



PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

BOARD OF DIRECTORS

ROBERT E. ALVARADO
Division 1

DON WILSON
Division 2

GLORIA DIZMANG
Division 3

KATHY MAC LAREN
Division 4

VINCENT DINO
Division 5

DENNIS D. LaMOREAUX
General Manager

ALESHIRE & WYNDER LLP
Attorneys

January 23, 2020

AGENDA FOR A MEETING OF THE OUTREACH COMMITTEE OF THE PALMDALE WATER DISTRICT

**Committee Members: Don Wilson-Chair, Robert Alvarado
to be held at the District's office at 2029 East Avenue Q, Palmdale**

TUESDAY, JANUARY 28, 2020

3:00 p.m.

NOTE: To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact Dawn Deans at 661-947-4111 x1003 at least 48 hours prior to a Board meeting to inform us of your needs and to determine if accommodation is feasible.

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale (Government Code Section 54957.5). Please call Dawn Deans at 661-947-4111 x1003 for public review of materials.

PUBLIC COMMENT GUIDELINES: The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the District to carry out its meeting will not be permitted, and offenders will be requested to leave the meeting. (PWD Rules and Regulations, Appendix DD, Sec. IV.A.)

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.

- 1) Roll call.
- 2) Adoption of agenda.
- 3) Public comments for non-agenda items.
- 4) Action Items: (The public shall have an opportunity to comment on any action item as each item is considered by the Committee prior to action being taken.)



- 4.1) Consideration and possible action on approval of minutes of meeting held November 18, 2019.
- 4.2) Discussion of Let's Talk H2O! - Emergency Preparedness. (Public Affairs Director Shay)
- 4.3) Discussion of development of an informational handout for customers regarding residential water use in the event of an emergency. (Public Affairs Director Shay)
- 4.4) Consideration and possible action on outreach activities for 2020. (Public Affairs Director Shay)
 - a) Outreach report.
 - b) Upcoming events/2020 plans.
- 4.5) Review 2019 Outreach Committee goals and establish 2020 Outreach Committee goals.
- 5) Information Items.
 - 5.1) Status report on lobbying efforts with Reeb Government Relations LLC. (Chair Wilson/Assistant General Manager Ly)
 - 5.2) Other.
- 6) Board members' requests for future agenda items.
- 7) Date of next Committee meeting.
- 8) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dd



- Learn how you can prepare for the next emergency
- Win an emergency kit!
- Receive supplies to start your own kit

Let's Talk H2O!

with Palmdale Water District
Emergency Preparedness

Wednesday, February 19

6 - 7 p.m.

2029 E. Avenue Q, Palmdale

PWD Main Board Room

Come take part in a conversation with Palmdale Water District (PWD) about how you can prepare for water emergencies. PWD staff will help participants start their own emergency kits by providing several basic supplies.* Attendees will have a chance to win an emergency kit for two and other related prizes! Event is FREE, but registration is required. Space is limited. To participate, register at <http://bit.ly/2Fx2j90>. Light refreshments will be served. For more information, please contact Public Affairs Specialist Laura Gallegos at 661-441-5944.

*While supplies last.



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE



PALMDALE WATER DISTRICT
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Preparing for a Water Emergency

- Have an emergency kit.
- Know where your shut-off valve is located and how to shut it off.
- Have three (3) gallons of water per person per day.



Managing Water after a Disaster



- Turn off your water at the emergency shut-off valve to prevent broken water lines from draining your toilet tanks and hot water heater.
- Don't drink water from radiators, water beds, toilets, pools, or spas.
- Use gray water from baths and dishes to flush toilets.

Making Water Safe to Drink

After a natural disaster, water may not be safe to drink. Adding some bleach helps make water safe to use.

If tap water is clear:

- Use bleach that has no added scent.
 - » For 5-6% chlorine bleach, add 16 drops to 1 gallon of water.
 - » For 8.25%, add 6 drops to 1 gallon of water.
- Mix well and wait at least 30 minutes or more before using.



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PALMDALE WATER DISTRICT
A CENTURY OF SERVICE

Preparación para una emergencia de agua

- Tenga un kit de emergencia.
- Sepa dónde se encuentra la válvula de cierre y cómo apagarla.
- Tener tres (3) galones de agua por persona y día.



