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

1:30 P.M., FRIDAY, JULY 26, 2002

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. PUBLIC COMMENT

IV. 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.

V. 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 or a member of the audience 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 JUNE 21, 2002
   Recommendation: That the Board approve the minutes as submitted.

B. MINUTES OF THE REGULAR MEETING OF JULY 1, 2002
   Recommendation: That the Board approve the minutes as submitted.

C. MINUTES OF THE JOINT MEETING OF JULY 1, 2002
   Recommendation: That the Board approve the minutes as submitted.

VI. AUDITING SERVICES
   Recommendation: That the Board authorize staff to undertake a Request for Proposals for Auditing Services.

VII. LEGISLATIVE REPORT
   Recommendation: For information.
VIII. GENERAL MANAGER’S REPORT

IX. DISTRICT COUNSEL REPORT

X. DIRECTORS’ REPORTS / COMMITTEE REPORTS

XI. WRD BOARD MEETING DATES
   A. August 02, 2002 - 1:30 P.M. - Board of Directors Meeting
   B. August 16, 2002 - 1:30 P.M. - Board of Directors Meeting
   C. September 6, 2002 - 1:30 P.M. - Board of Directors Meeting
   D. September 20, 2002 - 1:30 P.M. - Board of Directors Meeting

XII. CLOSED SESSION
   A. Existing litigation per Government Code §54956.9 (a)
      1. WRD vs Midland Park Water Trust; L.A.S.C. Case No. 01-CO-1417
      2. Central and West Basin Water Replenishment District vs Charles Adams; L.A.S.C. Case No. 786,656
      3. California Water Service vs City of Compton; Case No. 506806
      4. Ronald P. Flores vs Water Replenishment District of Southern California, et al.; case No. BC258274
   B. Anticipated litigation per Government Code §54956.9
      (b)(1): Two cases
   C. Employee performance review and evaluation per Government Code §54957
      Title of Position: General Manager

XIII. ADJOURNMENT

Agenda posted by Marcia A. Forkos, Deputy Secretary, July 22, 2002. In compliance with ADA requirements, this document can be made available in alternative formats upon request.
A regular meeting of the Board of Directors of the Water Replenishment District was held on June 21, 2002, at 1:30 P.M. in the District office at 12621 E. 166th Street, Cerritos, California. President Leo J. Vander Lans called the meeting to order and presided. Deputy Secretary Marcia A. Forkos 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 W. Goldsworthy, Willard H. Murray, Jr., and Albert Robles. Also participating in the meeting were General Manager Bruce Mowry, Assistant General Manager and District Engineer Robb Whitaker, District Counsels J. Arnoldo Beltrán and Edward Casey, and Controller Robert Martin.

II. PLEDGE OF ALLEGIANCE
Mr. Jim Glancy, City of Lakewood, led the Pledge of Allegiance.

III. PUBLIC COMMENT
None.

IV. ADDITIONAL ITEMS TO THE AGENDA
District Counsel Ed Casey stated that an additional item needed to be added to the Board agenda, that there was a need to take immediate action to discuss this item, and the need arose subsequent to the posting of the agenda for this meeting.

District Counsel Ed Casey stated that the exemption for the Desalter expires on June 25th and that his firm has filed an application to extend that exemption. It will be heard on Monday but he felt there should be a backup plan in the event the
exemption is not extended. Therefore, he recommended that this item be added to the agenda.

Upon advice of District Counsel Beltrán concerning subsequent need items under the Brown Act, a motion was duly made by Director Murray, seconded by Director Goldsworthy, and unanimously approved, it was

RESOLVED: That the Board determines that there is a need to take immediate action to discuss and act upon a court action concerning an item going before the Court on the Goldsworthy Desalter on June 25, 2002, and that this need arose subsequent to the posting of the agenda for this meeting.

District Counsel Ed Casey stated that this item concerns a backup plan, having an agreement with the City of Torrance. If the court approves the District's application to extend the exemption, there will be less need for this agreement. The interim agreement allows the District some flexibility in how the desalter can operate. One of the options is for the desalter to continue operating under the exemption. However, if the court does not grant the exemption, there are some other operational alternatives. The City of Torrance will have the agreement considered at its City Council meeting on Tuesday.

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

RESOLVED: That the Board approves the agreement with the City of Torrance and the operational alternative would be, if the desalter is not extracting chlorides at the level set by the court order, that the District would operate the desalter as a treatment facility and water would be sent to Torrance
under the pricing conditions of the interim agreement, using Torrance’s groundwater rights.

