

**MEETING OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
12621 E. 166th Street, Cerritos, California 90703**

1:30 P.M., WEDNESDAY, AUGUST 4, 2004

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.

I. DETERMINATION OF A QUORUM

II. PLEDGE OF ALLEGIANCE

III. INVOCATION

IV. PUBLIC COMMENT

V. ADDITIONAL ITEMS TO AGENDA

Determine the need to add items to the agenda. In order for the Board to add an item to the agenda it must make a determination that: (i). The item came to the attention of the Board after the posting of the agenda; (ii). That there is a need for immediate action to be taken by the Board. If these two tests are met, the Board may add the item in question to the agenda for consideration consistent with the provisions of the Brown Act.

VI. CONSENT CALENDAR

Consent Calendar items are considered routine by the Board of Directors and will be adopted by one motion. There will be no separate discussion of these items unless a Board Member so requests, in which event the item will be removed from the Consent Calendar and considered separately immediately following action on the remaining items.

A. MINUTES OF THE REGULAR MEETING OF JULY 21, 2004

Staff Recommendation: That the Board approve the Minutes as submitted.

**VII. PRESENTATION FROM THE UNITED STATES DEPARTMENT OF INTERIOR
- BUREAU OF RECLAMATION**

Staff Recommendation: For information.

VIII. LEGISLATIVE REPORT

Committee Recommendation: For information.

IX. WRD TAC CHAIR REPORT

X. GENERAL MANAGER'S REPORT

XI. DISTRICT COUNSEL REPORT

XII. DIRECTORS' REPORTS

XIII. WRD BOARD MEETING DATES

- A. August 18, 2004 – 1:30 p.m. – Board of Directors Meeting
- B. September 1, 2004 – 1:30 p.m. – Board of Directors Meeting
- C. September 15, 2004 – 1:30 p.m. – Board of Directors Meeting
- D. October 6, 2004 – 1:30 p.m. – Board of Directors Meeting

XIV. CLOSED SESSION

- A. Anticipated litigation per Government Code §54956.9 (b), One Case
- B. West Basin Municipal Water District v. WRD, L.A.S.C. Case No. BC158740
- C. Central and West Basin Water Replenishment District, etc. v. Charles E. Adams, et.al., L.A.S.C. Case No. C786656
- D. Labor Negotiations per Government Code §54957.6
Negotiator: J. Arnoldo Beltrán
Bargaining Group: Management Unit
Discussion: Terms and conditions for Memorandum of Understanding for bargaining group
- E. Consideration of appointment, employment, evaluation of performance, or dismissal of public employee per Government Code §54957
Position Title: General Manager

XV. ADJOURNMENT

Agenda posted by Abigail C. Andom, Deputy Secretary, July 29, 2004. In compliance with ADA requirements, this document can be made available in alternative formats upon request.

**MINUTES OF JULY 21, 2004
MEETING OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A regular meeting of the Board of Directors of the Water Replenishment District was held on July 21, 2004 at 1:36 p.m. in the District office at 12621 E. 166th Street, Cerritos, California. President Willard H. Murray, Jr. called the meeting to order. Deputy Secretary Abigail C. Andom recorded the minutes.

I. DETERMINATION OF A QUORUM

The President declared a quorum of Directors was present, which in addition to himself included Directors Pat Acosta, Robert Goldsworthy, Albert Robles, and Norm Ryan. Also participating in the meeting were Acting General Manager Mario Garcia, District Counsels J. Arnoldo Beltrán and Edward Casey, Controller Scott Ota, and Technical Advisory Committee (TAC) Member Desi Alvarez.

II. PLEDGE OF ALLEGIANCE

Reymundo Trejo of Long Beach Water Department led the Pledge of Allegiance.

III. INVOCATION

Director Ryan gave the Invocation.

IV. PUBLIC COMMENT

Ms. Donna Varner reminded everyone of the Annual Joint Central Basin Water Association (CBWA) and West Basin Water Association (WBWA) Barbecue on August 11, 2004 at Chevron Park.

V. ADDITIONAL ITEMS TO AGENDA

None.

