

**SPECIAL MEETING OF THE BOARD OF DIRECTORS  
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA  
4040 PARAMOUNT BOULEVARD, LAKEWOOD, CALIFORNIA 90712**

**12:00 P.M., THURSDAY, MAY 14, 2009**

**AGENDA**

Each item on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Items listed as "For Information" or "For Discussion" may also be the subject of an "action" taken by the Board or a Committee at the same meeting.

- 1. DETERMINATION OF A QUORUM**
- 2. PLEDGE OF ALLEGIANCE**
- 3. PUBLIC COMMENT**
- 4. AB 234 (HUFFMAN) – ENERGY: WATER USE AND ENERGY EFFICIENCY PROJECTS: FEDERAL STIMULUS FUNDS**  
*External Affairs Committee Recommendation:* Support and amend.
- 5. FEDERAL ADVOCACY SERVICES**  
*External Affairs Committee Recommendation:* For discussion.
- 6. WEST BASIN OPERATIONAL PLAN UPDATE**  
*Staff Recommendation:* Retain CH2M Hill to assist in the scoping of the West Coast Basin Operational Plan Update on an as-needed basis for an amount not to exceed \$10,000.
- 7. GENERAL MANAGER'S REPORT**
- 8. DISTRICT COUNSEL REPORT**
- 9. WRD BOARD MEETING DATES**
  - A. June 19, 2009 – 9:00 a.m. – Board of Directors Meeting
  - B. July 17, 2009 – 9:00 a.m. – Board of Directors Meeting
  - C. August 21, 2009 – 9:00 a.m. – Board of Directors Meeting
- 10. CLOSED SESSION**
  - A. Conference with Legal Counsel – Existing Litigation, pursuant to Government Code § 54956.9(a), California Water Service Company, et al. City of Compton, et al., Case No. 506 806
  - B. Conference with Legal Counsel – Existing Litigation, pursuant to Government Code § 54956.9(a) Central and West Basin Water Replenishment District v. Charles Adams; L.A.S.C. Case No. 786,656

C. Conference with Legal Counsel-Anticipated Litigation, pursuant to Government Code § 54956.9(b), One Case

**11. ADJOURNMENT**

Agenda posted by Abigail C. Andom, Deputy Secretary, May 13, 2009. In compliance with ADA requirements, this document can be made available in alternative formats upon request.

In compliance with the Americans with Disabilities Act (ADA), if special assistance is needed to participate in the Board meeting, please contact Deputy Secretary Abigail Andom at (562) 921-5521 for assistance to enable the District to make reasonable accommodations.

All public records relating to an agenda item on this agenda are available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. Such records shall be available at the District office located at 4040 Paramount Boulevard, Lakewood, California 90712.

Agendas and minutes are available at the District's website, [www.wrd.org](http://www.wrd.org).



## MEMORANDUM

### ITEM NO. 4

*Prepared by:* Adeline Yoong

*Reviewed by:* Elsa Lopez

*Approved by:* Robb Whitaker

**DATE: MAY 14, 2009**

**TO: WRD BOARD**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: AB 234 (HUFFMAN) – ENERGY: WATER USE AND ENERGY EFFICIENCY PROJECTS: FEDERAL STIMULUS FUNDS**

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### LEGISLATIVE BILL ANALYSIS

- **Bill Summary and Status**

AB 234 (Huffman) requires the California Energy Commission to coordinate use of federal funding for energy efficiency with related water efficiency projects with the Department of Water Resources and the State Water Resources Control Board.

The measure passed the Assembly Water, Parks and Wildlife Committee on April 28<sup>th</sup> with a vote of 13-0. It will be heard by the Appropriations Committee on May 13<sup>th</sup>.

- **Impact to WRD**

This bill reflects the nexus between water use and energy use and will ensure that federal stimulus funds for energy efficiency are available for water efficiency projects. Staff is seeking amendments that will allow special district projects to be eligible for such funds including

- Projects to increase use of recycled water or stormwater capture for groundwater recharge and seawater intrusion prevention, as well as conjunctive use projects
- Projects that reclaim, recycle, or reuse stormwater, wastewater, brackish, and/or degraded water resources
- Efficiency improvement of facilities, infrastructure, and conveyance that reduce water usage at seawater intrusion barriers located in urban coastal
- Job training programs for gardeners

- **Support**

Green plumbers.

