



**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
LA PUENTE VALLEY COUNTY WATER DISTRICT**

A regular meeting of the Board of Directors of the La Puente Valley County Water District was held on Monday, July 10, 2017, at 5:30 at the District office, 112 N. First St., La Puente, California.

Meeting called to order:

President Hastings called the meeting to order at 5:30 pm.

Pledge of Allegiance

President Hastings led the meeting in the Pledge of Allegiance.

Directors present:

David Hastings, President; William Rojas, Vice President; Charles Aguirre, Director; John Escalera, Director and Henry Hernandez, Director

Staff present:

Greg Galindo, General Manager; Rosa Ruehlman, Board Secretary and Roland Trinh, District Counsel.

Others Present:

No members of the public present.

Adoption of Agenda:

President Hastings asked for the approval of the agenda.

Motion by Director Aguirre, seconded by Director Hernandez, that the agenda be adopted as presented.

Motion approved by the following vote:

Ayes: Hastings, Rojas, Aguirre, Escalera and Hernandez.

Nays: None.

Consent Calendar:

President Hastings asked for the approval of the Consent Calendar.

A. Approval of the Minutes of the Regular Meeting of the Board of Directors held on June 24, 2017.

B. Approval of District Expenses for the Month of June 2017.

C. Approval of City of Industry Waterworks System Expenses for the Month of June 2017.

D. Receive and File the District's Water Sales Report for June 2017.

E. Receive and File the City of Industry Waterworks System's Water Sales Report for June 2017.

F. Receive and File the Report on Director Expense for the Second Quarter of 2017.

Motion by Vice President Rojas, seconded by Director Hernandez, to approve the consent calendar as presented.

Motion approved by the following vote:

Ayes: Hastings, Rojas, Aguirre, Escalera and Hernandez.

Nays: None.

Action/Discussion Items:

- A. Update on Current Legislation. (See attachment)**
- Mr. Galindo shared that the District is a member of the San Gabriel Valley Water Association, Public Water Agency Group (PWAG) and Association of California Water Agencies (ACWA). These organizations provide lobbying efforts on items of interest to the District. He stated that PWAG's attorney, Jim Ciampa with Lagerlof, Senecal, Gosney & Kruse reviews all pending legislation and puts together a thorough summary by subject matter for the PWAG members and provides a legislative analysis. He stated that he slightly modified this summary to present current legislation that may have impact on the District.
 - Mr. Galindo provided an overview of the legislative bills and highlighted a few bills that may have significant impact to the District.

After further discussion, staff will keep the Board updated on the status of the Bills that are being considered this year. Staff will provide a copy of the summary to the Directors via email for their reference.

Discussion only, no action required.

- B. Update on the PVOU Intermediate Zone Project.**
- Mr. Galindo reported that the Ad hoc Committee met to review a revised version of the Operations and Management Agreement for the treatment plant and to discuss terms for the Water Delivery Agreement.
 - Mr. Galindo reported that Northrop has agreed for Suburban Water Systems to receive the water from the PVOU IZ plant. Northrop asked Staff to provide them some terms for the Water Delivery Agreement on how the water would be delivered to Suburban.
 - Mr. Galindo provided an overview of the draft terms of the Water Delivery Agreement.
 - Mr. Galindo reported that the Organization Assessment Ad hoc Committee will be meeting this Wednesday at 4:00 pm and Staff will present a proposed reorganizational structure for staffing.

Discussion only, no action required.

General Manager's Report:

Mr. Galindo presented his report:

- Mr. Galindo provided a memorandum of the activities he and Staff worked on in the month of May and June 2017.

Motion by President Hastings, seconded by Vice President Rojas, to receive and file the General Manager's Report as presented.

Motion approved by the following vote:

Ayes: Hastings, Rojas, Aguirre, Escalera and Hernandez.

Nays: None.

Information Items:

- A. Upcoming Events.**
- Mrs. Ruehlman presented an update on the upcoming events.
 - Mrs. Ruehlman informed the Board that registration is now open for SmartWater Innovations. Vice President Rojas, Director Escalera and President Hastings stated they will attend the SmartWater Innovations on October 4-6th in Las Vegas, NV.
 - President Hastings, Vice President Rojas and Director Escalera stated they will attend the San Gabriel Valley Water Association Quarterly Breakfast on August 9, 2017.
 - Mrs. Ruehlman stated the Form 470 short form have been completed and submitted and has provided the Directors a copy for their files.

- B. Correspondence to the Board of Directors**

- Mrs. Ruehlman shared an upcoming event, the U.S. Congresswoman Grace Napolitano's 2017 Water Forum. She will proceed and reserve four spots for the event. This will be added on the next agenda to approve attendance for this event at the next Board meeting.

Attorney comments:

Mr. Trinh shared with the Board that Mr. Galindo has done an excellent job with the PVOU negotiations.

Board member comments:

- A. Report on events attended.
 - There were no events attended for this period.
- B. Other comments.
 - Director Escalera asked to close this meeting in memory of his Cousin Rachel Escalera aka Sister Angela who passed away on July 4, 2017.

Future agenda items:

No future items.

Adjournment:

There is no further business or comment, the meeting was adjourned 6:28 p.m. in memory of Sister Angela.

David Hastings, President

Rosa B. Ruehlman, Secretary

Legislative Report

Date: July 7, 2017

The 2017-18 Legislative Session continues, as bills have now moved from their house of origin into the other house of the Legislature. Listed below, based upon the primary subject matter, are bills that are of interest to our District, PWAG or SGVWA.

Backflow Prevention:

AB 1529 (Thurmond) – Backflow Prevention Certification.

AB 1671 (Caballero) – Backflow Prevention Regulations.

Bond Bills:

AB 18 (E. Garcia, et al.) – California Clean Water, Climate, Coastal Protection, and Outdoor Access For All Act of 2018.

SB 5 (De Leon) – Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018.

SB 701 (Hueso) – State Resources Obligation Act of 2018.

CalPERS:

AB 592 (Dahle) – CalPERS.

SB 32 (Moorlach) – PERS Reform.

SB 571 (Pan) – Public Employee Retirement Plans.

SB 681 (Moorlach) – PERS.

CEQA:

AB 594 (Irwin) – CEQA.

AB 1117 (Fong) – CEQA.

SB 80 (Wieckowski) – CEQA.

SB 224 (Jackson) – CEQA – Baseline.

SB 771 (DeLeon) – CEQA – Continuing Education Requirements.

Data Breaches:

AB 241 (Dababneh) – Data Breaches.

Delta Issues:

AB 791 (Frazier) – DWR Cost-Benefit Analysis.

AB 792 (Frazier) – Delta Stewardship Council Certification of Consistency with Delta Plan.

AB 793 (Frazier) – Delta as Water Infrastructure.

Elections:

AB 765 (Low) – Local Initiatives.

AB 894 (Frazier) – Candidate Statements.

AB 1089 (Mullin) – Local Election Campaign Contribution Limitations.

AB 1333 (Dababneh) – Election Notices.

SB 358 (Stern) – Campaign Statements.

SB 609 (Vidak) – Local Initiatives and Referendum.

Employment:

AB 52 (Cooper) – Public Employee Orientation.
AB 168 (Eggman) – Employment.
AB 442 (Frazier) – OSHA.
AB 569 (Gonzalez Fletcher) – Employment Discrimination.
AB 978 (Limon) – Illness and Injury Prevention Plans.
AB 1008 (McCarty) – Employment Discrimination – Prior Criminal History.
AB 1548 (Fong) – OSHA.

Environmental:

AB 474 (E. Garcia) – Hazardous Waste – Spent Brine.
AB 975 (Friedman) – Wild and Scenic Rivers.

Financing and Grants:

AB 166 (Salas) – Rebates for Household Filtration Systems.
AB 196 (Bigelow) – Greenhouse Gas Funds.
AB 277 (Mathis) – Low Income Water/Wastewater Grants.
AB 560 (Salas) – Definition of “Unaffordable Water Rates.”
AB 577 (Caballero) – “Disadvantaged Community” Definition
AB 1442 (Travis Allen) – High Speed Rail Funds.
SB 450 (Hertzberg) – Bonds.
SB 623 (Monning) – Safe and Affordable Drinking Water Fund.
SB 778 (Hertzberg) – Consolidation of Water Systems; Safe Drinking Water Fund.

