


DATE: July 17, 2017

TO: Transition Committee  
Gary R. Martin, Chair  
Bill Cooper, Vice Chair  
B.J. Atkins  
Jerry Gladbach  
Jacque McMillan

FROM: Valerie L. Pryor   
Assistant General Manager



A meeting of the Transition Committee is scheduled for **Monday, July 24, 2017 at 5:30 PM** in the Training Room at the Rio Vista Water Treatment Plant.

### MEETING AGENDA

1. Public Comment
2. Legislative Consultant Report
  - \* 2.1 Anchor Consulting Report
  - \* 2.2 California Advocates Report
  - 2.3 Poole & Shaffery Report
3. Affiliated Groups Report
4. Elected Officials Events
5. General Transition Issues
6. \* Committee Planning Calendar
7. Adjournment

- \* Indicates attachment
- ◆ Indicates to be distributed

cc: CLWA Board of Directors  
Joe Byrne

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Notice:

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning (661) 297-1600, or writing to Castaic Lake Water Agency at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that Agency staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the Agency to provide the requested accommodation.

Pursuant to Government Code Section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Castaic Lake Water Agency, located at 27234 Bouquet Canyon Road, Santa Clarita, California 91350, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Web site, accessible at <http://www.clwa.org>.

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# Memorandum

**To:** Matt Stone, Dirk Marks  
**CC:** Hunt Braly  
**From:** Harry Henderson  
**Date:** 7/14/2017  
**Re:** July 2017 Federal Legislative Review

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Following the July 4<sup>th</sup> recess, Congress has returned to Washington with a lengthy “to-do” list. Before the end of September, Congress must pass legislation to fund the Federal government, increase the government’s borrowing capacity, reauthorize the Federal Aviation Administration, and numerous others. While this is going on, issues such as tax reform, repeal and replacement of Obamacare, and infrastructure legislation also need to be considered. As if this was not enough, Congress continues to examine Obama Administration regulations and how to best curtail those efforts.

With only 13 legislative days to accomplish most of the legislative list above, Congress is also dealing with a highly politically charged environment with challenges ranging from Russian interference of the 2016 elections to the Paris accords. With each news story and issue that surfaces, keeping “on-time” has proven nearly impossible. Add into this mix the problems that President Trump’s Administration has in getting key political appointments approved and a recipe for a “perfect storm” exists.

We would again caution against panic especially under the circumstances we currently operate within. While it is difficult to put together long-term strategies in such an environment, we are seeing progress on certain legislative items. We fully expect delays to continue, but we are executing strategies beneficial to the water agency. We ask for your continued patience during



these extraordinary times. We continue to work with Matt Stone and Dirk Marks on our agenda and on issues of impact and importance to the Agency.

Allow us to give you a brief outline of where things stand:

## **1. Meetings**

Anchor continues to work with key officials in Washington on the Agency's agenda. We have met with Representative Knight's office as well as both Senators for California. We continue to promote legislation on perchlorate contamination relief as well as efforts associated with reclaimed/recycled water programs.

## **2. Budget and Appropriations**

Congress has until the end of September to pass legislation funding the Federal government for the coming Fiscal Year. By mid-April, Congress was to have passed a Federal budget outline establishing top-line figures for each Department and Agency. As we have stated in the past, the difference between the Appropriations legislation and the Federal budget is akin to the difference between your personal checkbook and the budget spreadsheet you have for your finances. One actually funds the government, the other is a plan.

The House of Representatives has struggled to get a budget completed. The debate between fiscal conservative members who want to see deep Federal spending cuts and "defense-hawkish" members who want to see larger increases in Defense and security spending has failed to reach a compromise. Further complicating this fight is a discussion over a so-called "border adjustment" tax to increase revenue for the Federal government on imports.

The United States Senate has failed to consider a Federal budget to date and no Committee hearings are scheduled on this subject. It should be noted that without a Federal budget plan in place, tax reform cannot proceed.

In the absence of a Federal budget, the House Appropriations Committee in mid-May took the step of establishing top line figures for each Department based on FY2017 Appropriations Act numbers. This step allowed the House to begin the process of marking up individual FY2018 Appropriations Act legislation. As of the date of this report on the morning of July 12, 2017, the House Appropriations Committee has marked up three measures (Defense, Military Construction/Veterans, and Legislative Branch). However, the House is expected this week to mark up an additional seven measures. This will leave only the Transportation/HUD Appropriations Act to be considered by the Committee. The full House of Representatives is scheduled to start consideration of the first of the Appropriations Acts next week.

