

Dave Stoldt

From: Roger Gwinn <rgwinn@tfgnet.com>
Sent: Friday, December 09, 2016 10:38 AM
To: Dave Stoldt
Cc: Kristi More
Subject: RE: Response to RFQ for Federal Legislative and Agency Lobbyist
Attachments: Supplemental_Optional Information_TFG_.pdf

Flag Status: Flagged

Dave – Thank you for allowing The Ferguson Group to submit the attached description of supplemental, optional services that we are prepared to offer should our firm be selected to provide services in response to the District's Request for Qualifications for Federal Legislative and Agency Lobbyist. Due to the heavy workload at the end of the current session of Congress, we were unable to incorporate these optional services in our original proposal and meet the submittal deadline. Thank you, again, for allowing us to submit this additional information, and we look forward to future discussions about how we can best serve the District's needs.

Roger

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BRYANT & ASSOCIATES
Strategies & Solutions for Water Resources

December 5, 2016

Mr. W. Roger Gwinn, CEO
The Ferguson Group, LLC
1130 Connecticut Ave., N.W., Suite 300
Washington, D.C. 20036

RE: Supplemental Services to The Ferguson Group in support of the Monterey Peninsula Water Management District RFQ for Federal Legislative and Agency Lobbyist

Dear Mr. Gwinn:

Thank you for the opportunity to submit this Statement of Qualification to support The Ferguson Group (TFG) in providing Federal Advocacy Services to the Monterey Peninsula Water Management District (District).

As has been successfully demonstrated over time, the services of our respective team's compliment and amplify our individual contributions to the benefit of the client in 3-key areas and are summarized below.

Efficiency: Time and Cost-savings

As part of study teams, we anticipate and identify early opportunities for funding various aspects of our client's projects. We don't wait for a study to be completed and then seek to fund its implementation. For the MPWMD, this is particularly important due to regulatory constraints, supply shortages and drought. There are several project needs, addressing diverse stakeholder interests, needing near, mid and long-term funding support. Early identification of options for funding and successfully implementing foundational projects is key to this client's water management portfolio.

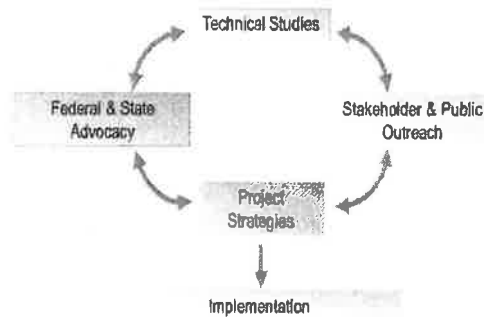
Although we work with lobbyists and understand your business, we are not lobbyists. In many cases, meeting with agencies representatives and working through issues is easier, because *we are not lobbyists*. Outside Washington D.C., many agencies have reporting requirements when meeting with lobbyists; we know when we can address an issue and when it needs to be handled by a registered advocate.

Technical Accuracy

Many of the studies and work we are involved with is considered leading-edge. To be credible in representing the breadth and depth of our client's projects – their ability to meet policy mandates and funding criteria – we must develop information that is technically sound, efficiently illustrates the need and, is accessible to a broad range of people. The technical effort should be linked to and support the implementation strategy and conversely, aspects of the funding and implementation strategy should inform, influence and provide direction to the technical analyses.

Communications

Informational outreach materials – across multiple platforms – that convey technical aspects, the ability to meet policy objectives and funding criteria and, highlight your local agency's commitment are imperative for strategic communications. We can quickly and efficiently prepare materials that will both support your advocacy efforts and, that will effectively raise the MPWMD's profile among a very large field of competitors.



Pulling It All together: The North Bay Water Reuse Program

The case study below – taken from TFG's SOQ – illustrates how our respective team's efforts have benefited our clients. In every one of these examples we anticipated the need of our client well in advance of their actual application for funding. This allowed us to develop clear, technically strong materials supporting our requests and, use them to inform agency representatives locally, with policy, the administration and elected representatives.

The resulting outcomes to our client is that the authorizing and funding opportunities – specifically developed to meet their needs – were/are available when they are ready to apply for them and upon award, are immediately put to use. In the interest of brevity, the key information has been highlighted below.

The North Bay Water Reuse Program. First, TFG has worked with the North Bay Water Reuse Authority (Authority), a regional-scale partnership of ten water management agencies and local governments in three counties (Marin, Napa, and Sonoma) that rim the north San Francisco Bay, since 2005. TFG worked with the Authority to secure a special, \$25 million authorization in 2009, under the Bureau of Reclamation's Title XVI water reuse program, to help address the water supply needs of this three-county region using an integrated, regional approach toward developing and implementing projects that provide multiple-benefits meeting the region's urban, agricultural, and environmental water supply needs. In the Fiscal Year 2016 Title XVI competitive grants process, the Authority was able to secure the final increment of funds pursuant to this authorization. The project components allow the Authority members to produce, distribute, and store a reliable source of recycled water and, at the same time, address, among other things, wastewater discharge issues into San Francisco Bay, which is an impaired water body. The NBWRP also promotes collaboration of smaller water and sanitation districts that allows them to have access to funding and expertise that normally they would not have and facilitates leveraging of local, state, and federal funding. The NBWRP is unique in its approach of collectively expanding recycling efforts – and in doing so redefining regional-scale water reuse.