General Government:

AB 979 (Lackey) – LAFCOs – Special District Representation.
SB 448 (Wieckowski) – Audits – Filing with LAFCO; Statement of Purpose.
SB 513 (Bradford) – Assault on a Utility Worker.
SB 564 (McGuire) – JPAs – Water Bill Savings Act.
SB 778 (Hertzberg) – Consolidation of Water Systems.

Implementation of Long-Term Water Conservation Framework:

AB 869 (Rubio) – Urban Water Use Targets – Recycled Water.
AB 968 (Rubio) – Urban Water Use Targets.
AB 1000 (Friedman) – Water Conservation (innovative technologies).
AB 1323 (Weber) – Water Conservation (stakeholder workgroup).
AB 1654 (Rubio) – Water Conservation (urban water management planning).
AB 1667 (Friedman) – Water Conservation (agricultural).
AB 1000 (Friedman) – Water Conservation (urban water management planning).
AB 1000 (Friedman) – Water Conservation (urban water use targets).

Lead:

AB 746 (Gonzalez Fletcher) – Lead Testing at Schools.
AB 885 (Rubio) – Lead in Schools.
SB 210 (Leyva) – Lead in Schools.
SB 427 (Leyva) – Lead Service Lines.

Meyers-Milias Brown Act:

AB 1603 (Ridley-Thomas) – Meyers-Milias-Brown Act.
SB 371 (Moorlach) – Meyers-Milias-Brown Act.

Political Reform Act:

AB 551 (Levine) – Political Reform Act – Post-Employment Restrictions.
AB 894 (Frazier) – Candidate Statements.
AB 1089 (Mullin) – Local Election Campaign Contribution Limitations.
AB 1025 (Rubio) – Incompatible Office Doctrine.
AB 1458 (Friedman) – Political Reform Act – Campaign Finance.
AB 1524 (Brough) – Mass Mailing Prohibition.
SB 24 (Portantino) – Political Reform Act – Investments in Real Property and Income.
SB 45 (Mendoza) – Political Reform Act – Mass Mailings.
SB 358 (Stern) – Campaign Statements.

Public Records Act:

~~AB 375 (Chau) – Public Records Act (disclosure of utility customer information pursuant to a warrant).~~
AB 1455 (Bocanegra) – Public Records Act (exception for labor negotiation records).
AB 1479 (Bonta) – Public Records Act (require Public Record Act supervisor).
SB 657 (Bates) – Public Records Act (authorize reverse Public Records Act suits).

Public Works Construction:

AB 92 (Bonta) – Extension of 5% Retention Extension Date.
AB 851 (Caballero) – Design-Build Contract Authority Expansion.
AB 1066 (Aguiar-Curry) – Public Works – Prevailing Wage.
~~AB 1223 (Caballero) – Public Works Construction (disclosure of payments).~~
SB 256 (Atkins) – Public Works Contracting – Competitive Bidding.

Schools:

AB 305 (Arambula) – School Drinking Water.
AB 746 (Gonzalez Fletcher) – Lead Testing at Schools.
AB 885 (Rubio) – Lead in Schools.
AB 1490 (Gray) – School Drinking Water Quality.
SB 210 (Leyva) – Lead in Schools.

SGMA:

AB 321 (Mathis, Berryhill and Cristina Garcia) – SGMA.

Water Conservation:

AB 1343 (Chen) – Water Conservation – School Programs.
SB 541 (T. Allen) – Water Capture at Schools.
SB 558 (Glazer) – Property Tax Exemption – Rain Water Capture System.
SB 780 (Wiener) – Landscaping – Water Conservation.

Water Quality and Water Discharge Issues:

~~AB 1180 (Holden) – MS4 Compliance.~~
AB 1605 (Caballero) – Nitrate MCL Exceedance.
SB 589 (Hertzberg) – MS4 Permit – Financial Capability Analysis.

SB 633 (Portantino) – Stormwater.
SB 740 (Wiener) – On-Site Treated Water.

Water Rates and Charges Issues:

AB 448 (Daly) – Parcel Taxes.
AB 560 (Salas) – Definition of “Unaffordable Water Rates.”
SCA 4 (Hertzberg) – Proposition 218 Changes.
SB 231 (Hertzberg) – Proposition 218.

Miscellaneous Water Issues:

AB 272 (Gipson) – Southeast Los Angeles County Drinking Water Relief Act.
AB 313 (Gray) – Water Regulation.
AB 366 (Oberholte) – Building Permits – Water Supply.
AB 367 (Oberholte) – Building Permits – Water Supply.
AB 554 (Cunningham) – Desalination – Statewide Goals.
AB 574 (Quirk) – Potable Reuse.
AB 672 (Jones Sawyer) – Diversion of Utility Service.
~~AB 1145 (Quirk) – Relocation of Utility Facilities.~~
AB 1369 (Gray and Gonzalez Fletcher) – Water Storage.
AB 1427 (Eggman) – Right to Stored Water.
AB 1438 (Committee on Environmental Safety and Toxic Materials) – Accredited Laboratories.
AB 1587 (Levine) – Quagga Mussels.
SB 252 (Dodd) – Well Permitting Requirements.
SB 615 (Hueso) – Salton Sea Restoration.
SB 634 (Wilk) – Santa Clarita Valley Water District.
SB 693 (Mendoza) – Lower San Gabriel River Recreation and Park District.

The following is a summary and status of the bills that are still being considered this year. Any bills that are being deferred to next year or have failed are no shown below. The bills highlighted below may have significant impact to our District if passed.

ASSEMBLY BILLS:

AB 18 (E. Garcia, et al.) – California Clean Water, Climate, Coastal Protection, and Outdoor Access For All Act of 2018. This bill would enact the California Clean Water, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$3,105,000,000 pursuant to the State General Obligation Bond Law to finance clean water, climate, coastal protection, and outdoor access for all programs. ACWA has taken a **Favor and Amend** position on this bill. **The bill has passed the Assembly and is now in the Senate.**

AB 92 (Bonta) – Extension of 5% Retention Extension Date. Existing law, enacted several years ago, reduced the allowable retention on public works contracts from 10% to 5%. That law is to expire on January 1, 2018. This bill will extend that expiration date to January 1, 2023. **The bill passed the Assembly and the Senate Governmental Organization Committee and is now pending on the Senate floor.**

AB 166 (Salas) – Rebates for Household Filtration Systems. This bill would require the State Water Resources Control Board, in collaboration with the State Energy Resources Conservation and Development Commission and other relevant stakeholders, to conduct a study on the feasibility and financial stability of a rebate program that would provide a household that is served by a water system that does not meet primary drinking water standards with a rebate for the purchase of a household water filtration system. The bill would require the study to include any recommendations for the Legislature to implement the rebate program. The bill would require the State Board to conclude the study no later than January 1, 2019, and to submit a report on the study to the Legislature no later than March 1, 2019. As of now, the bill does not impose any requirements on public water systems. **The bill has passed the Assembly and is now pending in the Senate.**

AB 168 (Eggman) – Employment. This bill would prohibit an employer, including local government agencies, from seeking salary history information about an applicant for employment, except as otherwise provided in the bill. ACWA has taken a **Not Favor** position on this bill as several other recently enacted laws already address the issues this bill is trying to address. **The bill passed the Assembly and Senate Labor and Industrial Relations Committee, and has been referred to the Senate Rules Committee.**

AB 196 (Bigelow) – Greenhouse Gas Funds. As amended, this bill would authorize the use of the moneys in the Greenhouse Gas Reduction Fund for electric pump efficiency, water and wastewater systems, pump and pump motor efficiency improvements, and drinking water transmission and distribution systems' water loss if the investment furthers the regulatory purposes of AB 32 in reducing greenhouse gases and is consistent with law. ACWA has taken a **Favor** position on this bill because it would help secure funding that would increase the energy efficiency of the water sector. **The bill passed the Assembly and is pending in the Senate Environmental Quality Committee.**

AB 241 (Dababneh) – Data Breaches. This bill would require a state or local agency, if it was the source of a data breach of a resident's personal information, to offer to provide appropriate identity theft prevention and mitigation services at no cost to any person whose information was or may have been breached if the breach exposed or may have exposed the person's Social Security Number, driver's license number, or California identification card number. ACWA has taken a **Not Favor** position on this bill. **The bill is being held under submission in the Assembly Appropriations Committee.**

