CALL TO ORDER

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a “Request to Speak” form, which are available on the table in the Board Room. Comments will be limited to five minutes per speaker. Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

1. ACTION ITEMS

A. MINUTES
   The Committee will be asked to approve the Public, Legislative Affairs, and Water Resources Committee meeting minutes of December 14, 2016.

B. ADOPTION OF RESOLUTION NO. 2017-1-3, FOR SUPPORT OF THE SITES RESERVOIR PROJECT
   It is recommended that the Committee/Board adopt Resolution No. 2017-1-3 in support of San Bernardino Valley Municipal Water District's pursuit of acquiring supplemental water from the Sites Reservoir Project.

2. INFORMATION ITEMS

A. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)
B. **LEGISLATIVE REPORTS (WRITTEN)**
   1. West Coast Advisors
   2. Innovative Federal Strategies
   3. Agricultural Resources

C. **CALIFORNIA STRATEGIES MONTHLY REPORT (WRITTEN)**

D. **2ND QUARTER PLANNING & ENVIRONMENTAL RESOURCES UPDATE (POWERPOINT)**

3. **GENERAL MANAGER’S COMMENTS**

4. **COMMITTEE MEMBER COMMENTS**

5. **COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS**

6. **ADJOURN**

*A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909-993-1736), 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Proofed by: 

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**DECLARATION OF POSTING**

I, April Woodruff, Board Secretary of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. in the foyer at the Agency’s main office, 6075 Kimball Avenue, Building A, Chino on Thursday, January 5, 2017.

April Woodruff
MINUTES

PUBLIC, LEGISLATIVE AFFAIRS, AND WATER RESOURCES
COMMITTEE MEETING
INLAND EMPIRE UTILITIES AGENCY
AGENCY HEADQUARTERS, CHINO, CA

WEDNESDAY, DECEMBER 14, 2016
9:00 A.M.

COMMITTEE MEMBERS PRESENT
Steven J. Elie, Chair
Michael Camacho

STAFF PRESENT
P. Joseph Grindstaff, General Manager
Chris Berch, Executive Manager of Engineering /AGM
Kathryn Besser, Manager of External Affairs
Andrea Carruthers, Senior External Affairs Specialist
Jason Gu, Grants Officer
Jason Pivovaroff, Senior Engineer
Stephanie Riley, External Affairs Analyst
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT
None

The meeting was called to order at 9:07 a.m. There were no public comments received or additions to the agenda.

ACTION ITEMS
The Committee:

- Approved the Public, Legislative Affairs, and Water Resources Committee meeting minutes of November 9, 2016.

- Recommended that the Board:

  1. Approve the Agency-wide memberships and affiliations for FY 2017/18, in the amount of $225,382 (includes 5% contingency); and

  2. Adopt Resolution No. 2016-12-1, authorizing Agency organizational memberships and affiliations;

as an Action Item on the December 21, 2016, Board meeting agenda.

- Recommended that the Board:

  1. Adopt Resolution No. 2016-12-3 authorizing the Agency to enter into financial assistance agreements with the U.S. Department of Interior – Bureau of Reclamation (USBR) WaterSMART: Title XVI Water Reclamation and Reuse Program Funding for Fiscal Year 2017; and
2. Authorize the General Manager, or in his absence, his designees, to execute the financial assistance agreement, any amendments, and any grant related documents thereto;

as an Action Item on the December 21, 2016, Board meeting agenda.

INFORMATION ITEMS
The following information items were presented or received and filed by the Committee:

- Public Outreach and Communications
- Legislative Reports
- California Strategies, LLC Activity Report
- Planning and Environmental Resources Update

GENERAL MANAGER’S COMMENTS
General Manager Joseph Grindstaff had no comments.

COMMITTEE MEMBER COMMENTS
There were no Committee member comments.

COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS
There were no Committee member requests for future agenda items.

With no further business, Director Elie adjourned the meeting at 9:45 a.m.

Respectfully submitted,

April Woodruff
Board Secretary/Office Manager

*A Municipal Water District

APPROVED: JANUARY 11, 2017
ACTIONS
ITEM
1B
Date: January 18, 2017
To: The Honorable Board of Directors
Through: Public, Legislative Affairs, and Water Resources Committee (1/11/17)
From: P. Joseph Grindstaff
       General Manager
Submitted by: Chris Berch
             Executive Manager of Engineering/Assistant General Manager
             Sylvie Lee
             Manager of Planning and Environmental Compliance
Subject: Adoption of Resolution No. 2017-1-3 for Support of the Sites Reservoir Project

RECOMMENDATION

It is recommended that the Board of Directors adopt Resolution No. 2017-1-3 in support of San Bernardino Valley Municipal Water District’s pursuit of acquiring supplemental water from the Sites Reservoir Project.

BACKGROUND

The reliability of northern California imported water supply for the Inland Empire and all southern California is at risk due to pumping restrictions, deteriorating environmental conditions, and ongoing environmental regulatory challenges in the Sacramento-San Joaquin Delta. Being able to identify and secure additional supplemental water, will enhance the reliability of our future water resources.

Since 2007, SWP water supply delivers from the Sacramento-San Joaquin Delta has been unreliable and continually limited into southern California. The last full SWP allocation (100%), which is difficult to achieve even in wet years because of pumping restrictions, was in 2006. Historical SWP allocations made available to the SWP Contractors are provided below. Under a full allocation, SWP Contractors are entitled to 4.124 million acre-foot (AF). Of this amount, the San Bernardino Valley Municipal Water District (SBVMWD) is entitled to 102,600 AF and the Metropolitan Water District of Southern California (MWD) 2.011 million AF.
To respond to these challenges, the CALFED Bay-Delta Program (CALFED), a cooperative Federal and State agency partnership, recommended further study of storage reservoirs located north-of-the-Delta. Through a robust planning process, many reservoir locations were considered, but the Sites Reservoir was selected as one of the preferred locations. The Sites Reservoir is located in northern California and has been evaluated as a water supply project for more than 30 years. The SBVMWD, along with the MWD have been following the Sites Reservoir project closely.

The Sites Reservoir project is an offstream reservoir with 1.3 to 1.8 million AF of storage capacity that would be filled from several diversions off the Sacramento River. The water supply benefits have been studied for years and currently estimated to be 500,000 AF per year. Currently, 50% of the annual water supply benefit (250,000 AF) is being reserved for public benefit purposes like habitat and recreational uses with the hope to be funded by Proposition 1 grants. The remaining 250,000 AF is being offered for water supply purposes and will be managed to emphasize water supply during drier conditions.