Over the last several years, TFG has also worked with the Authority to secure changes in the way Reclamation allocates funding under the Title XVI program. Specifically, TFG worked with the Authority to secure an increase in the size of construction grants awarded under Title XVI. In Fiscal Year 2010, for example, construction grants under Title XVI were limited to \$1 million per awardee. The Authority led successful efforts to secure an increase in the cap to \$4 million. TFG also worked with the Authority to secure an increase in the cap on feasibility study funding. Originally, support for Title XVI feasibility studies was limited to \$150,000 per study. The Authority pressed Reclamation to increase this cap to \$450,000 and that request was granted in the release of the Fiscal Year 2015 Title XVI program funds.

TFG has also worked with the Authority to build West-wide support for three new federal water infrastructure assistance tools, all of which would be helpful to the District: (1) the creation of a new, innovative, federally-backed, low-interest, long-term loan program through the Bureau of Reclamation; (2) expansion of the WaterSMART program to allow Reclamation to use this highly successful program to provide a more robust level of competitive cost-shared partnerships for a wide range of water supply and water management projects, including small-scale storage, conveyance, and integrated regional water management and recycling; and (3) reform of Reclamation's Title XVI water recycling and reuse program to allow unauthorized Title XVI projects to compete for construction assistance under the program. All three proposals have been included in numerous pieces of federal legislation and are under consideration in on-going drought relief legislation negotiations.

Resumes

Ginger Bryant, Principal Bryant & Associates

Over the last 25 years, Ginger Bryant has developed, directed and participated in diverse consulting teams comprised of individuals with the technical and policy expertise required to address complex water management issues throughout the West. Her watershed-based management strategies bring a comprehensive understanding of the value of water from many perspectives, be it landowner, community, state or federal agency.

Ms. Bryant's approach to water resource planning is uniquely hers and she is recognized as a thought leader on how regional entities can approach diverse, often competing, needs for water and how we, as a society are going to pay to meet these needs.

Ginger's vision and hands-on role yield results in two key areas: 1) as a participant in technical teams, she contributes expertise to successful, innovative strategies addressing water management issues and 2) with policy teams, she develops funding strategies that position projects to successfully secure the financial resources needed for implementation.

Drawing on her years of experience, Ms. Bryant's ideas come to fruition through plans and strategies that are very competitive and highly implementable, addressing complex water and environmental challenges, while yielding diverse benefits for the community at large.

**Mike Savage, Vice-President
Brown and Caldwell**

Mike Savage is a senior water resources engineer with over 40 years in planning and design of water projects. For the North Bay Water Reuse Program Phase 1, he provided technical direction, led workshops, directed technical approaches, and provided senior review. Mike worked closely with the "Program Development Team" comprised of a Program Developer, Federal lobbyist, and State lobbyist in an integrated approach to develop an implementable suite of projects that meets both the Member Agency needs and the criteria of state and federal funding agencies.

Mike is currently leading the \$3 million-three year NBWRP Phase 2 program where the technical program is again integrated with the Program Development team to formulate a group of projects that can be successfully funded and implemented by the Member Agencies.

The Feasibility Studies include:

- Feasibility Study following USBR Guidance WTR 11-01
- Environmental documentation following CEQA and NEPA
- Public involvement program
- Financial Feasibility Analysis following USBR Guidance WTR 11-02

Mike has been engaged in large regional-scale water reuse projects for over 35 years including the San Francisco Water Reuse Study, the Central California Regional Water Recycling Program (CCRWRP), the Bay Area Regional Recycling Project (BARWRP), and the Southern California Comprehensive Water Recycling and Reuse Study (SCCWRRS). Additionally, he has been engaged in watershed studies for the Santa Clara River and the Santa Margarita River and integrated resource plans for Los Angeles, Rancho California WD and Otay WWD.

**Mark Millan, Principal
Data Instincts**

Mark Millan is the Principal of Data Instincts – a professional consultancy specializing in public information, public outreach, and public involvement for implementing recycled water projects. For over 20 years he has been instrumental in coordinating and advising on outreach strategies and stakeholder issues and facilitation for challenging water related projects. Mark and his team have also been proficient at creating outreach materials, including web and social media components, that can best position a project for funding opportunities.

These include the following efforts:

- Developing materials to support the pursuit of necessary authorizations and funding
- Assist with related tours of project areas for prospective customers, special interest groups and local, state and federal funding interests
- Producing collateral materials and PowerPoint presentations for meetings
- Assisting and providing guidance in preparing outreach materials and presentations that respond to questions and concerns
- Responding to press inquiries and provide guidance on media related matters
- Preparing press releases, opinion pieces, message points and other media related items in support of funding efforts

Fees

These services can be retained on an hourly or annual retainer basis serving the needs of TFG and MPWMD. All negotiated fees are based on hourly rates that range from \$200-300.00 per hour.

References are available upon request.

Once again, thank you for the opportunity to submit this information regarding assistance to the MPWMD and ultimately, the community they serve.

