Ensure the District and other local agencies including the Water Authority and San Diego County water agencies receive the water supply benefits of its investment in local water supply sources.
2. Allow local agencies to achieve compliance with emergency or non-emergency drought regulations or objectives through a combination of water conservation measures and development and implementation of local water supply sources that are not derived from the Delta.
3. Allow for local agencies to account for all water supplies available during droughts and other events when calculating the water supply shortage level.
4. Create a process for development and implementation of emergency drought declarations and regulations that recognizes variations among communities, regions, and counties with respect to their abilities to withstand the impacts and effects of drought.
5. Recognize variations among communities, regions, and counties with respect to their abilities to withstand the impacts and effects of droughts, and ensure that any temporary or permanent statutory or regulatory direction for improving water-use efficiency to meet statutory or

regulatory goals or standards is focused on regional achievement of objectives rather than a one-size -fits -all approach.

Oppose efforts that:

1. Disincentivize or impede water agencies from making investments to maximize the potential for recycled water, potable reuse, desalination and other drought-resilient local water supplies.
2. Create a “one-size -fits -all” approach to emergency drought declarations and regulations that ignores variations among communities, regions, and counties with respect to their ability to withstand the impacts and effects of drought.

C.D. Financial Issues

- i. Fees, Taxes, and Charges
- ii. Funding
- iii. Rates
- iv. Water Bonds

i. Fees, Taxes, and Charges

Support efforts to:

- 1.—1. Require the federal government and State of California to reimburse special districts for all mandated costs or regulatory actions.
- 2.—2. Give special districts the discretion to cease performance of unfunded mandates.
3. Provide for fiscal reform to enhance the equity, reliability, and certainty of special district funding.
4. Provide incentives for local agencies to work cooperatively, share costs or resources.
5. Provide for the stable, equitable and reliable allocation of property taxes.
6. Continue to reform workers compensation.
- ~~Authorize financing of water quality, water security, and water supply infrastructure improvement programs.~~
7. Promote competition in insurance underwriting for public agencies.

~~Establish spending caps on State of California overhead when administering voter approved grant and disbursement programs.~~

~~Require disbursement decisions in a manner appropriate to the service in question.~~

~~Encourage funding infrastructure programs that are currently in place and that have been proven effective.~~

8. Produce tangible results, such as water supply reliability or water quality improvement.

~~Provide financial incentives for energy projects that increase reliability, diversity, and reduce greenhouse gasses.~~

~~Continue energy rate incentives for the utilization of electricity during low peak periods.~~

~~Provide loan or grant programs that encourage water conservation for water users who are least able to pay for capital projects.~~

9. Require the Metropolitan Water District of Southern California (MWD) to refund or credit to its member agencies revenues collected from them that result in reserve balances greater than the maximum reserve levels established pursuant to state legislation.

~~Maintains the authority of water agencies to establish water rates locally, consistent with the cost-of-service requirement of the law.~~

- ~~1. Maximizes the ability of water agencies to design rate structures to meet local water supply goals and that conform to the cost-of-service requirements of the law.~~
- ~~2.—~~

Oppose efforts that:

1. Impose ~~new, unfunded state~~ mandated s costs or regulatory constraints on local agencies and their customers without providing subventions to reimburse local agencies for such costs.
2. Pre-empt the Water Authority's or its member agencies' ability to impose or change rates, charges, fees, or assessments.
3. Weaken the protections afforded the Water Authority or its member agencies under California's Proposition 1A (November 2, 2004). Undermine Proposition 1A—Protection of Local Government Revenues—and the comprehensive reform approved by voters in 2004.
- ~~2.4.~~ Reallocate special district reserves in an effort to balance the state budget.
- ~~3.5.~~ Reallocate special district revenues or reserves to fund infrastructure improvements or other activities in cities or counties.
- ~~Usurp special district funds, reserves, or other state actions that force special districts to raise rates, fees or charges.~~
- ~~4. Complicate or deter conservation-based rate structures.~~
- ~~5.6.~~ Establish funding mechanisms that put undue burdens on local agencies or make local agencies *de facto* tax collectors for the state.
- ~~6. Complicate compliance with SB 610 and SB 221.~~
7. Adversely affect the cost of gas and electricity or reduce an organization's flexibility to take advantage of low peak cost periods.
8. Add new reporting criteria, burdensome, unnecessary or costly reporting mandates to Urban Water Management Plans.
9. Add new mandates to the Department of Water Resources (DWR) to review and approve Urban Water Management Plans beyond those already addressed in DWR guidelines.
10. Mandate that water agencies include an embedded energy calculation for their water supply sources in Urban Water Management Plans or any other water resources planning or master planning document.
11. Weaken existing project retention and withholding provisions that limit the ability of public agencies to drive contractor performance.
12. Establish change order requirements that place an unreasonable burden on local agencies, or raise financial risk associated with public works contracts.
- ~~13. Establish a Public Goods Charge, excise tax for excessive water use, or other permanent tax or fee on water.~~
- ~~14.~~ 13. Impairs the San Diego County Water Authority or its member agencies' ability to provide reasonable service at reasonable costs to member agencies or to charge all member agencies the same rate for each class of service consistent with cost-of-service requirements of the law.
- ~~15. Undermines or weakens cost-of-service rate-making requirements in existing law.~~
- ~~16.~~ 14. Impairs the local water agencies' ability to maintain reasonable reserve funds and obtain and retain reasonable rates of return on its reserve accounts.