SBVMWD has begun the process to actively pursue agreements with the Sites Project Authority (Authority). The Authority is made up of ten northern California water agencies and is leading the development and construction of the Sites Reservoir project. To date, six northern California water agencies, along with several others in the Sacramento Valley have agreed to purchase 130,000 AF of the available 250,000 AF of storage at Sites Reservoir. The remaining 120,000 AF is being offered exclusively by the Authority to the SWP and Central Valley Project (CVP) Contractors at this time. The Authority is currently requesting proposals to participate from SWP and CVP Contractors that want to become funding members of the Sites Reservoir project. The SBVMWD has submitted a request for 30,000 AF to the Authority. SBVMWD can potentially offer 15,000 AF for uses outside of their district for projects, such as the Santa Ana River Conservation and Conjunctive Use Project (SARCCUP).

IEUA, along with its retail and wholesale water service providers, recognize the importance of securing new supplemental water supplies for the Chino Basin and the Santa Ana River Watershed. The current estimated cost per AF from the Sites Reservoir project, after Delta losses and power costs, is estimated to be approximately $1,000 per AF. Although these are higher than the current imported water rates, the region recognizes the fact that our imported water supply from the SWP continues to be challenged and unreliable. Supporting a program to secure additional supplemental water supplies, independent of our SWP supply would be beneficial to the region.
Support of the Sites Reservoir Project
January 18, 2017
Page 3 of 3

There is no single solution to our many water challenges. Climate change, population growth and various environmental regulatory challenges will require actions on every front to ensure a reliable water future for the Chino Basin and the larger Santa Ana River Watershed. For this reason, staff is recommending that the Board of Directors adopt Resolution 2017-1-3 in support of SBVMWD’s pursuit of acquiring water supply from the Sites Reservoir project.

Adopting Resolution 2017-1-3 aligns with IEUA’s business goal of Water Reliability, committed to the development and implementation of water resources that promotes cost-effectiveness, reliability, efficient and sustainable water use within the region.

PRIOR BOARD ACTION
None.

IMPACT ON BUDGET
There is no financial commitment at this time. Should the sites reservoir project proceed into capital design and construction, IEUA staff will bring this item back to the Board for further consideration.

Attachments: Resolution 2017-1-3
Sites Reservoir Project

Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

IEUA Board of Directors Meeting
January 2017
Why Sites Reservoir?

Sites Provides

- Increases water reliability and dry year supplies
- Serves multiple end uses, including southern California
- Cold water for salmon and wildlife habitat
- Improved water quality, salinity control
- Increases flexibility in management of State water supplies
- Flood control and recreational uses
- Eligible for prop 1 (public benefit portion)
Benefits to the Chino Basin

- Provides additional supplemental water supply
  - SBVMWD - actively pursuing 30,000 AFY
- Supports IEUA’s participation in the Santa Ana River Conservation and Conjunctive Use Project (SARCCUP)
  - 96,000 AF of supplemental water storage in Chino Basin; and
  - Total of 180,000 AF of storage in the larger SAR Watershed
Recommendation

Staff recommends that the Board of Directors adopt Resolution 2017-1-3 in support of San Bernardino Valley Municipal Water District’s pursuit of acquiring water supply from the Sites Reservoir project.

Supporting this project aligns with IEUA’s business goal of Water Reliability, committed to the development and implementation of water resources.
RESOLUTION NO. 2017-1-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, SUPPORT OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT PURSUIT OF ACQUIRING WATER SUPPLY FROM THE SITES RESERVOIR PROJECT

WHEREAS, the reliability of northern California imported water supply for the Inland Empire and all southern California is at risk due to pumping restrictions, deteriorating environmental conditions, and ongoing environmental regulations in the Sacramento-San Joaquin Delta,

WHEREAS, in response to these challenges, CALFED Bay-Delta Program (CALFED), a cooperative Federal and State agency partnership recommended the development of the Sites Reservoir. The Sites Reservoir is an offstream reservoir that would be filled from several diversions off the Sacramento River,

WHEREAS, the water supply benefit from Sites Reservoir is currently estimated to be 500,000 acre-foot (AF) per year, with 250,000 AF being reserved for public benefits such as habitat enhancement and recreational uses, and the remaining 250,000 AF being offered for water supply,

WHEREAS, the development and construction of the Sites Reservoir is led by the Sites Project Authority (Authority), a collection of ten northern California water agencies and to date, northern California water agencies have agreed to purchase 130,000 AF of the available 250,000 AF of storage at Sites Reservoir,

WHEREAS, the Authority is offering the remaining 120,000 AF exclusively to the State Water Project (SWP) and Central Valley Project Contractors,

WHEREAS, the San Bernardino Valley Municipal Water District (SBVMWD) is a SWP Contractor and submitted a request for 30,000 AF to the Authority, and

WHEREAS, to enhance water reliability in the Santa Ana River Watershed, the SBVMWD is offering up to 15,000 AF of their 30,000 AF request for uses outside their district; such as the Santa Ana River Conservation and Conjunctive Use Project, which IEUA is participating in.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, that IEUA is supportive of SBVMWD's pursuit of acquiring water supply from the Sites Reservoir project. Recognizing the importance of securing additional supplemental water supplies, independent of the State Water Project (SWP), will be key to ensure water supply reliability for the Chino Basin and the larger Santa Ana River Watershed.

ADOPTED this 18th day of January, 2017
President of the Inland Empire Utilities Agency* and of the Board of Directors thereof

ATTEST:

Secretary of the Inland Empire Utilities Agency* and of the Board of Directors thereof

* A Municipal Water District
Resolved:

I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2017-1-3 was adopted at a Board Meeting on January 18, 2017, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

(SEAL)

* A Municipal Water District
Date: January 18, 2017

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (1/11/17)

From: P. Joseph Grindstaff
General Manager

Submitted by: Kathy Besser
Manager of External Affairs

Subject: Public Outreach and Communication

RECOMMENDATION

This is an informational item for the Board of Directors to receive and file.

BACKGROUND

January

- January 25, Project WET Facilitator Training (partnership with Water Education Foundation), IEUA HQB Event Room, 8:00 a.m. – 3:00 p.m.
- January 26, Project WET for the Next Generation Training (partnership with Water Education Foundation), IEUA HQB Event Room, 8:00 a.m. – 4:00 p.m.

March

- March 2, Project WET and Garden in Every School® Mini-Grant Workshop, IEUA HQB Event Room, 8:00 a.m. – 3:00 p.m.
- March 24, Montclair High School, Garden in Every School® Dedication, 4725 Benito Street, Montclair, 3:00 p.m.

April

- April 13, Arroyo Elementary, Garden in Every School® Dedication, 1700 E. 7th Street, Ontario, 5:30 p.m.
- April 19, Student Earth Day, Chino Creek Wetlands and Educational Park, 9:00 a.m. – 2:00 p.m.
- April 20, Community Earth Day, Chino Creek Wetlands and Educational Park, 4:00 p.m. – 7:00 p.m.
May
- May 10, Townsend Junior High, Garden in Every School® Dedication, 15359 Ilex Drive, Chino Hills. Time TBD.
- May 19-21, MWD Solar Cup Competition, Lake Skinner

Outreach/Education - Civic Publications Newspaper Campaign
- IEUA is working with Civic Publications to update the KickWaterWaste.com micro-site.
- IEUA ran a Kick the Habit Resolution ad in the Daily Bulletin on Sunday, January 1.
- IEUA worked with Civic Publications to distribute an email blast on December 27 focusing on ways to kick the water-wasting habit and resolving to do so.