AB 277 (Mathis) – Low Income Water/Wastewater Grants. As amended, this bill would, to the extent funding is made available, authorize the State Water Resources Control Board to establish the Water and Wastewater Loan and Grant Program to provide funding to eligible applicants for specified purposes relating to drinking water and wastewater treatment. This bill would authorize a county or qualified nonprofit organization to apply to the board for a grant to award loans or grants, or both, to an eligible applicant. ACWA has taken a **Favor** position on this bill. **The bill passed the Assembly and is pending in the Senate Environmental Quality Committee.**

AB 313 (Gray) – Water Regulation. This bill was significantly amended on April 18 to delete most of its provisions regarding the transfer of various State Board functions to the Department of Water Resources. As amended, the bill now would (i) establish a Water Rights Division

within the Office of Administrative Hearings; (ii) require a hearing on administrative civil liability to be held before that Water Rights Division in accordance with the Administrative Procedure Act; and (iii) deem a decision made by an administrative law judge in the Water Rights Division to be a recommendation and not final until accepted by the State Board's executive director. The bill would authorize an appeal of the executive director's decision on the recommendation or of the adoption of the recommendation due to the failure to act to a superior court. The bill would add expenditures of the Water Rights Division to the purposes for which the moneys in the Water Rights Fund are available for expenditure, upon appropriation by the Legislature. ACWA has taken a **Support** position on this bill. **The bill passed the Assembly and is now pending in the Senate Judiciary and Natural Resources and Water Committees.**

AB 321 (Mathis, Berryhill and Cristina Garcia) – SGMA. In addition to other existing requirements, this bill would require a Groundwater Sustainability Agency to solicit the participation of farmers, ranchers, and other qualified professionals within the groundwater basin prior to and during the development and implementation of a Groundwater Sustainability Plan. ACWA has taken a **Not Favor** position on this bill. **The bill passed the Assembly and the Senate Natural Resources and Water Committee, and is now pending on the Senate floor.**

AB 366 (Oberholte) – Building Permits – Water Supply. Existing law prohibits a city or county from issuing a building permit for the construction of a new residential development where a source of the water supply is water transported by a water hauler, bottled water, a water-vending machine, or a retail water facility. As amended, this bill would exempt from the prohibition on the issuance of a building permit (1) a development where the source of water supply as described above is not significant, and (2) a development of one detached single-family dwelling unit on a parcel that existed before January 1, 2017, if the water provided to the parcel will be obtained from a legal source and delivered by a licensed water hauler and the parcel is either: (1) five acres or more, but less than 10 acres, and has an average fire response time of 15 or fewer minutes; or (2) ten acres or more and has an average fire response time of 20 or fewer minutes. **The bill has passed the Assembly and is now pending in the Senate Environmental Quality Committee.**

AB 367 (Oberholte) – Building Permits – Water Supply. Existing law prohibits a city or county from issuing a building permit for the construction of a new residential development where a source of the water supply is water transported by a water hauler, bottled water, a water-vending machine, or a retail water facility. This bill would exempt a residence that will be rebuilt because of a fire from the prohibition on the issuance of a building permit. **The bill has passed the Assembly and is now pending in the Senate Environmental Quality Committee.**

AB 448 (Daly) – Parcel Taxes. Existing law, AB 2476 which was enacted last year, requires the legislative body of a local agency to provide notice of a new parcel tax to the owner of a parcel affected by the tax, if that owner does not reside within the jurisdictional boundaries of the taxing entity. This bill would instead require a local agency to provide notice of a new parcel tax to any owner of record of a parcel affected by the tax, if that owner of record does not reside within the jurisdictional boundaries of the taxing entity. The bill would also require the notice to be made within 30 days of the certification of the election approving the new parcel tax. As amended on May 18, the bill would, for a school district or special district, require the city or county in which the district is located to prepare and mail the notice on behalf of the district. The bill would also require the district to reimburse the city or county for the cost of preparing

and mailing the notices. The author believes this bill is necessary to provide a more transparent appeals process by notifying property owners of the new parcel tax so they can potentially take action to appeal the tax. ACWA has taken a **Not Favor** position on this bill. **This bill passed the Assembly and is pending in the Senate Governance and Finance Committee.**

AB 474 (E. Garcia) – Hazardous Waste – Spent Brine. Existing law exempts from certain requirements of the Hazardous Waste Control Law wastes from the extraction or processing of ores and minerals that are not subject to regulation under the federal Resource Conservation and Recovery Act of 1976, including spent brine solutions used to produce geothermal energy. This bill would exempt spent brine solutions that are byproducts of the treatment of groundwater to meet California drinking water standards from those same requirements if certain conditions are met, including that the spent brine solutions are transferred for dewatering via a closed piping system to lined surface impoundments regulated by a Regional Water Quality Control Board. ACWA has taken a **Favor** position on this bill. **The bill passed the Assembly and is pending in the Senate Environmental Quality Committee.**

AB 551 (Levine) – Political Reform Act – Post-Employment Restrictions. The Political Reform Act prohibits, for a period of one year after the official leaves his or her position, elected and other specified local officials from acting as agents or attorneys for, or otherwise representing, for compensation, any other person, by appearing before, or communicating with, the official’s agency, or any committee, subcommittee, or present member of that local government agency, or any officer or employee of the local government agency, if the appearance or communication is made for the purpose of influencing administrative or legislative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property. Existing law excludes from this prohibition appearances and communications by a board member, officer, or employee of another local government agency, or an employee or representative of a public agency in which the individual is appearing or communicating on behalf of that agency. As amended, this bill would remove this exclusion, thereby making these types of appearances or communications on behalf of an individual’s agency subject to the one-year prohibition. As amended on April 18, the bill would leave that exclusion in place (meaning the appearances by board members or employees of the agency are not subject to the one-year prohibition) and would add that the prohibition applies to independent contractors of a local government agency or a public agency who are appearing or communicating on behalf of that agency. **The bill passed the Assembly and is pending in the Senate Elections and Constitutional Amendments Committee.**

AB 554 (Cunningham) – Desalination – Statewide Goals. This bill would establish a goal to desalinate 300,000 acre-feet of drinking water per year by the year 2025 and 500,000 acre-feet of drinking water per year by the year 2030. ACWA has taken a **Favor** position on this bill, as there is a desire to have the bill amended to include the treatment of brackish groundwater as well as ocean water desalination. **The bill is being held under submission in the Assembly Appropriations Committee.**

AB 560 (Salas) – Definition of “Unaffordable Water Rates.” This bill would allow the State Water Board to forgive principal on a State Revolving Fund loan or provide grant funding, and zero percent financing to a project for a water system with a service area that qualifies as a severely disadvantaged community if the water system demonstrates that repaying a State

Revolving Fund loan, with interest, would result in unaffordable water rates. **The bill defines “unaffordable water rates” to mean an average water bill that is greater than 1.5 percent of the median household income of the service area.** Although the concept of this bill is acceptable, there is concern regarding the definition of “unaffordable water rates” and how that definition may then be lifted to apply in other contexts relating to promulgation of the human right to water. ACWA has taken a **Not Favor Unless Amended** position on this bill. **The bill passed the Assembly and is pending in the Senate Environmental Quality Committee.**

AB 569 (Gonzalez Fletcher) – Employment Discrimination. This bill would amend provisions of existing labor law relating to the obligations of an employer to prohibit an employer from taking any adverse employment action against an employee based on his or her reproductive health care decisions, including the timing thereof, methods, or the use of any drug, device, or medical service related to reproductive health by an employee or employee’s dependent, or requiring an employee to sign a code of conduct or similar document that purports to deny any employee the right to make his or her own reproductive health care decisions, including the use of a particular drug, device, or medical service. The bill would require an employer that provides an employee handbook to its employees to include in the handbook notice of the employee rights and remedies under the provisions of this bill. **The bill has passed the Assembly and is pending in the Senate Labor and Industrial Relations and Judiciary Committees.**

AB 574 (Quirk) – Potable Reuse. Existing law defines the terms “direct potable reuse,” “indirect potable reuse for groundwater recharge,” and “surface water augmentation” for purposes of reports that are to be provided to the Legislature. This bill would remove certain references to “direct potable reuse,” “indirect potable reuse for groundwater recharge,” and “surface water augmentation,” and would instead specify the four different types of potable reuse projects as “potable reuse through groundwater augmentation,” “potable reuse through reservoir augmentation,” “potable reuse through raw water augmentation,” and “potable reuse through treated drinking water augmentation.” ACWA has taken a **Support** position on this bill, as it will help advance the use of potable reuse water by eliminating confusing statutory definitions. **The bill has passed the Assembly and is pending in the Senate Environmental Quality and Natural Resources and Water Committees.**