Sincerely,



Ginger Bryant, Principal
Bryant & Associates

MPWMD

2016 Budget and Legislative Report: Highlights and Emerging Issues

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Introduction and Highlights:

The beginning of the 2016 legislative session convened on January 4th, and two large priorities carried over from the prior year: transportation infrastructure funding and long-term healthcare funding special sessions (*see below*). During the regular session, the Legislature introduced over 2500 bills on all subject matters; however, there was a notable number on human trafficking and medical marijuana regulation clean-up.

For the veteran Governor and new Senate and Assembly leaders, 2016 was a relatively calm legislative year. There were no overly-controversial bills, like last year's death with dignity or vaccination requirements. Regarding water issues, with the passage of the Water Bond two years ago the only area that the legislature continued to focus on was drought related legislation. This type of "calm" could be indicative of dire times ahead in the next year with budget revenues plateauing and the inevitable fallout from this November's election: both presidential and initiative-wise. Even with a new supermajority in the Assembly and Senate, the Governor and Legislature will be shifting its priorities from progressive and proactive to protectionary and cautious. With a downturn in the economy on the horizon and billions in federal funding at risk, it is safe to assume that the Governor will be presenting a drastically scaled-back budget in January. This budgetary shift and looming threat could most likely threaten any deal on transportation infrastructure funding if not passed before. Additionally, the state will be focused on recreational marijuana implementation, state immigration and social service policies and inevitable legal battles with the federal government. California will undoubtedly miss the "calm" of 2016.

The following are highlights summarized from this year's session:

2016 Legislative Highlights:

SPECIAL SESSIONS -

In his January Budget proposal, Governor Brown laid out two priority issues for the Legislature to address this session: transportation infrastructure funding and healthcare funding. Through an executive order in 2015, two special sessions convened to address these long-term funding solutions. The Legislature was effective in moving healthcare proposals, like the managed-care organization tax and tobacco regulation (details below), before the session closed out in mid-May. That same cannot be stated for the special session on transportation. Since the session on transportation was convened in 2015, the Legislature has been bogged with multiple proposals from both Houses, both parties, both Transportation Committees, that consensus lost to confusion. Conversely compounding the lack of progress was the Republicans new leadership that unequivocally refused to consider any proposal that levied a tax, which is near impossible when trying to accumulate over \$60 billion over the next ten years.

TRANSPORTATION –

In the last week of session, both Transportation Chairs unveiled a \$7.4-billion transportation, the latest effort to break through a yearlong logjam over the state's funding woes. The plan, highlighted by an increase of 17 cents per gallon in the gas tax, comes from Assemblyman Jim Frazier (D-

Oakley) and Sen. Jim Beall (D-San Jose) in an attempt to unify the disparate proposals the pair had previously introduced in their respective houses.

The combined plan is more than double the Governor's \$3.6-billion proposal, which calls for a 6-cent gas tax hike. Last summer, the Governor called a special session of the Legislature to highlight the \$130-billion backlog in state and local road repairs, as well as the billions more in other transportation budget deficits. But lawmakers have made little progress, especially with gas tax hikes - which would require a bipartisan supermajority vote - on the table.

After the election, both the Governor and Leadership have been negotiating with moderate Democrats and Republicans on a deal. However, they were not successful in pulling together a deal before the November 30th deadline for the special session. While the Assembly and Senate have a supermajority many are not optimistic that the new Legislature will see transportation infrastructure as a top priority given the state's financial uncertainty with the new Trump Administration. More should come to light when the Legislature reconvenes on December 5th as to another renewal of the special session and a possible deal for the funding.

NO PLACE LIKE HOME INITIATIVE –

When the Legislature convened in January, that same day, leaders in the Senate proposed their “No Place Like Home” initiative aimed at combatting homelessness and the mental health issues perpetuating and increasing the state's crisis. The \$2 billion endeavor aimed at diverting existing mental health dollars to leverage bonds for counties to address their homeless population housing and mental health needs. After much debate with the Governor, he signed the enabling legislation AB 1618 in June. The following are some of the details

Diverts Mental Health Services Act (MHSA) funding off the top of revenues to finance loans to counties to build permanent supportive housing for those who are mentally ill and chronically homeless.

- Includes three pots of funding in four rounds:
 - Noncompetitive Pot: \$200 million in “over the counter” funding for counties to start development process and capitalize operating reserves. Counties eligible for funding based on their homeless count, includes potential \$500,000 minimum award for counties with low homeless counts.
 - Competitive Pot: Up to \$1.8 billion in funds to counties, with counties grouped into tiers: LA, Large Counties with more than 750,00 resident, Medium Counties with between 200,001 and 749,999, and Small with less than 200,000 residents)
 - Alternative Process: Allows 4 counties with largest homeless count (Los Angeles, San Francisco, Santa Clara, and San Diego) to access funding directly but limits them in proportion to their homeless count.
- Includes \$2 million for Technical Assistance to counties based on size
- Uses up to 5% for state administrative costs; 4% of competitive pot is set aside for a default reserve in case a local project has issues.
- Requires counties to commit to providing supportive services for 20 years

- Allows these supportive housing units to be occupied by those coming from corrections and transitioning from the foster care system.

