

**COUNTY OF SONOMA
AGENDA ITEM
SUMMARY REPORT**

Clerk of the Board Use Only
Meeting Date **Held Until**

Agenda Item No: **Agenda Item No:**

Department:
 Sonoma County Water Agency

() 4/5 Vote Required

Contact: Tim Anderson **Phone:** (707) 521-6208 **Board Date:** 04-28-09

Deadline for Board Action:

AGENDA SHORT TITLE:
 State Legislative Recommendations

REQUESTED BOARD ACTION(S):
 Authorize the General Manager/Chief Engineer to sign letters expressing approved Sonoma County Water Agency positions on California legislation and state policy issues.

CURRENT FISCAL YEAR FINANCIAL IMPACT

<u>EXPENDITURES</u>		<u>ADD'L FUNDS REQUIRING BOARD APPROVAL</u>	
Estimated Cost	\$ -0-	Contingencies	\$
		(Fund Name:)	
Amount Budgeted	\$ -0-	Unanticipated Revenue	\$
		(Source:)	
Other Avail Approp (Explain below)	\$	Other Transfer(s)	\$
		(Source:)	
Additional Requested:	\$ _____	Add'l Funds Requested:	\$ _____
			-0-

Explanation (if required):

Prior Board Action(s):
 04/15/08 Board Action on State Legislative Recommendations
 05/01/07 Board Action on California State Legislative Support Letters
 02/27/07 Resolution No. 07-0153 Sonoma County Water Agency California State Legislative Initiatives

Alternatives - Results of Non-Approval:

Background:

More than 2,650 bills are now under consideration by the California State Legislature. Sonoma County Water Agency (Agency) staff and consultants have reviewed this year's legislation and have identified bills of particular importance for Agency operations. These bills are described briefly below along with recommended Agency positions on each bill. The full text of the bills can be viewed in current form on the state's legislative website at <http://www.leginfo.ca.gov/>.

A number of key policy issues have also been identified and recommended Board positions on these key policy issues are also listed below.

RECOMMENDED BOARD POSITIONS ON STATE LEGISLATION:

AB 49 (Feuer) Water Conservation **Support**
Requires California to achieve a 20% reduction in urban per capita water use in California by December 31, 2020.

AB 474 (Blumenfeld) Climate Protection **Support**
Allows public agencies other than cities and counties to implement voluntary assessment districts as currently permitted only for cities and counties under AB 811.

AB 815 (Ma) Public Contracts **Oppose**
Require a local public entity, before entering into any contract for a project, to provide full, complete, and accurate plans and specifications and estimates of cost, giving such direction as will enable any competent mechanic or other builder to carry them out. Places unreasonable liability on the public agency for defects or omissions in project designs.

AB 881 (Huffman) Climate Protection **Support / Sponsor**
Designates the Sonoma County Transportation Authority (SCTA) as the entity responsible for coordination of multi-jurisdictional climate protection programs in Sonoma County. Sponsored by SCTA.

AB 920 (Huffman) Electric Power **Support**
Permits net-metering customers to be paid for any excess electric power they produce over a 12-month period. Allows a utility that purchases excess net-metered solar or wind power to apply the power purchase toward the requirements of the renewable portfolio standard.

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Attachments:

On File With Clerk:

CLERK OF THE BOARD USE ONLY

Board Action (If other than "Requested")

Vote:

Background (continued):**AB 1061 (Lieu) Water Conservation****Support**

Provides that common interest developments cannot enforce policies or conditions that have the effect of prohibiting the use of low water-using plants as a group, or has the effect of prohibiting or restricting compliance with a local water-efficient landscape ordinance or water conservation measures.

AB 1187 (Huffman) Water Bond**Support**

Enacts the Safe, Clean, Reliable Drinking Water Supply Act of 2010 which seeks voter approval of a statewide general obligation bond for water infrastructure in California. Provides \$10 billion in funding including \$70 million for the North Coast Integrated Plan, \$150 million for the San Francisco Bay Integrated Plan, \$1 billion for watershed protection, \$500 million for water reuse, and \$400 million for restoration of native fish species.