Manejo del agua después de un desastre



- Apague el agua en la válvula de cierre de emergencia para evitar que las líneas de agua rotas drenen los tanques del inodoro y el calentador de agua caliente.
- No beba agua de radiadores, camas de agua, inodoros, piscinas o spas.
- Use agua gris de baños y platos para lavar los inodoros.

Cómo hacer que el agua sea segura para beber

Después de un desastre natural, el agua puede no ser segura para beber. Agregar un poco de lejía ayuda a que el agua sea segura de usar.

Si el agua del grifo es clara:

- Use lejía que no tenga olor añadido.
 - » Para 5-6% cloro blanqueador, agregue 16 gotas a 1 galón de agua.
 - » Para 8.25%, agregue 6 gotas a 1 galón.
- Mezclar bien y esperar al menos 30 minutos o más antes de usar



DRAFT

COST SHARING AGREEMENT – LOBBYING SERVICES

This Cost Sharing Agreement – Lobbying Services (“Agreement”) is made, entered into and effective as of April __, 2019 (the “Effective Date”), by and among: Puente Basin Water Agency (“PBWA”), a joint powers agency consisting of Rowland Water District (“RWD”) and Walnut Valley Water District (“WVWD”); Valley County Water District, a county water district (“VCWD”); and Palmdale Water District, an irrigation district (“PWD”); and any additional agencies which may be added in the future (which entities may be referred to individually herein as a “Party” or collectively as the “Parties”), with respect to the following facts:

RECITALS

- A. Each Party is a water supplier duly organized and operating under applicable California law.
- B. The Parties desire to collectively engage a legislative advocacy firm, Reeb Government Relations LLC (the “Consultant”), to provide advocacy and lobbying services with respect to legislative and regulatory matters pending or which may be introduced in the California State Legislature and certain state agencies that impact the Parties’ interests, and desire to memorialize their agreement regarding their collective payment of the Consultant’s costs.

AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

1. Point of Contact. Tom Coleman of PBWA and RWD shall be designated as the point of contact between the Consultant and the Parties; provided, however, that the Consultant may freely communicate with any Party as necessary to efficiently obtain information or documents needed in connection with the services Consultant shall provide, as described in Section 1 of Exhibit A hereto (the “Services”). In accordance with the Services Agreement defined below, each Party shall appoint a representative to the management steering committee to coordinate the Services to be provided to the Parties.
2. Authorization to Execute Agreement with Consultant. The Parties hereby authorize PBWA, on the Parties’ collective behalf, to execute a Lobbying Firm Retention Contract (the “Services Agreement,” a true and correct copy of which is attached hereto as Exhibit A and incorporated herein by this reference) with the Consultant, subject to each Party’s review and concurrence in such agreement, which review and concurrence shall occur as each Party shall determine to be appropriate, provided that each Party shall provide PBWA with its written concurrence to the Services Agreement. Any material amendment to the Services Agreement (i.e., an increase in price, extension of delivery

schedule or significant change in the scope of work to be performed by the Consultant) shall be subject to the review and approval of each Party.

3. Cost Sharing. As stated in the Services Agreement, Consultant shall bill PBWA the sum of \$6,000 per month as compensation for the Services, plus reimbursable costs under the Services Agreement. The Parties shall be responsible for the following shares of that monthly fee: PBWA: \$3,333.34 per month; PWD: \$1,666.66 per month; and VCWD: \$1,000 per month. Reimbursable costs incurred by the Consultant shall be initially split with PBWA paying one-half (1/2) of such costs, and PWD and VCWD each paying one-quarter (1/4) of such costs, with that split to be proportionately adjusted as additional Parties join the Agreement. As to the monthly fee, PBWA's and PWD's respective shares shall decrease as additional Parties join this Agreement, as shall be agreed as between PBWA, PWD and any such additional Party, and this Section 3 shall be amended accordingly. The Parties agree that VCWD's share shall be reduced proportionately after more than four additional Parties have joined the Agreement. The Consultant shall invoice PBWA each month and PBWA shall in turn invoice each Party for that Party's share of such fees and costs and each Party shall pay PBWA such costs within twenty-five (25) days of receipt of PBWA's invoice. PBWA shall pay Consultant in accordance with the terms of the Services Agreement.