The Senate has yet to consider any Appropriations Act in Committee or the full Senate.

Of particular interest to us are the water provisions within the House Energy and Water Appropriations Act, the Interior Appropriations Act, and – to a lesser degree – the Agriculture Appropriations Act. Attached, you will find a brief breakdown of each of these legislative measures per the House Appropriations Committee.

While the House seems to be moving forward at a brisk pace, it is also obvious that Congress will fail to meet the end of September deadline. As such, as has been the case from most recent years, Congress is expected to pass a “stop-gap” funding measure to fund the Federal government through the end of the calendar year. It is expected that Congress will complete their Appropriations efforts during the December extended session.

### **3. Schedule**

With Congress badly behind schedule, a growing refrain from Members and interested parties has been to cancel the scheduled four-week August recess for Congress to complete their work schedule and get closer to back on track.

The United States Senate is particularly impacted by the schedule. The Senate has been bogged down over the repeal and replacement of Obamacare and has little to show for the now six-weeks they have spent on the topic. In response, on July 11, Senate Majority Leader Mitch McConnell indicated that he was cancelling the first two weeks of the August recess. He stated that the goals of the August session are: 1. Repeal and replace Obamacare; 2. Pass a debt ceiling increase; 3. Pass a Defense Authorization Act; and 4.



Pass a medical device fee reduction legislation. It should be noted that the Senate would also have time to consider and approve certain nominees by President Trump for key positions.

While there has been pressure on the House to follow the Senate's lead on this subject, the House is in a much different position than the Senate. The House has already passed their version of a repeal and replacement of Obamacare, they will pass a Defense Authorization Act this week, and the Medical device fee matter has been addressed in previous legislation by the House. The House leadership has indicated that they would take up a debt ceiling matter in early September. Furthermore, the House is not under pressure to consider Federal appointments to political positions. Finally, the House has made significant progress on the Federal funding front.

As such, the House is unlikely to change its position on cancelling the August recess. We will keep the Agency updated on this matter.

#### **4. Miscellaneous Legislative and Regulatory Matters**

There are several additional legislative and regulatory matters we continue to follow for the Agency. Specifically:

- *CEMEX*. As of the date of the memorandum, no further activity has occurred on the CEMEX legislation introduced by Representative Knight.
- *Waters of the United States Rule*. On June 27, the EPA and Army Corps of Engineers announced a proposed rule to rescind the Clean Water Rule and reestablish the existing definition of "waters of the United States". This rule attempts to comply with the US Circuit Court's stay of the rule. However, there are still legal challenges in place for the 2015 proposed rule that the Court has failed to dismiss. Finally, we expect a slew of new legal challenges to this proposed rule.
- *H.R. 23, The Gaining Responsibility on Water Act 2017*. During the week of July 11, the House is expected to consider this legislation. We have included the press release on this topic and will be happy to provide additional details if interested.
- *Tax Reform*. We have moved tax reform to this area to note that we are monitoring this aspect closely. Anchor continues to be in close discussion with



Dirk Marks and Matt Stone on this subject as there are issues of impact to the Agency.

- *Perchlorate Legislation.* On April 24, Representative Steve Knight introduced H.R. 2116, the Perchlorate Reclamation and Water Replenishment Act. This legislation would establish a grant process within the Bureau of Reclamation for small communities (less than 350,000 customers) who have either received previous authorization and/or funding associated with perchlorate contamination.



News Releases from Headquarters Water (OW)

## **EPA, U.S. Army Move to Rescind 2015 "Waters of the U.S."**

06/27/2017

Contact Information:

([press@epa.gov](mailto:press@epa.gov))

**WASHINGTON** – (June 27, 2017) The Environmental Protection Agency, Department of Army, and Army Corps of Engineers (the agencies) are proposing a rule to rescind the Clean Water Rule and re-codify the regulatory text that existed prior to 2015 defining "waters of the United States" or WOTUS. This action would, when finalized, provide certainty in the interim, pending a second rulemaking in which the agencies will engage in a substantive re-evaluation of the definition of "waters of the United States." The proposed rule would be implemented in accordance with Supreme Court decisions, agency guidance, and longstanding practice.