Media and Outreach
- IEUA is continuing to run banner ads through Fontana Herald News and La Opinión newspapers.
- IEUA has placed a movie theater trailer for the Kick the Habit campaign in the following theaters: Harkins (15 weeks – began 10/28); Ontario Palace (15 weeks – began 10/21); Ontario Mills (15 weeks – began 10/21); and Victoria Garden (15 weeks – began 10/21). The trailer has been placed on IEUA’s social media channels as well.
- Staff has developed winter messages for the season that align with the Kick the Habit brand and include a “New Year’s Resolution” theme. The tips focus on the State Water Resources Control Board’s permanent restrictions following the Governor’s Executive Order.
- A Kick the Habit ad ran in the Champion Newspaper’s Holiday Greetings section on December 31.
- In December, 35 posts were published to the IEUA Facebook page and 37 tweets were sent on the @ieuawater Twitter handle.
- The top three Facebook posts, based on reach and engagement, in the month of December were:
  - 12/13: Water Discovery Field Trip Highlight – Walnut Elementary
  - 12/7: IEUA Board of Directors Swearing-In Ceremony
  - 12/8: IEUA Receives Funding for Storm Water Management Project through the Proposition 1 Storm Water Grant Program
- IEUA provided automatic water softener removal rebate bill inserts to the city of Chino Hills (23,000) and Cucamonga Valley Water District (48,000). Staff is continuing to coordinate mailing schedules with the cities of Chino and Upland. Monte Vista Water District is including a write-up about the AWS program in their January/February newsletter. It will be mailed to 10,900 customers.

Education and Outreach Updates
- Staff is continuing to book field trips for the current school year. To date, staff has provided field trips to approximately 700 students.
- Staff has awarded four schools the Garden in Every School® water-wise grant for program year 2016/17. Schools awarded include: Arroyo Elementary in Ontario, Rolling Ridge Elementary in Chino Hills, Townsend Junior High School in Chino Hills, and
Montclair High School in Montclair. Planting has been completed at Arroyo Elementary School, and a reading bench was installed. Townsend Junior High School's planting has been completed. Rolling Ridge Elementary planting will be completed Tuesday, December 27, 2016. Montclair High School's garden installation will begin early January 2017. Dedication ceremonies will be planned for spring 2017.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

The above-mentioned activities are budgeted in the FY 2016/17 Administrative Service Fund, External Affairs Services budget.
INFORMATION
ITEM
2B
December 29, 2016

To: Inland Empire Utilities Agency

From: Michael Boccadoro
President

RE: December Legislative Report

Overview:
The Legislature returned to Sacramento very briefly in early December to swear in new and re-elected members. New members have been busy setting up their offices, hiring staff and getting ready for the session to start in January. The President Pro Tem of the Senate, Kevin de Leon, released leadership and committee assignments for the coming year. The most notable appointment is Senator Bob Hertzberg as the chairman of Senate Natural Resources and Water Committee. No IEUA delegation Senators were appointed to the Southern California dominated committee. Assembly Speaker Rendon also recently announced his leadership team and committee chairs. Assemblyman Edwardo Garcia (D-Coachella) was named the chair of Assembly Water, Parks and Wildlife Committee, replacing Marc Levine.

The long anticipated environmental documents for the California WaterFix were released in late December. The 97,000 page document offers few changes from draft documents released in 2015, but does make some minor revisions in response to the over 30,000 public comments submitted. Administration officials still hope to begin construction in 2018.

The Department of Water Resources recently announced an increase in its estimate of 2017’s State Water Project allocation to 45%, up from the initial estimate of 20%, thanks to December storms improving reservoir conditions in much of the state.

Governor Brown appointed Lana Ong Peterson of Orange and Daniel Selmi of Newport Beach, and reappointed William Von Blasingame of Irvine to the Santa Ana Regional Water Quality Control Board. All three must be confirmed by the Senate.

December storms have helped California reservoirs to re-fill after a dry summer. Northern California’s reservoirs are between 88 and 120 percent of normal average for this time of the year with unrestricted pumping in the delta helping to move water into San Luis reservoir and storage further south.

The California Air Resources Board released a Discussion Draft of their 2030 Scoping Plan Update. This is the first Scoping Plan Update that includes the now codified goals of reducing greenhouse gas emissions 40 percent below 1990 levels by 2030. The Discussion Draft includes measures for wastewater and water agencies that are also discussed in the Short-Lived Climate Pollutant Plan, including using excess digester capacity for food waste diversion. The Discussion Draft will be updated in January to include specific measures for individual sectors, cost benefit analysis, and potential funding mechanisms for all of the proposals in the Discussion Draft.
Governor Brown appointed two new members to the California Public Utilities Commission to replace members Catherine Sandoval and Michael Florio. Martha Guzman Aceves and Clifford Rechtschaffen both come from within the Governor’s administration and have strong environmental backgrounds.

**Inland Empire Utilities Agency**

**Status Report – December 2016**

**WaterFix EIR/EIS Released**

97,000 pages of environmental documents to support the California WaterFix were released on December 21. The proposed $15.5 billion project would tunnel two pipes 40 feet in diameter for 35 miles and serve as the hub of the state’s water-delivery network.

The final environmental impact statement offered few changes from draft documents released in 2015. State officials said the primary differences was that it offered responses and minor revisions after receiving more than 30,000 public comments.

More than 100 alternatives also were considered in the development of the WaterFix EIR/EIS and screened out for lack of feasibility or public benefit, officials said. Now that the EIR/EIS is completed, biological opinions are expected to be finalized in early 2017, clearing the way for final environmental approval, completion of other necessary agreements, and construction that could begin as soon as 2018. However, that timeline might be difficult to meet with significant hurdles still in the way of construction. Hearings on how the tunnels would affect water users and the environment are expected to last well into 2017, and federal permits still need to be secured.

**Senate Committee Assignments**

Senate Committee assignments were released in late December. Below is a list of the committees each of IEUA’s Senate delegation was assigned to, as well as relevant Senate Committee makeups.