4. Failure to Pay. If a Party fails to timely pay PBWA as set forth in Section 3, above, that Party shall thereafter pay PBWA within three (3) calendar days of receipt from PBWA of a final written demand for payment. If that Party does not pay PBWA its respective share within that three (3) day period, then the other Parties that have paid PBWA shall further pay to PBWA their proportionate share of the unpaid amounts (by way of example, if there are six Parties to the Agreement and four of the Parties have paid PBWA and two Parties have not, then each of the four Parties that have paid PBWA their respective shares shall contribute to PBWA one-fourth (1/4th) of the total unpaid amount). If the Party that has failed to pay PBWA its share subsequently pays PBWA that share, PBWA shall credit to the other Parties the contributions made pursuant to this paragraph. If such payment is not made within that three (3) calendar day period, PBWA may commence legal action to collect the unpaid amount, and the Party that has failed to pay those costs shall be liable for all costs of collection incurred by PBWA, including attorneys' fees. Within three (3) business days of recovery of such payment, PBWA shall reimburse or credit the other Parties the contributions made pursuant to this paragraph.

5. Confidentiality. To the extent permitted by law, the Parties shall maintain the confidentiality of information provided by Consultant that is marked "confidential."

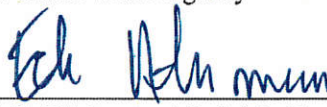
6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

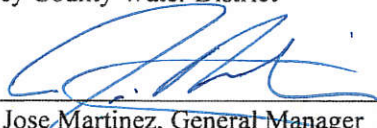
7. Amendment. This Agreement may be modified only by a written agreement signed by the Parties.

8. Severability. If any court determines that any provision of this Agreement is invalid or unenforceable, any invalidity or unenforceability will affect only that provision and will not make any other provision of this Agreement invalid or unenforceable and such provision shall be modified, amended or limited only to the extent necessary to render it valid and enforceable.

9. Counterparts; Execution by Fax or E-Mail. This Agreement may be executed in counterparts, effective as of the Effective Date first set forth above. The parties agree that this Agreement will be considered signed when the signature of a party is delivered by facsimile or e-mail transmission. Such facsimile or e-mail signature shall be treated in all respects as having the same effect of an original signature.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered as of the last date set forth below.

Puente Basin Water Agency
Dated: April 24, 2019
By 
Erik Hitchman, Administrative Officer

Valley County Water District
Dated: April 24, 2019
By 
Jose Martinez, General Manager

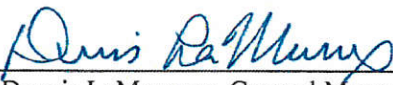
Palmdale Water District
Dated: April 24, 2019
By 
Dennis LaMoreaux, General Manager

EXHIBIT A

Reeb Government Relations, LLC

1107 9th Street, Suite 230
Sacramento CA 95814
Phone: 916-558-1926
Facsimile: 916-558-1932
robertreeb@comcast.net

LOBBYING FIRM RETENTION CONTRACT

The following constitutes a lobbying firm retention contract between **REEB GOVERNMENT RELATIONS, LLC** ("RGR" hereinafter), or its legal successor in interest, and **PUEENTE BASIN WATER AGENCY** ("PBWA" hereinafter), or its legal successor in interest.

1. **SERVICES TO BE PERFORMED**—PBWA engages the services of RGR as an independent contractor. RGR will provide advice and representation to PBWA and on behalf of other local water agencies associated with PBWA pursuant to a written Cost Sharing Agreement. Services will relate to California state legislative and regulatory matters. Such services shall include:
 - A. Representation in the State Capitol and with the Executive Branch in regard to the 2019-20 California legislative program of the participating agencies.
 - B. Research and analysis of state legislative and regulatory issues and related initiatives; drafting legislation and amendments thereto relating to such issues.
 - C. Legislative reporting services as may be required by the participating agencies.
 - D. Participation and attendance at meetings, upon request by the participating agencies, including, but not limited to, meetings related to issues management and formation of lobbying coalitions.

RGR will work under the direction of a management steering committee of the participating agencies, which shall include PBWA's management, and will coordinate services to be performed with same. Initially, Tom Coleman shall be PBWA's point of contact with RGR.