AB 577 (Caballero) – Disadvantaged Community Definition. Existing law defines a disadvantaged community as a community with an *annual median household income* that is less than 80% of the statewide annual median household income. As amended, this bill would expand that definition of a disadvantaged community to also include a community with an *annual per capita income* that is less than 80% of the statewide annual per capita income. The bill is intended to provide an opportunity for communities with many multi-family households to qualify as a “disadvantaged community” and receive access to DAC funding. **This bill is a two-year bill.**

AB 746 (Gonzalez Fletcher) – Lead Testing at Schools. This bill would require public school districts, charter schools, community colleges and California State Universities to test for lead in the potable water system at every schoolsite or campus at least once a year (if constructed before January 1, 1986) or once every 3 years (if constructed after January 1, 1986). The bill would

require, if a test reveals that a schoolsite's or campus' lead level is greater than the United States Environmental Protection Agency drinking water standards for lead, the local educational agency to notify parents and guardians, and the community college board of governors and the Cal. State University trustees to notify students, of the elevated level of lead and provide information on how to obtain physician testing for any pupil or student who may be affected. The bill would require a local educational agency, the board of governors, and the CSU trustees to make inoperable and shut down from use any part of a schoolsite or campus potable water system that has an elevated lead level. The May 26 amendments deleted the CSU and community colleges from the bill, so it now only applies to local school districts. In its current form, this bill does not impose any requirements on water systems. ACWA has taken a **Favor if Amended** position on this bill. **The bill passed the Assembly and is pending in the Senate Education and Environmental Quality Committees.**

AB 765 (Low) – Local Initiatives. Existing law permits a local ordinance to be submitted to the governing body of the local agency by filing an initiative petition signed by a specified number of voters. If a district initiative measure qualifies for the ballot, existing law requires that the election for that initiative be held at either a special election or at the next regular election, depending on whether the initiative petition contains a specified request. This bill instead would require that the election for a local initiative measure that qualifies for the ballot be held at the next statewide or regular election, as applicable, unless the governing body of the local agency calls a special election. **The bill passed the Assembly and is pending in the Senate Elections and Constitutional Amendments Committee.**

AB 791, AB 792 & AB 793 (Frazier) – Delta Bills. These three bills would add requirements relating to the Cal Water Fix. AB 791 would require the Department of Water Resources to conduct a cost-benefit analysis for each State Water Project contractor who enters into a contract to pay for the Cal Water Fix costs. AB 791 is not necessary, as each individual contracting party will conduct its own cost-benefit analysis. AB 792 would provide that the Delta Stewardship Council cannot grant a certification of consistency with the Delta Plan until the State Water Board has completed its update of the 2006 Water Quality Control Plan for the Bay-Delta Estuary that was initiated in 2009. AB 793 would declare the Delta to be part of California's water infrastructure. AB 793 would also state that the maintenance and repair of the Delta are eligible for the same forms of financing as other water collection and treatment infrastructure and would specify the maintenance and repair activities that are eligible are limited to certain cleanup and abatement-related restoration and conservation activities.

AB 851 (Caballero) – Design-Build Contract Authority Expansion. This bill was amended on May 10 and now expands design-build contract authority for specified types of projects only for the Santa Clara Valley Water District. ACWA has taken a **Favor** position on this bill. **The bill passed the Assembly and is now pending in the Senate Governance and Finance Committee.**

AB 869 (Rubio) – Urban Water Use Targets – Recycled Water. This bill would require recycled water delivered for either nonpotable or potable use or for groundwater replenishment purposes to be excluded from the calculation of any urban water use target or reduction in urban per capita water use. The bill would state that for these purposes recycled water use is an efficient use of water and would require recycled water use to be considered equivalent to other water use efficiency measures. The bill would also prohibit an urban retail water supplier from

being required by a regulation to reduce the amount of recycled water it produces, sells, or distributes for beneficial potable or nonpotable uses at any time. The bill would redefine “recycled water” to also include recycled water supplied for nonpotable uses. Provisions were added on May 15 to clarify that nothing in the bill is to be construed as diminishing or otherwise affecting any water rights. ACWA has taken a **Favor** position on this bill. **The bill passed the Assembly and is now pending in the Senate Environmental Quality and Natural Resources and Water Committees.**

AB 885 (Rubio) – Lead in Schools. The bill was further amended on April 18 to delete the requirement for community water systems to conduct the required annual lead testing. The bill now strictly imposes requirements on schools to conduct the annual testing to each water outlet used for drinking or cooking, starting in 2019. The bill would require, if testing reveals an elevated lead level, as defined in the bill, at a water outlet at a school, the school to close off access to the outlet; report the test results to the State Water Resources Control Board; purchase and install certified water filters at all school faucets, fountains, and other outlets designated for drinking or cooking that were not closed off; on or before July 1, 2022, replace all lead-bearing parts within the school’s water delivery system, where feasible and cost effective; and, on or before January 1, 2020, develop and adopt a plan of action relating to these requirements. The bill would authorize a school district to seek assistance from a community water system to help ensure compliance with these requirements. ACWA has taken a **Not Favor Unless Amended** position on this bill. **The bill is being held under submission in the Assembly Appropriations Committee.**

AB 894 (Frazier) – Candidate Statements. Existing law permits a candidate for a nonpartisan elected office, and an officer whose recall is being sought, to file with the elections official a candidate’s statement that includes a brief description of the candidate’s education and qualifications. Existing law prohibits a candidate for such a nonpartisan office, or such an incumbent in a recall election, from knowingly making a false statement of material fact in the candidate’s statement with the intent to mislead the voters in connection with his or her campaign for nomination or election to an office. Violation of this prohibition is punishable by a fine not to exceed \$1,000. After amendments on May 3 and May 16, this bill would increase the maximum fine to \$10,000 for knowingly making a false statement of a material fact in a candidate’s statement. **The bill passed the Assembly and is pending in the Senate Elections and Constitutional Amendments and Public Safety Committees.**

AB 968 (Rubio) – Urban Water Use Targets. AB 968 is one of the bills developed by ACWA’s task force. ACWA has taken a **Support** position on this bill. **The bill is being held under submission in the Assembly Appropriations Committee.**

AB 975 (Friedman) – Wild and Scenic Rivers. Existing law establishes the policy that certain rivers that possess extraordinary scenic, recreational, fishery, or wildlife values must be preserved in their free-flowing state, together with their immediate environments, for the benefit and enjoyment of the people of the state. This bill would revise that policy to match the federal Wild and Scenic River law by specifying that certain rivers that possess scenic, recreational, fishery, wildlife, **[and adding:]** historical, cultural, geological, ~~ecological, hydrological, botanical,~~ ~~[deleted by May 4 amendments]~~ or other values shall be preserved in their free-flowing state, together with their immediate environments, for the benefit and enjoyment of the people of the state, and would revise the definition of “immediate environments,” and define the

term “extraordinary value” for purposes of that policy. ACWA has taken an **Oppose** position on this bill because by expanding the criteria for “wild and scenic” designation, the bill would have unknown consequences to water systems. **The bill was placed in the inactive file by the author when it was pending on the Assembly floor.**

AB 978 (Limon) – Illness and Injury Prevention Plans. Existing law requires every employer to establish, implement, and maintain an effective injury prevention program. This bill would require an employer who receives a written request for a paper or electronic copy of the written injury prevention program from a current employee, or his or her authorized representative, to comply with the request as soon as practicable, but no later than 5 business days from the date the employer receives the request. The bill would require the employer to provide the copy of the written injury prevention program free of charge. The bill was amended on May 26 to change the employer’s response time to 10 business days, and to authorize the employer to take reasonable steps to verify the identity of a current employee or his or her authorized representative and to designate the person to whom a request is to be made. The bill would authorize the assertion of impossibility of performance, as stated in the bill, as an affirmative defense by an employer in any complaint alleging a violation of these provisions. **The bill passed the Assembly and is now pending in the Senate Labor and Industrial Relations Committee.**

AB 979 (Lackey) – LAFCOs – Special District Representation. As amended, this bill pertains to certain proceedings of a LAFCO’s independent special district committee. As special districts in Los Angeles County already have special district representation on L.A. County’s LAFCO, the bill’s most significant changes are not applicable. The bill is co-sponsored by the California Special Districts Association and Cal-LAFCO as a proactive response to the Little Hoover Commission’s concerns regarding special districts. ACWA has taken a **Favor** position on this bill. **The bill passed the Assembly and is pending in the Senate Governance and Finance Committee.**