- ~~17.15.~~ Mandates a specific rate structure for retail water agencies.
- ~~18.16.~~ Imposes a water user fee on water agencies or water users that does not provide a commensurate and directly linked benefit in the local area or region from which the water user fee is collected.
- 17. Impose a water user fee for statewide projects or programs, for which the projects or programs are not clearly defined, the beneficiaries identified, and reasonable costs identified.
- 18. Impose a water user fee in order to create a state fund that can be used to finance undefined future projects and programs.
- 19. Allow the state to retain more than five percent of water user fees for administrative costs.
- 20. Do not restrict the use of water user fees to only the specific purposes for which they are imposed, without any possibility of diversion to meet other fiscal needs of the state.
- 21. Impose a “public goods charge” or “water tax” on public water agencies or their ratepayers.
- 22. Impose a fee on water users to repay the principal and interest on a statewide general obligation bond.
- 23. Establish regulatory or permit fees that lack a nexus to the costs of oversight.
- ~~19.24.~~ Establish a broad-based user fee that does not support a specific program activity; any fee must provide a clear nexus to the benefit the fee would provide.

ii. Funding

Support efforts to:

- 1. Require the federal and state governments to provide subvention to reimburse local governments for all mandated costs or regulatory actions.
- 2. Provide the Water Authority and its member agencies with additional forms of cost-effective financing for public facilities.
- 3. Revitalize the Title XVI federal funding program by converting new authorizations to a competitive grant program with congressional oversight while protecting existing Title XVI authorizations for the San Diego region.
- 4. Provide the Water Authority and its member agencies with grant funding for public facilities.
- 5. Authorize financing of water quality, water security, and water supply infrastructure improvement programs.
- 6. Establish spending caps on State of California overhead when administering voter approved grant and disbursement programs.
- 7. Require disbursement decisions in a manner appropriate to the service in question.
- 8. Encourage funding infrastructure programs that are currently in place and that have been proven effective.
- 9. Provide financial incentives for energy projects that increase reliability, diversity, and reduce greenhouse gasses.
- 10. Continue energy rate incentives for the utilization of electricity during low-peak periods.
- 11. Provide loan or grant programs that encourage water conservation for water users who are least able to pay for capital projects.
- 12. Provide for population-based distribution of funds to ensure adequate distribution of grant funding throughout the state.
- 13. Provide for the use of state grant funds for binational projects where the projects benefit water supply or water quality in the San Diego region.

14. Improve and streamline the state’s reimbursement process to ensure timely remittance of IRWM funds.
15. Promote the ability of the Regional Water Management Group to more directly administer state grant funds specifically identified for IRWM Programs.
16. Require the state to rely on the local process for selection and ranking of projects included in an approved IRWM plan.

Oppose efforts that:

1. Impose additional administrative requirements and/or restricts the Water Authority’s or its member agencies’ ability to finance public facilities through the issuance of long-term debt.
2. Interfere with the responsibility of a region, operating under an Integrated Regional Water Management Plan, for setting priorities and generating projects to be paid from any IRWM accounts and grants.
3. Interfere with the control exercised by the San Diego funding subregion over the use and expenditure of any water-user fee revenues that may be dedicated to the region.
4. Establish IRWM funding criteria that limits local discretion in project selection.

iii. Rates

Support efforts to:

1. Maintain the authority of water agencies to establish water rates locally, consistent with cost-of-service requirements of the law.
2. Maximize the ability of water agencies to design rate structures to meet local water supply goals and that conform to cost-of-service requirements of the law.

Oppose efforts that:

1. Impair the Water Authority’s or its member agencies’ ability to provide reasonable service at reasonable costs to member agencies or to charge all member agencies the same rate for each class of service consistent with cost-of-service requirements of the law.
2. Undermine or weaken cost-of-service rate-making requirements in existing law.
3. Impair the District’s ability to maintain reasonable reserve funds and obtain and retain reasonable rates of return on its reserve accounts.
4. Mandate a specific rate structure for retail water agencies.
5. Prescribe mandatory conservation-based rate structures that override the authority of the boards of directors of local water agencies to set rate structures according to the specific needs of the water agencies.
6. Usurp special district funds, reserves, or other state actions that force special districts to raise rates, fees or charges

i.iv. State Water Bonds

Support efforts to:

1. Ensure an equitable share of funding to San Diego County, with major funding categories being divided by county and funded on a per-capita basis to ensure bond proceeds are distributed throughout the state in proportion to taxpayers’ payments on the bonds.
2. Ensure a focus on statewide priorities, including restoration of fish and wildlife habitat, construction of an improved method of conveyance of water through or around the Delta that

provides water supply reliability to Delta water users, promotion of greater regional and local self-sufficiency, surface storage, and promotion of water use efficiency.