**Senator Connie Leyva (SD 20- Chino, Fontana, Montclair, Ontario):**

Democratic Caucus Chair
Education
Elections and Constitutional Amendments
Health Public
Employment and Retirement
Rules

**Josh Newman (SD 29- Chino Hills):**

Business, Professions and Economic Development
Health
Human Services
Insurance
Veterans Affairs, Chair
Mike Morrell (SD 23- Rancho Cucamonga):
Banking and Financial Institutions
Energy, Utilities and Communications
Legislative Ethics
Public Employment and Retirement
Transportation and Housing

Anthony Portantino (SD 25- Upland):
Banking and Financial Institutions
Budget and Fiscal Review- Sub Committee on Education, Chair
Governmental Organization
Insurance
Public Employment and Retirement

Natural Resources and Water Committee
Senator Bob Hertzberg (D-Los Angeles), Chair
Senator Jeff Stone (R-Temecula), Vice Chair
Senator Ben Allen (D-Santa Monica)
Senator Toni Atkins (D-San Diego)
Senator Ben Hueso (D-San Diego)
Senator Hannah-Beth Jackson (D-Santa Barbara)
Senator Bill Monning (D-Carmel)
Senator Henry Stern (D-Canoga Park)
Senator Andy Vidak (R-Hanford)

Energy, Utilities and Communications
Senator Ben Hueso (D-San Diego), Chair
Senator Mike Morrell (R-Inland Empire), Vice Chair
Senator Steve Bradford (D-Gardena)
Senator Anthony Cannella (R-Ceres)
Senator Ted Gaines (R-El Dorado)
Senator Bob Hertzberg (D-Los Angeles)
Senator Jerry Hill (D-San Mateo)
Senator Mike McGuire (D-Healdsburg)
Senator Nancy Skinner (D-Berkeley)
Senator Henry Stern (D-Canoga Park)
Senator Scott Wiener (D-San Francisco)

Environmental Quality
Senator Bob Wieckowski (D-Fremont), Chair
Senator Andy Vidak (R-Hanford), Vice Chair
Senator Patricia Bates (R-Laguna Niguel)
Senator Jerry Hill (D-San Mateo)
Senator Ricardo Lara (D-Bell Gardens)
Senator Nancy Skinner (D-Berkeley)
Senator Henry Stern (D-Canoga Park)

Budget Subcommittee No. 2 on Resources, Environmental Protection, Energy and Transportation
Wieckowski (Chair), McGuire, Mendoza and Nielsen (Vice Chair)

Assembly Leadership and Committee Chairs Announced
Assembly Speaker Anthony Rendon recently announced his leadership team and committee chair assignments. Water, Parks and Wildlife will be chaired by Eduardo Garcia (D-Coachella) while Natural Resources will see Christina Garcia (D-Bell Gardens) as chair. IEUA delegation member Chris Holden (D-Pasadena and Upland) will chair the Utilities and Energy Committee and Richard Bloom (D-Santa Monica) will retain his chairmanship of the Budget Committee on Resources and Transportation. Eloise Reyes (D-San Bernardino), one of the new members of the IEUA delegation will chair the Legislative Ethics Committee. Speaker Rendon is expected to announce full committee assignments early in the new year.

SWP Allocation Estimate Increased to 45%
The Department of Water Resources recently announced an increase in its estimate of 2017’s State Water Project allocation to 45%, up from the initial estimate of 20%, thanks to December storms making a “dent” in the drought.

“This winter’s wet start gives us hope we’ll be able to keep increasing the State Water Project allocation,” said DWR Director Mark Cowin. “But the faucet can shut off suddenly and leave us dry for a sixth year in a row. Drought always looms over California, so we must use water wisely and sparingly.”

Last year’s initial allocation of 10% was raised to 60% by the time it was finalized in May.

New Appointees to Santa Ana Regional Water Quality Control Board
Governor Brown appointed Lana Ong Peterson of Orange and Daniel Selmi of Newport Beach, and reappointed William Von Blasingame of Irvine to the Santa Ana Regional Water Quality Control Board.

Peterson is senior public affairs representative at Kaiser Permanente Downey Medical Center and held several positions for Cox Communications.

Selmi has been a professor of law at Loyola Law School since 1983 and was previously deputy attorney general at the California Department of Justice, Office of the Attorney General.

Von Blasingame, a water board incumbent since 2013, has been a member of the finance committee of the OneOC Board of Directors since 2011. He was senior vice president and general manager of Caribbean Operations at Mirant Energy Company from 2005 to 2007 and held several positions at Edison Mission Energy from 1986 to 2005, including vice president and chief financial officer of the Asia Pacific Region.

The appointments require Senate confirmation.
**Reservoir Levels Update**

Despite California lifting mandatory statewide water restrictions earlier this year, 60 percent of the state is still in a severe or extreme drought, even with significant precipitation in November and December in the northern part of the state.

Reservoir levels have improved across the state due to recent storms, and the state is crossing its fingers the strong precipitation continues throughout the winter. As of the end of December, the pumps are running at full capacity helping to refill critically low south of delta reservoirs.
CARB Released 2030 Target Scoping Plan Update Discussion Draft

The California Air Resources Board has released their first Discussion Draft of the 2030 Target Scoping Plan. The Discussion Draft outlines broad goals and policies needed to meet the mandate of reducing greenhouse gas emissions (GHG) 40 percent below 1990 levels by 2030.

While there are still many details missing on how the state will reach these goals, and what the economic cost will be, they do outline some potential measures and supporting actions the waste management sector can take to reach their goals. They go beyond the 2030 goals and state that local water and wastewater utilities should adopt a long-term goal to reduce GHGs 80 percent below 1990 levels by 2050. They state that this would require water and wastewater utilities to move toward a low carbon or net-zero carbon water management system “where technically feasible and cost-effective.”

The Discussion Draft notes that in support of the Short-Lived Climate Pollutant Reduction Strategy, the state should encourage resource recovery projects at wastewater treatment plants to help achieve the goal of reducing fugitive methane by 40 percent by 2030. The Discussion Draft lists opportunities to support co-digestion of food-related waste streams at wastewater treatment plants and incentivizing methane capture systems at wastewater treatments to produce renewable electricity, transportation fuel, or pipeline biomethane as tools needed to help meet both the GHG and the Short-Lived Climate Pollution goals.

The second half of the plan is due out in January and is expected to include information on the costs and benefits of specific suggestions within the Discussion Draft.

Governor Brown Makes Appointments to California Public Utilities Commission

Governor Brown has made two appointments to the California Public Utilities Commission to replace Commissioners Catherine Sandoval and Michael Florio whose six-year terms end next month.

Martha Guzman Aceves, 39, of Sacramento, has been a deputy legislative affairs secretary in the Office of the Governor since 2011, focusing on natural resources, environmental protection, energy and food and agriculture. She was sustainable communities program director for the California Rural Legal Assistance Foundation from 2005 to 2011. From 2006 to 2008, she worked with Swanton Berry Farm on human resources issues including a new employee-stock ownership program. She was legislative coordinator for United Farm Workers from 1999 to 2005, working on labor and environmental issues. In 2010 she co-founded Communities for a New California, a charitable organization promoting increased civic engagement of underrepresented communities. Guzman Aceves earned a Master of Science degree in agricultural and resource economics from the University of California, Davis. Guzman Aceves is a Democrat.