**Puente Basin Water Agency
Lobbying Firm Retention Contract
Page 2 of 3**

- B. TERMS OF PAYMENT—PBWA will pay RGR, according to terms and conditions set forth herein, a fee of SIX THOUSAND AND NO/100 DOLLARS (\$6,000.00) per month for the period of April 1, 2019 through October 31, 2020. This amount shall be due on the first (1st) day of each month from April 2019 through October 2020, inclusive. Payment shall cover all time expended by RGR personnel unless otherwise agreed to by RGR and PBWA.
- A. Invoices shall be submitted monthly by RGR for payment by PBWA. Payment is past due the next business day following the fifteenth of the month. If PBWA has any valid reason for disputing any portion of an invoice, PBWA will so notify RGR within seven (7) calendar days of receipt of invoice, and if no such notification is given, the invoice shall be deemed valid. The portion of RGR's invoice that is not in dispute shall be paid in accordance with the procedures set forth herein.
- B. PBWA shall reimburse RGR all costs incurred in connection with the services rendered. Reimbursable costs include, but are not limited to, travel costs, telephone, facsimile, copies, and delivery that are attributable to the services rendered. Travel costs are defined as air travel, lodging, meals and incidentals, ground transportation, and all costs associated with travel. All extraordinary travel expenses must receive PBWA's prior approval. RGR shall provide to PBWA substantiation of reimbursable costs incurred. In no event shall the aggregate amount of reimbursable costs payable by PBWA in 2019 exceed the amount of THREE THOUSAND AND NO/100 DOLLARS (\$3,000.00). Any expense incurred in excess of THREE THOUSAND AND NO/100 DOLLARS (\$3,000.00) shall be the legal responsibility of RGR.
- C. A finance charge of 1.5% per month on the unpaid amount of an invoice will be charged on past due accounts. Payments by PBWA will thereafter be applied first to accrued interest and then to the principal unpaid balance. Any attorney fees, court costs, or other costs incurred in collection of delinquent accounts shall be paid by PBWA. If payment of invoices is not current, RGR may suspend performing further work.
3. INDEPENDENT CONTRACTOR—It is understood that RGR will function as an independent contractor and will hold itself out as such and will be without authority to obligate PBWA for indebtedness, contracts, or other legal obligations.

**Pico Water District
Lobbying Firm Retention Contract
Page 3 of 3**

4. **POLITICAL REFORM ACT**—RGR will be solely responsible for its filing and reporting obligations pursuant to the Political Reform Act of 1974, as it may be amended from time to time. PBWA, and any other participating agencies, will be solely responsible for their respective filing and reporting obligations pursuant to the Political Reform Act of 1974, as it may be amended from time to time.

5. **GOVERNING LAW** - This contract shall be governed by and construed pursuant to the laws of the State of California.

6. **ENTIRE AGREEMENT** - This contract represents the entire agreement of the parties and no other representations, promises or agreements, oral or otherwise, shall be of any force or effect. This contract may be supplemented, amended or revised only in writing by agreement of the parties.

7. **TERM OF CONTRACT**—This engagement shall be subject to review at any mutually agreed upon time. Either party may terminate this engagement without cause by giving written notice at least sixty (60) days prior to the date of termination. PBWA's obligation to pay any further monthly installments shall cease upon the date of the termination and PBWA shall have no further monetary obligation to RGR as of that date of termination. The effective date of this agreement is April 1, 2019, and it shall terminate on October 31, 2020.

**PUENTE BASIN WATER
AGENCY**
271 South Brea Canyon Road
Walnut, CA 91789

**REEB GOVERNMENT
RELATIONS, LLC**
1107 9th Street, Suite 230
Sacramento, CA 95814

By: Erik Hitchman
Administrative Officer

By: Robert J. Reeb
Managing Officer

Date: April __, 2019

Date: April __, 2019

Reeb Government Relations, LLC

MEMORANDUM

DECEMBER 2, 2019

TO: Erik Hitchman, Administrative Officer
Puente Basin Water Agency

FROM: Bob Reeb and Raquel Ayala
Reeb Government Relations, LLC

SUBJECT: 2019 Annual Report

It has been an honor and privilege to work with Puente Basin Water Agency this year on behalf of Palmdale Water District, Rowland Water District, Valley County Water District and Walnut Valley Water District (Districts). Collectively, the goal of state government representation is to advance the interests of the districts, their taxpayers and customers to support beneficial legislation and oppose mandates that impose burdens on the districts with little or no measurable benefit to urban retail water customers.