VI. CONSENT CALENDAR

A. MINUTES OF THE REGULAR MEETING OF JULY 7, 2004

B. DEMANDS AND CONTRACTS

This item was taken off the Consent Calendar.

C. FINANCIAL STATEMENTS FOR THE PERIOD ENDED MAY 31, 2004
D. INVESTMENT REPORT FOR THE PERIOD ENDED MAY 31, 2004
E. IN-LIEU PROGRAM

Upon a motion duly made by Director Robles, seconded by Director Goldsworthy, and unanimously approved, it was

RESOLVED: That the Board approves the Consent Calendar of the meeting of July 21, 2004, as amended.

VI.B DEMANDS AND CONTRACTS

Mr. Bill Minasian, resident of the City of Downey, stated that he had concerns about the District contracting two legislative firms that, in his opinion, are essentially performing the same functions. Mr. Minasian asked how the District can justify the services of Rose and Kindel and Tres Es, LLC.

Director Ryan stated he would like the Board to reconsider expenses he had submitted which the Finance Committee had denied. Director Ryan explained that he met with the Administrator of the Environmental Protection Agency (EPA) in St. Louis, Missouri the week of June 21, 2004 as part of the Watershed Working Lands Summit Conference. He understood that the Board had denied travel to the conference, but that he had gone on his own and did not claim travel expenses. Director Ryan stated that he believes he is entitled to compensation for the meetings that he attended because the Board President had approved attendance at the meetings in compliance with the District's Administrative Code.

Director Goldsworthy, Finance Committee Chairman, stated that the Committee denied compensation because the Board had denied the travel request. Director Acosta concurred. She stated that, as a member of the Finance Committee, she felt that it was not appropriate to pay compensation since participation at the conference was denied by the

Board. Director Acosta stated that the minutes of July 7, 2004 stated that Director Ryan went to St. Louis on his own time.

Director Robles asked District Counsel's legal opinion of what constitutes a meeting.

District Counsel Beltrán referred to the District's Administrative Code and stated that meetings approved by the Board President constitute a meeting as defined by the Code.

Discussion followed. President Murray explained that he did approve the meetings that Director Ryan went to.

Upon a motion duly made by President Murray, seconded by Director Ryan, and by roll call vote, it was

RESOLVED: That the Board approves the Demands and Contracts of the meeting of July 21, 2004. The Board also approves compensation for the two meetings in St. Louis, Missouri submitted by Director Ryan.

AYES: Directors Murray, Robles, Ryan
NOES: Directors Acosta, Goldsworthy

VII. DEBT FINANCIAL UPDATE

Controller Scott Ota introduced the District's financial advisors, Fieldman, Rolapp and Associates, who provided the Board with a brief update on how the debt financing process was proceeding.

Mr. Tom de Mars, Fieldman, Rolapp and Associates, stated that everything has been proceeding well. Mr. De Mars stated that staff is doing due diligence and looking at the capital improvement program (CIP) to determine the structure of the financing. He gave a brief timeline for the

turnaround of the documents and stated that he expects to receive ratings from the rating agencies the last week of August. It is anticipated that the ratings and a full set of documents will be provided to the Board at the September 1 meeting. Mr. de Mars stated that funds may be available by the end of September or first of October.

VIII. ADMINISTRATIVE CODE REVISION – BOARD AND COMMITTEE AGENDAS

President Murray stated that this item came up since there was confusion as to which committees can place items on the Board agenda. The Administrative Committee reviewed this issue and recommended that only standing committees and not ad hoc committees place items on the agenda.

Director Robles stated that he felt that ad hoc committees serve a specific purpose. He explained that ad hoc committees should be allowed to bring their recommendations to the Board once the issues have been considered by the committees. Director Robles stated that if there was confusion on who can place items on the agenda, then the Administrative Code should specify that both standing and ad hoc committees may place items on the Board agenda.

Director Ryan stated that it has just come to his attention that no minutes are prepared for ad hoc committee meetings and he is concerned that other discussions may be taking place.

Director Goldsworthy stated that ad hoc committees do a good job for the Board and he does not see any problems with the committees placing items on the Board agenda.