AB 1189 (Skinner) Fish Passage Barriers**Support**

Clarifies the definition of a fish passage barrier, requires Caltrans to provide more complete documentation of known barriers and the schedules for remediation of those barriers, requires Caltrans to prioritize projects that support restoration, and requires that remediation work be done in conjunction with other construction or retrofit projects. The bill also directs Caltrans to make use of any funding available from the federal American Recovery and Reinvestment Act of 2009 for this purpose.

AB 1465 (Hill) Urban Water Management Plans**Support / Amend**

Updates the terms of the Urban Water Management Planning Act to require reporting on implementation of revised water conservation practices. Staff recommends an amendment to make the bill specifically identify conservation measures applicable to wholesale water suppliers and exempting wholesale water suppliers from reporting information on retail conservation measures.

SB 7 (Wiggins) Electric Power – Net Metering**Support**

Requires electric utilities to allow net-metered customers to be compensated for excess power produced during a 12-month period and allows California Solar Initiative participants to build projects larger than the estimated annual power demand for the customer.

SB 26 (Simitian) Water Quality**Support**

Requires the pharmacy board to coordinate with other entities to develop programs to manage pharmaceutical wastes and the disposal of devices. Authorizes a pharmacy to accept the return of home-generated pharmaceutical waste and home-generated sharps waste, as defined.

SB 283 (Desaulnier) Recycled Water**Support**

Requires the California Building Standards Commission to adopt building standards governing recycled water systems based upon Chapter 16 of the Uniform Plumbing Code of the International Association of Plumbing and Mechanical Officials.

SB 448 (Pavley) Endangered Species**Support**

Enacts the California State Safe Harbor Agreement Program Act, which would establish a program to encourage landowners to manage their lands voluntarily, by means of state safe harbor agreements approved by the Department of Fish and Game, to benefit endangered, threatened, or candidate species without being subject to additional regulatory restrictions as a result of their conservation efforts.

Background (continued):

SB 514 (Aanestad) Water Quality

Support

Requires that any minimum mandatory penalties for wastewater discharge permit violations must be levied by the relevant water board within at least 12 months of the board learning of the violation.

SB 539 (Wiggins) Ocean Protection

Support

Requires the Ocean Protection Council to prepare and submit a report to the Legislature regarding the costs of restoring native salmon and steelhead trout populations and restoring the health of the state's salmon fishery.

SB 565 (Pavley) Recycled Water

Support / Amend

Requires the State Water Board to develop a plan to ensure that at least 50% of wastewater that is currently discharged into the ocean be recycled for beneficial use by year 2030. Provides for a fee to be charged for ocean discharge with funds used to support implementation of the water recycling plan. Staff recommends an amendment to make the bill specifically include discharges to San Francisco Bay.

RECOMMENDED POLICY POSITIONS:

The Board approved a set of state legislative policy initiatives or guidelines in February 2007 which remain an active part of the Agency's legislative agenda. In addition to that Board direction specific issues that the Board may want to adopt formal positions on include the following:

PROPERTY TAX TRANSFERS

Oppose

Summary: The State of California has taken action in the past to shift property tax revenue from local government to compensate for budget shortfalls at the State level. Proposition 1A enacted by the voters in 2004 sets restrictions on the state's ability to make these transfers of tax revenue. However, there have been legislative proposals over the past year to take local tax revenue under the terms of Prop 1A or by other means. The Sonoma County Board of Supervisors opposes these proposed transfers. **Staff recommends that the Board of Directors also approve a policy position to oppose legislation or administrative rules that would shift local property tax revenue for other purposes.**

