

Agenda

Sacramento Suburban Water District Government Affairs Committee

3701 Marconi Avenue, Suite 100
Sacramento, CA 95821

Wednesday, July 9, 2014
6:00 p.m.

Public documents relating to any open session item listed on this agenda that are distributed to the Committee members less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Committee concerning any item of interest. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The Committee Chair will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 679-3972. Requests must be made as early as possible and at least one-full business day before the start of the meeting.

Call to Order

Roll Call

Public Comment

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Committee. Comments are limited to 3 minutes.

Items for Discussion and Action

- 1. AB 1739 (Dickinson) & SB 1168 (Pavley) Sustainable Groundwater Management**
Receive report on status of the two bills pertaining to groundwater management.
- 2. California Water Bond Summaries - 2014**
Receive report on water bonds related to the Safe, Clean, and Reliable Drinking Water Supply Act.
- 3. SB 1420 (Wolk) Urban Water Management Plans**
Receive report dealing with Urban Water Management Plans.

Adjournment

Upcoming Meetings:

Monday, July 14, 2014 at 2:00 p.m., Finance & Audit Committee Meeting

Monday, July 21, 2014 at 6:30 p.m., Regular Board Meeting

I certify that the foregoing agenda for the July 9, 2014, meeting of the Sacramento Suburban Water District Government Affairs Committee was posted by July 3, 2014 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was made available to the public during normal business hours.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District



Government Affairs Committee

Agenda Item: 1

Date: July 2, 2014

Subject: AB 1739 (Dickinson) & SB 1168 (Pavley) Sustainable Groundwater Management

Staff Contact: Dan York, Assistant General Manager

Beginning with the California Water Action Plan, the Administration has been advocating for comprehensive legislation to address California's ongoing groundwater management challenges. These efforts included workshops, collaboration with various water interest groups and culminated with the release of a discussion draft of sustainable groundwater management legislation.

Concurrently, both Senator Fran Pavley and Assembly Member Roger Dickinson introduced bills this year to help achieve sustainable groundwater management across the state. Leadership in both houses has designated these two authors as lead in their respective houses for developing comprehensive groundwater management legislation. These two authors have further committed to working closely and collaboratively with both each other and the Administration to craft and enact comprehensive groundwater legislation in 2014.

The bills, as currently written, would establish a statutory definition of groundwater management and provide for enhanced minimum requirements for local groundwater management plans. It would also enhance and clarify tools and authorities for local agencies to improve groundwater management and outline specific steps for monitoring and reporting groundwater data.

Assembly Member Dickinson has stated the measure seeks to address a critical challenge regarding groundwater management while keeping the emphasis on action at the local level. He also noted that the bill incorporates several concepts advanced by Association of California Water Agencies (ACWA) in recommendations it released for improving groundwater sustainability.

ACWA's recommendations outline legislative and administrative changes that would strengthen groundwater management and accountability where it is deficient, provide new tools and authorities to restrict pumping or take other measures where appropriate, and define a "backstop" role for the state in cases where a local or regional agency is unable to protect and manage a basin.

ACWA Senior Legislative Advocate, Whitnie Wiley, stated that while ACWA did not yet have a position on AB 1739 in its current form, the association is “committed to finding a path to sustainable groundwater management”. She thanked the author for his leadership on the issue and his willingness to incorporate input from ACWA.

There are a number of issues in the draft legislation that are of some significant concern to the District. The definition of sustainable management and the minimum size management unit are two very important issues:

1. Sustainable Management

Below is language directly from the current Pavley Groundwater bill defining sustainable management:

SEC. 5. Section 113 is added to the Water Code, to read:

113. (a) It is the policy of the state that groundwater resources be managed sustainably.

(b) Sustainable groundwater management mean the management of a groundwater basin to provide for multiple long-term benefits without resulting in or aggravating conditions that cause significant economic, social, or environmental impacts such as long-term overdraft, land subsidence, ecosystem degradation, depletions from surface water bodies, and water quality degradation, in order to protect the resource for future generations.

The Pavley language differs from the Administration’s language in a slight, but significant way. The big change is the insertion of the two words, “such as”, in the Pavley bill. This makes everything after those words examples of significant impacts, and removes the “significant” modifier from “depletions from surface water bodies”, leaving any depletion as a notion something is very wrong.

2. Minimum Management Unit

The Sacramento Groundwater Authority (SGA) manages the southern third of the Department of Water Resources (DWR) North American Sub-basin, which is very successful. The District is the largest pumper in SGA. West Placer Groundwater Authority manages roughly a third of the basin, which is in south Sutter County. The Pavley bill would make the DWR North American Sub-basin the smallest management authority. This would violate the ACWA principle of not doing harm to existing successful management entities. Should south Sutter County decide not to participate, state intervention in SGA’s operation would be unavoidable. The Dickinson bill is far superior in its definition of allowable management units.