- **Opposition**

None on file.

### EXTERNAL AFFAIRS COMMITTEE RECOMMENDATION

Support and amend.

**ATTACHMENTS**

- Bill text
- Assembly Water, Parks & Wildlife Committee analysis

AMENDED IN ASSEMBLY MAY 6, 2009  
AMENDED IN ASSEMBLY APRIL 23, 2009  
AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 234**

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**Introduced by Assembly Member Huffman**

February 5, 2009

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An act to add Chapter 5.6 (commencing with Section 25460) to Division 15 of the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 234, as amended, Huffman. Energy: water use and energy efficiency projects: federal stimulus funds.

Existing law establishes various programs to provide financial assistance to public and private entities to improve their energy efficiency.

This bill would require the State Energy Resources Conservation and Development Commission, as a part of the implementation of funding received under the federal American Recovery and Reinvestment Act of 2009 pursuant the federal State Energy Program and the federal Energy Efficiency and Conservation Block Grant Program, to coordinate with the *Department of Water Resources and the State Water Resources Control Board* and local water suppliers on the planning and implementation of energy efficiency actions that can also result in water use savings to identify opportunities to fund energy efficiency actions that also may result in reduced water use. The bill would impose requirements for the commission's guidelines for disbursement of the federal stimulus funds. The bill would require that water and energy

conservation *efficiency* programs and projects proceed only to the extent they do not impair the commission’s ability to meet the federal deadlines for expenditure of federal stimulus funds provided by the act pursuant to the 2 specified federal programs.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Chapter 5.6 (commencing with Section 25460)  
2 is added to Division 15 of the Public Resources Code, to read:

3

4 CHAPTER 5.6. WATER USE AND ENERGY EFFICIENCY  
5 ASSISTANCE

6

7 25460. The Legislature finds and declares all of the following:

8 (a) The commission is expected to receive hundreds of millions  
9 of dollars from the federal American Recovery and Reinvestment  
10 Act of 2009 (Public Law 111-5) for energy related activities  
11 including energy efficiency programs and projects.

12 (b) Water use requires significant amounts of energy.  
13 Approximately one-fifth of the electricity and one-third of the  
14 nonpower plant natural gas consumed in the state are associated  
15 with water delivery, treatment, and use.

16 (c) Greenhouse gas emissions can be reduced if we move, treat,  
17 and use water more efficiently.

18 (d) The Public Utilities Commission and the commission have  
19 researched the energy saving potential associated with water use  
20 efficiency programs and with water management changes. Those  
21 studies can inform the administration and the Legislature on how  
22 state agencies can partner and cost share, and how local water  
23 suppliers’ funding can be leveraged to maximize water and energy  
24 efficiency. *efficiency programs.*

25 25460.5. For the purposes of this chapter, the following terms  
26 have the following meaning:

27 (a) ~~“Board” means the State Water Resources Control Board.~~

28 (b) ~~“Federal act” means~~

29 (a) *“Federal stimulus funds” means moneys received by the*  
30 *state under the federal American Recovery and Reinvestment Act*  
31 *of 2009 (Public Law 111-5), pursuant to the federal State Energy*

1 *Program and the federal Energy Efficiency and Conservation*  
2 *Block Grant Program.*

3 (c) ~~“Water supplier” means a local~~

4 (b) *“Local water supplier” means a local retail or wholesale*  
5 *public agency or private company supplying or storing water, or*  
6 *a mutual water company.*

7 ~~25461. (a) As part of the implementation of the funding~~  
8 ~~received by the commission under the federal act pursuant to the~~  
9 ~~federal State Energy Program and the federal Energy Efficiency~~  
10 ~~and Conservation Block Grant Program, the commission shall~~  
11 ~~coordinate with the board and local water suppliers on the planning~~  
12 ~~and implementation of energy efficiency actions that can also result~~  
13 ~~in water use savings. Coordination may include, but is not limited~~  
14 ~~to, sharing information on areas to target, prioritizing actions, and~~  
15 ~~coordinating implementation and cost sharing.~~