State Budget

On Thursday, June 27, Governor Newsom signed a \$214.8 billion state budget that dedicated significant new spending for K-12 schools and healthcare, while setting aside an unprecedented amount of tax revenue for future economic slow-downs by adding billions of dollars to the state's reserve funds. The state's total rainy fund is now \$19 billion. The state avoided a return of surplus tax revenues to California taxpayers pursuant to the Proposition 4 Gann Limit (1979) by creating and funding additional reserve funds for schools and social services.

The legislature and new governor continued the recent trend of focusing state budget appropriations on disadvantaged community water and wastewater systems. The FY 2019-20 budget allocated \$1 million General Fund to the State Water Resources Control Board (State Water Board) for Interim Water Storage Tanks, Hauled Water, and Permanent Well Replacements/Repair, and \$2 million General Fund to cover planning costs for recovery from 2017 and 2018 wildfires. The budget also included \$10 million General Fund to provide emergency funding for water and wastewater service providers serving disadvantaged communities to (1) evaluate, address and repair the failure of critical components of a collection or treatment system; and (2) fund critical operation and maintenance

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activities that are cost prohibitive considering the population and median household income of the community served by the system. The budget also provides a one-time \$2.5 million in General Fund monies to the State Water Board to continue funding replacement and filling of temporary water tanks for households that have lost their water supply due to a dry well, and a total of \$12.5 million to address safe and clean drinking water in the San Joaquin Valley.

In terms of water supply and management, the budget appropriates \$70 million in state general obligation bond proceeds toward projects identified in voluntary agreements, including habitat restoration and scientific research; \$9.25 million to accelerate improvements in forecasting atmospheric rivers, the sporadic storms that recently have accounted for up to half of California's total annual precipitation; and \$235 million to implement the Wildfire and Recovery Legislative Package, which includes increasing the pace and scale of enhancing forest and watershed health.

The budget also appropriates \$130 million to clean up drinking water in some parts of the state. The administration had initially pushed for a new tax to fund clean drinking water, including fees and taxes on nitrogen fertilizer, dairies and confined animal feeding operations, but that plan was rejected by the Senate and ultimately abandoned in the budget compromise. The majority of the money comes from the Greenhouse Gas Reduction Fund, while the remaining \$30 million comes from the General Fund.

Water Tax

Governor Newsom's Department of Finance released a budget trailer bill in May that would create a Safe and Affordable Drinking Water Fund, which would receive revenues from a tax on customers of urban retail water suppliers and taxes and fees on nitrogen fertilizer, dairies and confined animal feeding operations. Together, the fund would receive about \$130 million annually. The new trailer bill was similar to a budget trailer bill offered by the former Brown Administration and legislation authored by Senator Bill Monning (D-Carmel). Reeb Government Relations, on behalf of its clients, opposed those particular proposals and has consistently opposed the imposition of a tax (fee or public goods charge) since 2005 (for example, SB 623 and SB 845 by Senator Monning during the 2017-18 Regular Session of the Legislature).

There was a flurry of legislative activity early in the year separate and apart from the Newsom Administration proposal. Assembly Member Richard Bloom (D-Santa Monica) introduced AB 134 to accomplish the same purposes as the budget trailer bill. Bloom chairs the budget subcommittee with jurisdiction over drinking water. Assembly Member Eduardo Garcia (D-Coachella), who chairs the Assembly Water, Parks and Wildlife Committee, later amended his AB 217 to address the gap in safe drinking water funding. AB 217 would establish the Safe and Affordable Drinking Water Fund in the State Treasury. Moneys in the fund would be available to the State Water Resources Control Board, upon appropriation by the Legislature, for the purposes of providing a stable source of funding to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure. This legislation served as a placeholder for the imposition of a tax on urban retail water customers. The March 19, 2019 version of the Garcia bill included the creation of a trust fund being proposed by the Association of California Water Agencies (ACWA) as an alternative to the imposition of a tax on water.

In an effort to provide a better alternative to a water tax, the Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA) sponsored, and Senator Anna Caballero (D-Salinas) introduced, Senate Bill 669 —The Safe Drinking Water Trust bill.