Regardless of the size of the management entity, abutting entities should be required to coordinate their plans. It should be recognized that the DWR Sub-basins are not physical boundaries to groundwater flow, were never intended to be distinct management units and, in some cases, do not make political sense for creating a management entity. Urbanized

north Sacramento County, now covered by SGA, will encounter significant political pitfalls trying to jointly manage groundwater with rural south Sutter County, served largely by surface water to rice fields.

Where groundwater is less than properly managed, staff suggests allowing management units that have a chance at success, and not throwing away existing management operations, similar to SGA, that are now touted as examples of how it can be done well.

On June 20, 2014, Martha Guzman of the Governor's office, held a meeting to work collaboratively toward a single groundwater sustainability bill and layout a process and timeline for getting there. The governor's staff is developing and providing a side-by-side comparison document of the sustainability plans, which was made available to stakeholders at the end of June that would provide an additional basis upon which comments could be made.

On June 24, 2014, both AB 1739 and SB 1168 passed out of their respective committees. The bills were referred to the Appropriations Committees in each house, but will not be heard until August when the Legislature reconvenes from summer recess. However, there will be stakeholder meetings throughout the month of July, with the first being held on July 2nd.

Strategic Plan Alignment

5. Leadership (A) – Engage in legislative affairs on issues affecting the District.



Government Affairs Committee

Agenda Item: 2

Date: July 3, 2014

Subject: California Water Bond Summaries - 2014

Staff Contact: Dan York, Assistant General Manager

The California Water Bond (Bond), known by supporters as the Safe, Clean, and Reliable Drinking Water Supply Act, is the product of a comprehensive legislative package crafted in 2009 by Governor Schwarzenegger and state lawmakers to meet California's growing water challenges. This package represented a major step toward ensuring a reliable water supply for future generations, as well as restoring the Sacramento-San Joaquin Delta and other ecologically sensitive areas. The package was composed of four policy bills and an \$11.14 billion bond. The Bond measure was originally set to be on the State's 2010 ballot, but was later moved to the 2012 ballot. The California State Legislature (Legislature), in July 2012, approved a bill to take the measure off the 2012 ballot and put it on the 2014 ballot to provide a public cost share for elements of the package that would benefit the public.

Several bills to modify the existing Bond have been introduced in 2014. The number of water bond bills now stands at six (6). A spreadsheet of the bond bills that have been introduced are attached as Exhibit 1.

The Association of California Water Agencies (ACWA) supports the current version of the Bond set to be on the November 2014 ballot. With less than a week to go before the Legislature adjourns for summer recess, negotiations on a downsized water bond are in full swing.

Governor Jerry Brown has made it known that he wants a water bond measure on the November 2014 ballot, and he has initiated the negotiations with the Legislature with a \$6 billion water bond proposal. Current legislative proposals call for a \$10 billion range. What ultimately emerges from the Legislature likely will be determined by the second week of July 2014.

ACWA strongly believes that 2014 is the year to put a responsible water bond measure before California voters. California is experiencing one of the worst droughts on record, and public concern about water is at an all-time high. ACWA has had the opportunity to make progress on water policy and secure a bond that advances a statewide, comprehensive water plan that works for all regions of the state.

Though the bond that ultimately emerges may be smaller in size than ACWA and many members would prefer, a downsized version is necessary to aid its passage in the fall. In fact, polling indicates that a smaller bond has a greater chance of passing, especially if it's supported by the governor, who is viewed as fiscally disciplined.

The Legislature is expected to adjourn for summer recess on July 3rd without acting on a final bond proposal.

Strategic Plan Alignment

5. Leadership (A) – Engage in legislative affairs on issues affecting the District.

EXHIBIT 1

Active Water Bond Bills Summaries

AB 2686 (Perea) This water bond bill authorizes \$10.25 billion, including \$1 billion for Clean, Safe and Reliable Drinking Water; \$1.5 billion for Protecting Rivers, Lakes, Streams, Coastal Water and Watersheds; \$1.5 billion for Climate Change Preparedness for Regional Water Security and Drought Preparedness; \$2.25 for Sacramento-San Joaquin Delta Sustainability; \$3 billion for Statewide Water System Improvement; \$1 billion for Groundwater Sustainability and an unspecified amount for Water Recycling. *Currently in ASSM Appropriations.*