TOBACCO REGULATION –

As part of the Democrats last-minute push in the healthcare special session before it shut down, they passed the state’s most sweeping tobacco regulation package to date. Subsequently, the Governor signed five out of six bills to strengthen the state’s tobacco laws, as well as regulate vaping. The bills a) raise the age of smoking to 21, b) bans vaping in all places where smoking is prohibited, c) expands smoke-free workspaces to include hotel lobbies, bars and banquet rooms, d) expands eligibility of tobacco prevention funds to charter schools, and e) increases tobacco retailer license fee from a one-time \$100 to an annual \$265. The Governor did however veto a bill that would have permitted counties and cities to establish their own tobacco tax.

HEALTHCARE –

1115 Waiver – After using up several extensions to the state’s 1115 waiver, an agreement was made between the state and the Center for Medicare and Medicaid Services (CMS) and passed by the Legislature in mid-February. The new waiver called Medi-Cal 2020, effective January 1, 2016 through December 31, 2020. The total initial federal funding in the renewal is \$6.2 billion over five years, with the potential for additional funding in the global payment program outlined below. Medi-Cal 2020 will enable California to continue the delivery system transformation of public hospital systems begun under the Bridge to Reform Waiver. It will also implement new efforts to further improve services across the Medi-Cal program, including in the Medi-Cal dental program and in the treatment of high-risk, vulnerable populations.

The agreement includes the following core elements:

- A delivery system transformation and alignment incentive program for designated public hospitals and district/municipal hospitals that totals \$3.3 billion.
- A global payment program for designated public hospitals for services to the remaining uninsured. The program transitions around \$1 billion in current federal Disproportionate Share Hospital funding annually along with federal uncompensated care funding (initially \$276 million) into a value-based system aimed at improving care for the remaining uninsured.
- A whole person care pilot program that would integrate care for high-risk, vulnerable populations in a City-based, voluntary program. The funding for this program would be up to \$1.5 billion.
- A dental transformation incentive program totaling \$750 million.

In addition to these programs outlined above, the federal government requires as a condition of the waiver an independent assessment of access to care and network adequacy for Medi-Cal managed care beneficiaries and independent studies of uncompensated care and hospital financing.

Managed Care Organization (MCO) Tax – In his January budget, the Governor pressed the Legislature to act swiftly in passing a new MCO tax that, if not complete, would leave a gaping \$1.1 billion deficit in his May Revision. In late-February, under the healthcare special session, the Legislature, in a bipartisan effort, passed legislation extending this tax agreement. The deal will result in a net tax cut, maintain more than \$1 billion in critical federal funds, reduce debt by more than \$400 million and direct approximately \$300 million in new funding to help those with developmental disabilities. The legislation restructures the taxes assessed on the health insurance industry and is projected to reduce overall tax liability for the industry

2016 Budget Highlights:

Governor Brown signed the 2016-17 state budget on June 28th and did not exercise his line item veto authority. His approval of the main budget bill, Senate Bill 826, is part of the \$167 billion dollar budget package that provides a mix of long-term savings and one-time infrastructure spending championed by the Governor as well as on-going commitments for youth and families sought by the Legislature.

Significant details of the 2016-17 Budget:

Boosting Reserves, Paying Down Debt

In addition to the constitutionally-required \$1.3 billion deposit, the budget directs an extra \$2 billion contribution into the Rainy Day Fund - bringing the state's reserve fund to \$6.7 billion, or 54 percent of the goal. The budget also directs \$1.75 billion to the Special Fund for Economic Uncertainties, which also helps the state meet obligations in the face of declining revenue or unanticipated obligations, and pays down debts and liabilities by \$1.3 billion from Proposition 2 funds.

Counteracting Poverty

This year's budget begins implementing the state's new \$15 per hour minimum wage by raising the statewide minimum wage to \$10.50 per hour beginning on January 1, 2017. The budget also funds cost-of-living increases for Supplemental Security Income/State Supplementary Payment, the first boost since 2005.

The budget also repeals of the "maximum family grant rule" in CalWORKs, which had denied support to children born to parents who were receiving aid. It also limits the state's asset recovery from the estates of deceased Medi-Cal recipients.

Reducing Housing Costs

The budget reflects \$3.6 billion in state and federal funding and award authority for many affordable housing and homelessness programs, including increased funding for CalWORKs rapid rehousing and emergency homeless shelters.

Strengthening Infrastructure

The budget includes \$2 billion for state infrastructure improvements and maintenance, including \$1.3 billion General Fund for state buildings, \$270 million in lease-revenue bond authority for local

jails and \$688 million (\$485 million from the General Fund) for critical deferred maintenance at levees, state parks, universities and community colleges, prisons, state hospitals and other state facilities.