FUTURE WATER BONDS

Support

Summary: California has the practice of funding statewide water infrastructure by enacting voter-approved, general obligation bond initiatives at two-year intervals. The Agency has worked to make sure that these bonds fairly allocate funding for projects in this region of the state. The most recent bond, Proposition 84 enacted in 2006, provided \$5.4 billion including a total of \$175 million for North Coast and Bay Area integrated water management plans. The Sonoma County Board of Supervisors opposes these proposed transfers. **Staff recommends that the Board of Directors also approve a policy position to support future water bond initiatives that provide substantial funding for integrated plan programs, water reuse, and coastal fisheries restoration and that allocate funding statewide on a fair and equitable basis.**

NET-METERING OF ELECTRIC POWER

Support / Sponsor

Summary: The Sonoma Valley County Sanitation District treatment plant receives electric power service from a joint powers public utility known as the Power and Water Resources Pooling Authority. The facility also has a solar power installation that produces more electric power than is used by the facility on a 12-month basis. **Staff recommends that the Board approve a policy position to support or sponsor legislation that would enable facilities served by public utilities to be compensated for excess power put on the power grid by solar or other renewable power systems at these facilities.**

Background (continued):

CLIMATE CHANGE / CAP-AND-TRADE PROGRAMS

Support / Sponsor

Summary: The California Air Resources Board is developing rules for a statewide cap-and-trade program to reduce carbon dioxide emissions and assure compliance with AB 32 (Nunez). Local government is considered an “uncapped entity” under current policy and would not receive an emissions allowance under the program. This could severely limit the ability of local governments to use sale of offsets or allowances to help pay the costs for programs that cut local carbon emissions. **Staff recommends that the Board support a policy position that future carbon cap-and-trade programs should provide an allocation of allowances, a set aside of allowances or other incentives for local government programs that achieve significant reductions in carbon emissions in California and authorize staff to support or sponsor legislation for this purpose if necessary.**

BIOLOGICAL OPINION IMPLEMENTATION FUNDING

Support / Sponsor

Summary: The National Marine Fisheries Service issued a Biological Opinion on Agency operations in the Russian River Watershed that identified approximately \$200 million total costs for habitat and facility improvements that are needed to protect and restore salmon and steelhead species. The projects identified are those that have the greatest benefit for the fishery and the best chance for successful species restoration. **Staff recommends that the Board support a policy position that biological opinion implementation projects should be eligible for state fisheries restoration program grants and that future water bond funds should be allocated for biological opinion projects and authorize staff to support or sponsor legislation for this purpose if necessary.**

GEOEXCHANGE TECHNOLOGY

Support / Sponsor

Summary: Legislation enacted in 2008, AB 1470 (Huffman), designates a portion of revenue from a natural gas surcharge to fund the solar water heating system incentive program. Ground-source heat pumps, also known as geexchange systems, have benefits similar to those of solar thermal systems in that they also cut natural gas use increasing energy efficiency and reducing air emissions. **Staff recommends that the Board approve a policy position to support or sponsor legislation similar to AB 1470 that would designate funds for a geexchange heating and cooling system incentive program.**

WATER EFFICIENT PLUMBING FIXTURES

Support / Sponsor

Summary: The Agency and other water agencies statewide have for more than 10 years operated voluntary incentive programs to replace water wasting plumbing fixtures such as toilets, faucet and shower heads, washing machines, and other devices with new, high-efficiency devices that achieve significant water savings. Given the state’s current water supply crisis and the delivery of State Water Board Order WR 2009-0027 DWR mandating a 25% reduction in water diversions it may be time to strengthen these fixture replacement programs. **Staff recommends that the Board approve a policy position that California businesses and residences should be required to replace certain water wasting fixtures upon any change in water service to affected properties and authorize staff to support or sponsor legislation for this purpose if necessary.**

REQUESTED BOARD ACTION(S):

Authorize the General Manager/Chief Engineer to sign letters expressing approved Sonoma County Water Agency positions on California legislation and state policy issues.