SB 1250 (Hueso) A \$10.15 billion measure that would authorize general obligation bond for a variety of water supply reliability and ecosystem programs, including \$900 million for clean, safe, and reliable drinking water; \$1.350 billion for water supply reliability and drought preparedness; \$2.25 billion for Delta sustainability; \$3 billion for statewide water system operational improvement for drought preparedness; \$1.3 billion for protecting rivers, lakes, stream, coastal water, and watersheds; \$500 million for groundwater sustainability; \$500 million for water recycling programs; \$250 million for water conservation; and \$100 million for local and regional storage projects. *Still in Senate Natural Resources - last scheduled hearing canceled at request of author on May 13.*

AB 2554 (Rendon) An \$8.5 billion bond authorizing funding, including \$1 billion for water quality improvement; \$1.5 billion multi-benefit ecosystem and watershed protection and restoration projects; \$2 billion to respond to climate change and contribute to regional water reliability; \$1 billion for Sacramento-San Joaquin Delta sustainability; and \$2.5 billion for water storage for climate change projects as selected by the CWC. *Currently in ASSM Appropriations.*

AB 1331 (Rendon) This bill would authorize a total of \$8 billion in funding in the following categories: \$1 billion for Clean and Safe Drinking water, \$1.5 billion for protecting rivers, lakes, streams, coastal waters and watersheds, \$2 billion for climate change and drought preparedness for regional water security, \$1 billion for Sacramento San Joaquin Delta Sustainability, and \$2.5 billion for water storage for climate change (not continuously appropriated). *Currently in SEN Rules Committee waiting further policy committee assignment.*

SB 848 (Wolk) A \$10.5 billion package, including \$3.02 billion for Safe Drinking Water and Water Quality projects; \$3.18 billion for Water Quality Projects; \$1.3 billion for Sacramento-San Joaquin Delta; and \$3 billion for Statewide Water Systems Operational Improvement for Drought Preparedness. *The bill failed passage on Senate Floor on June 23rd (22-9).*

AB 2043 (Bigelow) A \$8.035 billion water bond package, including \$495 million for drought relief; \$1.19 billion for regional water supply reliability; \$1.5 billion for Delta sustainability; \$3 billion for water storage, continuously appropriated; \$800 million for groundwater protection and water quality; and \$1.05 billion for water recycling and water conservation and efficiency. *Currently in ASSM Appropriations.*

SB 927 authored jointly by Republican Senators Vidak and Cannella has already failed in committee. Also, Assemblymember Logue has abandoned his water bond bill, **AB 1445**.



Government Affairs Committee

Agenda Item: 3

Date: July 3, 2014

Subject: SB 1420 (Wolk) Urban Water Management Plans

Staff Contact: Dan York, Assistant General Manager

The Urban Water Management Planning Act, first passed in 1983, partly in response to the 1976-77 drought, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an Urban Water Management Plan (UWMP). Existing law requires an UWMP to quantify, past and current water use, and projected water use, identifying the uses among water use sectors, including, among others, commercial, agricultural, and industrial uses. Existing law requires an urban water supplier to submit copies of its plan and copies of amendments or changes to the plan to certain entities, including the Department of Water Resources. This bill would require an UWMP to quantify and report on distribution system water loss.

For the 2015 UWMP update, the distribution system water loss shall be quantified for the most recent 12 month period available. For all subsequent updates, the distribution system water loss shall be quantified for each of the five years preceding the UWMP update.

The water use section requires water suppliers to quantify the past, current and projected water use in five year increments over a 20 year planning horizon among the following water use sectors:

- Single-family residential
- Multi-family residential
- Commercial
- Industrial
- Institutional and governmental
- Landscape
- Sales to other agencies
- Groundwater recharge, saline water intrusion barriers or conjunctive use
- Agricultural

The District is currently underway to complete its meter installation program by the mandated date of January 1, 2025, if not sooner, in accordance with AB 2572. The concern with the proposed bill is that the Department of Water Resources may not accept the District's UWMP since we will not be able to calculate our rate of loss since we are not 100% metered. There are hopes the bill would include the following language:

(3) (A) For the 2015 UWMP update, the distribution system water loss shall be quantified for a minimum period of one year prior to 2015. For all subsequent updates, the distribution system water loss shall be quantified for each of the five years preceding the plan update.

(B) The distribution system water loss quantification shall be reported in accordance with a worksheet approved or developed by the department through a public process. The worksheet shall be based on the water system balance methodology developed by the American Water Works Association. An urban water supplier that is not fully metered may submit the results of an American Water Works Association Manual 36 water loss audit in lieu of this requirement.

An American Water Works Association Manual 36 water loss audit will identify deficiencies in a water purveyor's distribution system and makes recommendations on how a water purveyor can reduce water loss.

Strategic Plan Alignment

5. Leadership (A) – Engage in legislative affairs on issues affecting the District.