- ~~4.3.~~ Ensure funding from various propositions for local and regional water-related projects.
- ~~4.~~ Include within IRWM funding money that a region may use over time to develop and refine its plan and to develop institutional structures necessary to establish and implement the plan.
- ~~5.~~ Ensure primary consideration is given to funding priorities established by local and regional entities through their IRWM planning process.
- ~~6.~~ Ensure that the application process for funding is not unnecessarily burdensome and costly, with an emphasis on streamlining the process.
- ~~7.~~ Limit state overhead to no more than five percent of bond funding amounts.
- ~~8.~~ Place as much emphasis and provides at least as much funding for surface storage as for groundwater storage.
- ~~9.~~ Define the “San Diego sub-region” and “San Diego county watersheds” as “those portions of the westward-flowing watershed of the South Coast hydrologic region situated within the boundaries of San Diego County.”

- ~~2.~~ Ensure primary consideration is given to funding priorities established by local and regional entities through their IRWM planning process.
- ~~3.~~ Ensure that the application process for funding is not unnecessarily burdensome and costly, with an emphasis on streamlining the process.
- ~~4.10.~~ Fund emergency and carryover storage projects including those in San Diego County.
- ~~5.11.~~ Consolidate administration of all voter-approved water-related bond funding in one place, preserves existing expertise within the state bureaucracy to manage bond-funding processes, and provide consistent application and evaluation of bond funding applications.
- ~~12.~~ Ensure funding for water infrastructure projects help to resolve conflicts in the state’s water system and provide long-term benefits to statewide issues including water supply, reliability, water quality, and ecosystem restoration.
- ~~6.13.~~ Provide and Expedite the- state’s share of funding for projects that advance the achievement of the co-equal goals of water supply reliability and Delta ecosystem restoration.

Oppose efforts that:

- ~~1.~~ Changes or do not provide an equitable the share of funding to ~~make~~ San Diego County’s share less equitable, not based on the San Diego County taxpayers’ proportional contribution to repayment of the bonds, ~~or change the understanding that all beneficiaries pay an equitable share.~~
- ~~2.1.~~ Do not provide funding for infrastructure that resolves statewide or regional conflicts of water supplies.
- ~~3.2.~~ Do not provide funding that result in net increases in real water supply and water supply reliability.
- ~~4.3.~~ Commit a significant portion of bond funding to projects that do not result in net increases in real water supply or water supply reliability.

E. Governance/Local Autonomy

Support efforts to:

1. Expand local autonomy in governing special district affairs.
2. Promote comprehensive long-range planning.
3. Assist local agencies in the logical and efficient extension of services and facilities to promote efficiency and avoid duplication of services.
4. Streamline the Municipal Service Review Process or set limits on how long services reviews can take or cost.
5. Establish clear and reasonable guidelines for appropriate community sponsorship activities.
6. Reaffirm the existing “all-in” financial structure, or protect the San Diego County Water Authority voting structure based on population.
7. Promote measures that increase broader community and water industry representation/appointments on State decision making bodies

Oppose efforts that:

1. Assume the state legislature is better able to make local decisions that affect special district governance.
2. Create one-size-fits-all approaches to special district reform.
3. Unfairly target one group of local elected officials.
4. Usurp local control from special districts regarding decisions involving local special district finance, operations or governance.
5. Limit or diminish the power of the board of directors’ ability to govern the ~~d~~District’s affairs.
- ~~5.6.~~Modify the committee or board voting structure unless the board of directors has expressly authorized such changes.
- ~~6.7.~~Create unfunded local government mandates.
- ~~7.8.~~Create costly, unnecessary or duplicative oversight roles for the state government of special district affairs.
- ~~8.9.~~Create new oversight roles or responsibility for monitoring special district affairs.
- ~~9.10.~~ Change the San Diego County Water Authority Act regarding voting structure, unless it is based on population.
- ~~10.11.~~ Shift the liability to the public entity and relieve private entities of reasonable due diligence in their review of plans and specifications for errors, omissions and other issues.
- ~~11.12.~~ Place a significant and unreasonable burden on public agencies, resulting in increased cost for public works construction or their operation.
- ~~12.13.~~ Impair the ability of water districts to acquire property or property interests required for essential capital improvement projects.
- ~~13.14.~~ Increase the cost of property and right-of-way acquisition, or restricts the use of right-of-ways.
- ~~14.15.~~ Work to silence the voices of special districts and other local government associations on statewide ballot measures impacting local government policies and practices, including actions that could prohibit special districts and associations from advocating for positions on ballot measures by severely restricting the private resources used to fund those activities.
- ~~15.16.~~ Prescribe mandatory conservation-based or other rate structures that override the authority of the board of directors to set its rate structure.
- ~~16.17.~~ Circumvent the legislative committee process, such as the use of budget trailer bills, to advance policy issues including impacting special districts without full disclosure, transparency, or public involvement.

F. Optimize District Effectiveness

Support efforts to:

1. Give utilities the ability to avoid critical peak energy pricing or negotiate energy contracts that save ratepayers money.
2. Develop reasonable Air Pollution Control District engine permitting requirements.
3. Reimburse or reduce local government mandates.
4. Allow public agencies to continue offering defined benefit plans.
5. Result in predictable costs and benefits for employees and taxpayers.
6. Eliminate abuses.
7. Retain local control of pension systems.
8. Be constitutional, federally legal and technically possible.