**"We are taking significant action to return power to the states and provide regulatory certainty to our nation's farmers and businesses,"** said Administrator Scott Pruitt. **"This is the first step in the two-step process to redefine 'waters of the U.S.' and we are committed to moving through this re-evaluation to quickly provide regulatory certainty, in a way that is thoughtful, transparent and collaborative with other agencies and the public."**

This proposed rule follows the February 28, 2017, Presidential Executive Order on "Restoring the Rule of Law, Federalism, and Economic Growth by Reviewing the 'Waters of the United States' Rule." The February Order states that it is in the national interest to ensure that the Nation's navigable waters are kept free from pollution, while at the same time promoting economic growth, minimizing regulatory uncertainty, and showing due regard for the roles of Congress and the States under the Constitution. To meet these objectives, the agencies intend to follow an expeditious, two-step process that will provide certainty across the country.

The proposed rule would recodify the identical regulatory text that was in place prior to the 2015 Clean Water Rule and that is currently in place as a result of the U.S. Court of Appeals for the Sixth Circuit's stay of the 2015 rule. Therefore, this action, when final, will not change current practice with respect to how the definition applies.

The agencies have also begun deliberations and outreach on the second step rulemaking involving a re-evaluation and revision of the definition of "waters of the United States" in accordance with the Executive Order.





"The Army, together with the Corps of Engineers, is committed to working closely with and supporting the EPA on these rulemakings. As we go through the rulemaking process, we will continue to make the implementation of the Clean Water Act Section 404 regulatory program as transparent as possible for the regulated public, " said Mr. Douglas Lamont, senior official performing the duties of the Assistant Secretary of the Army for Civil Works.



### ***Valadao Introduces Legislation to Improve Western Water Reliability***

WASHINGTON, D.C. – Today, Tuesday, January 3, 2017, the first day of the 115th Congress, Congressman David G. Valadao (CA-21) introduced legislation in the U.S. House of Representatives to modernize water policies throughout the entire Western United States, including in the State of California.

Agriculture drives the American economy and is the backbone of California's economy, a \$35 billion industry that produces over 400 commodities and accounts for over a half of our nation's fruits and vegetables. The Central Valley is the agriculture powerhouse of the State, yet, securing a reliable water supply continues to be one of the greatest challenges facing the Valley. In addition to cutbacks to farmers, reductions to municipalities, and the threat of heavy fines for groundwater use, California's Central Valley has been hit especially hard by the lack of rainfall and burdensome federal regulations that limit water deliveries to the Central Valley.

In an effort to provide struggling communities the water they desperately need, Congressman Valadao introduced H.R. 23, the *Gaining Responsibility on Water Act*, also known as the *GROW Act*, which works to make more water available to families, farmers, and entire communities in California and bordering Western states.

The legislation provides relief to California families, farmers, and communities by restoring water deliveries that have been drastically reduced over the last two decades as a result of various environmental lawsuits and illogical state and federal regulations. Rep. Valadao's legislation requires regulators to comply with the bipartisan Bay-Delta Accord, which is consistent with the requirements of the Endangered Species Act. Furthermore, the bill will cut red tape holding back major water storage projects that have been authorized for over a decade, which will aid the entire Western United States during dry years.

Congressman Valadao stated, **"This Western drought has had devastating consequences on my constituents in California's Central Valley; our economy is stagnant and parents are struggling to provide for their children. Now, the entire country feels the consequences of this drought."** He continued, **"While we were able to implement temporary provisions in the 114th Congress, a complete and long term agreement is still needed. My bill, the GROW Act will enact policies to expand our water infrastructure and allow for more water conveyance while protecting the water rights of users across the state."**

Original cosponsors of the legislation include Reps. Ken Calvert (CA-42), Paul Cook (CA-08), Duncan Hunter (CA-50), Darrell E. Issa (CA-49), Stephen Knight (CA-25), Doug LaMalfa (CA-01), Kevin McCarthy (CA-23), Tom McClintock (CA-04), Devin Nunes (CA-22), Dana Rohrabacher (CA-48), Edward R. Royce (CA-39), Mimi Walters (CA-45).



The full text of H.R. 23, the *GROW Act* can be found [here](#).

During the 114th Congress, Congressman Valadao introduced H.R. 2989, the *Western Water and American Food Security Act* as well as H.R. 2749, the *Dams Accountability Maintenance and Safety Act*, both aimed at improving water supply to the Central Valley.

*Congressman David G. Valadao represents the 21<sup>st</sup> Congressional District, which includes Kings County and portions of Fresno, Tulare, and Kern Counties.*



## **Appropriations Committee Releases Fiscal Year 2018 Interior and Environment Bill**

*Bill will rein in burdensome regulations, make investments in the nation's natural resources, help fight damaging wildfires, and support Native communities*

The House Appropriations Committee today released the fiscal year 2018 Interior and Environment Appropriations bill, which will be considered in subcommittee tomorrow. The legislation includes funding for the Department of the Interior, the Environmental Protection Agency (EPA), the Forest Service, the Indian Health Service, and various independent and related agencies.