Local Government Funding –

Many key budget issues for counties were successfully addressed in the budget, these include:

- \$270 million for jail construction grants.
- \$25 million in grants for hard to site criminal justice facilities to cities and counties.
- \$127.3 million for group home reform
- \$10 million in State Responsibility Area Fire Prevention Fund grants, including \$5 million in grants to local governments specific to tree mortality and tree removal and \$5 million for general fire prevention.
- \$11 million to assist in the removal and disposal of trees in high hazard zones.
- \$30 million to support local jurisdictions using the California Disaster Assistance Act Program for tree mortality and other disasters.
- \$644,000 for PILT (Payment in Lieu of Taxes)
- \$2.5 million for Williamson Act
- Nearly \$400,000 in state backfill for counties with insufficient ERAF

Budget Funding to the Monterey Region –

The budget included three funding allocations to the Monterey region:

- \$1 million to the Monterey County Water Resources Agency for use in the Salinas River, to assist in the removal of excess vegetation and trash, increase efficiency of instream flow using sediment and vegetation management strategies, and support the development and implementation of long-term management policies. The City supported Senator Cannella's legislative request, SB 1264 in April, which appropriated these funds for the same purpose, in addition to his budget request.
- \$200,000 to support the Greater City of Salinas Regional Water Management Group implementation of a pilot project to address drinking water and wastewater needs of the disadvantaged communities in the Salinas Valley. Essentially, this appropriation will to continue fund a disadvantage community water treatment project for Seaside Valley that the Legislature appropriated \$500,000 in 2013 to kick-start the project.
- \$5.5 million to the City of Salinas – One-time funds to assist in counter violence and gang activity efforts. JEA & Associates and the City of Salinas began working on this proposal to Senator Cannella in December of last year.

2016 General Election –

California once again proved its progressive dominance on Election Night. The state elected its first African-American U.S. Senator, gave the Assembly and Senate Democrats a supermajority, passed two tax-increases to fund programs for the low-income residents, and a significant tobacco tax. However, the big initiative of the night, Proposition 64, will legalize the recreational use of marijuana

passed steadily. The Administration and Legislature anticipated the passage and overhauled the administration of the medical cannabis industry so that recreational use would fall under its auspices. As of November 9th, personal use, transfer, cultivation and transportation rights go into effect. Medical cannabis ID cardholders immediately exempt from state sales tax on marijuana. Additionally, \$5 million will be transferred from the state's general fund to the Department of Health Care Services to provide for a public information program. \$30 million transferred to regulatory agencies to begin rule making. In December, counties and cities could begin to create temporary retail licenses (e.g., stores and farms). In the first quarter of 2017, the counties and cities could begin to issue these licenses and state rule-making hearings will likely commence with draft regulations and chaptered regulations expected in the third quarter. Beginning in January 2018 is the deadline for state departments of Consumer Affairs, Food and Agriculture and Public Health to begin to issue licenses. It is also the deadline for marijuana bureau to begin to investigate the feasibility of creating nonprofit licenses. Furthermore it is the beginning of 15 percent marijuana retail sales tax, as well as the beginning of commercial cultivation taxes.

With that said, the new Trump administration could greatly impact the state's medicinal and recreational laws for marijuana. While Trump has stated that he is a supporter of medicinal marijuana, his views on recreational use is unclear, which could prompt federal interference. In regards to medicinal marijuana, he has stated that he would like to change its federal classification from a Schedule 1 drug to a Schedule 2, which would effectively legalize medical cannabis nationally and bring it under the regulation of the Department of Food & Agriculture, thus possibly conflicting with California's laws and regulations.

But more importantly, the impact of a Trump administration and Republican-controlled Congress could potentially have devastating financial ramifications for the state. With the promise to dismantle the Affordable Care Act, the state will lose billions of federal dollars, millions will lose coverage, federal funding for Planned Parenthood and other social/health programs for the low-income will come under funding fire, which will leave the state trying to backfill the damage. Adding to further this uncertainty are the effects on our global economy and foreign trade which will trickle down into our local economies, pension and retirement, inflation, General Fund, reserves, etc. While it is yet unknown how this will play out for this unabashedly blue state, it is reasonable to expect a financial and social blow that could take many years to recover from.

Emerging Issues for 2016:

With the 2015-16 legislative session closed out, many vital issues remain unresolved and/or emerging for the next year. The following is our assessment of issues that should consider for the next session:

- **Transportation Infrastructure Funding** – As discussed above, if the Legislature fails to pass an infrastructure funding package before November 30th, it is uncertain, given the new federal political environment if it will be their top priority when they convene in January.
- **Election Fallout** – In an unprecedented election, the state has several high priorities as a result. There will be the implementation of the recreational use of marijuana, a tobacco tax and most significantly, the potential budget and policy impacts of a new Trump Administration. The state will be looking at protecting the ACA, open trade and foreign

exports, immigration policies and progressive stances, such as gay marriage and abortion. Additionally, the Democrats in the Assembly and Senate now hold a supermajority; however, it is unclear at this point in how Governor Brown and Leadership will utilize this new legislative sway.

- **No Place Like Home Implementation** – As previously mentioned this new source of funding for housing and mental health services are going to be significant for the Monterey region. JEA & Associates will be closely monitoring the drafting of the regulations in order to maximize funding to the region, as well as allow for flexibility in funding certain projects.
- **FORA** - JEA & Associates will continue to monitor the progress of the FORA 2020 sunset and transition plan in order to keep a pulse on all proposals and options being developed on this issue. JEA & Associates will remain at the ready to introduce legislation or facilitate legislative meetings and discussions on the subject.