AB 1000 (Friedman) – Water Conservation. As amended on May 30, the prior provisions of the bill concerning innovative water conservation and water loss technologies were deleted. The bill now authorizes the State Energy Resources Conservation and Development Commission to adopt regulations establishing performance standards for water meters installed in residential and nonresidential buildings. ACWA has taken a **Not Favor Unless Amended** position on this bill, which would implement part of the Governor’s executive order concerning innovative water conservation and water loss detection technologies. **The bill passed the Assembly and is now pending in the Senate Natural Resources and Water Committee.**

AB 1008 (McCarty) – Employment Discrimination – Prior Criminal History. This bill would provide that it is an unlawful employment practice for an employer to include on any employment application a question that seeks the disclosure of an applicant’s criminal history, to inquire into or consider the conviction history of an applicant until that applicant has received a conditional offer, and, when conducting a conviction history background check, to consider, distribute, or disseminate specified information related to prior criminal convictions, except as provided in the bill. This bill would also require an employer who intends to deny an applicant a position of employment solely or in part because of the applicant’s prior conviction of a crime to make an individualized assessment of whether the applicant’s conviction history has a direct and adverse relationship with the specific duties of the job, and to consider certain topics when

making that assessment. The bill would require that, if an employer makes a preliminary determination based on that individualized assessment to deny the applicant employment, the employer must notify the applicant of the reasons for that preliminary decision. The bill would authorize an applicant to respond to that notification within 10 days with information that challenges the accuracy of the information in the notification or that includes specified mitigation or rehabilitation evidence. The bill would require an employer to consider information submitted by the applicant before making a final decision. The bill would require an employer who has made a final decision to deny employment to the applicant to notify the applicant in writing of specified topics, including the procedure to challenge the decision and the right to file a complaint with the Department of Fair Employment and Housing.

The May 1 amendments would repeal Labor Code Section 432.9, which, subject to certain exceptions, prohibits a state or local agency from asking an applicant for employment to disclose information regarding a criminal conviction until the agency has determined the applicant meets the minimum employment qualifications for the position. Those amendments would also add exemptions to the prohibitions under the bill, including where a state or local agency is otherwise required by law to conduct a conviction history background check. The May 30 amendments revise another exemption that had been added by the May 1 amendments with respect to a position of employment for which an employer is required to take an action pursuant to any state, federal, or local law that requires criminal background checks for employment purposes or restricts employment based on criminal history.

ACWA has taken a **Not Favor** position on this bill, which would interfere with local agencies' ability to recruit and hire employees in an efficient manner. **The bill has passed the Assembly and is pending in the Senate Labor and Industrial Relations and Judiciary Committees.**

AB 1025 (Rubio) – Incompatible Office Doctrine. As gutted and amended on April 20, this bill would repeal Government Code Section 1099, which was adopted several years to codify the incompatible office doctrine. **This bill will need to be reassigned to the appropriate policy committee, likely the Assembly Local Government Committee, for consideration.**

AB 1066 (Aguiar-Curry) – Public Works – Prevailing Wage. For purposes of the application of the prevailing wage requirement, this bill would specify that the term “demolition” within the definition of “public works” includes, but is not limited to, tree removal. **This bill passed the Assembly and is now pending in the Senate Labor and Industrial Relations Committee.**

AB 1089 (Mullin) – Local Election Campaign Contribution Limitations. Commencing January 1, 2019, this bill would prohibit campaign contributions to a candidate for local elective office that total more than the amount set forth in the Political Reform Act for limitations on contributions to a candidate for statewide elective office. This bill would also authorize a county, city, special district, or school district to impose a limitation that is different from the limitation imposed by the bill. **This bill is being held under submission in the Assembly Appropriations Committee.**

AB 1223 (Caballero) – Public Works Construction. As amended on April 18, this bill would require, within 21 days of making a construction contract payment, a state or local agency that maintains an Internet website to post on its website the project for which the

payment was made, the name of the construction contractor or company paid, the date the payment was made, the payment application number or other identifying information, and the amount of the payment. The bill would exempt construction contracts valued below \$25,000 from these provisions. The bill was amended on May 3 to delete its application to local agencies and it now applies only to state agencies. **The bill passed the Assembly and is now pending in the Senate Governmental Organization Committee.**

AB 1323 (Weber) – Water Conservation. Existing law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. This bill would require the Department of Water Resources to convene a stakeholder workgroup no later than February 1, 2018 to develop, evaluate, and recommend proposals for establishing new water use targets for urban water suppliers and to examine and report to the Governor and the Legislature by December 31, 2018. The workgroup is to consist of representatives from the Department of Water Resources, the State Water Resources Control Board, the building and construction industry, urban water suppliers, and commercial, industrial, and institutional users, including, but not limited to, the military, agricultural water suppliers, recognized environmental advocacy groups, environmental justice groups, cities, counties, professional associations, academia, and stakeholder industry groups. The bill would require all expenses for the stakeholder working group to be the responsibility of the non-state agency stakeholders. The bill would repeal its provisions on January 1, 2022.

The May 30 amendments move the stakeholder workgroup deadline to February 1, 2019, the legislative report deadline to December 31, 2019 and the repeal date to January 1, 2023. The May 30 amendments also add a provision that DWR will not convene the stakeholder workgroup if a law is passed in the 2017-18 Legislative Session that establishes water conservation targets and long-term drought contingency planning for urban water suppliers. ACWA has taken a **Favor** position on this bill. **This bill passed the Assembly and is now pending in the Senate Natural Resources and Water Committee.**

AB 1333 (Dababneh) – Election Notices. This bill would require every local government agency that maintains a website to prominently post on that website, as specified in the bill, a notice of any upcoming election in which voters will vote on a tax measure or proposed bond issuance of the agency. The bill would also require every local government agency that publishes an electronic newsletter to include the notice in the electronic newsletter. The bill was amended on May 13 to distinguish between local government agency websites whose content is manually changed at least once a week, in which case the notice must be posted within 10 days *[changed from seven days in the initial version of the bill]* of the agency's governing body voting to place the tax measure or proposed bond issuance on the ballot, or the tax measure or proposed bond issuance qualifying to be placed on the ballot as an initiative measure; and all other local agency websites, where the notice must be posted the next time the content of the site is manually changed.

ACWA has taken a **Not Favor** position on this bill. **The bill is being held under submission in the Assembly Appropriations Committee.**

AB 1343 (Chen) – Water Conservation – School Programs. This bill would authorize the governing board of a school district to enter into a Go Low Flow Water Conservation Partnership with a public water system for purposes of reducing water use at schools, reducing stormwater

and dry weather runoff at schools, reducing schoolsite water pollution, and establishing the basis for educational opportunities in water conservation. The bill would authorize a public water system to offer, as part of a partnership, a water rebate for a school that implements water-saving measures. There is concern that this bill is not necessary because water agencies already have the power to pursue the type of programs covered in this bill. **The bill passed the Assembly and the Senate Education Committee and is now pending in the Senate Environmental Quality Committee.**

AB 1427 (Eggman) – Right to Stored Water. Under existing law, the right to water or to the use of water is limited to that amount of water that may be reasonably required for beneficial use. Existing law provides for the reversion of water rights to which a person is entitled when the person fails to beneficially use the water for a period of 5 years. Existing law declares that the storing of water underground, and related diversions for that purpose, constitute a beneficial use of water if the stored water is eventually applied to the beneficial purposes for which the appropriation for storage was made. This bill would additionally provide that certain uses of stored water while underground constitute beneficial use. The bill would provide that the forfeiture periods of a water right do not apply to water being beneficially used or being held in storage for later beneficial use. **The bill is being held under submission in the Assembly Appropriations Committee.**

AB 1455 (Bocanegra) – Public Records Act. This bill would create a new exception from disclosure under the Public Records Act for records of local agencies related to activities under the Meyers-Milias-Brown Act that reveal a local agency’s deliberative processes, impressions, evaluations, opinions, recommendations, meeting minutes, research, work products, theories, or strategy, or that provide instruction, advice, or training to employees who do not have full collective bargaining and representation rights under that chapter. **This bill passed the Assembly and is pending in the Senate Public Employment and Retirement and Judiciary Committees.**

AB 1479 (Bonta) – Public Records Act. As gutted and amended, this bill would require public agencies to identify a supervisor of records who must review a determination by the agency that a request for records is denied. The bill would also authorize a court that finds that an agency improperly withheld public records from a member of the public without justification, failed to furnish a properly requested record or a portion thereof in a timely manner, assessed an unreasonable fee upon a requester, or otherwise did not act in good faith to comply with its duties under the Public Records Act, to assess punitive damages against the agency in an amount not less than \$1,000, nor more than \$5,000, that would be deposited into the Public Records Assistance Fund, which is created by the bill.