In total, the bill provides \$31.4 billion, \$824 million below the fiscal year 2017 enacted level and \$4.3 billion above the President's budget request. These funds are targeted to important investments in the nation's natural resources, including \$3.4 billion for the Department of the Interior and U.S. Forest Service to prevent and combat devastating wildfires. The legislation also contains several policy provisions to rein in harmful and unnecessary regulations at the EPA and other agencies.

"This legislation responsibly supports the agencies and offices we rely on to preserve our natural resources for future generations, and prioritizes our limited funding to programs that protect environmental safety, such as the Chemical Safety Board. Further, the Committee's vigorous oversight has identified opportunities to rein in the federal bureaucracy and to stop many harmful and unnecessary regulations that destroy economic opportunity and hinder job creation," House Appropriations Chairman Rodney Frelinghuysen said.

"The agencies funded in the Interior and Environment Appropriations bill do important work protecting public lands, the air we breathe, and the water we drink. Our subcommittee prioritized proven programs that have a meaningful impact to achieve these goals while also ensuring our economy can continue to grow. I'm particularly pleased that we were able to provide significant funding for our increasingly popular National Parks and the Clean Diesel program, and ensure the development of the USGS earthquake early warning system can continue," Interior Subcommittee Chairman Ken Calvert said.



### **Highlights:**

**Wildland Firefighting and Prevention** – In total, the bill funds wildland firefighting and prevention programs at \$3.4 billion – fully funding the 10-year average for wildland fire suppression costs for both the Department of the Interior and the Forest Service. This is \$334 million below the fiscal year 2017 level. Most of this reduction is the result of the transfer of the Forest Service’s hazardous fuels reduction program to its National Forest System, as requested by the Administration. The legislation also includes \$575 million for hazardous fuels management, which is \$5 million above the fiscal year 2017 level.

**Federal Payments to Local Communities** – The bill provides \$465 million for the “Payments In Lieu of Taxes” (PILT) program. PILT provides funds for local governments in 49 states to help offset losses in property taxes due to nontaxable federal lands within their counties. Without congressional action, many rural communities would face huge budget shortfalls impacting public safety, education, and other local government responsibilities.

**Environmental Protection Agency (EPA)** – The bill funds the EPA at \$7.5 billion, a reduction of \$528 million below the fiscal year 2017 enacted level and \$1.9 billion above the Administration’s request.

The legislation supports the President’s proposal to reshape the agency’s workforce by providing resources requested to offer buyouts and voluntary separation agreements to employees.

This bill also reflects the Administration’s goal to rein in outdated, unnecessary and potentially harmful regulations at the EPA. For example, it includes language authorizing the Administrator of the Environmental Protection Agency and the Secretary of the Army to withdraw the Waters of the United States rule.

**Bureau of Land Management (BLM)** –The bill contains \$1.2 billion for the BLM, a decrease of \$46 million below the fiscal year 2017 enacted level, including a \$20 million decrease for federal land acquisition.

The bill provides \$68.9 million, which is equal to the fiscal year 2017 level, for on-the-ground sage grouse conservation to protect the species and to preserve federal lands for public and private uses, such as energy development, ranching, recreation, and military training.



**National Park Service (NPS)** – The legislation contains \$2.9 billion for the NPS, a decrease of \$64 million below the fiscal year 2017 level. Much of the reduction is in land acquisition activities. Within the total, the bill retains \$55 million targeted to park operations and maintenance to help reduce the deferred maintenance backlog.

**U.S. Forest Service** – The bill includes \$5.2 billion for the Forest Service. Approximately half of this funding – \$2.5 billion – is targeted to wildland fire prevention and suppression. The bill also includes a provision prohibiting the Forest Service or BLM from issuing new closures of public lands to hunting and recreational shooting, except in the case of public safety.

**U.S. Fish and Wildlife Service (FWS)** – The FWS is funded at \$1.5 billion in the bill, a \$38 million decrease below the fiscal year 2017 enacted level. Core responsibilities and grant programs are level funded. The legislation prioritizes funding to reduce the endangered species delisting backlog and refuge maintenance backlog, to fight invasive species, to prevent illegal wildlife trafficking, and to prevent the closure of fish hatcheries.

The bill also continues a one-year delay on any further Endangered Species Act status reviews, determinations, and rulemakings for greater sage-grouse.