Clifford Rechtschaffen, 59, of Oakland, has served as a senior advisor in the Office of the Governor since 2011, where he has worked on climate, energy and environmental issues. In 2011, he also served as acting director of the California Department of Conservation. Rechtschaffen served as special assistant attorney general in the California Department of Justice, Attorney General’s Office from 2007 to 2010. From 1993 to 2007, he taught
environmental law, directed the environmental law program and co-founded the Environmental Law and Justice Clinic at Golden Gate University School of Law. In 2005 he was a Fulbright Scholar at the University of Ljubljana in Slovenia. He is the author of several books and numerous articles on environmental law and policy. He was a deputy attorney general in the Environment Section of the California Department of Justice, Attorney General's Office from 1986 to 1993, Reginald Heber Smith Community Lawyer Fellow at the Marin County Legal Aid Foundation from 1985 to 1986 and a law clerk for the Honorable Thelton Henderson at the U.S. District Court, Northern District of California from 1984 to 1985. He earned a Juris Doctor degree from Yale Law School. Rechtschaffen is a Democrat.

With the CPUC suffering from several high-profile scandals in recent years, the Governor hopes these appointments will help bring the transparency and structural changes that have not been achieved through legislation.
Innovative Federal Strategies LLC
Comprehensive Government Relations

MEMORANDUM

To: Joe Grindstaff and Kathy Besser, IEUA

From: Letitia White, Jean Denton, and Drew Tatum

Date: December 29, 2016

Re: December Monthly Legislative Update

Congress Successfully Returns to Two-Year Cycle on WRDA Authorization
Shortly after 1 am on Saturday, December 10, the Senate cleared a major water infrastructure package in its final vote of the year. The Water Resources Development Act (WRDA), which was rebranded the Water Infrastructure Improvements for the Nation Act, provides funds to help the city of Flint, Michigan respond to a lead-tainted drinking water crisis and contains the most significant overhaul to California water policy in more than two decades.

The legislation also authorizes 30 new Army Corps of Engineers projects, including a major Everglades restoration effort. The bill approved ecosystem restoration efforts from Lake Tahoe to the Great Lakes and new tribal water rights settlements. It now heads to President Barack Obama's desk. The White House did not issue a Statement of Administration Policy on the legislation, which is typically released in advance of the consideration of bills in the House or Senate if the President intends to veto legislation.

Faced with returning to the Capitol for votes at 1 am Saturday on the Water Resources Development Act, Senator Barbara Boxer (D-CA) and other west coast Democrats agreed to allow for the expedited consideration of the legislation in what was the final roll call vote of the year. Senator Boxer, along with Senators Patty Murray (D-WA), Maria Cantwell (D-WA), Ron Widen (D-OR), and Jeff Merkley (D-OR), had used much of the debate time earlier in the day and throughout the week to protest the inclusion of drought provisions for California regarding the delta that they believe will ultimately lead to the erosion of endangered species protections.

Senator Boxer, who was one of the original sponsors of the legislation, was one of the fiercest critics of the California drought provisions—putting her at odds with her colleague Senator Dianne Feinstein (D-CA). Senator Feinstein negotiated the final package with California House Republicans which was included in the WRDA bill after several years of negotiations. She indicated she thought this year was the best opportunity to pass a drought bill, fearing that Democrats might get rolled in the future with a new Republican administration.

The WRDA bill was the final roll call vote taken in the Senate for the 114th Congress. On Friday, December 16, President Barack Obama signed the water infrastructure bill into law. In signing the legislation into law, the President issued a sharp warning about Endangered
Species Act protections included in the California drought provision. The President said in a statement that his administration has worked to achieve "a careful balance based on existing state and federal law" in trying to send more water to farmers and cities without harming imperiled species during the gripping drought. "It is essential that [that balance] not be undermined by anyone who seeks to override that balance by misstating or incorrectly reading the provisions of Subtitle J," Obama said.

Congress Pushes Spending Decisions into 2017

Hours before finishing legislative activity for the year on, Senators averted a government shutdown by approving legislation funding the federal government through April 28, 2017 via a continuing resolution (CR). Before the current fiscal year began on October 1, Congress passed a CR than ran through December 9. While the House cleared the measure on Thursday, December 8, Senate Democrats forced Senate Majority Leader Mitch McConnell (R-KY) to file a cloture petition on the bill, which could have delayed a vote on final passage until Sunday, thereby triggering a brief government shutdown. As a lapse in funding loomed, an agreement was reached to vote on final passage of the legislation just after 10 pm on Friday, December 9, sending the measure to President Obama without causing a disruption to government operations.

Senator Joe Manchin (D-WV) along with other coal-state Senators were upset that a provision providing for the extension of health benefits and pensions for retired and widows of coal miners only ran through the end of the CR rather than for a whole year. He and a small contingent of Democrats had been using procedural maneuvers to slow down the consideration of the continuing resolution and had also blocked the consideration of non-controversial bills by objecting to unanimous consent requests.

The new Congress will now be forced to deal with government funding decisions early in the year by either passing another CR for the rest of the fiscal year or by passing individual—or and omnibus—spending bill(s). Additionally, Congress will need to act on the federal debt ceiling before March 15, 2017 when the current debt ceiling will no longer be suspended. While the Treasury Department may be able to use “extraordinary measures” to avoid a debt default, Congress will likely need to act early in the Spring to avoid jitters in global markets.

Congress looks to Revive Budget Resolution for FY17

The House of Representatives is expected to vote on a budget resolution for fiscal year 2017—the current fiscal year—one week after the new Congress convenes in Washington. A reworked, bare-bones budget resolution would pave the way for a repeal of the Affordable Care Act through a budget reconciliation package. According to a memo released by the incoming chairman of the House Energy and Commerce Committee, a vote on the reworked budget resolution will occur on the House floor the week of January 9.

Senate Majority Leader Mitch McConnell (R-KY) has not cited a specific day or week he plans to bring the budget resolution to the Senate floor, but said in an end-of-year press conference that “the Obamacare repeal resolution will be the first item up in the new year.” That means the Senate could take the resolution up during the week of January 3, sending it to the House for consideration the following week.
Innovative Federal Strategies LLC

Once both chambers have adopted the resolution, and instructions for budget reconciliation are included, Republicans could draft and pass separate reconciliation legislation to repeal as much of the health care law as they can in the weeks following. Some provisions of the law could not be rolled back through reconciliation. If everything goes according to plan, Senator McConnell and House Speaker Paul Ryan (R-WI) would have the fiscal 2017 budget resolution adopted and committees working on the reconciliation bill to dismantle parts of the health care law before President-elect Donald Trump is inaugurated on January 20.