The April 27 amendments to the bill change the reference from a supervisor of records to a custodian of records. Those amendments also specify that the custodian is responsible for responding to any request made pursuant to the Public Records Act and to any inquiry from the public about a decision by the agency to deny a request for records. Those amendments also change the conduct that could give rise to a civil penalty to include improper withholding of public records which are clearly subject to public disclosure, unreasonable delay in providing the contents of a record subject to disclosure, or the assessment of an unreasonable or unauthorized fee on a requesting party. Those amendments change the reference from “punitive damages” to “civil penalty” and delete the reference to the Public Records Assistance Fund. No

state reimbursement is provided for the compliance with this new mandate. ACWA has taken an **Oppose** position on this bill. **The bill passed the Assembly and is now pending in the Senate Judiciary Committee.**

AB 1490 (Gray) – School Drinking Water Quality. As amended on April 17, this bill would require the state board, no later than July 1, 2018, to prepare and submit to the Legislature a report evaluating potential adverse impacts resulting from the implementation of the Bay-Delta Water Quality Control Plan on the quality and supply of drinking water provided to schools in disadvantaged communities in the state, including a summary describing any measures that may be implemented to address any adverse impacts identified in the report. The bill would require the State Board, to the extent that funds are available, to provide financial assistance to schools in disadvantaged communities to address any adverse impacts on the supply and quality of drinking water provided to schools identified in the report. **The bill is being held under submission in the Assembly Appropriations Committee.**

AB 1529 (Thurmond) – Backflow Prevention Certification. As gutted and amended on April 19, this bill would provide that valid and current certifications for cross-connection inspection and testing or backflow prevention device inspection, testing, and maintenance that were determined by the State Department of Public Health before January 1, 2016 to demonstrate competency are approved California-specific certifications either until the State Water Board promulgates regulations for cross-connection inspection and testing and backflow prevention device inspection, testing, and maintenance, or until January 1, 2020, whichever comes first. The bill would, under certain conditions, prohibit a water supplier from refusing to recognize statewide certifications that meet standards set by regulations of the State Water Board. ACWA has taken a **Not Favor** position on this bill. **The bill passed the Assembly and is pending in the Senate Environmental Quality Committee.**

AB 1587 (Levine) – Quagga Mussels. The May 10 amendments deleted the authorization of the Director of the Department of Fish and Wildlife to order the closure of waters or facilities to conveyances for a period of no less than 7 working days if dreissenid mussels are detected or may be present. The May 10 amendments would require the director, upon lifting a closure or quarantine or other restriction on a reservoir where dreissenid mussels have been detected, to order the entity that owns or manages the reservoir to implement a dreissenid mussel control program to prevent the spread of dreissenid mussels from conveyances exiting the reservoir. The bill would authorize the Division of Boating and Waterways to award grants from funds generated from the quagga and zebra mussel prevention infestation fee to those entities required by the director to implement a dreissenid mussel control program for the reasonable regulatory costs to implement the program. The bill would make violations of an order issued by the director subject to a civil penalty of \$1,000 per violation, imposed administratively by the Department of Fish and Wildlife. The May 10 amendments would additionally impose a quagga and zebra mussel infestation prevention fee, in an amount to be determined by the Division of Boating and Waterways not to exceed a maximum annual amount of \$50, on a nonresident owner of a vessel, to be paid by that owner before placing the vessel on a waterway. The bill would require the Division to prescribe procedures for the collection and use of those fees. The bill would require that all revenues collected from that fee be deposited into the Harbors and Watercraft Revolving Fund and be used for the dreissenid mussel control program. The May 30 amendments delete the existing immunity from liability of public or private agencies that operate a water supply system. ACWA has taken a **Favor if Amended** position on this bill. **This bill**

passed the Assembly and is now pending in the Senate Natural Resources and Water and Judiciary Committees.

AB 1654 (Rubio) – Water Conservation. See separate memo on legislation to implement the Long-Term Water Conservation Framework. AB 1654 is one of the bills developed by ACWA’s task force. ACWA has taken a **Support** position on this bill. **This bill passed the Assembly and is now pending in the Senate Natural Resources and Water Committee.**

AB 1667 (Friedman) – Water Conservation. AB 1667 has been amended to now address the agricultural water use aspects of the Long-Term Water Conservation Framework, as formerly included in Budget Trailer Bill 810. **This bill passed the Assembly and is now pending in the Senate Natural Resources and Water Committee.**

AB 1668 (Friedman) – Water Conservation. See separate memo on legislation to implement the Long-Term Water Conservation Framework. AB 1668 has been amended to now address the urban water management planning aspects of the Framework, as formerly included in Budget Trailer Bill 810. ACWA has taken an **Oppose** position on this bill. **This bill passed the Assembly and is now pending in the Senate Natural Resources and Water Committee.**

AB 1669 (Friedman) – Urban Water Use. See separate memo on legislation to implement the Long-Term Water Conservation Framework. AB 1669 has been amended to now address the water use efficiency aspects of the Framework, as formerly included in Budget Trailer Bill 810. ACWA has taken an **Oppose** position on this bill. **This bill is being held under submission in the Assembly Appropriations Committee.**

AB 1671 (Caballero) – Backflow Prevention Regulations. As gutted and amended on April 19, this bill would require the State Water Board, on or before January 1, 2020, to update its backflow protection and cross-connection control regulations. ACWA has taken a **Favor** position on this bill. **The bill passed the Assembly and is now pending in the Senate Environmental Quality Committee.**

SENATE BILLS:

SCA 4 (Hertzberg) – Proposition 218 Changes. This is currently a spot bill regarding the Legislature’s intent to provide a program that would ensure that affordable water is available to all Californians and to ensure that water conservation is given a permanent role in California’s future. However, draft language is being circulated to address establishing water systems’ ability to utilize tiered rates for water conservation purposes and to establish and implement “lifeline” rates for low income customers. This proposed constitutional amendment likely will not be placed in Article XIID, which was enacted as part of Proposition 218, but will be in a separate article of the California Constitution.

SB 5 (De Leon) – Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018. This bill would enact the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$3,500,000,000 [increased from \$3 billion by May 10 amendments] of general obligation bonds finance a drought, water, parks,

climate, coastal protection, and outdoor access for all program. \$1 billion would be allocated for clean drinking water and drought preparedness and \$500 million would be allocated for flood protection and repair. ACWA has taken a **Favor and Amend** position on this bill. **The bill passed the Senate and is now pending in the Assembly.**

SB 24 (Portantino) – Political Reform Act – Investments in Real Property and Income. The Political Reform Act requires financial disclosures to include a statement indicating, within a specified value range, the fair market value of investments or interests in real property and the aggregate value of income received from each reportable source. This bill would revise the dollar amounts associated with these ranges to provide for 8 total ranges (instead of 4 under current law) of fair market value of investments and real property interests and 10 total ranges (instead of 4 under current law) of aggregate value of income. **This bill has passed the Senate and is now pending in the Assembly Elections and Redistricting Committee.**

SB 32 (Moorlach) – PERS Reform. As amended, this bill would make various changes to PERS, including:

1. Creation of a Citizens’ Pension Oversight Committee to serve in an advisory role to the PERS Board of Administration of PERS. That committee, on or before January 1, 2019, and annually thereafter, would review the actual pension costs and obligations of PERS and report on these costs and obligations to the public and would require reports of audits of PERS to be filed with the committee for this purpose.

2. Require the PERS Board to determine what the level of the unfunded liability of PERS was in 1980 and would require the board to reduce the unfunded liability to that level by 2030, with the goal of fully funding PERS. **In any year in which the unfunded actuarial liability of PERS is greater than zero, the bill would require the PERS Board to increase the employer contribution rate by 10 percent.**

3. Require the PERS Board, on or before January 1, 2019, to develop and submit to the Legislature for approval a hybrid plan consisting of defined benefit and defined contribution components, and would require the plan to be applied to members who elect to be subject to the plan or who are first employed by the state, a contracting agency, or a school employer and become members of the system on or after the approval of the plan by the Legislature.