**U.S. Geological Survey (USGS)** – The bill includes \$1 billion for the USGS, \$46 million below the fiscal year 2017 enacted level. Funding is targeted to programs dealing with natural hazards, streamgages, the groundwater monitoring network, and mapping activities. The bill includes \$10.2 million for an earthquake early warning system to help save lives during natural disasters, and provides the \$8.3 million increase necessary for support of “Landsat 9” – a satellite program that provides land use measurements that are important to local communities for agriculture, forestry, energy and water resource decisions.

**Land and Water Conservation Fund (LWCF)** – The bill provides \$275 million for LWCF programs – \$125 million below the current level but \$211 million above the President’s request. State and local recreation and battlefield preservation programs are prioritized, while strategic investments in federal land acquisition are recommended.

**For the subcommittee draft text of the legislation, please visit:**

<http://docs.house.gov/meetings/AP/AP06/20170712/106242/BILLS-115HR-SC-AP-FY2018-Interior-FY2018InteriorAppropriationsBill-SubcommitteeDraft.pdf>



## **Appropriations Committee Releases Fiscal Year 2018 Energy and Water Appropriations Bill**

*Increasing national security, safeguarding U.S. nuclear weapons, and maintaining critical infrastructure are funding priorities*

The House Appropriations Committee today released the fiscal year 2018 Energy and Water Development, and Related Agencies Appropriations bill, which will be considered in subcommittee tomorrow. The legislation provides annual funding for national defense nuclear weapons activities, the Army Corps of Engineers, various programs under the Department of Energy (DOE), and other related agencies.

The bill totals \$37.56 billion – \$209 million below the fiscal year 2017 enacted level and \$3.65 billion above the President’s budget request. Funding is targeted toward national security efforts – including nuclear weapons activities – and energy and water infrastructure investments.

“National security is our number-one priority, and this bill will fund essential programs that maintain our nuclear deterrence posture in the face of growing global threats – including North Korea and other countries that are testing the tolerance of the international community,” House Appropriations Committee Chairman Rodney Frelinghuysen said. “Further, this legislation will make important investments in our energy development and water infrastructure to keep our economy growing and to continue the country’s lead in essential energy technology and innovation.”

Energy and Water Subcommittee Chairman Mike Simpson also commented on the importance of the bill:

“This bill prioritizes fulfilling our national security needs and maintaining critical investments to support American competitiveness within tight budget caps,” said Subcommittee Chairman Mike Simpson. “It strikes a responsible balance between the modernization and safety of our nuclear weapons, advancing our national infrastructure, and strategic investments in basic science and energy R&D.”

### **A summary of the subcommittee draft of the fiscal year 2018 Energy and Water Appropriations bill follows:**

The bill totals \$37.56 billion – \$209 million below the fiscal year 2017 enacted level and \$3.65 billion above the President’s budget request.



The bill provides strong national security investments, including increases above fiscal year 2017 for nuclear weapons programs. The bill also protects funding for critical national and regional waterways – which handle commerce valued at more than \$2 trillion annually – through the Army Corps of Engineers, and programs that encourage energy independence and economic competitiveness.

**Army Corps of Engineers** – The Army Corps of Engineers is funded at \$6.16 billion, an increase of \$120 million above the fiscal year 2017 enacted level and \$1.16 billion above the President’s budget request. The bill focuses funding on activities that will have an immediate impact on public safety, job creation, and economic growth, including those that help increase the functionality of our ports and waterways. For example, the bill provides:

- \$2.8 billion for navigation projects and studies, including \$1.34 billion in funding from the Harbor Maintenance Trust Fund and full use of estimated annual revenues from the Inland Waterways Trust Fund, to help advance American competitiveness and export ability; and
- \$1.8 billion to support public health and safety by funding flood and storm damage reduction activities, an increase of \$74 million above fiscal year 2017 and \$424 million above the budget request.

**Environmental Cleanup** – Included in the legislation is \$6.4 billion for environmental management activities, \$24.6 million below the fiscal year 2017 enacted level. This includes \$5.4 billion for Defense Environmental Cleanup, the same as fiscal year 2017, to safely clean sites contaminated by previous nuclear weapons production.

**Energy Programs** – Funding for energy programs within DOE is \$9.6 billion – a decrease of \$1.7 billion below the fiscal year 2017 enacted level and \$2.3 billion above the President's request. Within this total, the bill prioritizes early-stage research and development funding for the applied energy programs. Funding within the accounts is targeted to encourage U.S. economic competitiveness and help advance the nation’s goal of an “all-of-the-above” solution to energy independence.