16 (b) ~~As a part of the guidelines otherwise developed by the~~  
17 ~~commission for administering energy and water efficiency actions~~  
18 ~~funded under the federal act pursuant to the federal State Energy~~  
19 ~~Program and the federal Energy Efficiency and Conservation Block~~  
20 ~~Grant Program, the commission, in consultation with the board,~~  
21 ~~shall establish criteria and priorities for partnering on programs~~  
22 ~~and projects that have both water and energy efficiency benefits.~~

23 (c) ~~Water use efficiency programs and projects that provide~~  
24 ~~sufficient energy savings to justify being funded under the federal~~  
25 ~~act pursuant to the federal State Energy Program and the federal~~  
26 ~~Energy Efficiency and Conservation Block Grant Program from~~  
27 ~~moneys allocated to the commission shall be eligible to receive~~  
28 ~~that funding.~~

29 (d) ~~Water use efficiency programs and projects may also be~~  
30 ~~funded under the federal act pursuant to the federal State Energy~~  
31 ~~Program and the federal Energy Efficiency and Conservation Block~~  
32 ~~Grant Program from moneys allocated to the board, and moneys~~  
33 ~~from local water agencies.~~

34 *25461. (a) The Legislature, by enacting this chapter, intends*  
35 *to establish guidance for implementation of federal stimulus funds,*  
36 *in order to maximize the benefits and encourage the integration*  
37 *of water and energy efficiency programs.*

38 (b) *As part of the administration of the federal stimulus funds*  
39 *received by the commission, the commission shall coordinate with*  
40 *the Department of Water Resources and the State Water Resources*

1 Control Board to identify opportunities to fund energy efficiency  
 2 actions that also may result in reduced water use. Coordination  
 3 may include, but is not limited to, sharing information on areas  
 4 to target, prioritizing actions, and advising on implementation.

5 (c) To the extent authorized by federal law, the commission's  
 6 guidelines for disbursement of the federal stimulus funds shall do  
 7 all of the following:

8 (1) Include both of the following as eligible projects:

9 (A) Water use efficiency and water recycling projects that also  
 10 provide energy savings. These projects may include, but shall not  
 11 be limited to, appliance and toilet retrofit and installation of  
 12 recycled water pipes for commercial, institutional, or industrial  
 13 water sectors.

14 (B) Job training programs, including, but not limited to, water  
 15 and energy efficiency training for plumbers.

16 (2) Include in the calculation of energy savings for water use  
 17 efficiency and recycling projects, the energy savings associated  
 18 with the reduced treatment, reduced distribution and pumping,  
 19 and reduced urban or agricultural use of water.

20 (3) Provide opportunities for water and energy efficiency  
 21 projects to be cost-shared with local water suppliers.

22 (4) Include local water suppliers as eligible applicants.

23 ~~(e)~~

24 ~~(d) Water and energy conservation efficiency programs and~~  
 25 ~~projects shall proceed only to the extent they do not impair the~~  
 26 ~~commission's ability to meet the federal deadlines for expenditure~~  
 27 ~~of federal stimulus funds from the federal act pursuant to the~~  
 28 ~~federal State Energy Program and the federal Energy Efficiency~~  
 29 ~~and Conservation Block Grant Program. funds.~~

30 ~~(f)~~

31 (e) This section applies only to federal stimulus funds received  
 32 under the federal act *American Recovery and Reinvestment Act of*  
 33 *2009 (Public Law 111-5)*, pursuant to the federal State Energy  
 34 Program and the federal Energy Efficiency and Conservation Block  
 35 Grant Program.

36 25462. This chapter does not imply that spending energy  
 37 efficiency funds on water efficiency programs should be done with  
 38 nonstimulus, ratepayer funds.