Advancing and Defending Our Clients' Interests in 2016

JEA & Associates has proudly represented MPWMD and its interests before the California Legislature, the Governor's Administration and numerous regulatory bodies for the several years. MPWMD has expected and received proactive information reporting; clear and concise analysis and reports on the Governor's budget and related legislation; developed and maintained strong and effective relationships with advocacy organizations and coalitions, key members of the Administration, as well as key policy and decision makers in the Legislature.

Each year, JEA & Associates works closely with MPWMD to assist in developing and framing your legislative priorities and then allocates JEA's resources to advance and defend those priorities. Through timely legislative bill tracks, JEA & Associates helps MPWMD stay informed on vital policy and political happenings, in addition to providing critical feedback and strategy on developments as they occur. JEA & Associates' Capitol Weekly Report provides current stories and analysis on legislation, hot issues, budget plays and key staff moves.

Despite the state's lingering fiscal, policy and political challenges in 2016, JEA & Associates is proud to have helped MPWMD understand and navigate the legislative and budget process. In those cases where specific issues or legislation loomed large on the Agency's priorities, we did our utmost to meet your expectations and achieve your outcome.

MPWMD 2016 Legislative Package:

Throughout this legislative session, JEA & Associates identified, tracked and monitored several bills, and after much analysis and discussion, narrowed the list to those seen below.

Recycled Water

[AB 2022](#) ([Gordon D](#)) Advanced purified demonstration water.

Introduced: 2/16/2016

Last Amended: 8/15/2016

Status: 9/21/2016-Chaptered by Secretary of State - Chapter 408, Statutes of 2016.

Summary: Would authorize the operator of an advanced water purification facility to cause advanced purified demonstration water to be bottled and distributed as samples for educational purposes and to promote water recycling, as specified. The bill would prohibit the advanced purified demonstration water in each bottle from exceeding 8 ounces and would prohibit that water from being distributed unless the water, among other requirements, meets or exceeds all federal and state drinking water standards.

Desalination

[AB 1871](#) ([Waldron R](#)) Coastal resources: development: water supply projects.

Introduced: 2/10/2016

Last Amended: 3/18/2016

Status: 4/22/2016-Failed Deadline pursuant to Joint Rule 61(b)(5). (Last location was A. NAT. RES. on 3/28/2016)

Summary: Current law, the California Coastal Act of 1976, requires any person wishing to perform or undertake any development in the coastal zone, as defined, in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency, to obtain a coastal development permit from the local government or California Coastal Commission, as specified. This bill would limit the growth-inducing impacts the commission may consider in its review of a coastal development permit for a water supply project.

[AB 1925](#) ([Chang R](#)) Desalination: statewide goal.

Introduced: 2/12/2016

Last Amended: 4/18/2016

Status: 6/3/2016-Failed Deadline pursuant to Joint Rule 61(b)(11). (Last location was APPR. on 4/19/2016)

Summary: The Cobey-Porter Saline Water Conversion Law, states the policy of this state that desalination projects developed by or for public water entities be given the same opportunities for state assistance and funding as other water supply and reliability projects, and that desalination be consistent with all applicable environmental protection policies in the state. This bill would require the Department of Water Resources to establish a goal of a specific number of acre-feet of drinking water to be desalinated per year by the year 2025 and of a greater specific number of acre-feet of drinking water to be desalinated per year by the year 2030, as part of a comprehensive water plan that fully evaluates other, specified options.

[AB 2042](#) ([Harper](#) R) Water desalination facilities.

Introduced: 2/17/2016

Status: 5/6/2016-Failed Deadline pursuant to Joint Rule 61(b)(6). (Last location was PRINT on 2/17/2016)

Summary: Would declare the intent of the Legislature to enact legislation relating to water desalination facilities.

[AB 2043](#) ([Harper](#) R) Desalination.

Introduced: 2/17/2016

Status: 5/6/2016-Failed Deadline pursuant to Joint Rule 61(b)(6). (Last location was PRINT on 2/17/2016)

Summary: Would state that the Legislature recognizes that desalination is an important local and regional sustainable water supply and reliability option.

[AB 2198](#) ([Brough](#) R) Coastal development permits: desalinization facilities.

Introduced: 2/18/2016

Status: 4/22/2016-Failed Deadline pursuant to Joint Rule 61(b)(5). (Last location was A. NAT. RES. on 3/3/2016)

Summary: The California Coastal Act of 1976 requires any person wishing to perform or undertake any development in the coastal zone, as defined, to obtain a coastal development permit, except as specified, from the California Coastal Commission or from a local government. This bill would require an application for a coastal development permit for a desalinization project, as described, to be given priority for review, and would require the issuing agency to expedite the processing of any such permit application.

[SB 919](#) ([Hertzberg](#) D) Water supply: creation or augmentation of local water supplies.

Introduced: 1/27/2016

Last Amended: 8/11/2016

Status: 9/29/2016-Vetoed by the Governor

Summary: Would require the Public Utilities Commission, before January 1, 2018, in consultation with the Independent System Operator, to address the oversupply of renewable energy resources through a tariff or other economic incentive for electricity purchased by customers operating "facilities that create or augment local water supplies," as defined, to reduce the cost of electricity to those facilities. This bill contains other related provisions and other existing laws.