SB 669 would be funded with an infusion of General Fund dollars during a budget surplus year. The state would invest the principal, and the net income would provide the needed ongoing revenue stream for drinking water solutions in disadvantaged communities. The Districts joined the large coalition of supporters who believed the Trust was a better approach than a statewide water tax that would tax a resource that is essential to life and work against water affordability throughout the state.

The bill was last considered in the Senate Appropriations Committee on May 16 where it was held in committee and under submission.

Finally, Senator Monning introduced a new bill—SB 200, that also would create a Safe and Affordable Drinking Water Fund. The bill would authorize the State Water Board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, and bequests.

The Districts affirmed their opposition to a water tax and communicated their opposition directly to the Governor and its legislative delegation. The Districts also took an active role in supporting efforts by ACWA to pass SB 669 and oppose legislation that included a water tax. In their opposition to the water tax, the Districts clarified that they did not oppose the creation of a special fund to address the safe drinking water needs of communities served by public water systems that consistently fail to comply with safe drinking water laws and regulations, but rather the imposition of a water tax to pay for the needed capital facilities and operations and maintenance costs for these failing systems. Customers of the Districts would contribute significant monies each year to the Safe and Affordable Drinking Water Fund and receive no direct benefit in return. The loss of local water system revenue could negatively affect the Districts' ability to repair, rehabilitate and replace their own water system assets as well as to properly operate and maintain their water systems. The Districts, along with the ACWA coalition in opposition to a tax on water, argued that "with a record state budget surplus for the 2019-20 fiscal year, it is the perfect time to create and fund a Safe Drinking Water Trust as a durable funding solution."

Legislative review of the Governor's state budget occurred while the Legislature was considering the various legislative proposals, which complicated advocacy efforts. The Senate, under the leadership of President pro Tem Toni Atkins (D-San Diego), was the first to signal opposition to the imposition of a water tax. The Governor's budget trailer bill was rejected by Senate Budget Subcommittee #2 and instead, the Senate proposed to appropriate \$100 million from the General Fund to fund the Safe and Affordable Drinking Water program. This decision signaled the lack of a two-thirds majority in the Senate to approve a water tax. The Assembly, however, did not give up on the water tax and approved the Governor's budget trailer bill. The question of funding ended up in the two-house budget conference committee, where a compromise ultimately was reached on using proceeds from the Greenhouse Gas Reduction Fund to provide revenues annually to the Safe and Affordable Drinking Water Fund. SB 200 was amended following the June 27 enactment of the 2019-20 State Budget to provide the statutory framework for the expenditure of the drinking water fund.

In the first year, \$100 million of the funding will come from the Greenhouse Gas Reduction Fund (GGRF) and \$30 million from the General Fund. After the first year, SB 200 will provide that the

funding will be 5 percent of the GGRF continuously appropriated – capped at \$130 million per year. The agreement includes General Fund funding as a backstop if 5 percent of the GGRF is less than \$130 million in any year. The funding will sunset in 2030.

Districts Active on the Legislative Front

The Districts actively monitored or engaged in direct lobbying on over 98 bills this year. The following highlights a handful of bills in which the Districts were active.

Accessory dwelling units: development fees

Several bills were introduced this year relating to the construction of accessory dwelling units following the enactment of similar laws over the past four years. ACWA and its members have engaged in hours of negotiations with authors and housing proponents and had previously on more than one occasion reached agreement as to the manner in which accessory dwelling units (ADUs) will be addressed by utility service providers. ACWA and Reeb Government Relations reached a compromise with ADU advocates that property-related fees and charges would not be imposed on a unit that is contained within the existing space of a single-family residence or accessory structure. However existing law allows a local agency to require a new or separate utility connection directly between an ADU and the utility where the ADU is not within the existing space of a single-family residence or accessory structure. Consistent with Section 66013 of the Government Code, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit and reflect the reasonable cost of providing service, which reflects the requirements of Proposition 218.

Senate Bill 13, by Senator Bob Wieckowski (D-Fremont), sought to eviscerate the compromise reached in 2017 by prohibiting a local agency, special district, or water corporation from considering the ADU to be a new residential use for utilities, including water and sewer service. The Districts opposed the measure reminding legislators that Proposition 218 prohibits a local agency from shifting costs that cannot be collected from ADUs to other customers and development projects. Stable and predictable revenues are relied on to build capacity in water and sewer systems and to operate, maintain, repair and replace water and sewer facilities. Relieving ADUs from paying their fair share of costs related to utility service will harm the financial position of local agency utility service providers.