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## BILL ANALYSIS

AB 234  
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Date of Hearing: April 28, 2009

ASSEMBLY COMMITTEE ON WATER, PARKS AND WILDLIFE  
Jared William Huffman, Chair  
AB 234 (Huffman) - As Amended: April 20, 2009

SUBJECT : Energy and Water Use Efficiency

SUMMARY : Requires the California Energy Commission (CEC) to coordinate use of federal funding for energy efficiency with related water efficiency projects through the State Water Resources Control Board (SWRCB). Specifically, this bill :

- 1) Requires CEC to coordinate with SWRCB and local water suppliers on planning and implementation of energy efficiency actions that also can result in water use savings when using funding received pursuant to the federal American Recovery and Reinvestment Act of 2009 (ARRA).
- 2) Requires the CEC, in consultation with the Water Board, to establish criteria and priorities for partnering with the Water Board on programs and projects that have both water and energy efficiency benefits
- 3) Allows water-use efficiency projects with energy efficiency benefits to be eligible for federal funding, provided they are justified under the provisions of ARRA.
- 4) Allows SWRCB to use other funding for water use efficiency projects.
- 5) Requires that water and energy conservation programs and projects proceed only to the extent they do no impair the CEC's ability to meet the federal deadlines for expenditure of federal stimulus funds provided by the act.

EXISTING LAW establishes various programs to provide financial assistance to public and private entities to improve energy efficiency. Public Utilities Commission (PUC) regulations allow pilot water conservation programs to improve understanding of the relationship between water and energy efficiency, with a report to the Legislature by March 31, 2010.

FISCAL EFFECT : Unknown

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COMMENTS : In recent years, a growing understanding of the

connection between water use and energy use has emerged. In 2005, the CEC completed a study that showed water use consumes approximately 19% of California's electrical energy supply and about one-third of natural gas supply, due to conveyance over long distances, treatment and heating. Since then, PUC adopted a water plan that included support for greater water conservation efforts, in part, to promote energy conservation. As part of implementation of the landmark climate change legislation (AB 32), the Air Resources Board adopted a scoping plan that included reducing greenhouse gas emissions through water conservation. The Legislature also has passed bills connecting water-use efficiency with energy efficiency.

In February, President Obama signed the American Recovery and Reinvestment Act of 2009 (ARRA), to stimulate the economy. ARRA included \$61 billion for energy-related programs, including energy efficiency. CEC is expected to receive almost \$300 million in funding for energy efficiency programs. The author suggests that this funding offers a "tremendous opportunity to make the best use of the federal stimulus funding to provide for job development as well as energy and water conservation." Ordinarily, California receives only \$1-3 million in federal funding for its State Energy Program.

This bill will connect that energy efficiency funding to California's current efforts to achieve greater water-use efficiency. While not imposing specific requirements, the bill connects the CEC - which controls the federal funding and recognizes the energy connection to water conservation - with the SWRCB, which promotes water-use efficiency through various programs. It leaves the details to these two agencies, to set criteria and priorities for building the policy and funding connection between energy and water.

In order to stimulate the economy quickly, ARRA funding is on fast track, with the CEC expected to submit a comprehensive application by May 12, 2009 in order to receive the \$226 million to which it is entitled. This bill ensures that this coordination requirement does not interfere with the State obtaining this funding, by providing that the coordination occurs only to the extent it does not impair the CEC's ability to meet the federal deadlines.

REGISTERED SUPPORT / OPPOSITION :

AB 234  
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Support

Green Plumbers

Opposition :None submitted

Analysis Prepared by : Alf W. Brandt / W., P. & W. / (916)  
319-2096





## MEMORANDUM

ITEM NO. 5

*Prepared by:* Adeline Yoong  
*Reviewed by:* Robb Whitaker  
*Approved by:* Robb Whitaker

**DATE:** MAY 14, 2009  
**TO:** BOARD OF DIRECTORS  
**FROM:** ROBB WHITAKER, GENERAL MANAGER  
**SUBJECT:** FEDERAL ADVOCACY SERVICES

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### SUMMARY

President Albert Robles received a proposal for federal advocacy services from Pacific Atlantic Partners which was discussed by the External Affairs Committee on May 11, 2009. The External Affairs Committee was asked to consider authorizing additional federal advocacy services to supplement the current services provided K&L Gates.