4. Would enact the California Public Employees’ Pension Reform Act of 2018 (PEPRA 2018). The bill, for an individual who becomes a member of any public retirement system for the first time on or after January 1, 2018, and who was not a member of any other public retirement system prior to that date, would require the final compensation used to determine the member’s retirement benefits to be the highest annual pensionable compensation earned by the member during a period of at least 60 consecutive months. The bill would also provide that if the member leaves the employment of a public employer participating in a public retirement system for other employment and is subsequently reemployed by the public employer at least one year later, the member will be subject to the same benefits, contributions, and other terms and conditions applicable to an individual who becomes a member of the public retirement system for the first time on the date of the member’s return, for service rendered on or after that date.

5. The bill, as part of PEPRA 2018, would prohibit a public retirement system from making a cost of living adjustment to any allowance payable to, or on behalf of, a person retired

under the system for any year beginning on or after January 1, 2018, in which PERS is not fully funded. **This bill failed passage in the Senate Public Employment and Retirement Committee, but reconsideration has been granted.**

SB 45 (Mendoza) – Political Reform Act – Mass Mailings. The Political Reform Act defines “mass mailing” as over 200 substantially similar pieces of mail not including form letters or other mail that is sent in response to an unsolicited request, letter, or other inquiry. This bill would codify the provision of the FPPC Regulations that prohibits a mass mailing from being sent within the 90 days preceding an election by or on behalf of a candidate whose name will appear on the ballot. **This bill has passed the Senate and is now pending in the Assembly Elections and Redistricting Committee.**

SB 80 (Wieckowski) – CEQA. CEQA requires a lead agency to mail certain notices to persons who have filed a written request for such notices. CEQA further provides that if the agency offers to provide the notices by email, upon filing a written request for notices, a person may request that the notices be provided to him or her by email. This bill would require the lead agency to post those notices on the agency’s Internet Web site and to require the agency to offer to provide those notices by e-mail. The bill would also require the county clerk to post the notices regarding an EIR or a negative declaration on the county’s website. This bill would also require the filing of a notice of exemption if the lead agency determines the project falls within a class of projects that is exempt from CEQA by reason of the CEQA Guidelines. ACWA has taken an **Oppose Unless Amended** position on this bill because it would increase the burden on agencies with respect to posting and could require postings in multiple counties. **This bill has passed the Senate and is now pending in the Assembly Natural Resources Committee.**

SB 210 (Leyva) – Lead in Schools. This bill was heavily amended on May 26 to delete most of its provisions. As amended, this bill would give priority under the State Water Board’s school grant program for projects for schools that have tested their drinking water fixtures, and the results show the drinking water either does not meet the U.S. EPA drinking water standards for lead or is above the California maximum contaminant level for any other contaminant. **The bill passed the Senate and is now pending in the Assembly Environmental Safety and Toxic Materials and Education Committees.**

SB 231 (Hertzberg) – Proposition 218. This bill would add the definition of “sewer” to the Proposition 218 Implementation Act, and include “stormwater” within that definition. That would potentially result in fees imposed for stormwater-related issues (such as MS4 permit compliance) as being exempt from the voter-approval requirement of Proposition 218. ACWA has taken a **Favor** position on this bill. **This bill passed the Senate and the Assembly Local Government Committee and is now pending on the Assembly floor.**

SB 252 (Dodd) – Well Permitting Requirements. This bill would impose new well permitting requirements, including a public hearing, for wells constructed in a critically overdrafted groundwater basin. The bill would also set forth specific factors to be applied in a case involving alleged liability for interference with a well used primarily for domestic use. ACWA has taken an **Oppose** position on this bill. **The bill has passed the Senate and the Assembly Local Government Committee and is now pending in the Assembly Water, Parks and Wildlife Committee.**

SB 256 (Atkins) – Public Works Contracting – Competitive Bidding. For public agencies that have elected to be governed by uniform construction cost accounting procedures, this bill would make it a misdemeanor to intentionally split public works contracts to avoid competitive bidding. **This bill is being held under submission in the Senate Appropriations Committee.**

SB 358 (Stern) – Campaign Statements. This bill would require the Secretary of State to conspicuously post on its website hyperlinks to the website of any local government agency that contains publically-disclosed campaign finance information. **This bill has passed the Senate and is now pending in the Assembly Elections and Redistricting Committee.**

SB 427 (Leyva) – Lead Service Lines. Existing law requires a public water system, by July 1, 2018, to compile an inventory of known lead user service lines in use in its distribution system and identify areas that may have lead user service lines in use in its distribution system. Existing law requires the public water system, after completing the inventory, to provide a timeline for replacement of known lead user service lines in the distribution system to the State Water Resources Control Board. Under existing law, by July 1, 2020, a public water system with areas that may have lead user service lines in use in its distribution system must either determine the existence or absence of lead user service lines in these areas and provide that information to the State Water Board or provide a timeline for replacement of the user service lines whose content cannot be determined.

This bill, by July 1, 2020, would require a public water system to provide the timeline for replacement of known lead user service lines in use in its distribution system to the State Water Board. The bill, by July 1, 2020, would require a public water system that has identified areas that may have lead user service lines in use in its distribution system to (a) provide to the State Water Board its determination as to whether there are any lead user service lines in use in those areas of its distribution system and provide a timeline to the State Water Board for replacement of those lead use service lines, and (b) provide findings as to whether there are any areas for which it cannot determine the content of the user service lines and a timeline for the replacement of those user service lines.

Under existing law, the State Water Board must either approve a proposed replacement timeline or deny and propose a revised replacement timeline to the public water system. Under existing law, if the public water system rejects the State Board’s revised timeline, the public water system and the state board must develop a compromise timeline within 30 days. The May 10 amendments deleted the provisions that allowed the State Board to unilaterally implement a replacement timeline if a compromise timeline is not developed within 30 days. Those amendments also changed references in the bill to “community water systems” instead of “public water systems.” **The bill has passed the Senate and is pending the Assembly Environmental Safety and Toxic Materials Committee.**

SB 448 (Wieckowski) – Audits – Filing with LAFCO; Statement of Purpose. The May 26 amendments delete the requirement that the State Controller identify “idle districts” and instead changes the terminology in the bill to “inactive districts.” The bill also would require the State Controller to publish on its website a comprehensive list of special districts on or before July 1, 2019 and to update that list each year. ACWA has taken a **Favor if Amended** position on this bill. **The bill passed the Senate and is now pending in the Assembly Local Government Committee.**

SB 450 (Hertzberg) – Bonds. As amended, this bill, prior to authorization of the issuance of bonds with of at least 13 months, would require the governing body of a public agency to obtain and disclose specified information (including annual interest costs, total finance costs, total amount financed and total amount of payments) regarding the bonds in a meeting open to the public. The bill would require the information to be obtained as a good faith estimate from an underwriter, financial advisor or private lender. **The bill passed the Senate and is now pending in the Assembly Local Government Committee.**

SB 513 (Bradford) – Assault on a Utility Worker. This bill would increase the criminal penalties for assault or battery on a utility worker (including a worker employed by a publicly owned utility). The May 26 amendments limit the penalties to an increased fine of up to \$3,000 and/or 6 months in county jail. The May 26 amendments also require that an injury be inflicted on the utility worker for the increased criminal penalties to apply. **The bill has passed the Senate and is now pending in the Assembly Public Safety Committee.**

SB 541 (T. Allen) – Water Capture at Schools. This bill would require the State Department of Education, the State Water Resources Control Board, and the Division of the State Architect to consult and recommend best design practices that include storm water and dry weather runoff capture design standards for all new, reconstructed, or altered public schools, including school grounds. The bill would require these recommendations to be reported to the Governor and the Legislature on or before January 1, 2019. The June 19 amendments change the reference in the bill from “water capture” to “storm water and dry weather runoff capture.” **The bill has passed the Senate and is now pending in the Assembly Education and Environmental Safety and Toxic Materials Committees.**

SB 558 (Glazer) – Property Tax – Rain Water Capture System. Under the California Constitution, “new construction” may trigger property tax reassessment. This bill would exclude from classification as “newly constructed” and “new construction” the construction or addition, on or after January 1, 2019 (date changed from January 1, 2018 in April 26 amendment), of a rain water capture system, as specified in the bill. **This bill passed the Senate Governance and Finance Committee but remains pending in the Senate Appropriations Committee.**

SB 564 (McGuire) – JPAs – Water Bill Savings Act. This bill would enact the Water Bill Savings Act, which would authorize a joint powers authority to provide funding for a customer of a local agency to acquire, install, or repair a water efficiency improvement on the customer’s property served by the local agency. The bill would require the customer to repay the authority through an efficiency charge on the customer’s water bill to be established and collected by the local agency on behalf of the authority pursuant to a servicing agreement. The bill would authorize the JPA to issue bonds to fund the program. The bill would require an efficiency improvement to comply with certain provisions of the CalConserve Water Use Efficiency Revolving Loan Program guidelines to be eligible for financing under the bill. **This bill has passed the Senate and is now pending in the Assembly Local Government Committee.**

SB 589 (Hernandez) – MS4 Permit – Financial Capability Analysis. As amended on April 6 and April 26, the prior provisions in the bill were deleted and the bill would instead require the State Water Resources Control Board, in conjunction with an unnamed educational institution, to establish financial capability assessment guidelines for MS4 permittees by an unspecified date.