Groundwater

[SB 1164](#) ([Cannella](#) R) Sustainable Groundwater Management Act: groundwater sustainability agencies.

Introduced: 2/18/2016

Status: 5/6/2016-Failed Deadline pursuant to Joint Rule 61(b)(6). (Last location was RLS. on 3/3/2016)

Summary: The Sustainable Groundwater Management Act authorizes a local agency or combination of local agencies overlying a groundwater basin to decide to become a groundwater sustainability agency for that basin. This bill would make a nonsubstantive change to those provisions.

[SB 1317](#) ([Wolk D](#)) Groundwater extraction permit.

Introduced: 2/19/2016

Last Amended: 6/20/2016

Status: 7/1/2016-Failed Deadline pursuant to Joint Rule 61(b)(13). (Last location was L. GOV. on 6/20/2016)

Summary: Would prohibit a groundwater extraction facility in a high- or medium-priority basin from being developed without a valid groundwater extraction permit, with certain exceptions. The bill would not require a city or county overlying a medium- or high-priority basin to have a process for the issuance of a groundwater extraction permit for the development of a groundwater extraction facility on or after January 31, 2022, or once the department has evaluated a groundwater sustainability plan for the basin the city or county overlies and determined the plan to be adequate and likely to achieve the sustainability goal for the basin, whichever comes first.

Funding

[AB 1588](#) ([Mathis R](#)) Water and Wastewater Loan and Grant Program.

Introduced: 1/6/2016

Last Amended: 8/16/2016

Status: 9/22/2016-Vetoed by the Governor

Summary: Would, to the extent funding is made available, authorize the State Water Resources Control Board to establish a program to provide funding to counties and qualified nonprofit organizations to award low-interest loans and grants 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 residents of the county, as prescribed.

[ACA 8](#) ([Bloom D](#)) Local government financing: water facilities and infrastructure: voter approval.

Introduced: 2/18/2016

Status: 8/31/2016-Failed Deadline pursuant to Joint Rule 61(b)(17). (Last location was L. GOV. on 6/23/2016)

Summary: Would create an additional exception to the 1% limit for a rate imposed by a city, county, city and county, or special district to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of wastewater treatment facilities and related infrastructure, potable water producing facilities and related infrastructure, nonpotable water producing facilities and related infrastructure, and stormwater treatment facilities and related infrastructure, that is approved by 55% of the voters of the city, county, city and county, or special district, as applicable, if the proposition meets specified requirements, and would authorize a city, county, city and county, or special district to levy a 55% vote ad valorem tax. This bill contains other related provisions and other existing laws.

Drought

[AB 1589](#) ([Mathis R](#)) California Environmental Quality Act: exemption: drought mitigation.

Introduced: 1/6/2016

Last Amended: 3/14/2016

Status: 4/22/2016-Failed Deadline pursuant to Joint Rule 61(b)(5). (Last location was A. NAT. RES. on 4/5/2016)

Summary: Would, for the duration of a state of emergency proclaimed by the Governor due to drought conditions, exempt from the requirements of CEQA certain projects that are undertaken, carried out, or approved by a public agency to mitigate those drought conditions. This bill contains other related provisions and other existing laws.

Conservation

[AB 1738](#) ([McCarty](#) D) Building standards: dark graywater.

Introduced: 2/1/2016

Last Amended: 3/28/2016

Status: 7/1/2016-Failed Deadline pursuant to Joint Rule 61(b)(13). (Last location was E.Q. on 6/22/2016)

Summary: Would define "dark graywater" as a specified wastewater that comes from kitchen sinks and dishwashers. This bill would require the Department of Housing and Community Development, at the next triennial building standards cycle, to adopt and submit for approval building standards for the construction, installation, and alteration of dark graywater systems for indoor and outdoor uses. This bill contains other existing laws.

[SB 814](#) ([Hill](#) D) Drought: excessive water use: urban retail water suppliers.

Introduced: 1/4/2016

Last Amended: 6/21/2016

Status: 8/29/2016-Chaptered by Secretary of State - Chapter 230, Statutes of 2016.

Summary: Would declare that during prescribed periods excessive water use by a residential customer in a single-family residence or by a customer in a multiunit housing complex, as specified, is prohibited. This bill, during prescribed periods, would require each urban retail water supplier to establish a method to identify and discourage excessive water use. This bill would authorize as a method to identify and discourage excessive water use the establishment of a rate structure that includes block tiers, water budgets, or rate surcharges over and above base rates for excessive water use by residential customers.

[SB 1340](#) ([Wolk](#) D) Water Conservation in Landscaping Act.

Introduced: 2/19/2016

Last Amended: 6/21/2016

Status: 9/24/2016-Vetoed by the Governor

Summary: The Water Conservation in Landscaping Act, requires the Department of Water Resources to update a specified model water efficient landscape ordinance by regulation and prescribes various requirements for the updated model ordinance. Current law requires each local agency to adopt either the updated model water efficient landscape ordinance or an ordinance that is at least as effective in conserving water as the updated model ordinance. If the local agency does not make a selection, the model ordinance shall apply within the jurisdiction of the local agency. This bill, on or after July 1, 2018, would require a local agency to require a permit for the installation of specified automatic irrigation systems, or the expansion of the same specified automatic irrigation systems to increase the irrigated area by 25% or more, for a landscape project.