The bill was amended on July 1 addressing the Districts concerns with the bill by restoring the authority of utilities to charge connection fees and capacity charges.

Governor Newsom signed SB 13 into law on October 9. (Chapter No. 653, Statutes of 2019)

Accessory dwelling units: area designation

The Planning and Zoning Law provides for the creation of accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions. Existing law requires the ordinance to designate areas where accessory dwelling units may be permitted and authorizes the designated areas to be based on *criteria that includes, but is not limited to*, the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety.

AB 881, by Assembly Member Richard Bloom (D-Santa Monica) would instead require a local agency to designate these areas based on the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety by deleting the phrase "criteria that includes, but is not limited to". This legislation also clarifies the phrase "within the existing space of a single family residence or accessory structure" so that the ADU would be within an existing structure, including, but not limited to, the primary residence, a studio, garage, pool house, or other similar structure. Reeb Government Relations, in reviewing the legislation, noted that existing law authorized cities and counties to change land use zoning to accommodate ADUs and determine whether adequate water and sewer capacity was present to support the zoning change. The lobbying firm developed a solution to those localities in which a special district provides the water and sewer services. The Districts authorized a support if amended position on the bill if the bill was amended to include a sentence at the end of subparagraph (A) of paragraph (1) of subdivision (a) of Section 65852.2 of the Government Code to read:

"A local agency that does not provide water or sewer services shall consult with the local service provider regarding adequacy of service before designating an area where accessory dwelling units may be permitted."

The Districts understand the benefit zoning for accessory dwelling units (ADUs) may provide in the effort to ensure an adequate supply of affordable housing. In general, however, water pipelines, tanks, pump stations, pressure reducing stations and appurtenances have been sized to handle the demand on the system based on existing areas zoned to allow single-family or multifamily use. Water system capacity is based on peak hour demand, the maximum daily demand plus fire flow, and storage tank refill, if required. The addition of a significant number of ADUs within an existing residential area could result in water system pressure loss and jeopardize the ability to fight structure fires.

The bill was amended on August 12 to include the language requested by the Districts. By adding this sentence to the bill, AB 881 ensures that cities and counties that do not provide water and wastewater services will have practical information when making ADU zoning designations.

Governor Newsom signed AB 881 into law on October 9. (Chapter No. 659, Statutes of 2019)

Public utilities: wildfires and employee protection

The California Constitution establishes the Public Utilities Commission (CPUC or Commission) and authorizes the commission to exercise ratemaking and rulemaking authority over all public utilities under its jurisdiction, subject to control by the Legislature. The Public Utilities Act authorizes the commission to supervise and regulate every public utility and to do all things that are necessary and convenient in the exercise of such power and jurisdiction. The Public Utilities Act defines "public utility" to include every common carrier, toll bridge corporation, pipeline corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, sewer system corporation, and heat corporation, where the service is performed for, or the commodity is delivered to, the public or any portion thereof, and "water corporation" to include every corporation or person owning, controlling, operating, or managing any water system for compensation within this State.

AB 1054, by Assembly Member Chris Holden (D-Pasadena), which as introduce sought to add specific qualifications that must be possessed by the chief internal auditor of the California Public Utilities Commission (CPUC) was gutted and amended on June 27 to expand the CPUC's jurisdiction over publicly owned water utilities and water districts. More specifically, Section 5, subdivision (f) of the June 27 amended bill version authorized the Wildfire Safety Division, which will be established within the CPUC, to *“review, as necessary, in coordination with the California Wildfire Safety Advisory Board and necessary commission staff, safety requirements for infrastructure operated by telephone corporations, water corporations, local public owned water utilities, and water districts, and provide recommendations to the commission to address the dynamic risk of climate change to mitigate wildfire risk.”*

The Districts quickly voiced their opposition to the inclusion of publicly owned water utilities and water districts into subdivision (f) of Section 5 of the bill as the Districts do not support giving the CPUC oversight authority over their safety requirements. The Districts argued that under current law local agencies are overseen by a directly elected board of directors who are accountable to their local taxpayers and ratepayers. Local agencies are not regulated by CPUC and AB 1056 should not alter existing law regarding this fundamental separation between the regulation of water corporations and local agencies.