Research and development to advance coal, natural gas, oil, and other fossil energy technologies, which will help the country make greater use of our rich natural energy resources and help keep down energy costs, are funded at \$635 million – a decrease of \$33 million below the fiscal year 2017 enacted level and \$355 million above the budget request.





In addition, to promote innovation and growth in nuclear energy, research, development, and demonstration activities are funded at \$969 million – \$48 million below the fiscal year 2017 enacted level and \$266 million above the request.

Renewable energy programs, which have already received significant investments in recent years, are cut by \$986 million compared to fiscal year 2017 and increased by \$468 million compared to the President’s budget request.

**Science Research** – The bill includes \$5.4 billion for science research – the same as the fiscal year 2017 enacted level. This funding supports basic energy research, the development of high-performance computing systems, and research into the next generation of energy sources. These investments lay the groundwork for a more secure energy future, helping to reduce the nation’s dependence on foreign oil and ensuring continued economic growth.

**Bureau of Reclamation** – The legislation contains \$1.24 billion – \$79 million below the fiscal year 2017 enacted level and \$132 million above the President’s request – for the Department of the Interior and the Bureau of Reclamation to help manage, develop, and protect the water resources of Western states. The bill includes \$83 million for the second year of funding for water storage, desalination, and water recycling and reuse projects authorized in the WIIN Act.

**Other policy items:**

- The bill includes language authorizing the Administrator of the Environmental Protection Agency and the Secretary of the Army to withdraw the Waters of the United States rule.
- The bill restricts the application of the Clean Water Act in certain agricultural areas, including farm ponds and irrigation ditches.
- The bill includes language – as in previous years – allowing the possession of firearms on Corps of Engineers lands.
- The bill includes language prohibiting new nuclear nonproliferation projects in Russia without certain notifications from the Secretary of Energy.

**For the complete text of the subcommittee draft of the FY 2018 Energy and Water Appropriations bill, [please click here](#).**



## **Appropriations Committee Releases the Fiscal Year 2018 Agriculture Appropriations Bill**

*Legislation prioritizes programs for rural communities, farmers, and ranchers, food and drug safety, and nutrition for those in need*

The House Appropriations Committee today released the fiscal year 2018 Agriculture Appropriations bill, which will be considered in subcommittee tomorrow. The legislation funds important agricultural and food programs and services, including food and medical product safety, animal and plant health programs, rural development and farm services, agricultural trade, financial marketplace oversight, and nutrition programs.

The bill totals \$20 billion in discretionary funding, which is \$876 million lower than the fiscal year 2017 enacted level and \$4.64 billion above the President's budget request. The legislation prioritizes this funding in programs for rural communities, farmers, ranchers, food and drug safety, and nutrition for those in need. In addition, the bill contains several policy provisions to rein in unnecessary and burdensome regulations that harm U.S. food producers and that impede growth in important U.S. industries.

"The safety and accessibility of our nation's food and drug supply is of utmost importance to our economy, our quality of life, and – given the great benefit of producing necessities here at home – our national security," House Appropriations Chairman Rodney Frelinghuysen said. "This bill prioritizes funding on federal programs that support these critical industries and the farmers, ranchers, medical professionals, and many others that form the backbone of our food and drug supply – which is the best in the world."

"This Appropriations bill reflects the will of our Members. I invited colleagues last week to let me know their priorities for the Agriculture, FDA and other titles in the bill. I am grateful that a number of people came forward to let us help with issues important to farmers, ranchers and the people who make rural America the heartland of America. I am pleased to say that we were able to accommodate these Member requests within the bill and look forward to moving a conservative bill through the legislative process."

-VIA ELECTRONIC MAIL-

July 13, 2017

MEMORANDUM

TO: Matt Stone, Dirk Marks, Castaic Lake Water Agency

FROM: Dennis K. Albiani, California Advocates, Inc.

SUBJECT: CLWA Transition Committee

July 14<sup>th</sup> is the last day for fiscal bills to move out of the second house policy committee. July 21<sup>st</sup> is the last day for non fiscal bills to move out of committee and is also the first day of the legislative summer break. They return on August 21<sup>st</sup> and will work until the September 15<sup>th</sup> deadline.

**Making Water Conservation a Way of Life Legislation**

All of the long term conservation bills, (conservation as a way of life) AB 1667, AB 1668, AB 1654 and AB 1323 were the subject of a special order of business in Senate NR&W July 11.