The bill would require the Los Angeles Regional Water Quality Control Board to use those guidelines in a pilot project conducted to assess if a financial capability analysis can be effectively used to help municipalities to implement a municipal separate storm sewer system permit. The bill would require the State Water Board to oversee the use of the guidelines and to make statewide recommendations upon the completion of the pilot project. ACWA has taken a **Favor** position on this bill. **This bill passed the Senate Environmental Quality Committee but is being held under submission in the Senate Appropriations Committee.**

SB 623 (Monning) – Safe and Affordable Drinking Water Fund. This bill would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are available, upon appropriation, to the State Water Board (amended on April 26). By creating a new continuously appropriated fund, this bill would make an appropriation. This bill is a placeholder for a major proposal on drinking water funding that is being developed, particularly with an emphasis on needed improvements for disadvantaged communities and funding for AB 401’s low-income water rate assistance program. As amended on March 30, the bill would also require the State Water Board to administer that fund and authorize the State Board to provide for the deposit of federal contributions and of voluntary contributions, gifts, grants, or bequests. The bill would require the State Board to expend moneys in the fund for grants, loans, contracts, or services to assist those without access to safe and affordable drinking water consistent with a fund implementation plan adopted annually by the State Board, as stated in the bill. The bill would require the State Board annually to prepare and make available a report of expenditures of the fund and to adopt annually, after a public hearing, an assessment of funding needed to ensure all Californians have access to safe drinking water. Senator Monning has expressed his intent to add a public goods charge to this bill as a funding mechanism, but those amendments have not yet been finalized and put out in print. ACWA has taken an **Oppose Unless Amended** position on this bill. **This bill passed the Senate and is now pending in the Assembly Environmental Safety and Toxic Materials Committee.**

SB 633 (Portantino) – Stormwater. This bill would require a regional board preparing a water quality control plan for a region having a population in excess of 10 million residents (i.e., Los Angeles County) to additionally consider opportunities to convey stormwater to a regional site within the watershed in which the stormwater originated for capture and infiltration and to consider the opportunity for stormwater capture when determining past and probable future beneficial uses of water, as specified in the bill. The bill would make legislative findings and declarations as to the necessity of a special statute for the Los Angeles region. ACWA has taken a **Favor and Amend** position on this bill. **This bill passed the Senate Environmental Quality Committee but is being held under submission in the Senate Appropriations Committee.**

SB 634 (Wilk) – Santa Clarita Valley Water District. This bill would implement the merger between Group member Newhall County Water District and Castaic Lake Water Agency. As amended, provisions were added to require an application for the consolidation to be submitted to the L.A. County LAFCO and for the new district to reimburse L.A. County LAFCO for any costs incurred. ACWA has taken a **Support** position on this bill. **This bill has passed the Senate and is now pending in the Assembly Water, Parks and Wildlife and Local Government Committees.**

SB 693 (Mendoza) – Lower San Gabriel River Recreation and Park District. This bill would authorize the establishment of the Lower San Gabriel River Recreation and Park District,

by petition or resolution submitted to the Los Angeles County Local Agency Formation Commission before January 1, 2020. The bill would authorize specified city councils (including Pico Rivera, Downey, Whittier, Long Beach, Bellflower, Lakewood and Cerritos) and the Los Angeles County Board of Supervisors to appoint the initial board of directors of the district. The bill would specify that the district has financing authority under existing law and would further prescribe additional functions and duties of the district, including, but not limited to, the acquisition, construction, improvement, maintenance, and operation of open space and parks along the Lower San Gabriel River. **This bill passed the Senate and is now pending in the Assembly Local Government and Water, Parks and Wildlife Committees.**

SB 701 (Hueso) – State Resources Obligation Act of 2018. This bill would enact the State Resources Obligations Act of 2018, which, if approved by the voters at the November 2018 general election, would authorize the issuance of General Obligation bonds in an unspecified amount to finance a program to comply with specified state obligations relating to natural resources, including the Central Valley Project, Lake Tahoe, the San Joaquin River and Salton Sea. ACWA has taken a **Favor** position on this bill. **This bill passed the Senate and is now pending in the Assembly Water, Parks and Wildlife Committee.**

SB 740 (Wiener) – On-Site Treated Water. This bill was substantially amended on April 26, and now would require the State Water Resources Control Board, on or before December 1, 2018, in consultation with other state agencies, to adopt regulations, consistent with federal and state law in effect on January 1, 2018, to provide comprehensive risk-based standards for local permitting programs for onsite recycling of water in multifamily residential, commercial, and mixed-use buildings for nonpotable use. The bill would require those regulations to address specified issues and practices relating to the management, monitoring, and treatment of recycled water for nonpotable use. The bill would require that a local jurisdiction comply with those regulations if the local jurisdiction allows the onsite recycling of water and subsequent uses of that recycled water. **This bill is being held under submission in the Senate Appropriations Committee.**

SB 771 (DeLeon) – CEQA – Continuing Education Requirements. This bill would establish a continuing education requirement under CEQA of two hours per year for employees of public agencies who have responsibility for overseeing compliance with CEQA. ACWA has taken a **Not Favor** position on this bill. **The bill passed the Senate and is now pending in the Assembly Natural Resources Committee.**

SB 778 (Hertzberg) – Consolidation of Water Systems. This bill was gutted and amended on April 5 and now concerns consolidation of drinking water systems. As amended on April 5 and further amended on April 26, the bill would require the State Water Board, on or before March 1, 2018, to track and publish on its Internet Web site an analysis of all voluntary and ordered consolidations of water systems, including information on the resulting outcomes of the consolidations and whether the consolidations have succeeded or failed in providing an adequate supply of safe drinking water to the communities served by the consolidated water systems. The May 26 amendments **delete** the prior provisions that would have created the Safe Drinking Water Fund, and would have made moneys in that fund available, upon appropriation by the Legislature, for the purposes of contracting with an administrator to provide administrative and managerial services to designated public water systems and ordering the designated public water

system to accept the administrative and managerial services. **This bill passed the Senate and is now pending in the Assembly Environmental Safety and Toxic Materials Committee.**

SB 780 (Wiener) – Landscaping – Water Conservation. As amended on April 4, bill would require the Department of Water Resources, by January 1, 2019, to establish guidelines for designing, installing, and rehabilitating landscapes of any size consistent with the watershed approach to landscaping, as provided in the bill. The bill would require, within 6 months of adoption of the guidelines, the Department of Water Resources and any other state agency with a grant or loan program that provides funding for water-conserving or water-efficient landscapes, (1) for programs funded by general obligation bonds, to revise funding guidelines to provide a preference for projects that comply with the adopted guidelines; (2) for programs funded by sources other than general obligation bonds, to revise funding guidelines to require projects to comply with the adopted guidelines; and (3) for programs funded by any source, to give, to the extent feasible, additional funding preference for a project that implements the watershed approach to landscaping whose project application includes the use of services of specified entities. The bill would also require DWR to promote the watershed approach to landscaping by providing education and training for homeowners, contractors, certified community conservation corps, and other landscape professionals who plan, develop, or implement landscaping projects. ACWA has taken an **Oppose Unless Amended** position on this bill. **The bill is being held under submission in the Senate Appropriations Committee.**