Oppose efforts that:

1. Restrict the use of, or reallocate, district property tax revenues to the detriment of special districts.
2. Create unrealistic ergonomic protocol.
3. Micromanage special district operations.
4. Balance the state budget by allowing regulatory agencies to increase permitting fees.
5. Tax dependent benefits.
6. Require new reporting criteria on energy intensity involved in water supply.

G. Recycled Water

Support efforts to:

1. Reduce restrictions on recycled water usage or promote consistent regulation of recycled water projects to reduce impediments to the increased use of recycled water.
2. Reduce restrictions on injecting recycled water into basins where there is no direct potable use.
3. Provide financial incentives for recharge of groundwater aquifers using recycled water.
4. Make recycled water regulations clear, consolidated, and understandable to expedite related project permitting.
5. Promote recycled water as a sustainable supplemental source of water.
6. Allow the safe use of recycled water.
7. Facilitate development of technology aimed at improving water recycling.
8. Increasing funding for water recycling projects.
9. Support continued funding of the Title XVI Water Reclamation and Reuse Program including Water Reclamation and Reuse Projects, the WaterSMART Program, and the Desalination and Water Purification Research Program.
10. Increase awareness of the ways recycled water can help address the region's water supply challenges.
11. Create federal and state incentives to promote recycled water use and production.

12. Establish federal tax incentives to support U.S. companies in the development of new water technologies that can lower productions costs, address by products such as concentrates, and enhance public acceptance of recycled water.
13. Establish a comprehensive national research and development, and technology demonstration, program to advance the public and scientific understanding of water recycling technologies to encourage reuse as an alternative source of water supply.
14. Provide incentives for local agencies to work cooperatively, share costs or resources to promote or expand the use of recycled water.
15. Further refine emergency regulations to reward local suppliers that have invested in using recycled water for landscape irrigation to maintain an incentive to continue expanding areas served by recycled water.
16. Encourages the use of recycled water in commercial, industrial, institutional, and residential settings.
17. Recognizes and supports the development of potable reuse as a critical new supply.
18. Defines purified recycled water as a source of water supply and not as waste.
19. Mandates the reduction of wastewater discharges to the ocean absent inclusion of funding to offset the significant costs of implementation.
20. Authorize local governmental agencies to regulate the discharge of contaminants to the sewer collection system that may adversely affect water recycling and reuse.
21. Authorize and facilitate expanded use of local water resources including water recycling, potable reuse, graywater, and rainwater harvesting (e.g., cisterns and rain barrels), and brackish groundwater.
22. Streamline regulatory processes and requirements to encourage and support the development of potable reuse and non-potable reuse as a municipal water supply.
- 19-23. Recognize the entire interconnected urban water cycle, as well as public health and safety, must be taken into consideration in long-term water use efficiency policies, particularly including the unintended consequences of declining flows on water, wastewater, potable reuse and recycled water systems.

Oppose efforts that:

1. Restrict use of recycled water for groundwater recharge.
2. Establish new water or recycled water fees solely to recover State costs without also providing some benefit.
- 2.3. Limit the ability of local governmental agencies to regulate the discharge of contaminants to the sewer collection system that may adversely affect water recycling and reuse.
4. Establish unreasonable regulatory requirements or fees to the safe use of recycled water, which may unreasonably impede or create a disincentive to the existing authority for theits further development of the safe use of recycled water.
- 3-5. Mandate the reduction of wastewater discharges to the ocean absent inclusion of funding to offset the significant costs of implementation.

H. Safety, Security and Information Technology

Support efforts to:

1. Provide funding for information security upgrades to include integrated alarms, access/egress, and surveillance technology.

2. Provide incentives for utilities and other local agencies to work cooperatively, share costs or resources.
3. Provide funding for communication enhancements, wireless communications, GIS or other technological enhancements.
4. Encourage or promote compatible software systems.
5. Fund infrastructure and facility security improvements that include facility roadway access, remote gate access and physical security upgrades.
6. Protect state, local and regional drinking water systems from terrorist attack or deliberate acts of destruction, contamination or degradation.
7. Provide funds to support training or joint training exercises to include contingency funding for emergencies and emergency preparedness.
8. Equitably allocate security funding based on need, threats and/or population.
9. Encourage or promote compatible communication systems.
10. Encourage and promote funding of Department of Homeland Security Risk Mitigation programs.
11. Recognizes water agencies as emergency responders to damage and challenges caused by wildfires, earthquakes, and other natural disasters, as well as terrorist and other criminal activities that threaten water operations, facilities and supplies.
12. Provide state grant or other funding opportunities to support seismic risk assessment and mitigation plans, or to mitigate vulnerabilities.
13. Provide funding for projects that enhance security against terrorist acts or other criminal threats to water operation, services, facilities, or supplies.

Oppose efforts that:

1. Create unnecessary, costly, or duplicative security or safety mandates.
2. Require expanded water system descriptions or additional public disclosure of public water systems details for large water suppliers in Urban Water Management Planning documents, potentially compromising public water systems and creating a conflict with the Department of Homeland Security's recommendation to avoid reference to water system details in plans available to the general public.

