



**2019 – 2020**  
LEGISLATIVE  
PLATFORM





## INTRODUCTION

The 2019-2020 Legislative Platform provides a summary of core legislative principles to help guide the advocacy efforts for the Coachella Valley Water District (CVWD) at the local, regional, state, and national levels of government through both legislative and administrative means. The Legislative Platform has been developed for the new biennial session of the California Senate and Assembly and the 116th Congress, and to be consistent with CVWD’s mission statement of “meet(ing) the water-related needs of the people through dedicated employees, providing high quality water at a reasonable cost.” While the bimonthly meetings of CVWD’s Board of Directors provide opportunities to receive direction from the Board on legislative and policy issues, there are instances when the General Manager or his designees are not able to obtain direct Board input in a timely manner before making policy decisions on behalf of the District. Once adopted by the CVWD Board of Directors, the Legislative Platform will provide guidance for the General Manager, his designees, and lobbyists so timely action may be taken consistent with the principles outlined below.

This document was developed by the Government Affairs Specialist in conjunction with CVWD’s Board of Directors as well as department directors. While this document strives to cover the District’s anticipated needs and its positions for the current term, there may be issues that arise that are not addressed in this Legislative Platform, or on which the Board may change its position. It is anticipated that the Government Affairs Specialist’s regular interaction with the Board’s Legislative Committee, which was formed to monitor legislative developments and confer regularly with the Government Affairs Specialist and contracted lobbyists, and the full Board of Directors will provide the iterative process necessary to ensure that advocacy needs of CVWD are met.



## POLICY DIRECTIVES

### **1. Maintain local control of water resources and resist against additional burdens that may hinder District operations.**

The essential principles guiding the District shall be to maintain control of the water resources it has been managing in the Coachella Valley for more than 100 years. Efforts made in Sacramento to reduce the amount of local control or autonomy of the District should be strongly opposed.

Further regulatory burdens, no matter which agency or what level of government is attempting to promulgate those regulations, will generally be opposed.

### **2. Protect the District's ability to efficiently operate day-to-day business functions.**

Other measures that may impede the District's ability to maintain day-to-day business operations, which could include myriad categories such as employment matters, building codes, and public agency contracting to name a few, will also be closely monitored and opposed.

### **3. Protect Coachella Valley Water District's local and imported water supplies.**

CVWD's protection of its diverse supplies of local water (groundwater and local surface runoff) and imported waters (Colorado River Water and State Project Water) is to meet the agricultural, domestic, irrigation, and other customer demands in a sustainable manner. Advocacy efforts should focus on the sustainability of the groundwater aquifer, and the preservation of the reliable delivery of imported surface water to CVWD. CVWD must ensure that the allocations and contracted volumes of imported waters are protected, and maintain the reliability of the infrastructure for conveyance. CVWD's policy is to support actions that preserve or increase the volume of water available for use by CVWD and its customers to ensure water delivery infrastructure reliability, and to preserve CVWD's ability to achieve sustainable groundwater management in the most economical means. Any actions that may have a contrary effect should be monitored and potentially opposed.

#### **4. Support and potentially sponsor efforts to amend state compliance periods for new water quality standards.**

When a new maximum contaminant level (MCL) for a contaminant is adopted by the California State Water Resources Control Board (SWRCB), water agencies are mandated to start monitoring within six months of the MCL effective date or beginning in January of the calendar year following the MCL effective date, depending on the nature of the contaminant. The current regulations would not provide water agencies impacted by a new MCL sufficient time to comply with the regulatory level, thereby being placed in a position of noncompliance and triggering a series of consequences to that agency. It would be beneficial to California water agencies if the SWRCB adopted a fair and reasonable compliance period similar to that of the U.S. Environmental Protection Agency, which provides up to five years for compliance with a new MCL.

The Association of California Water Agencies (ACWA) State Legislative Committee (SLC) has voted to sponsor such legislation. CVWD Director of Environmental Services, Steve Bigley, has worked extensively on this issue with the ACWA committee. CVWD will support the effort to introduce the bill and will work with partners across the state to give the bill the best chance of enactment.