Republican lawmakers have not agreed to the framework for the actual reconciliation legislation that would repeal the healthcare law, as there has been disagreement on the length of time lawmakers should have to revamp the healthcare system. While Republican leaders have floated a three-year replacement window, conservative lawmakers have called for a two-year replacement window to force the 115th Congress to deal with both the healthcare repeal and replacement.

California’s Harris Receives Committee Assignments
Senator-elect Kamala Harris (D-CA) will serve on the Senate Homeland Security, Environment and Public Works, Intelligence, and Budget Committees in the 115th Congress. Subcommittee assignments will be announced in January when the Senate convenes.

Running List of Trump Cabinet and Senior Staff Picks
President-elect Trump continues to fill out his Cabinet and has selected individuals for senior staff positions in his administration. The chart below includes a list of current officeholders, as well as individuals who have been nominated by President-elect Trump.

<table>
<thead>
<tr>
<th>Cabinet</th>
<th>Obama’s Incumbent</th>
<th>Trump’s Pick</th>
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</thead>
<tbody>
<tr>
<td>Vice President</td>
<td>Joe Biden</td>
<td>Mike Pence</td>
</tr>
<tr>
<td>Secretary of State</td>
<td>John Kerry</td>
<td>Rex Tillerson</td>
</tr>
<tr>
<td>Secretary of Treasury</td>
<td>Jack Lew</td>
<td>Steve Mnuchin</td>
</tr>
<tr>
<td>Secretary of Defense</td>
<td>Ashton Carter</td>
<td>James Mattis</td>
</tr>
<tr>
<td>Attorney General</td>
<td>Loretta Lynch</td>
<td>Jeff Sessions</td>
</tr>
<tr>
<td>Secretary of the Interior</td>
<td>Sally Jewell</td>
<td>Ryan Zinke</td>
</tr>
<tr>
<td>Secretary of Agriculture</td>
<td>Thomas Vilsack</td>
<td></td>
</tr>
<tr>
<td>Secretary of Commerce</td>
<td>Penny Pritzker</td>
<td>Wilbur Ross</td>
</tr>
<tr>
<td>Secretary of Labor</td>
<td>Thomas Perez</td>
<td>Andrew Puzder</td>
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<tr>
<td>Secretary of Health and Human Services</td>
<td>Sylvia Matthews Burwell</td>
<td>Tom Price</td>
</tr>
<tr>
<td>Secretary of Housing and Urban Development</td>
<td>Julian Castro</td>
<td>Ben Carson</td>
</tr>
<tr>
<td>Secretary of Transportation</td>
<td>Anthony Foxx</td>
<td>Elaine Chao</td>
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<tr>
<td>Secretary of Energy</td>
<td>Ernest Moniz</td>
<td>Rick Perry</td>
</tr>
<tr>
<td>Position</td>
<td>Obama’s Incumbent</td>
<td>Trump’s Pick</td>
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<td>------------------------------------------------</td>
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</tr>
<tr>
<td>Secretary of Education</td>
<td>John King</td>
<td>Betsy DeVos</td>
</tr>
<tr>
<td>Secretary of Veterans Affairs</td>
<td>Robert McDonald</td>
<td></td>
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<tr>
<td>Secretary of Homeland Security</td>
<td>Jeh Johnson</td>
<td>John F. Kelly</td>
</tr>
<tr>
<td><strong>High-level Offices</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White House Chief of Staff</td>
<td>Denis McDonough</td>
<td>Reince Priebus</td>
</tr>
<tr>
<td>Director of Office of Management and Budget</td>
<td>Shaun Donovan</td>
<td>Mick Mulvaney</td>
</tr>
<tr>
<td>Admin. of the Environmental Protection Agency</td>
<td>Gina McCarthy</td>
<td>Scott Pruitt</td>
</tr>
<tr>
<td>Deputy Commerce Secretary</td>
<td>Bruce Andrews</td>
<td>Todd Ricketts</td>
</tr>
<tr>
<td>Admin Centers for Medicare &amp; Medicaid Serv</td>
<td>Andy Slavitt</td>
<td>Seema Verma</td>
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<tr>
<td>Trade Representative</td>
<td>Michael Froman</td>
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<tr>
<td>Ambassador to the United Nations</td>
<td>Samantha Power</td>
<td>Nikki Haley</td>
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<tr>
<td>Chair of the Council of Economic Advisors</td>
<td>Jason Furman</td>
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<tr>
<td>Admin. of the Small Business Administration</td>
<td>Maria Contreras-Sweet</td>
<td>Linda McMahon</td>
</tr>
<tr>
<td>Director of the Central Intelligence Agency</td>
<td>John Brennan</td>
<td>Mike Pompeo</td>
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<tr>
<td>Director of the Office of Science</td>
<td>John P. Holdren</td>
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<tr>
<td>National Aeronautics and Space Administrator</td>
<td>Charles Bolden</td>
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<tr>
<td>Director of National Intelligence</td>
<td>James R. Clapper</td>
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<tr>
<td>Secretary of the Army</td>
<td>Eric Fanning</td>
<td>Vincent Viola</td>
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<tr>
<td><strong>Assistants to the President</strong></td>
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<td></td>
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<tr>
<td>Special Advisor on Regulatory Reform</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Counsel to the President</td>
<td>Warren Eggleston</td>
<td>Don McGahn</td>
</tr>
<tr>
<td>Economic Policy and National Economic Council</td>
<td>Jeffrey Zients</td>
<td>Gary Cohn</td>
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<tr>
<td>Counselor to the President</td>
<td>n/a</td>
<td>Kellyanne Conway</td>
</tr>
<tr>
<td>Deputy National Security Advisor</td>
<td>Avril Haines</td>
<td>KT McFarland</td>
</tr>
<tr>
<td>National Security Advisor</td>
<td>Susan Rice</td>
<td>Michael Flynn</td>
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<tr>
<td>National Trade Council</td>
<td>n/a</td>
<td>Peter Navarro</td>
</tr>
<tr>
<td>Senior Counselor and Chief Strategist</td>
<td>n/a</td>
<td>Stephen Bannon</td>
</tr>
<tr>
<td>Deputy Chief of Staff for Operations</td>
<td>Anita Breckenridge</td>
<td></td>
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<tr>
<td>Deputy Chief of Staff for Implementation</td>
<td>Kristie Canegallo</td>
<td></td>
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<tr>
<td>Director of Scheduling and Advance</td>
<td>Chase Cushman</td>
<td></td>
</tr>
<tr>
<td>Cabinet Secretary</td>
<td>Broderick Johnson</td>
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</tbody>
</table>
### Innovative Federal Strategies LLC

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
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</thead>
<tbody>
<tr>
<td>Director of the Domestic Policy Council</td>
<td>Cecilia Muñoz</td>
</tr>
<tr>
<td>Deputy Nat'l Security Advisor for Strategic Communications</td>
<td>Benjamin Rhodes</td>
</tr>
<tr>
<td>Homeland Security &amp; Deputy Nat'l Security Advisor</td>
<td>Lisa Monaco</td>
</tr>
<tr>
<td>Director of the office of Political Strategy and Outreach</td>
<td>David Simas</td>
</tr>
<tr>
<td>Director of Communications</td>
<td>Jennifer Psaki</td>
</tr>
<tr>
<td>Press Secretary</td>
<td>Joshua Earnest</td>
</tr>
<tr>
<td>Director of Speechwriting</td>
<td>Cody Keenan</td>
</tr>
</tbody>
</table>

**Outlook for January**

The House and Senate will return on Tuesday, January 3 to officially convene the 115\(^{th}\) Congress. In addition to organizing and appointing Members to Committees, the House and Senate are expected to adopt a revised fiscal year 2017 budget resolution to set up reconciliation legislation to pass a repeal of the Affordable Care Act.