I. Water Services and Facilities

Support efforts to:

1. Provide funding to implement actions identified in the California Water Action Plan to lay a solid fiscal foundation for implementing near-term actions, including funding for water efficiency projects, wetland and watershed restoration, groundwater programs, conservation, flood control, and integrated water management and result in a reliable supply of high-quality water for the San Diego region.
2. Provide financial support to projects designed to mitigate the potential negative impacts of Global Climate Change on water supply reliability.
3. Promote the coordination and integration of local, state and federal climate change policies and practices to the greatest extent feasible.
4. Fund or otherwise facilitate ongoing implementation of the Quantification Settlement Agreement.

5. Provide reliable water supplies to meet California’s short and long-term needs.
6. Promote desalination pilot studies and projects.
7. Encourage feasibility studies of water resource initiatives.
8. Increase funding for infrastructure and grant programs for construction, modernization or expansion of water, wastewater treatment, reclamation facilities and sewer systems including water recycling, groundwater recovery and recharge, surface water development projects and seawater desalination.
9. Fund enhancements to water treatment, recycling, and other facilities to meet increased regulations.
10. Mandate uniform or similar regulations and procedures by state agencies in the processing and administering of grants and programs.
11. Streamline grant application procedures.
12. Reduce regulations and other impediments for willing sellers and buyers to engage in water transfer agreements.
13. Promote or assist voluntary water transfers between willing buyers and willing sellers and move those transactions through without delay.
14. Streamline the permitting and approval process for implementing water transfers.
15. Establish reasonable statewide approaches to sewer reporting standards.
16. Generate greater efficiencies, better coordinate program delivery, and eliminate duplication in programs for source water protection without lessening the focus on public health of the state’s Drinking Water Program.
17. Target efforts to fix specific issues with water supplies within the state’s Drinking Water Program.
18. Establish federal tax incentives to support U.S. companies in the development of new desalination technologies that can lower productions costs, eliminate or reduce impingement or entrainment, reduce energy use, and enhance public acceptance of desalinated water.
19. Establish a comprehensive national research and development, and technology demonstration program to advance the scientific understanding of desalination to expand its use as an alternative source of water supply.
20. Require the State Water Resources Control Board to exercise its authority, ensure robust funding, and implement the Salton Sea mitigation and restoration plan, meet state obligations, and work with QSA stakeholders to find workable solutions to ensure the continuation of IID water transfers.
21. Support solutions to water supply issues that address common challenges, provide a comprehensive approach that is fair to all users, balance the needs of urban and rural communities, and take into consideration the interests of all stakeholders as well as the impact to the environment.
22. Further refine emergency drought regulations to eliminate a cap on credits and adjustments so as not to impose undue burden, financial or otherwise, on communities that have already invested in water conservation, development of new water sources, storage, or loss prevention.
23. Provide funding for water infrastructure development, infrastructure security, and rehabilitation and replacement projects that benefit ratepayers.
24. Provide funding for habitat preservation programs that address impacts resulting from construction or operation of water system facilities.

25. Provide funding for projects that enhance security against terrorist acts or other criminal threats to water operation, services, facilities, or supplies.

26. Provide incentives that encourage contractors to recycle or reduce waste associated with construction of water facilities.

27. Improve the local agencies' efforts to maintain and protect its property, rights of way, easements, pipelines, and related facilities and minimizes liability to local agencies and the District.

26-28. Protect the local agencies' properties from restrictions when surrounding properties are incorporated into preservation areas.

Oppose efforts that:

1. Make urban water supplies less reliable or substantially increase the cost of imported water without also improving the reliability and/or quality of the water.
2. Create unrealistic or costly water testing or reporting protocol.
3. Disproportionately apportion the cost of water.
4. Create undo hurdles for seawater desalination projects.
5. Create unreasonable or confusing sewer reporting standards.
6. Create administrative or other barriers to sales between willing buyers and willing sellers that delay water transfers.
7. Create a broad-based user fee that does not support a specific local program activity or benefit; any fee must provide a clear nexus to the benefit local ratepayers or local water supplies from the establishment that charge or fee would provide.
8. Create unrealistic or costly to obtain water quality standards for potable water, recycled water or storm water runoff.
9. Change the focus of the state's Drinking Water Program or weaken the parts of the program that work well.
10. Lessen the focus on public health of the state's Drinking Water Program.
11. Create one-size-fit-all approaches to emergency drought regulations that ignore variations among communities, regions, and counties with respect to their ability to withstand the impact and effects of drought.
12. Impose undue burden, financial or otherwise, on communities that have already invested in water conservation, development of new water sources, storage, or loss prevention.
13. Impose additional mitigation costs or obligations for the Salton Sea on the non-state parties to the Quantification Settlement Agreement.
14. Impairs local agencies' ability to provide and operate the necessary facilities for a safe, reliable and operational flexible water system.
15. Limits local agencies' sole jurisdiction over planning, design, routing, approval, construction, operation, or maintenance of water facilities.
16. Restricts local agencies' ability to respond swiftly and decisively to an emergency that threatens to disrupt water deliveries or restricts the draining of pipelines or other facilities in emergencies for repairs or preventive maintenance.
17. Authorizes state and federal wildlife agencies to control, prevent, or eradicate invasive species in a way that excessively interferes with the operations of water supplies.
18. Prohibit or in any way limit the ability of local agencies from making full beneficial use of any water, wastewater, or recycling facility and resource investments.