Bills with similar intent should also be supported.



#### **5. Support and potentially work to sponsor federal legislation to remove the taxation requirement for conservation rebates issued by water districts in the state.**

Presently, under federal law, energy efficiency rebates are not considered taxable income. However, water conservation rebates are not categorized in the same manner, and rebates issued by CVWD and other water agencies to customers for removal of turf, replacement of high-volume toilets, or other rebate programs are considered income and subject to tax by the IRS. The process of completing tax forms and explaining the process to customers is lengthy and provides a disincentive to their participation in rebate programs. CVWD will watch the legislative developments and work with partner agencies to potentially introduce language in a federal bill to amend the tax code.

#### **6. Continue to engage with the State Water Resources Control Board to influence the ways in which SB606 and AB1668 are implemented.**

In 2018, SB606 (Hertzberg) and AB1668 (Friedman) were signed into law by Governor Brown. The two laws require a step-down approach to water use throughout the state and across sectors, including domestic, outdoor and commercial. The legislation included specific date targets for

reducing water use. However, the SWRCB retains the flexibility to implement the laws. CVWD will engage fully with the rulemaking process initiated by the SWRCB to ensure the local tiered water rates used by CVWD remain the best and most effective way to influence water use reduction by customers. CVWD will also remain focused on how the SWRCB moves to regulate outdoor water use.

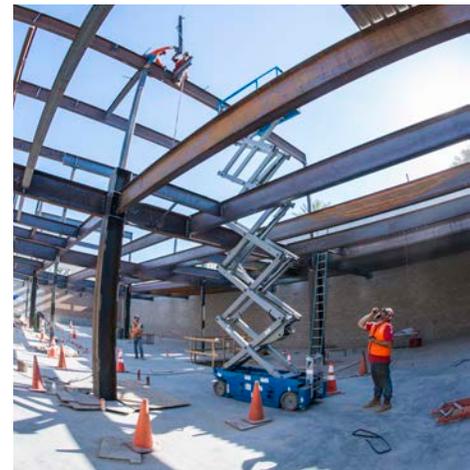
## **7. Support legislation to allow for flexibility in the contracting process, particularly for construction and engineering services.**

a. Current state law and policy make it illegal for consultants who have put together a work plan for the District to subsequently submit a bid to complete any of the work foreseen in that work plan. The Political Reform Act, California Government Code §87100 et seq., and California Government Code §1090 (“Section 1090”) govern conflicts of interest that may be present when a public agency contracts for services, such as consulting, design, and construction. Following the advice of legal counsel, the District was unable to accept a bid from an engineering firm that had previously done preliminary work and testing design on the project subject to the request for proposals. In this instance, the District would have likely saved time and money had the original contractor been able to bid on the project, which was an extension of the test project it had designed and completed.

Additionally, the Fair Political Practices Commission (FPPC), which promulgates regulations under the authority of the Political Reform Act, also issues advisory opinions on the above outlined laws and conflict of interest cases presented to it. In several opinions interpreting the present statutory language, the FPPC has indicated that situations similar, though not identical, would present a conflict and be disallowed under the current legal framework.

b. Secondly, the California Public Contract Code §20101(c) states that any list of prequalification candidates “shall be valid for one calendar year following the date of initial prequalification.” CVWD’s Engineering Department has requested assistance in securing legislative language to extend the valid period for prequalification to two years.

In the District’s view, a duration of two years would better serve the needs and efficiency of the District. Furthermore, it is likely many other public agencies across California would benefit from such a change in law and could be called upon to jointly support a measure, if introduced. It is likely trades industry organizations would also support a change in law, which would help to reduce costs and redundancies in producing and submitting bids following the expiration of a prequalified list of prospective bidders.



CVWD submitted proposals on both items, 5a and 5b, to ACWA in September 2018. At the final ACWA State Legislative Committee meeting in October 2018, the committee membership voted not to support or sponsor either item at that time, as the membership felt not enough information was provided. American Institute of Architects, California Council and American Council of Engineering Companies of California are leading the effort to introduce legislation. CVWD will work with these entities and others to move legislation from introduction to enactment.