Director Acosta stated that ad hoc committees are essential in getting work done with the limited time and resources provided. She stated that she is a member of various ad hoc committees that have recommended good policies for the Board to consider.

Director Robles stated that he would like to recommend that the process be looked at further. President Murray stated that any recommendations should be referred back to the Administrative Committee.

By roll call vote, the proposed amendment to the Administrative Code that only standing committees can place items on the Board agenda failed for lack of a third vote.

AYES: Directors Murray, Ryan
NOES: Directors Acosta, Goldsworthy, Robles

IX. ADMINISTRATIVE CODE REVISION – NON-BOARD ADJUNCT COMMITTEES TECHNICAL ADVISORY COMMITTEE (TAC)

Ms. Donna Varner, WBWA, stated that the association would like to recommend a change on the proposed language concerning the WRD Technical Advisory Committee (TAC) in the Administrative Code. WBWA recommended to change the word “non-board adjunct committee” to “advisory committee.”

Mr. Desi Alvarez, City of Downey, stated that as a member of the TAC he would like to thank the Board for its consideration in having the TAC continue its work. Mr. Alvarez stated that he was, however, concerned that if the TAC is not an entity of the Board then why is it subject to the Brown Act.

District Counsel Beltrán clarified that “non-board adjunct committee” defines that the TAC does not have any of the WRD directors as members, and that the Board does not have any input in its deliberations. He noted that the proposed language maintains the same powers that were defined in the Water Code.

Director Robles stated that he would like to make a motion that the language recognizing the TAC be adopted with an amendment that the phrase “non-board adjunct committee” be changed to “advisory committee.” The motion died for lack of a second.

Director Ryan stated that he would like to recommend that the word “desires” be changed to “seeks.”

Director Robles stated that he would like to make a substitute motion to change the word “desires” to “seeks” and the phrase “non-board adjunct committee” be changed to “advisory committee.” Director Ryan seconded. By roll call vote, the motion died for lack of a third.

AYES: Directors Robles, Ryan
NOES: Directors Acosta, Goldsworthy, Murray

Upon a motion duly made by Director Goldsworthy, seconded by President Murray, and unanimously approved, it was

RESOLVED: That the Board adopts the proposed Administrative Code revision recognizing the Technical Advisory Committee (TAC) as a non-Board adjunct committee.

X. ADMINISTRATIVE CODE REVISION – ACWA MEDICAL INSURANCE ELIGIBILITY AND WRD MEDICAL EXPENSE REIMBURSEMENT PROGRAM

President Murray stated that the District had, as part of the negotiations regarding the Memorandum of Understanding (MOU) between the Board and the Employees Association, approved an increase in the medical expense reimbursement program for employees and their dependents. The management team, who is not covered by the terms of the MOU, were excluded from this increase in benefits. He noted that the action before the Board today would equalize the medical reimbursement benefits for all employees. President Murray also stated that the Board, in adopting Resolution No. 04-XXX, would make the following proposed changes to the Administrative Code: medical coverage shall be provided to domestic partners of District employees if the partners have complied with the registration provisions of the State Domestic Partner Registration; medical reimbursement for dependents not included in the definition of dependents by ACWA shall be eligible for expense reimbursement only upon the employee presenting an affidavit of dependency in the form approved by the District; and that the actual wording for the Administrative Code shall be presented back to the Board for approval as to form.

Director Robles stated that he would like to make a motion that the directors be excluded from the increase in the medical expense reimbursement benefit and that the affidavit of dependency form be renewed yearly. The motion died for lack of a second.

By roll call vote, it was

RESOLVED: That the Board adopts Resolution 04-XXX to make the proposed changes effective, directs staff to incorporate the changes to the Administrative Code, and to

bring the revisions to the Administrative Code to the Board for approval as to form.

AYES: Directors Acosta, Goldsworthy, Murray, Ryan
NOES: Director Robles

XI. WRD TAC CHAIR REPORT

WRD Technical Advisory Committee (TAC) member Desi Alvarez stated that there was no report from the Chair, but informed everyone that the next TAC meeting would be on August 5, 2004 at 2:00 p.m.