- 19. Impair the local agencies' efforts to acquire property or property interests required for essential capital improvement projects or acquisition of property to meet pipeline water drain-down needs for existing facilities.
- 20. Increase the cost of property and right of way acquisition.
- 21. Restrict the local agencies' use of public rights of way or increases the cost of using public rights of way.
- ~~18.22.~~ Restrict the transfer of property acquired for purposes of environmental mitigation or environmental mitigation credits to other public or private entities for long-term management.

J. Conservation Water-Use Efficiency

Support efforts to:

1. Provide funding for water-use efficiency and water conservation programs including water-efficient devices, practices and demonstration projects and studies.
2. Encourage the installation of water-efficient fixtures in new and existing buildings.
3. Promote the environmental benefits of water-use efficiency and water conservation.
4. Enhance efforts to promote water-use efficiency awareness ~~and conservation.~~
5. Offer incentives for landscape water-efficient devices including, but not limited to ET controllers and soil moisture sensors.
6. Develop landscape retrofit incentive programs and/or irrigation retrofit incentive programs.
7. Permit or require local agencies to adopt ordinances that require or promote water-wise efficient landscapes for commercial and residential developments.
8. Create tax incentives for citizens or developers who install water-wise-efficient landscapes.
9. Create tax incentives for citizens who purchase high-efficiency clothes washers, dual-flush and high-efficiency toilets and irrigation controllers above the state standards.
10. Expand community-based ~~conservation~~ water-use efficiency and education programs.
11. Develop incentives for developers and existing customers to install water-wise-efficient landscape in existing developments or new construction.
12. Encourage large state users to ~~conserve~~ save water by implementing water-efficient technologies in all facilities both new and retrofit.
- ~~13. Maintain incentives for solar power.~~
- ~~14.~~ 13. Encourage large state water users to ~~conserve~~ save water outdoors.
- ~~15.~~ 14. Educate all Californians on the importance of water, and the need to conserve, manage, and plan for the future needs.
- ~~16.~~ 15. Encourage technological research targeted to more efficient water use.
- ~~17.~~ 16. Give local agencies maximum discretion in selecting water-use efficiency and conservation programs that work for their customers and the communities they serve.
- ~~18.~~ 17. Require the Department of Water Resources to implement a uniform statewide turf rebate subsidy or incentive program.
- ~~19.~~ 18. ~~Require-Restrict~~ Property Owners Associations ~~to allow from forbidding the use low~~ water-use of California native plants, other low water use plants, mulch, artificial turf, or semi-permeable materials in well-maintained landscapes.
- ~~20. Creates a process for development and implementation of emergency drought declarations and regulations that recognizes variations among communities, regions, and counties with respect to their abilities to withstand the impacts and effects of drought.~~

- ~~21. Recognizes variations among communities, regions, and counties with respect to their abilities to withstand the impacts and effects of droughts, and ensures that any temporary or permanent statutory or regulatory direction for improving water use efficiency to meet statutory or regulatory goals or standards is focused on regional achievement of objectives rather than a one-size-fits-all approach.~~
- 19. Provides for federal tax-exempt status for water-use efficiency rebates, consistent with income tax treatment at the state level.
- 20. Encourage the use of graywater where it complies with local guidelines and regulations and is cost-effective.
- 21. Provide incentives, funding, and assistance to water agencies so that they can meet the water demand management measure requirements in the Urban Water Management Planning Act.
- 22. Provide incentives, funding, and other assistance to facilitate water-use efficiency partnerships with the energy efficiency sector.
- 23. Recognize local control in determining water use efficiency criteria, such as impact of recycled water salinity on irrigation use and efficiency for the application of non-potable recycled water.
- 22-24. Encourage reasonable tracking of water use and improved efficiency in the Commercial, Industrial, and Institutional (CII) sector.

Oppose efforts that:

- 1. Weaken federal or state water-efficiency standards.
- 2. Introduce additional analytical and reporting requirements that are time-consuming for local agencies to perform and result in additional costs to consumers, yet yield no water savings.
- 3. Permit Property Owners Associations to restrict low water use plants, mulch, artificial turf, or semi-permeable materials in landscaping.
- ~~3-4. Repeal cost-effective efficiency standards for water-using devices.~~
- 5. Create one-size-fit-all approaches to emergency drought regulations that ignore variations among communities, regions, and counties with respect to their ability to withstand the impact and effects of drought.
Repeal cost-effective efficiency standards for water-using devices.
- 6. Create stranded assets by establishing long-term demand management water-use efficiency and water supply requirements that are inconsistent with the Urban Water Management Planning Act.
- 7. Prescribe statewide mandatory urban and agricultural water-use efficiency practices, including, but not limited to, methods, measures, programs, budget allocation, and designation of staff dedicated to water conservation programs, that override the authority of the boards of directors of local water agencies to adopt management practices that are most appropriate for the specific needs of their water agencies.
- 8. Mandate regulation of the CII Sector in a manner that is discriminatory, or sets unachievable Best Management Practices or compliance targets, or would otherwise impair economic activity or the viability of the CII sector.
- 4-9. Mandate that water agencies include an embedded energy calculation for their water supply sources in the Urban Water Management Plan or any other water resource planning or master planning document.