Other

[AB 1585](#) ([Alejo](#) D) Monterey County Water Resources Agency: Lake Nacimiento and Lake San Antonio.

Introduced: 1/6/2016

Last Amended: 5/31/2016

Status: 8/31/2016-Failed Deadline pursuant to Joint Rule 61(b)(17). (Last location was BUDGET & F.R. on 6/9/2016)

Summary: Current law authorizes the Monterey County Water Resources Agency to award a design-build contract for the combined design and construction of a project to connect Lake San Antonio, located in the County of Monterey, and Lake Nacimiento, located in the County of San Luis Obispo, with an underground tunnel or pipeline for the purpose of maximizing water storage, supply, and groundwater recharge. This bill would appropriate \$10,000,000 from the General Fund to the Department of Water Resources and would require the department to grant the \$10,000,000 to the agency for the purpose of constructing a water conveyance tunnel between Lake Nacimiento and Lake San Antonio and spillway modifications at Lake San Antonio, as specified.

[SB 831](#) (Committee on Budget and Fiscal Review) Monterey County Water Resources Agency: Lake Nacimiento and Lake San Antonio.

Introduced: 1/7/2016

Last Amended: 8/23/2016

Status: 9/13/2016-Chaptered by Secretary of State - Chapter 338, Statutes of 2016.

Summary: Would appropriate \$10,000,000 from the General Fund to the Department of Water Resources for the purposes of a water conveyance tunnel between Lake Nacimiento and Lake San Antonio and spillway modifications at Lake San Antonio to increase storage by approximately 60,000 acre-feet. The bill would require the department to grant the \$10,000,000 appropriated for the purposes of the water conveyance tunnel and spillway modifications to the Monterey County Water Resources Agency for the purposes of constructing the water conveyance tunnel and spillway modifications, as specified.

[SB 1264](#) ([Cannella](#) R) Monterey County Water Resources Agency: Salinas River System.

Introduced: 2/18/2016

Status: 8/31/2016-Failed Deadline pursuant to Joint Rule 61(b)(17). (Last location was N.R. & W. on 3/3/2016)

Summary: Would appropriate \$1,000,000 from the General Fund to the Monterey County Water Resources Agency, for use in the Salinas River, to assist in the removal of excess vegetation and trash, increase efficiency of instream flow using sediment and vegetation management strategies, and support the development and implementation of long-term management policies. This bill contains other related provisions.



Submitted by staff at
12/12/16 meeting
Item 6

December 7, 2016

Senator Diane Feinstein
331 Hart Senate Office Building
Washington, D.C. 20510

Subject: Water Resources Development Act of 2016

Dear Senator Feinstein:

Monterey Peninsula Water Management District is urging your support of the bipartisan S. 612, a compromise bill on water resources infrastructure that includes the Water Resources Development Act (WRDA) of 2016. The entire state of California, and our region especially, would benefit from passage of WRDA, which responds to historic drought conditions in California and the Western states.

Furthermore, provisions of the bill will provide opportunity for the Pure Water Monterey water recycling project and the Monterey Peninsula Water Supply Project's desalination component. These two projects are critical for the future of our local economy. In addition, it will help local water agencies like ours to work with the U.S. Army Corps of Engineers on stormwater capture projects and groundwater recharge projects, and provides direction to the Corps to engage in environmental infrastructure projects, including water recycling projects.

The legislation is vital to California's water future and is consistent with our state's policy of managing water resources for the coequal goals of enhancing ecosystem health and improving water supply reliability. The drought language included in the bill reflects a balanced compromise that will improve water supplies for all Californians. We appreciate the hard work that has been done to aid the California water community. We strongly support passage of this legislation.

Please do not hesitate to contact our General Manager, David Stoldt at dstoldt@mpwmd.net as you have questions about our projects, or California Central Coast water issues in general.

Sincerely yours,

A handwritten signature in blue ink that reads "David J. Stoldt".

David J. Stoldt
General Manager



December 7, 2016

Senator Barbara Boxer
112 Hart Senate Office Building
Washington, D.C. 20510

Subject: Water Resources Development Act of 2016

Dear Senator Boxer:

Monterey Peninsula Water Management District is urging your support of the bipartisan S. 612, a compromise bill on water resources infrastructure that includes the Water Resources Development Act (WRDA) of 2016. The entire state of California, and our region especially, would benefit from passage of WRDA, which responds to historic drought conditions in California and the Western states.

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Sincerely yours,

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David J. Stoldt
General Manager



December 7, 2016

Representative Sam Farr
1126 Longworth HOB
Washington, D.C. 20515

Subject: Water Resources Development Act of 2016

Dear Representative Farr:

Monterey Peninsula Water Management District is urging your support of the bipartisan S. 612, a compromise bill on water resources infrastructure that includes the Water Resources Development Act (WRDA) of 2016. The entire state of California, and our region especially, would benefit from passage of WRDA, which responds to historic drought conditions in California and the Western states.

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David J. Stoldt
General Manager