V. CONSENT CALENDAR

A. MINUTES OF THE REGULAR BOARD MEETING OF JUNE 7, 2002

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 June 21, 2002, as submitted.

VI. STAFF TRAVEL REQUEST: NATIONAL GROUNDWATER ASSOCIATION (NGWA) CONFERENCE ENTITLED “DEFENDING THE INTEGRITY OF GROUNDWATER: UNDERSTANDING THE IMPACTS OF NATIONAL AND MANMADE DISASTERS”

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


VII. CONSIDERATION OF RESOLUTION NO. 02-642 – A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA ESTABLISHING ITS INVESTMENT POLICY

Controller Robert Martin stated that California Government Code Section 53601, et seq., provides that the District review its investment policy annually. The District’s current investment policy was adopted by the Board September 22, 2000.
Mr. Martin stated that the changes made in the revised investment policy reflect areas where the funds of the District may be invested as provided by California Government Code section 53601, et seq.

Director Robles expressed concern that the District may be liberalizing its investment policy. He stated that the District should remain conservative and riskier investments should not be undertaken.

Mr. Martin concurred and stated that the changes do not liberalize the investment policy and clarified that the State’s policy does not provide for riskier investments.

Upon a motion duly made by Director Goldsworthy, and seconded by President Vander Lans, Resolution No. 02-642 was adopted.

AYES: Directors Acosta, Goldsworthy, and Vander Lans
NOES: Directors Murray, Robles

RESOLUTION NO. 02-642
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA ESTABLISHING ITS INVESTMENT POLICY

(VIII. PROPOSED FISCAL YEAR 2002-2003 BUDGET
This item was deferred to the next Board meeting.

IX. LEGISLATIVE REPORT
Mr. Bob Winningham, former mayor City of Downey, asked the Board to reconsider its position on AB 1163 (Calderon). He stated that staff should...
look at the language and make a good faith effort to work with the pumpers to resolve differences.

Mr. Jim Glancy, City of Lakewood and representing Central Basin Water Association (CBWA), stated that he had attended the meeting at Assemblymember Tom Calderon’s office and he felt that a middle ground was achieved. He stated that language is being developed and issues need to be defined but that the bill provides for an advisory to the Board and is constructive and positive following the audit.

Ms. Denise Kruger, Southern California Water Company (SCWC), asked that the Board reconsider its position and put off making a decision on AB 1163. She stated that issues can be worked out, concerns addressed, and language drafted to everyone’s satisfaction. She asked that everyone come back to the table and continue working together.

Director Goldsworthy stated that it seems this was purely academic since the hearing will be on Monday, May 24th.

Ms. Kruger stated that Assemblymember Calderon had asked that opposition be withheld until the next hearing on July 5 or 6, giving WRD and the pumpers time to work on the wording before the second hearing.

Mr. Terry Witthoft, representing West Basin Water Association (WBWA), co-authors of AB 1163, stated that they are in agreement with the position of the previous speakers, that the WRD Board should not oppose the bill at this time.

Director Acosta stated that she was there at the meeting with Assemblymember Calderon and is now receiving conflicting interpretations. She stated that Assemblymember Calderon said that the
legislation was “meet and confer” legislation and is not the same as what it is right now. WRD is willing to work and participate in discussions to reach an agreement. She asked that the pumpers delay any action until August and omit what is presently written, which is misleading and in bad faith. She stated that WRD does not want privatization of public resources but is willing to sit down and discuss the issues.

Director Acosta further stated that she was discouraged as the District was led to believe one thing at the meeting with Assemblyman Calderon but what has been presented was very different.

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

RESOLVED: That the Board opposes AB 1163 (Calderon).

X. GENERAL MANAGER’S REPORT
None.

XI. DISTRICT COUNSEL REPORT
Deferred to closed session.

XII. DIRECTORS’ REPORTS/COMMITTEE REPORTS
Director Robles introduced his wife, Sonia.

XIII. MEETING DATES
A. July 5, 2002 – 1:30 P.M. – WRD Board Meeting
B. July 19, 2002 – 1:30 P.M. – WRD Board Meeting
C. August 2, 2002 – 1:30 P.M. – WRD Board Meeting
ADDED: July 1, 2002 – 9:00 A.M. – WRD Board Meeting
    July 1, 2002 – 11:00 A.M. – Joint WRD Board Meeting with West Basin Municipal Water District (WBMWD) Board
XIV. CLOSED SESSION

A. Existing litigation per Government Code §54956.9
   1. WRD vs Midland Park Water Trust; L.A.S.C. Case No. 01-CO-1417
   2. Central and West Basin Water Replenishment District vs Charles Adams; LASC Case No. 786,656
   3. California Water Service vs City of Compton; Case No. 506806
   4. Ronald P. Flores vs Water Replenishment District of Southern California, et al; Case No. BC258274

B. Anticipated litigation per Government Code §54956.9
   (b)(1): Two Cases

C. Employee performance review and evaluation per Government Code §54957

The Board went into closed session. The Board reconvened in open session.