Attachment D

Anticipated “Top 10” or So Issues for 2018 – Prior to Bill Introduction Deadline

1. **Water Tax** – Prior to the Legislature adjourning last year, SB 623 (Monning) that will create the first ever tax on drinking water in California, became a 2-year bill. Now that the Legislature is back in session for 2018, SB 623 may be acted upon.

In addition to SB 623, the Governor’s proposed budget, released last week, proposes to create a new special fund, the “Safe and Affordable Drinking Water Fund,” for the State Board to assist communities in paying for short-term and long-term costs of obtaining access to safe and affordable drinking water. The Administration is also proposing statutory language, consistent with the policy framework of SB 623. This trailer bill language has not yet been submitted by the Administration.

2. **California WaterFix** – In the final year of Governor Brown’s term, the California WaterFix is expected to be a high priority for the Administration. After the setbacks in the fall with Westlands Water District refusing to pay for the tunnels or Santa Clara Valley Water District asking for a smaller project, the Administration has pivoted to looking at one tunnel, instead of two. At this point, it has not been made public whether a decision has been made to move forward with one or two tunnels. I would expect the Legislature to continue to be engaged in an oversight role of this large infrastructure project. We may see some legislation introduced, as well.

3. **Making Water Conservation a California Way of Life** – In April 2017, the Administration published its final framework for implementing Executive Order B-37-16, which instructed state agencies to build upon water conservation efforts in recent years and establish long-term water conservation measures. While the drought emergency was lifted in early April after water conservation efforts and unprecedented rainfall, the order continued to prohibit wasteful water use practices set forth by B-37-16, warning that the next drought may be around the order.

During the 2017 legislative session, multiple bills were introduced and amended to try to put the Administration’s water conservation recommendations into statute. However, none of the bills were passed in 2017, but they are 2-year bills and can be acted on at any time this year. Additionally, there may be new bills introduced in 2018 to advance the Administration’s long-term water conservation goals. One of the bills from 2017 is AB 1667 (Friedman), which would require the State Board, in consultation with the Department of Water Resources, to adopt long-term standards for urban water conservation and water use. The bill would also require the State Board, in consultation with the department, to adopt performance measures for commercial, industrial, and institutional water use. Otay Water District took an oppose position on AB 1667, which is also a 2-year bill that may be acted on.

4. **Proposition 218** – Proposition 218 is a voter approved constitutional amendment that limits taxation by local governments without voter approval. The reform of Proposition 218 continues to be a topic of discussion in Sacramento and the water community, including to allow for low-income water rate assistance, something the Legislature has been pushing for. Additionally, there remains uncertainty with Proposition 218 due to recent court decisions.

5. **Salton Sea** – The Salton Sea continues to be a topic of discussion in the Legislature, therefore there may be legislation proposed in 2018. The Governor’s recently proposed budget includes funding for the restoration of the Salton Sea, providing \$30 million from SB 5 (de León), if approved by voters on the June 2018 ballot, for the Natural Resources Agency to construct water management infrastructure and habitat conservation and dust mitigation projects and \$170 million for the implementation of the Salton Sea Management Program 10-year plan.
6. **Water Bond(s)** – SB 5 (de León), the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act, was approved by the Legislature and Governor last year and will be on the June 2018 ballot for voter approval. Even though SB 5 has not even secured voter approval yet there continues to be discussion of another water bond.
7. **Cap and Trade Expenditures** – Money from cap and trade auction revenue has previously been appropriated to the Department of Water Resources for water efficiency and the Department of Fish and Wildlife for wetlands and watershed restoration. Even though the Governor has submitted his proposed 2018-19 budget, the Cap and Trade Expenditure Plan was not part of it. The Governor’s office has stated that he will propose the 2018-19 Cap and Trade Expenditure Plan in his State of the State, scheduled for Thursday, January 25th.
8. **Dam Safety** – There has been a lot of interest in dam safety after the Oroville Dam spillway incident that caused the evacuation of over 180,000 residents living downstream in February of last year. Following this, the Department of Water Resources was ordered to create a task force comprised of experts to assess the dam, present recommendations to the department, and begin rebuilding the spillway. The incident shed light on the state’s need for investment in existing dam and flood infrastructure. The Governor’s January budget highlighted the efforts the state has and will be taking to enhance dam safety going forward.

The Legislature continues to provide oversight and hold informational hearings on what happened at Oroville, including as recently as last week. In addition to oversight, legislation may also be introduced this year.