The Districts removed their opposition to the bill based on the July 5, 2019 amended version which deleted from the bill references to local publicly owned water utilities and water districts.

The bill needed a two-thirds vote to pass. AB 1054 passed the Senate on July 8 with a 31-7 vote, and the Assembly on a 63-10 vote on July 11. Governor Newsom signed AB 1054 into law on July 12. (Chapter No. 79, Statutes of 2019)

California Environmental, Public Health, and Workers Defense Act of 2019

Legislation that threatened water supply reliability for millions of Californians and jeopardized efforts to improve the environmental health of the Sacramento and San Joaquin River watersheds remained active in the final weeks of the legislative session.

SB 1, authored by Senate President pro Tem Toni Atkins (D-San Diego), sought to enact state law to codify not only federal statutes and regulations, but individual permit conditions and decade old biological opinions governing water project operations in the Sacramento-San Joaquin Delta. Opponents of the legislation, including Palmdale Water District, Puente Basin Water Agency, Rowland Water District, Valley County Water District, and Walnut Valley Water District, argued that SB 1, if enacted, would create chaos in California water management and could prevent the Newsom Administration from using the best available science to improve conditions for at-risk fish species in the Delta under the Porter-Cologne Water Quality Control Act, the California Endangered Species Act, and other state environmental laws.

The Districts were concerned about a provision in SB 1 that threatened progress to implement voluntary agreements to provide additional river flows and fund new habitat and ecosystem restoration efforts. The California Natural Resources Agency is leading the effort to negotiate voluntary agreements among water agencies, state and federal agencies, and environmental groups. The goal of these agreements is to improve habitat and flows for fish in the Delta while maintaining

water supply reliability for Southern California, the Bay Area, and Central Valley agriculture. The agreements are premised on using science to adaptively manage the watershed overtime, and require funds from the State Water Project and other water users to support the science and habitat activities. If successful, these agreements would be historic putting an end to conflict in the Delta and provide new funding and water to meet the watershed's environmental needs. The Districts joined other organizations and individual water districts across California in opposing SB 1 unless the provision of the bill was removed.

Despite opposition efforts, SB 1 cleared both houses of the legislature on the final night of the legislative session. The Districts and others asked the Governor to veto SB 1, and on September 27, Governor Newsom returned SB 1 to the Senate without his signature. In his veto message, the Governor stated:

"This bill would enact the California Environmental, Public Health, and Workers Defense Act of 2019 with the intent of ensuring that protections afforded under federal environmental and labor laws and regulations as of January 2017, could remain in place in the event of federal regulatory changes. California is a leader in the fight for resource, environmental, and worker protections. Since 2017, the federal government has repeatedly tried to override and invalidate those protections, and each time, the state has aggressively countered - taking immediate legal action and deploying every tool at the state's disposal to safeguard our natural resources, environmental protections and workers. No other state has fought harder to defeat Trump's environmental policies, and that will continue to be the case. While I disagree about the efficacy and necessity of Senate Bill 1, I look forward to working with the Legislature in our shared fight against the weakening of California's environmental and worker protections."

The Challenge that Lies Ahead

The nearly three-fourths majority held by the Democratic Party in the California Legislature has changed the political and policy dynamics in Sacramento. While it remains possible with a diligent effort to defeat contentious legislation, it falls to securing amendments more often than not to blunt the negative effects of legislation. Governor Newsom, a self-avowed progressive, demonstrated a willingness to push back against the Legislature on a number of bills this year, SB 1 being one such bill, and this provides some hope that common sense consideration and evaluation of the pros and cons of legislation may be expected in the Governor's office.

The Districts commit time and resources to policy engagement in Sacramento. Our firm believes the level of commitment is not only warranted, but essential to protecting the Districts, and their customers and taxpayers, against the whims of legislators and interest groups who believe in greater centralization of control over water supply and management. We will continue to work with State Water Contractors, Association of California Water Agencies and other state-level water resources organizations to amplify the interests and positions of the Districts. And, we will continue to coordinate our advocacy efforts in Sacramento with a complementary effort involving Districts' direct contact with their local members of the Legislature.