XII. GENERAL MANAGER'S REPORT

Acting General Manager Mario Garcia stated that the Department of Health Services (DHS) had approved the District's Findings of Fact for the Leo J. Vander Lans Water Treatment Facility. The next step in the process is to secure the approval of the Regional Board. Mr. Garcia also announced that the Board will have a special Board meeting regarding conjunctive use on Tuesday, August 3, at 9:00 a.m.

XIII. DISTRICT COUNSEL REPORT

Deferred to closed session.

XIV. DIRECTORS' REPORTS/COMMITTEE REPORTS

Director Robles stated that he was disappointed that the special meeting was called on August 3, in spite of his unavailability. He also asked if the Board would consider discussing an item regarding reorganization of officers. President Murray stated that he would not place it on the agenda. Directors Acosta and Goldsworthy concurred.

Director Goldsworthy stated that the Finance Committee met and discussed the state audit recommendations, specifically, expense reimbursements. He stated

that he would also like to request that the General Manager's employment contract be agendized for closed session at the August 4 Board meeting.

Director Ryan stated that he attended the Los Angeles Chamber of Commerce Natural Resources Committee meeting and WRD was invited to be a committee member.

Director Acosta stated that she was in Washington, D.C. on vacation with her family and she was able to meet with Congresswoman Linda Sanchez' staff, who gave them a tour. She added that the External Affairs Committee was developing an evaluation process for legislative advocates and other consulting groups to aid the District in making appropriate decisions.

President Murray stated that the reception for elected officials held jointly with Central and West Basin Municipal Water Districts went very well, and that he proposed to make the reception a yearly event. He also asked that staff prepare an invitation list for the Colorado River, Diamond Valley Lake, and State Water Tours.

XV. WRD BOARD MEETING DATES

- A. August 4, 2004 – 1:30 P.M.– WRD Board of Directors Meeting
- B. August 18, 2004 – 1:30 P.M. – WRD Board of Directors Meeting
- C. September 1, 2004 – 1:30 P.M. – WRD Board of Directors Meeting
- D. September 15, 2004 – 1:30 P.M. – WRD Board of Directors Meeting

XVI. CLOSED SESSION

- A. Anticipated litigation per Government Code §54956.9 (b): One Case

The Board went into closed session. The Board reconvened in open session. A status report was provided and no action was taken.

XVII. ADJOURNMENT

President Murray asked if there was any further business to come before the Board and there being none, the meeting was adjourned upon a motion duly made by Director Robles and seconded by Director Goldsworthy at 3:55 p.m.

President

ATTEST:

Secretary



MEMORANDUM

ITEM NO. VII

Prepared by: Ted Johnson

Reviewed by: Robb Whitaker

DATE: AUGUST 4, 2004

TO: BOARD OF DIRECTORS

FROM: ROBB WHITAKER, GENERAL MANAGER

**SUBJECT: PRESENTATION FROM THE UNITED STATES DEPARTMENT OF INTERIOR
- BUREAU OF RECLAMATION**

SUMMARY

On Friday, June 18, 2004, Staff gave a presentation on groundwater management of the Central and West Coast basins to the Moroccan Integrated Water Management delegation followed by a tour of the spreading grounds. The delegation was coordinated by the U.S. Bureau of Reclamation (USBR) and their stop at WRD was one stop on a nation wide tour.

Mr. William Steele, Southern California Area Manager for the USBR, attended the WRD tour and offered to update the Board on the water resource issues faced by the bureau and how they relate to water resources in Southern California. The WRD has worked cooperatively with the bureau on projects at the barrier wells and the Leo J. Vander Lans Water Treatment Facility, and looks forward to continued good working relationships.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

For information.



MEMORANDUM

ITEM NO. VIII

Prepared by: Adeline Yoong

Reviewed by: Evelyn Fierro

DATE: AUGUST 4, 2004
TO: BOARD OF DIRECTORS
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: LEGISLATIVE REPORT

SUMMARY

Legislative Calendar

July 2 – Summer Recess was to begin upon adjournment, provided Budget Bill has been enacted.