The Senate is expected to use time in early January at the committee level to confirm Cabinet nominees, with the expectation that some nominees will be confirmed by the Senate the same day President-elect Trump takes office on January 20.
Agricultural Resources
635 Maryland Avenue, N.E.
Washington, D.C. 20002-5811
(202) 546-5115
dweiman@agriculturalresources.org

December 29, 2016

Legislative Report

TO: Joe Grindstaff
General Manager, Inland Empire Utility Agency

FR: David M. Weiman
Agricultural Resources
LEGISLATIVE REPRESENTATIVE, IEUA

SU: Legislative Report, December 2016

State of Affairs
* Lame Duck (post-election) session ended
* 114th Congress Adjourned
* Eighth year of Obama Administration closing down
* Trump transition underway
* Trump Cabinet selected (except USDA, VA and Trade Rep.)
* Federal funding approved through April 28, 2017 (or just over half present of fiscal year)
* WRDA bill passed at close of session
* Energy bill killed by House leaders (Senate, on a bi-partisan basis, not pleased)
* 115th Congress convenes on January 3, 2017

House, Senate and New Administration
* New Congress convenes January 3.
* New Administration begins January 20.
* In the House, Chairs are being selected and the House is preparing for the next Congress.
* In the Senate, same.
* In the new Administration, transition is focused on Cabinet appointments and selection of
landing teams – staff that walk in on January 21 and assume the responsibility for running
departments and agencies, even if only on an “acting” basis.
* Trump, House and Senate Rs are developing a “First 100 Days” Agenda.
Annual Funding Bills
* To fund the Federal Government, a Continuing Resolution was passed and signed into law during the Lame Duck.

* Funding for Departments and Agencies is “continued” until April 28.

* The Trump Administration has not decided whether or not to send up a budget, leave it to Congress OR submit targeted funding amendments. This is being discussed, but not yet decided.

* Two Prominent Complicating Factors.
  (1) The 2017-18 Budget and Funding bills will have to be considered at the same time.
  (2) The Debt Ceiling will be reached in early 2017. Congress will be obligated to enact legislation increasing the debt ceiling. Politically, Trump supporters are divided on this issue. It must be resolved (timing is uncertain) or experience a Government shut-down.

Water Resources Development Act (WRDA)
* The long-debated and conferenced WRDA (Army Corps of Engineers and EPA authorization bill was finally enacted at the close of the session.

* All language related to EPA’s WaterSense program was dropped.

* As a result and with the deletion of that language, there is no language of any kind on water softeners.

* The water agencies concerned about salt – and its impact on water recycling – are planning to meet with House and Senate Committee leadership early in 2017.

* The next WRDA bill, whenever it is considered, will address this issue.

Interior Department – Secretary Nominated
* President-Elect Trump, in early December, announced his selection to serve as Secretary of the Interior.


* At one time or another, probably as many as 30 different names were considered. Two other House Members, Rep. Cathy McMorris Rodgers (R-WA) and Rep. Raul Labrador (R-ID) were finalists.

* Almost every individual considered called for public lands to be turned over to the States – except Zinke.
Zinke is an active hunter and outdoorsman. He believes public lands should remain public. Last Summer, at the GOP Convention, he even resigned from the GOP Platform Committee when it adopted a “turn-over-to-the-states” plank.

Trump and Donald Trump Jr. made it clear (publicly), as far back as January, they supported public lands and opposed a turn-over policy. That Trump’s son was actively involved in this selection which has been publicly acknowledged.

In the end, the single candidate (among the 30) who supported protecting public lands was picked to head Interior.

Interior has more than 100 presidential and political appointees. The process has just begun.

Transition is now focused on establishing “landing teams” – individuals – that can assume the levers of power at Interior the morning of January 21.

Little word about who will be nominated to serve as Commissioner, Bureau of Reclamation.

**Tax Reform**

House Ways and Means Committee Chair, Kevin Brady (R-TX) is publicly detailing how he wants to proceed with tax reform. He’s calling for rates to be reduced: 20% corporate and 25% personal (some proposals call for corporate to be reduced as low as 15%). In order to pay for rate reduction, major sections of the tax code will have to be repealed or amended.

A major target for elimination — deductibility of Municipal Bonds. That 100-year tax code provision is at risk.

The Committee held a widely-publicized Rs-only closed-door meeting in mid-December for W&M Committee Members to outline their tax priorities to Chairman Brady and the Committee staff.

All indications, from Chairman Brady’s statements, the House envisions a wholesale reshaping of tax policy and a almost complete repeal of existing tax provisions, with a handful of a few high profile exceptions (mortgage deduction, charitable contributions, etc.).

Conflicts and contradictions are presently emerging (and are not clarified at this time).

The consensus among tax lobbyists – as of mid-December, is that the deduction for municipal bonds would be repealed, reduced or somehow capped.
* These changes, if enacted, would impose pressure on the bond market – making it more expensive to borrow money for capital projects.

* For IEUA, this has the potential to disrupt IEUA’s ability to borrow funds in the bond market at favorable rates.

* Trump is insisting that his infrastructure program include public-private partnerships. The “public” part of that partnership requires public agencies to bring funds to the table – and IEUA and others rely on muni bonds as a key source of those funds.

* If the House Ways and Means Committee Tax Reform bill eliminates or shaves muni bond deductions, then the cost of local infrastructure will assuredly increase.

* Put another way, the Trump infrastructure initiative and the House Tax Reform initiative are on a collision course – at least potentially. Tax lobbyists and others all observe the apparent conflict and no one knows, at this time, how it will be addressed or resolved.