All (except AB 1667) the bills were stripped of substantive provisions and passed out of committee to Appropriations to be used at a later date for the long term conservation issue if consensus can be reached.

AB 1667 was held in Committee. While negotiations with the ag industry had resulted in a compromise bill, the author put the Governor's original language and all the urban conservation language in the bill prior to committee. It resulted in the bill being held.

Any of the other three could be used for long term conservation including the possible use of a budget trailer bill. It is expected that each of the remaining 3 bills will move out of Appropriations for possible use as a water conservation vehicle at a future date. It is likely that significant negotiations will probably begin sometime during Summer break (begins on COB, July 21 and runs until Aug. 21). Most of the provisions would affect retailers not wholesalers (except some reporting requirements).

**Bill with Water Use Fee Raises Concerns**

Water quality, especially in economically disadvantaged communities has been a significant issue for several years, exaggerated by the recent drought. As you may know the state has identified nitrate contamination in groundwater as a specific priority issue. For many districts other issues such as perchlorate, arsenic, chrome 6 and other pollutants. The biggest issue for retail water users is compliance with contaminant levels. SB 623 (Monning) is intended to

provide funding to address all water quality issues. It is currently a vehicle for a few specific issues including:

- Funding for water quality clean up, providing funds for operations and maintenance of facilities required to provide replacement water, and groundwater clean up.
- They are discussing a general water fee and specific fees on entities such as ag.
- Liability protection for nitrate users in ag.

The draft proposal includes a retail water fee to raise \$110 million to address water quality issues. There would be a second fee on ag to raise \$30 million more dollars. Details have not been released but a standardized fee is the most pressing option.

## **Bills Move Through Second House Committees**

Last week there were several key bills heard by committees in each legislative chamber. All bills must be passed out of the second house policy Committees before July 14th. Below is a summary of some key bills and outcomes.

SB 49 (Kevin De Leon and Henry Stern) is an expansive environmental measure that is being touted no “backsliding” on federal environmental laws. The bill would require California to enforce the federal Clean Air Act, Clean Water Act, Endangered Species Act (ESA) and other similar environmental laws and their implementing regulations and policies as were in place on January 1, 2016 or January 1, 2017, whichever version is the most stringent. Additionally, the bill would create a private right of action in state law for citizen enforcement of the Clean Air Act, Clean Water Act, and ESA if the citizen suit provisions are removed from these federal laws. SB 49 would also add all species native to California that are listed under the federal ESA to the list of species protected by the California Endangered Species Act. The Senate approved on a 24-13. The bill has been triple referred to committees in the Assembly. It passed the Assembly Environmental Safety and Toxics Committee last week and passed out of the Judiciary Committee and Natural Resources Committees this week.

AB 313 (Adam Gray) would establish a division of water rights within the Office of Administrative Hearings (OAH). Complaints against persons violating provisions of their water diversions would be heard by an administrative law judge in OAH, however decisions would not be final until accepted by the executive director of the State Water Resources Control Board. The Senate Natural Resources and Water Committee on a 5-4 votes and passed out of the Senate Judiciary Committee on a 4-1 vote.

SB 252 (Bill Dodd) would require new water well permit applicants in critically over drafted groundwater basins to provide their application information to neighbors. It would require cities and counties overlying critically over drafted basins to publicly notice new well permit applications and require these cities and counties to make specific new well permit information available to groundwater sustainability agencies. Senator Dodd took significant amendments this week in committee and the bill passed out.

**TRANSITION COMMITTEE PLANNING CALENDAR  
FISCAL YEAR 2017/18**

**JULY 2017**

COMMITTEE (July 24)

1. Legislative Consultant Report
  - 1.1 Anchor Consulting Report
  - 1.2 California Advocates Report
  - 1.3 Poole & Shaffery Report
2. Affiliated Groups Report
3. Elected Official Events
4. General Transition Issues
5. Committee Planning Calendar

BOARD (July 26)

**AUGUST 2017**

BOARD (1<sup>st</sup> meeting, August 9)

COMMITTEE (August 21)

1. Legislative Consultant Report
  - 1.1 Anchor Consulting Report
  - 1.2 California Advocates Report
  - 1.3 Poole & Shaffery Report
2. Affiliated Groups Report
3. Elected Official Events
4. General Transition Issues
5. Committee Planning Calendar

BOARD (2nd meeting, August 23)

**SEPTEMBER 2017**

COMMITTEE (September 25)