August 2 – Legislature reconvenes from Summer Recess.

August 31- Last Day for each house to pass bills.

Congressional Calendar

July 23 to September 7 – Congressional Summer recess

July 26 to 29- Democratic National Convention in Boston

August 30 to Sept 2- Republican National Convention in New York

Update

Staff will provide a verbal update on federal and state matters.

FISCAL IMPACT

None.

COMMITTEE RECOMMENDATION

For information.

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
STATE LEGISLATIVE UPDATE
Updated July 28, 2004 (*new information is italicized*)

Bill No./ Author	Title/Content	Status	Position	Comments
AB 83 Corbett	Bottled water. Transfers regulations and licensure of bottled water from the Sherman Food, Drug and Cosmetic Law to the California Safe Drinking Water Law. Requires bottled water licensees to comply with provisions similar to those imposed on public water systems regarding emergency notification plans, consumer confidence reports, and annual inspections. Also requires the labeling on bottled water sold at retail or wholesale in a plastic beverage container to include specified information. Creates the Safe Bottled and Vended Water Account.	Int. 01/06/103 Location: Sen Approp Status: Inactive	Staff Rec: Support ACWA: Favor CMUA: Support WRD Board: Support (04/02/03)	Supported by NRDC, East Bay MUD, and Clean Water Action. Would require bottled water companies, like Coca Cola and Pepsi who market their own branded water, to comply with more stringent requirements listed in Consumer Confidence Reports.
AB 1522 Parra	Water rights: permits. Expands the authority of the Regional Water Quality Control Board's executive officers to include the ability to issue National Pollutant Discharge Elimination Systems (NPDES) permits without regional board action, and makes technical corrections to and deletes obsolete provisions of the Water Code.	Int. 02/21/03 Location: Sen. Ag & Water Resources Status: Inactive	Staff Rec: Oppose ACWA: Oppose	ACWA's Comments: Existing law provides that state laws that address the loss of water rights by nonuse, abandonment, prescription, and lack of diligence shall not apply to water rights appurtenant to, or for use on, any trust land under certain conditions. This bill would delete all of the above provisions. Allows a regional water quality control board's executive officer to issue, without a specific board action, National Pollutant Discharge Elimination System (NPDES) permits and make several technical and corrective changes to statutes governing water rights and waste discharge violations.
AB 1647 Horton	Public water systems: mutual water companies: grant funds. Allows investor-owned utilities eligibility for grant funding of state bonds.	Int. 02/21/04 Location: Senate Energy, Utilities & Communications Status: Hearing in August	ACWA: Oppose WRD Board: Board voted to send a letter to the Governor supporting the proposal to allow private water companies access	<i>Assemblymember Horton "gutted and amended" AB 1647, formerly relating to livestock stockpounds, to include language expanding state funding eligibility to investor-owned utilities. The language is the same as that contained in SB 909 (Machado) which has been held in the Assembly Water,</i>