For Agenda Item XIV.A.1, Agenda Item XIV.A.2, Agenda Item XIV.3, and Agenda Item XIV.4, status reports were given, discussion was held, and no action was taken. For Agenda Item XIV.B, two cases were reviewed, status reports were given and no action was taken. Agenda Item XIV.C was not taken up.

XV. ADJOURNMENT

President Vander Lans asked if there was any further business to come before the Board and there being none, the meeting was adjourned.

____________________________________
President

ATTEST:

____________________________________
Secretary
MINUTES OF JULY 1, 2002
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 1, 2002, at 9:00 A.M. in the District office at 12621 E. 166th Street, Cerritos, California. President Leo J. Vander Lans called the meeting to order and presided. Deputy Secretary Marcia A. Forkos recorded the minutes.

I. DETERMINATION OF A QUORUM
The President declared a quorum of Directors was present, which in addition to himself included Directors Robert W. Goldsworthy and Willard H. Murray, Jr. Directors Pat Acosta and Albert Robles were excused. Also participating in the meeting were General Manager Bruce Mowry, District Counsel J. Arnoldo Beltrán, and Government and Public Affairs Manager Adeline Yoong.

II. PLEDGE OF ALLEGIANCE
Director Gary Morse, Central Basin Municipal Water District (CBMWD), led the Pledge of Allegiance.

III. PUBLIC COMMENT
None.

IV. ADDITIONAL ITEMS TO THE AGENDA
None.

V. CONSENT CALENDAR
A. DEMANDS FOR THE PERIOD ENDED JUNE 20, 2002
   Recommendation: The Finance Committee recommends that the Board approve the Demands as submitted.
B. FINANCIAL STATEMENTS FOR THE PERIOD ENDED MAY 31, 2002
   Recommendation: The Finance Committee recommends that the Board approve the Financial Statements as submitted.
C. INVESTMENT REPORT FOR THE PERIOD ENDED MAY 31, 2002
Recommendation: The Finance Committee recommends that the Board approve the Investment Report as submitted.

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

RESOLVED: That the Board approves the Consent Calendar of the meeting of July 1, 2002 as submitted.

VI. UNITED STATES BUREAU OF RECLAMATION (USBR) FUNDING AGREEMENT – ALAMITOS PHYSICAL BARRIER PROJECT

General Manager Bruce Mowry stated that in February 2002, the WRD Board of Directors authorized a contract with the consulting team of Psomas/GeoPentech/CH2MHILL to evaluate the feasibility of constructing a Deep Soil Mixed (DSM) physical barrier at the Alamitos Gap.

Funding for the Alamitos Physical Barrier Project is available from two primary sources. For construction of a DSM wall pilot test, 50% funding is available from the USBR. In order to utilize available USBR funding, 50% of the cost for the DSM pilot test must come from local sources. The estimated cost of the pilot test is $640,000, therefore WRD or other local agencies must provide 50%, or $320,000 of the DSM pilot test cost. Additionally, costs incurred by WRD to complete the Phase IA Initial Feasibility Review are considered as in-kind services and are considered toward the required 50% match.

District staff is continuing to work with the Los Angeles Department of Public Works and the Orange County Water District in order to secure matching funds from these two sources, however, agreements will be structured such that WRD will have a single
agreement with the USBR and separate agreements with OCWD and LACDPW.

Total funding available from the USBR is $340,000, consisting of $110,000 in carryover funds from FY02 and $230,000 appropriated from FY03. Additional funds may be available in subsequent years, however they have not been appropriated.

Funding is also available from the California Department of Water Resources (DWR) under the Proposition 13 Groundwater Recharge Construction Loan Program.

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

RESOLVED: That the Board approves the Agreement with United States Bureau of Reclamation (USBR) to provide matching funds to complete Deep Soil Mixed (DSM) pilot test, subject to approval as to form by District Counsel.

VII. WATER SECURITY, CLEAN DRINKING WATER, COASTAL AND BEACH PROTECTION ACT OF 2002

Government and Public Affairs Manager Adeline Yoong stated that the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 is a $3.44 billion State General Obligation bond measure that has qualified for the November 2002 General Election ballot. If enacted by State voters, the measure would authorize the issuance of general obligation bonds to be repaid from the State’s General Fund. Proceeds from the sale of bonds would fund a variety of water projects.