1. Legislative Consultant Report
  - 1.1 Anchor Consulting Report
  - 1.2 California Advocates Report
  - 1.3 Poole & Shaffery Report
2. Affiliated Groups Report
3. Elected Official Events
4. General Transition Issues
5. Committee Planning Calendar

BOARD (September 27)

**TRANSITION COMMITTEE PLANNING CALENDAR  
FISCAL YEAR 2017/18**

**OCTOBER 2017**

BOARD (1<sup>st</sup> meeting, October 11)

COMMITTEE (October 23)

1. Legislative Consultant Report
  - 1.1 Anchor Consulting Report
  - 1.2 California Advocates Report
  - 1.3 Poole & Shaffery Report
2. Affiliated Groups Report
3. Elected Official Events
4. General Transition Issues
5. Committee Planning Calendar

BOARD (2<sup>nd</sup> meeting, October 25)

**NOVEMBER 2017**

SPECIAL COMMITTEE (November 13)

1. Legislative Consultant Report
  - 1.1 Anchor Consulting Report
  - 1.2 California Advocates Report
  - 1.3 Poole & Shaffery Report
2. Affiliated Groups Report
3. Elected Official Events
4. Recommend Approval of 2018 Legislative Policy Guidelines
5. General Transition Issues
6. Committee Planning Calendar

BOARD (November 20)

1. Approve 2018 Legislative Policy Guidelines

**DECEMBER 2017**

SPECIAL COMMITTEE (December 26)

1. Legislative Consultant Report
  - 1.1 Anchor Consulting Report
  - 1.2 California Advocates Report
  - 1.3 Poole & Shaffery Report
2. Affiliated Groups Report
3. Elected Official Events
4. General Transition Issues
5. Committee Planning Calendar

BOARD (December 27)

**TRANSITION COMMITTEE PLANNING CALENDAR  
FISCAL YEAR 2017/18**

**JANUARY 2018**

COMMITTEE (January 22)

1. Legislative Consultant Report
  - 1.1 Anchor Consulting Report
  - 1.2 California Advocates Report
  - 1.3 Poole & Shaffery Report
2. Affiliated Groups Report
3. Elected Official Events
4. General Transition Issues
5. Committee Planning Calendar

BOARD (January 24)

**FEBRUARY 2018**

BOARD (1<sup>st</sup> meeting, February 14)

COMMITTEE (February 26)

1. Legislative Consultant Report
  - 1.1 Anchor Consulting Report
  - 1.2 California Advocates Report
  - 1.3 Poole & Shaffery Report
2. Affiliated Groups Report
3. Elected Official Events
4. General Transition Issues
5. Committee Planning Calendar

BOARD (2nd meeting, February 28)

**MARCH 2018**

BOARD (1<sup>st</sup> meeting, March 14)

COMMITTEE (March 26)

1. Legislative Consultant Report
  - 1.1 Anchor Consulting Report
  - 1.2 California Advocates Report
  - 1.3 Poole & Shaffery Report
2. Affiliated Groups Report
3. Elected Official Events
4. General Transition Issues
5. Committee Planning Calendar

BOARD (2<sup>nd</sup> meeting, March 28)

**TRANSITION COMMITTEE PLANNING CALENDAR  
FISCAL YEAR 2017/18**

**APRIL 2018**

BOARD (1<sup>st</sup> meeting, April 11)

COMMITTEE (April 23)

1. Legislative Consultant Report
  - 1.1 Anchor Consulting Report
  - 1.2 California Advocates Report
  - 1.3 Poole & Shaffery Report
2. Affiliated Groups Report
3. Elected Official Events
4. General Transition Issues
5. Committee Planning Calendar

BOARD (2<sup>nd</sup> meeting, April 25)

**MAY 2018**

COMMITTEE (May 21)

1. Legislative Consultant Report
  - 1.1 Anchor Consulting Report
  - 1.2 California Advocates Report
  - 1.3 Poole & Shaffery Report
2. Affiliated Groups Report
3. Elected Official Events
4. General Transition Issues
5. Committee Planning Calendar

BOARD (2<sup>nd</sup> meeting, May 23)

**JUNE 2018**

BOARD (1<sup>st</sup> meeting, June 13)

COMMITTEE (June 25)

1. Legislative Consultant Report
  - 1.1 Anchor Consulting Report
  - 1.2 California Advocates Report
  - 1.3 Poole & Shaffery Report
2. Affiliated Groups Report
3. Elected Official Events
4. General Transition Issues
5. Committee Planning Calendar

BOARD (2<sup>nd</sup> meeting, June 27)