**8. Continue to work for legislative language to ensure Coachella Valley disadvantaged communities are considered in any statewide safe and affordable drinking water initiative.**

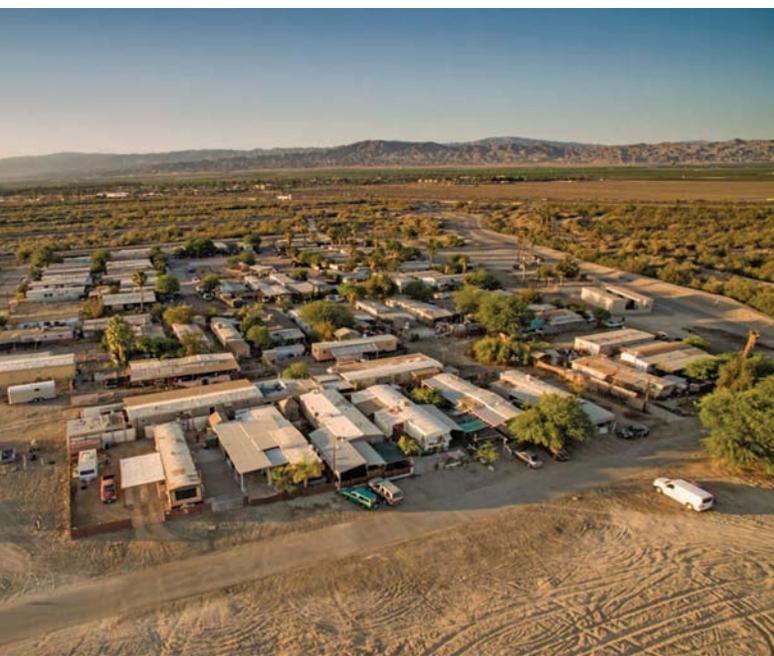
a. SB 623 (Water Quality: Safe and Affordable Drinking Water Fund) was introduced in 2017 and carried over as a two-year bill. The bill failed to move in 2018, though language following very closely to SB623 was inserted into a final budget trailer bill by Governor Brown. Following Governor Newsom's inauguration, he released his first draft budget on January 10, 2019. That budget includes \$4.9 million for a one-time allocation from the General Fund for the Water Board and the Department of Food and Agriculture to take initial steps toward implementing a program "within the policy framework of SB623."

Based on conversations held with the Board of Directors during regularly scheduled Board meetings, CVWD opposed SB623 in 2018.

The District will not support enactment of legislation introducing a new tax on water. It may take a neutral position, if the Coachella Valley is ensured receipt of some or all funds collected through specific statutory language.

The Board is supportive of the accompanying fertilizer and milk taxes introduced in 2018's SB623 and referenced in Governor Newsom's 2019 budget statement.

b. The District "supports if amended" the Safe Drinking Water Trust legislation, SB 669 (Caballero), the bill presented by ACWA and Eastern Municipal Water District. The bill would allocate a portion of the state's general fund surplus to the fund's establishment. The District is supportive of the conceptual idea of a trust. However, the District will maintain its position and goal to ensure funds from that trust are received and put to use in the Coachella Valley Water District service area. (See 8c below.)



c. During 2018 the Central Valley received the most attention about disadvantaged communities' needs and SB623. The District will work with the Assembly Committee on Water, Parks and Wildlife to insert a policy statement into any authorizing legislation to highlight the need of disadvantaged communities in the Coachella Valley, and aim to ensure funds collected are not limited to use in the Central Valley. This effort will continue whether the means of collecting funds is through a state imposed tax, or the Trust established with the General Fund surplus, or some other proposal not yet publically known. The District will also advocate to ensure legislation will authorize funds can be used for construction associated with consolidation, and not merely for operation and maintenance or for technical assistance.