			<i>to Proposition 50 bond funds (05/03/04)</i>	<i>Parks, and Wildlife Committee at Senator Machado's request</i>
AB 1829 Liu	Public contracts: services: domestic workers. Bill essentially bans offshoring public contracts by prohibiting state agencies and local governments from using state funds to contract for services unless the contractor or subcontractor certifies under penalty of perjury that any work done under the contract will be performed solely by workers within the United States.	Int. 01/20/04 Location: Senate Appropriations Status: Hearing on 08/02/04	Staff Rec: Watch ACWA: Watch	The author is carrying this bill on behalf of the California Labor Federation and other labor groups. The intent of the bill is to combat the outsourcing of U.S. jobs to foreign countries. There is a concern with this bill among water districts that the bill would also prevent the purchase of products (with state funds) that are manufactured and designed outside of the U.S.
AB 2528 Lowenthal	Public water systems. This bill would replace the term "action level" with the terms "notification level" and "response level." It would also require the operator of wholesale or retail public water systems, as defined, to provide notice relating to contamination of any drinking water source, as defined, that exceeds the maximum containment level, a response level, or a notification level, as defined.	Int. 02/20/04 Location: Senate Floor Status: Placed in inactive file on motion of Senator Romero (07/01/04); Inactive status removed per WRD Advocate C. Earnest	Staff Rec: Support if Amended ACWA: Oppose unless Amended WRD Board: Support if Amended (05/03/04). The bill was amended to address the WRD's concerns. A letter of support was forwarded to the author.	ACWA favors the bill if amended. The author has taken 4 out of 5 ACWA amendments.
AB 2603 Calderon	Urban water management plans. Makes technical, nonsubstantive change requiring urban water supplier to prepare and adopt an urban water management plan.	Int. 02/20/04 Status: Inactive	Staff Rec: Watch ACWA: Watch	According to ACWA, there is no sponsor for this bill. Staff will closely monitor this bill given the subject matter.
AB 2605 Calderon	Water storage districts. Makes technical, nonsubstantive change authorizing the board of a California Water Storage District to acquire property.	Int. 02/20/04 Status: Inactive	Staff Rec: Watch ACWA: Watch	According to ACWA, there is no sponsor for this bill. Staff will closely monitor this bill given the subject matter.
SB 117 Machado	Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002. Modifies the implementation guidelines of Prop. 50 to exclude reference to provisions relating to the use of a matching fund requirement, the use of existing guidelines, and the provision of technical assistance. Requires the responsible agencies, to the maximum extent feasible, to provide outreach to disadvantaged communities to promote access to relevant grant application and award information.	Int. 02/03/03 Location: Assembly Appropriations (06/23/04) Status: Passed Assembly Water, Parks & Wildlife (06/15/04)	Staff Rec: Watch ACWA: Watch CMUA: Watch	

SB 318 Alpert	Urban water suppliers: desalinated water. Requires a plan to describe the opportunities for development of desalinated water, including but not limited to ocean water, brackish water, and groundwater, as a long-term supply.	Int. 02/19/03 Location: Placed on Asm inactive file (09/08/03) Status: Passed Asm Approps (08/21/03); Placed on inactive file (09/08/03)	Staff Rec: Watch ACWA: Watch CMUA: Watch	Under current law, every urban water supplier must prepare and adopt an urban water management plan and update that plan at least once every 5 years. This bill would add desalination as a required element of the plan. Opponents argue that desalination should not be added until the Desalination Task Force submits its recommendations due by 7/1/04.
SB 543 Machado	Water rights: groundwater cleanup operations. With certain exceptions, this bill prohibits the water produced from a groundwater cleanup operation from being used by the operator of a groundwater cleanup operation or from being transferred, assigned, or conveyed to a third party for use, until a replacement water supply has been provided to every public water system injured by the contamination. Provides that no right shall vest in the operator of a groundwater cleanup operation solely by virtue of its extraction, treatment, and discharge of water from that operation. Exempts discharges from groundwater cleanup operation that is under 25 acre-feet in the counties of Riverside, San Bernardino, Los Angeles, and Ventura or under 50 gallons per minute in an other county, if the discharge is not for recharge.	Int. 02/21/03 Location: Asm Environmental Safety and Toxic Materials Status: Inactive	Staff Rec: Watch CMUA: Oppose unless Amended	
SB 909 Machado	Public water systems: mutual water companies. Allows grants of state bond funds to be made to public water utilities and mutual water companies.	Int. 02/21/03 Location: Asm Water, Parks & Wildlife Status: Hearing cancelled at author's request (07/01/03)	Staff Rec: Oppose ACWA: Oppose	This bill probably will not be taken up. However, similar language has been amended into Assemblymember Jerome Horton's bill AB 1647 which is now in the Senate Energy Utilities and Communications Committee.
SB 922 Soto	Cleanup or abatement orders: contaminated drinking water supplies. Clarifies existing law by explicitly authorizing the State Water Resources Control Board or a regional board to require the provision of, or payment for, uninterrupted replacement water service, which may include wellhead treatment, to affected public water suppliers or private well owners. Authorizes the regional board or state board to request a water replacement plan from the discharger prior to the provision of the replacement water. The bill would provide for mediation of replacement water claims.	Int. 02/21/03 Location: Asm Water, Parks and Wildlife Status: Inactive	Staff Rec: Watch ACWA: Watch CMUA: Support	
SB 1165 Local	Local Government Omnibus Act of 2004. This bill contains provisions applying to a variety of non-controversial local	Int. 02/02/04 Status: <i>Chaptered and</i>	Staff Rec: Support ACWA: Support	This is an annual bill that allows the Committee to address several