* Making matters more confusing, President-Elect Trump met with a group of Mayors from the US Conference of Mayors (during December).
  -- Attendees included Mayors from Oklahoma City, New Orleans and Columbia, South Carolina.
  -- Mayor Steve Benjamin, from Columbia, South Carolina, is a leader at the Conference AND also head of the Municipal Bonds for America coalition (in which I participate on behalf of IEUA with lobbyists and representatives from more than 20 different industries).
  -- The Mayors raised the issue of “muni bonds” and Trump, without even being asked, declared support for continuing them (as a developer, he has first-hand knowledge of the value of muni bonds and the contribution they make to development).
  -- Mayor Benjamin left the meeting and went straight to the cameras in the Trump Tower lobby and announced Trump’s positive statements about muni bonds.
  -- This development was immediately picked up in the national media, trade press and on social media.

* Other lobbyists participating in the Municipal Bonds for America coalition began to report that Trump’s statement created a significant backlash (behind closed doors) at the Ways and Means Committee. Trump’s statement – if it becomes Administration policy – interferes with the Committee’s desire to lower tax rates.

* Right now, there are more questions than answers. Will Trump continue to hold a firm position? What will Ways and Means do? How will they proceed? No one knows and it’s the source of endless speculation right now.

* The Trump statement in support of deductibility of municipal bonds is significant and a
strong plus for retention of the deduction.

Water Situation – Drought
*  Drought conditions in Northern California have lessened. Early winter rains and snow are encouraging. But note, there’s been more rain than snow.

*  Drought conditions, especially in the San Joaquin Valley and portions of Southern California remain dire.

*  New Mexico and Texas are almost drought free, but further east – Alabama, Georgia and a small portion of South Carolina are now experiencing “Exceptional” drought conditions (most severe). The New England has, throughout the Fall and into early Winter, also experienced drought.

End of the Year – National Status Report. I’m going to do something I don’t typically do in Monthly Reports. I’m including an excerpt from a story in Politico. It’s uplifting in many respects as it offers a positive snapshot of America today. The author, Michael Grunwald, exuded optimism about the future declaring "Everything Is (Still) Awesome!"

He went on to state that:

"The economy grew at a solid 3.5 percent clip in the third quarter, and is now significantly larger than it was before the Great Recession. The jobless rate is down to 4.6 percent, which almost qualifies as full employment. The stock market and high school graduation rate are at all-time highs, while the uninsured rate, abortion rate and teen pregnancy rate are at all-time lows. Oil imports, crime and health care inflation are also near historic lows, with carbon emissions, foreclosures and illegal immigration falling, too. Meanwhile, retirement assets, auto sales and renewable power have skyrocketed, and the once-teetering Medicare Trust Fund has stabilized. We live in the world’s richest and most powerful nation; we can access most of humanity’s accumulated knowledge on machines we carry in our pockets; http://politi.co/2hBJNCP

Happy New Year to All.

#  #  #  #  #
INFORMATION
ITEM
2C
Date: December 02, 2016
To: Inland Empire Utilities Agency
From: John Withers, Jim Brulte
Re: November Activity Report

Listed below is the California Strategies, LLC monthly activity report. Please feel free to call us if you have any questions or would like to receive any more information on any of the items mentioned below.

- Met with Executive Management Team to review priority issues and to discuss activities for November that Executive Staff wanted accomplished
- Discussed Little Hoover Commission hearing results, follow up, and next hearing items.
- Reviewed Chino Basin Water Bank project concept and formation JPA
- Support and advised on IEUA/SBVMWD transfer transaction on an as needed basis.
- Reviewed Water Rates progress with member agencies and Regional Contract renewal.
- Continue to monitor statewide water issues including The Water Fix, water bond, and drought relief act activities. Made recommendation regarding the request for money from various state special funds.
- Monitor Santa Ana Regional Board agenda and issues of interest to IEUA including the Ontario Plume settlement
- Attended ACWA Conference
- Respond to requests for information from IEUA Directors.
INFORMATION
ITEM
2D
- **Regional Water Quality Control Board**
  - All Facilities – 100% compliance

- **Air Quality Management District**
  - RP-5 SHF – Engine excess NOx emission on 10/23, 11/9, 11/19

- **Division of Drinking Water**
  - CDA1 and GWR – 100% compliance
Septic to Sewer Feasibility Study

- **Progress to Date**
  - Septic Parcel Confirmation Screening
    - Additional data screening with Member Agencies of questionable Septic Parcels

- **Next Steps**
  - Defining and Prioritizing Sewer Service Regions
  - Grant Application data

- **Project Schedule**
  - Completion of Feasibility Study - April 2017

Inland Empire Utilities Agency
A Municipal Water District

IEUA Board of Directors Meeting
January 2017
Pretreatment & Source Control

- **Regional System**
  - Pretreatment Compliance Audit
  - Local Limits Evaluation
  - Dental Amalgam Rule

- **North Brine Line**
  - Capacity Units Allocation – 15,214 Units
  - East Flow Meter

- **South Brine Line**
  - New Solids Imbalance Equation
  - SAWPA Ordinance No. 8
  - Capacity Pool Lease Agreement
  - Preserve Lift Station Agreement
Water Connection Fee

- **What is it**
  - One-time fee for all new or upsized meter connections to a water distribution system
  - Effective January 1, 2016

- **Meters Subject to Fee**
  - Potable
  - Recycled
  - Landscape

- **Annual Fees Collected**
  - Over $2 million
  - 970 meters installed

- **Connection Fee Office**
Planning & Agriculture Conservation

- **Integrated Resources Plan**
  - Programmatic EIR underway
  - Solicited engineering services RFP on Nov 10
  - Meeting with member agencies - gathering project and infrastructure data

- **Prado Basin Adaptive Management Plan**
  - Conducted AMP kickoff meeting (Nov 2)
  - Next Stakeholder meeting March 2017 – baseline data review

- **Santa Ana River Habitat Conservation Plan (Jan 2018)**
  - Hydraulic and Biological impact assessments underway

- **Weather Station will be installed for California Institute for Men (CIM)**
  - Received approval from State/DWR
  - Used to calculate evapotranspiration (ET) for service area water budgets

- **Ag Pool assistance with promoting on-site farm upgrades**
  - Program to assist installation of soil moisture sensors
  - Demonstration project to show potential water savings
Water Resources Activities

- **Chino Basin Drought Contingency Plan Update**
  - USBR Grant Funded ($200,000)
  - Staff reviewing local ordinances and other regional plans

- **SARCCUP**
  - CEQA in progress – scoping meeting Dec 7 at SAWPA
  - Solicited engineering services RFP on Nov 10 – closes Dec 8
  - Draft DSM model completed (overview to be provided at PA23 meeting, Dec 22)

- **California Urban Water Conservation Council**
  - Board voted to implement significant changes to organization (Sept. 14, 2016)
  - New focus - assisting utility members achieve conservation and efficiency goals
  - Members will choose a new name to reflect the significant changes

- **California Data Collaborative**
  - Developed dashboard highlighting impact of residential efficiency standards for each water agency
  - Completing rate comparison tool specific to agencies by February 2017
  - Remote sensing of turf market transformation for MWD service area underway