## **9. Seek external funding for new facilities or facilities improvements.**

CVWD is continuing to provide reliable service in the areas of water delivery, water capture and reuse, and storm water management, which often requires new facilities or improvements to its existing facilities. In order to meet the “reasonable cost” component of CVWD’s mission statement, CVWD should maximize opportunities to leverage external funding whenever possible in order to reduce the cost burdens associated with the required facilities to customers. Aging and deficient infrastructure is an important issue that has been identified in numerous industry studies, and CVWD should encourage lawmakers to make available grants and fund-matching opportunities to encourage capital investment and improvements in infrastructure to ensure reliable service. Advocacy efforts in the area may include requesting an authority expansion for program funding to include new arenas not traditionally undertaken by the agency in question, particularly at the federal level, but also at the state level.

## **10. Continue to support California WaterFix.**

CVWD has been intimately involved with the State Water Project since its inception in the 1960s, being one of the original State Water Contractors; CVWD’s annual payment to the SWP is in excess of \$50 million. Over the past 50+ years, the reliability of the water deliveries from this project has decreased. There have been many proposals over the years on how to maintain or even increase the reliability of the project so that the contractors may receive closer to their contracted-for allocations.

During the October 10, 2017 CVWD Board meeting, the Board voted unanimously to adopt a resolution of support for the CA WaterFix proposal, which was the most recent iteration of the proposal to maintain the reliability of the project through the construction of tunnels to convey water underneath the environmentally sensitive Bay-Delta ecosystem. CVWD depends on the State Water Project as a primary source of imported water, and CVWD staff will continue to monitor the developments on the SWP and CA WaterFix, especially any legislative or regulatory actions that could impair water delivery to the contractors.

Governor Newsom has announced he will amend the plans for CA WaterFix from one tunnel down to two. The Board affirms its support of a one tunnel option.

## **11. Engage in conversations and promote means to serve disadvantaged communities in the CVWD service area, including possible legislative actions to amend program authorizations.**

One of CVWD’s focus areas is to secure access to safe affordable drinking water, wastewater and flood control services in historically disadvantaged Coachella Valley regions. Due to legal restrictions stemming from financial equity issues (specifically Proposition 218), CVWD is unable to use current revenues to pay for infrastructure in these areas. However, CVWD has supported the efforts to obtain grant funding through the Disadvantaged Communities (DAC) Infrastructure Task Force, which allows progress to be made in the areas of strategic planning, funding procurement, needs

assessment, and reporting. Through its participation on the DAC Task Force, CVWD will continue to support this goal through legislative efforts at the local, regional, and state levels. Additionally, CVWD will also support of the efforts of the DAC Task Force in order to obtain federal funding.

## **12. Protect CVWD interests related to the Quantification Settlement Agreement, Salton Sea, and the Salton Sea Management Program.**

CVWD was one of the principal parties during the historic Quantification Settlement Agreement (QSA) discussions. Executed in 2004, the QSA is a 75-year intra-California agreement that limited the annual Colorado River water delivery to California to 4.4 million acre-feet. The effect of the QSA for CVWD is the annual paid transfer of up to 103,000 acre-feet from the Imperial Irrigation District. CVWD has actively participated on issues related to the Salton Sea, including financial contributions to the QSA Joint Powers Authority for actions to mitigate the environmental impacts from the water transfer, and two of CVWD's Board members serve on the Salton Sea Authority Board.

Although CVWD is supportive of requiring the State of California to fulfill its obligation for environmental restoration of the Sea (most recent iteration of this effort is the Salton Sea Management Plant), it is opposed to any actions that may negatively impact the water transfer agreements.

CVWD will continue to engage with staff at the Salton Sea Authority, Riverside County and other agencies, as appropriate, at the federal, state and regional levels as appropriate.



For questions regarding these policy directives and their implementation, please contact **Kristen Johnson**, the District's Government Affairs Specialist, at 760-398-2661, ext. 3564 or email [kjohnson@cvwd.org](mailto:kjohnson@cvwd.org).

*This Legislative Platform was approved by the Board of Directors on March 26, 2019.*

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