Govt.	governance issues.	<i>signed into law (07/07/04)</i>		non-controversial measures at one time. Specifically, this bill contains a provision authorizing the general manager or other district representative of water replenishment districts to sign contracts and documents valued between \$10,000 and \$25,000 if approved by the board and upon resolution granting signature authority for a specific expenditure. It also allows the replenishment district's general manager or other district representative to approve and sign all contracts and documents valued at less than \$10,000, and not more than \$10,000 on a cumulative basis in a one-year period.
SB 1251 Morrow	Diamond Valley Reservoir: recreational use. Allows recreational use activity in Diamond Valley Reservoir and establishes standards including water treatment, monitoring, and reporting requirements.	Int. 02/12/04 Location: Sen Environmental Quality Status: Inactive	Staff Rec: Watch ACWA: Watch	
SB 1272 Ortiz	Special districts. This bill would require annual audits of special districts to be performed in accordance with General Accounting Office standards for financial and compliance audits and would impose various other requirements on these audits. The bill would require the Controller to review the audits under specified procedures. This bill also criminalizes violations of conflicts of interest and incompatible activities provisions by making them a misdemeanor. It requires annual legal and ethical orientation sessions that governing board members would be required to attend. It establishes whistle-blower protections and limits director compensations to \$100 per day for no more than 6 meetings or days per month for small districts and no more than 10 meetings or days per month for large districts. It sets the travel and per diem expenses to that authorized for state employees and restricts retirement benefits to directors who take office on or after January 1, 2005. These directors are allowed to participate in life insurance and health and welfare benefits on a self-pay basis.	Int. 02/18/04 Location: Sen Approp Status: Inactive	Staff Rec: Support if Amended ACWA: Support if Amended WRD Board: Oppose (05/03/04); opposition letter forwarded on 05/06/04	This is the special district reform legislation. This bill failed to pass the Senate committee on Appropriations. The Senator has made it very clear that this is not the last of this type of language in a bill. She has vowed to bring this back next session. ACWA is seeking an author to sponsor a version of this bill at the next session.
SB 1374 Machado	Water transfers: third-party impacts. This bill would require that the State Water Resources Control Board also consider third-party impacts in its consideration of a water	Int. 02/13/04 Location: Assembly Water, Parks & Wildlife	Staff Rec: Watch ACWA: Support/Amend	The bill takes the California Environmental Quality Act (CEQA) model for identifying,

	transfer petition. With regard to that determination, and subject to a certain exception, the bill would prohibit the board from approving the petition unless it finds that the petitioners have met prescribed conditions relating to potential third-party impacts. The bill would require the board to accept and consider evidence that the proposed transfer neither avoids nor mitigates all likely significant negative third-party impacts. The bill would authorize the board to develop and adopt an abbreviated process to approve long-term transfers that it determines are least likely to negatively affect third parties.	(06/01/04) Status: Held in committee without recommendation (author could not get a second to a motion to bring the bill to a vote.)		evaluating and mitigation potential significant effects on the environment and would apply it to the analysis of the potential third-party impacts that could result from a long-term water transfer. ACWA believes that the bill potentially opens a Pandora's box by creating a new litigation tool to be used against water transfers.
SB 1479 Sher	California regional water quality control boards: membership. This bill would reduce the membership of a regional board to from 9 to 5 by combining the representations of irrigated agriculture and industrial water use into one seat and eliminating the requirement for 3 persons not specifically associated with prescribed categories.	Int. 02/19/04 Location: Assembly Appropriations Status: Passed Assembly Water, Parks & Wildlife (06/23/04)	Staff Rec: Watch ACWA: Oppose	Combining the representations of irrigated agriculture and industrial water use into one seat on the board could decrease the representation from the water industry. No direct impact on WRD.