9. **Water Plan Update 2018** – The Department of Water Resources is currently in the process of updating the Water Plan. They released the Preliminary Draft of Update 2018 in September 2017. The plan reaffirms the State’s commitment to a sustainable future and describes how the State can support and empower local and regional entities to make the vision of sustainable water resources management a reality. Building upon Update 2013, Update 2018 is the twelfth in a series of California Water Plans since 1957. The 2018 update is expected to be final by the end of the year.
10. **Water Storage** – Proposition 1, approved by voters in 2014, authorizes the state to spend \$7.545 billion in general obligation bonds to fund ecosystems and watershed protection and restoration, water supply infrastructure projects, including surface and groundwater storage, and drinking water protection. \$2.7 billion – the largest portion of the bond – may be spent on new water storage infrastructure projects. The California Water Commission, through the Water Storage Investment Program, allocates funding for water storage projects. In August

2017, 12 applicants submitted projects for the Commission's review. The Commission is currently evaluating the projects for eligibility and the level of public benefits provided. By June 2018, the Commission will determine the maximum funding for which each water storage project is eligible.

In addition to Proposition 1 funding, the Governor's 2018-19 proposed budget includes funding for water and flood control infrastructure project from SB 5, if approved by the voters.

11. Sexual Harassment – Even though we are only a few weeks into the 2018 legislative session, the fallout from sexual harassment allegations can already be seen in the Legislature. The Assembly has had 3 resignations, resulting in the loss of the 2/3 super majority held by Assembly Democrats in 2017.

As a California employer, I would expect legislation to be introduced and passed in 2018 to require additional training for employees, supervisors and even subcontractors, specific reporting requirements, amongst many others. Since we are still over a month away from the bill introduction deadline, it is too soon to know exactly what the Legislature will propose.

AGENDA ITEM 4



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	February 7, 2018
SUBMITTED BY:	Tenille M. Otero, Communications Officer	PROJECT:	Various DIV.NO. ALL
APPROVED BY:	<input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Authorize Fourth Amendment to Extend the SVPR Communications Contract and to Increase the Contract Budget Amount		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors authorize the General Manager to execute a fourth amendment with SVPR Communications' (the Consultant) for communications, public relations, media relations, and other related support services to extend the contract an additional 24 months ending January 31, 2020 and to increase the contract amount by \$60,000 with a total contract amount not-to-exceed \$135,000 ending January 31, 2020.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to authorize an expenditure above the \$75,000 threshold. The fourth amendment will allow an extension of the agreement with SVPR Communications for an additional 24 months through January 31, 2020, increasing the contract amount above the General Manager's authorization of \$75,000. Staff is asking the Board to authorize the fourth amendment for SVPR Communications for communications, public relations, media relations, and other related support services.

ANALYSIS:

Otay Water District staff has worked with the Consultant since November 6, 2015 on a variety of projects including the Fair Water Rates Campaign. During that campaign, the Consultant advised, coordinated, worked with and received direction from District staff, the project coordinator, and contract officer with the goal of building, engaging and sustaining strong community support and building awareness for fair recycled water rates for South Bay and East County residents.

The Consultant is integral in assisting staff with tracking issues and media relations related to the Rosarito Desalination Project and although the project has stalled or slowed down, the Consultant continues to monitor issues on the Mexican side of the border.

The Consultant also supports the District by providing community outreach and community/media relations services as directed by staff. These services help to extend District staff's reach to maintain a positive public perception of the District with community stakeholders, elected officials, homeowners associations, local government, chambers of commerce, planning groups, members of the general public, and the media.

Moreover, the Consultant supports the District in its media relations program by assisting District staff with op-ed placement, arranging and conducting on-camera interviews with Spanish-language media, tracking Spanish-language coverage, and District-related activities for English and Spanish language print, radio, TV, and web-based outlets. The Consultant's services also include writing and/or editing press releases and media advisories, staging and promoting media or other special events, and responding to media inquiries,

In addition, the Consultant works with District staff to produce collateral in Spanish language, including social media and web content, newsletter articles, bill inserts, fact sheets or flyers, and more. The Consultant also provides assistance in audio/visual Spanish language translations, and voiceover narrations of the District's audio/visual content.

The Consultant attends meetings and produces reports and updates on the status of project activities and progress toward achieving objectives as requested by District staff.

Many of the District's projects are ongoing that the Consultant has experience with and knowledge of, and District staff believes that

preserving that consistency of knowledge-base is critical to maintaining an uninterrupted public perception, work flow, and training process. Based on past work, experience, knowledge, contacts, and access to key stakeholders in Mexico, in the District's service area, and the San Diego region, the District agrees that SVPR Communications is uniquely qualified to help the District best meet its communications and public relations needs as well as help the District maintain continuity of its relationships and partnerships in the community, and a consistent brand within the District's service area and among other agencies.

FISCAL IMPACT:

Joe Beachem, Chief Financial Officer

FY2018 - \$10,000

FY2019 - \$30,000

FY2020 - \$20,000

LEGAL IMPACT:

None

No Attachments



ATTACHMENT A

SUBJECT/PROJECT:	Authorize Fourth Amendment to Extend the SVPR Communications Contract and to Increase the Contract Budget Amount
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COMMITTEE ACTION:

The Public Relations, Legal and Legislative Committee is scheduled to review this item at the monthly Board meeting to be held on February 7, 2018. The attachment will be updated with notes from the committee's discussion.