The Pacific Atlantic team proposes to identify and secure new federal funding sources for WRD projects; and undertake the following scope of services, among others:

- Work proactively to implement WRD objectives through the federal legislative and regulatory processes
- Monitor and analyze legislation, regulations policy trends and other federal legislative items of importance
- Act as direct liaison to key legislators and Executive branch decision-makers advocating for WRD's needs in Washington
- Assist with development of collateral materials
- Provide regular written updates and status reports to WRD officials and staff on Federal developments, legislation and regulatory actions
- Arrange meetings for WRD staff or its designees with key legislative and executive branch officials

Specifically, the Pacific Atlantic team proposes to undertake the following activities:

- Pursue project authorizations in the Water Resources Development Act
- Pursue project funding through the annual appropriations process
- Identify and pursue opportunities created by The American Recovery and Reinvestment Act
- Clean Water Restoration Act
- Work with the Executive Branch to ensure that new policies take into consideration the needs and interests of WRD

The cost for the proposed services is \$10,000 per month, plus expenses, until December 2009.

The External Affairs Committee took action on a majority vote to direct staff to (1) fax the Pacific Atlantic Partners' proposal to K&L Gates to obtain their feedback on the proposal as to how Pacific Atlantic Partners could supplement the work of K&L Gates and (2) to secure and check references as provided by Pacific Atlantic Partners. Staff will provide a verbal report on the information received.

**FISCAL IMPACT**

\$10,000 per month, plus expenses, until December 2009. Funds have not been allocated for this cost in either the FY 2009-10 or FY 2010-11 budgets.

**EXTERNAL AFFAIRS COMMITTEE RECOMMENDATION**

For discussion.



## MEMORANDUM

ITEM NO. 6

*Prepared by:* Bob Siemak  
*Reviewed by:* Robb Whitaker  
*Approved by:* Robb Whitaker

**DATE:** MAY 14, 2009  
**TO:** BOARD OF DIRECTORS  
**FROM:** ROBB WHITAKER, GENERAL MANAGER  
**SUBJECT:** WEST BASIN OPERATIONAL PLAN UPDATE

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### SUMMARY

In late 2007, the District and its consultant CH2MHILL finalized the West Coast Basin Operating Plan Study (Study). This study evaluated potential alternative operational scenarios for the West Coast basin, including efficiencies in seawater barrier demand and increased water reliability. These scenarios were based on historical availability of surplus replenishment water from MWD. Replenishment scenarios are expected to change drastically, as MWD now estimates that replenishment water will be available only 3 out of 10 years as a result of the reduced availability of imported water supplies to southern California for various hydrologic, legal and regulatory reasons.

At the January 7, 2009 meeting of the Water Resources Committee, staff provided an overview of the study and discussed the need for an update to that study. This update is necessary given the change in projected availability of replenishment water and the proposed use of groundwater storage capacity in the Central and West Basins.

District staff plans to work closely with the West Basin Water Association and MWD member agencies on the development of a scope of work for the update of this study to ensure all water resource issues are properly considered. In addition to conducting the original West Coast Basin Operating Plan Study, CH2MHILL is currently working with the Association of Ground Water Agencies (AGWA) on regional groundwater operational plans to incorporate anticipated MWD replenishment water availability scenarios. Therefore, staff recommends retaining CH2MHILL to assist the District in scoping the Basin Operational Plan update on an as-needed basis for an amount not to exceed \$10,000. Funding for the resulting study is budgeted for Fiscal Year 2009-2010.

### FISCAL IMPACT

The cost of this effort will be funded within the WRD budget for groundwater resources planning.

### STAFF RECOMMENDATION

Retain CH2M Hill to assist in the scoping of the West Coast Basin Operational Plan Update on an as-needed basis for an amount not to exceed \$10,000.