This item was reviewed by the Inter-Agency Committee at its
June 25th meeting and discussion resulted in a split vote to support/seek more information. Staff recommended that the Board take a “support” position.

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

RESOLVED: That the Board takes a “support” position on the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002.

VIII. PROPOSED FISCAL YEAR 2002-2003 BUDGET

It was noted that Directors Acosta and Murray had not yet been briefed on the budget. The Board decided to adopt the budget with the understanding that Directors Acosta and Murray could request revisions once reviewed.

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

RESOLVED: That the Board adopts the proposed fiscal year 2002-2003 budget as recommended by the Ad Hoc Budget Committee, with the provision to come back to the Board should Directors Acosta and Murray have any opposition.

IX. LONG-TERM GROUNDWATER MANAGEMENT AGREEMENTS WITH CITY OF TORRANCE

General Manager Mowry stated that the detailed terms for the Agreement with the City of Torrance are closed session items. However, he stated that the City of Torrance will retire water rights to reduce long-term pumping (rights will be held in trust), and WRD can use the Torrance system to inject seasonally discounted water
into basin when available. The terms of the Agreements include: WRD will pay a long-term (10 year) retirement rate of $205/AF to Torrance, rate based on avoided costs of additional barrier demand, WRD can purchase water from Torrance for injection within their member agency area, and Torrance will provide water at no mark-up and a $50/AF system access fee to cover operational and maintenance costs.

Mr. Jim Glancy, City of Lakewood, stated that he did not have a problem with use of ASR wells for injection to bring up water levels. His concern relates to the issue of the retirement of about 3,000 AF of Torrance’s water rights to be held in trust at a cost of $205/AF. He commented that the lease market is about $50/AF in that area and Torrance will not be pumping those rights anyway. He likened it to a “gift of public funds” although Torrance is a public agency. He questioned the District’s relationship with Torrance and taking over their water rights.

Director Goldsworthy stated that the Agreements would reduce the costs of long-term pumping and reduce continuous barrier demands.

The Water Resources Committee reviewed this item at its June 25th meeting and recommended approval.

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

RESOLVED: That the Board approves the Long-Term Groundwater Management Agreements with the City of Torrance.
X. GENERAL MANAGER’S REPORT
General Manager Mowry informed everyone that Assistant General Manager and District Engineer Robb Whitaker was not present as he is attending the American Water Resources Association’s (AWRA) Groundwater Surface Water Interaction Seminar in Keystone, Colorado.

XI. DISTRICT COUNSEL REPORT
Deferred to closed session.

XII. DIRECTORS’ REPORTS/COMMITTEE REPORTS
Director Murray stated that he just came back after attending a Special District Board Management Institute Finance Seminar and found it very informative.

XIII. MEETING DATES
A. July 19, 2002 – 1:30 P.M. – WRD Board of Directors Meeting (moved to July 26, 2002 at 1:30 p.m.
B. August 2, 2002 – 1:30 P.M. – WRD Board of Directors Meeting
C. August 16, 2002 – 1:30 P.M. – WRD Board of Directors Meeting
D. September 6, 2002 – 1:30 P.M. – WRD Board of Directors Meeting

XIV. CLOSED SESSION
A. Existing litigation per Government Code §54956.9
   1. WRD vs Midland Park Water Trust; L.A.S.C. Case No. 01-CO-1417
   2. Central and West Basin Water Replenishment District vs Charles Adams; LASC Case No. 786,656
   3. California Water Service vs City of Compton; Case No. 506806
   4. Ronald P. Flores vs Water Replenishment District of Southern California, et al; Case No. BC258274

B. Anticipated litigation per Government Code §54956.9
   (b)(1): Two Cases

C. Employee performance review and evaluation per Government Code §54957
Title of Position: General Manager
The Board went into closed session. The Board reconvened in open session.

For Agenda Item XIV.A.1, no action was taken. For Agenda Item XIV.A.2, a status report was given and no action was taken. For Agenda Item XIV.A.3 and Agenda Item XIV.A.4, no action was taken. For Agenda Item XIV.B, one case was reviewed, a status report was given and no action was taken. Agenda Item XIV.C, was not taken up.

XV. ADJOURNMENT
President Vander Lans asked if there was any further business to come before the Board and there being none, the meeting was adjourned.

_________________________________________
President

ATTEST:

_________________________________________
Secretary
A special meeting of the Board of Directors of the Water Replenishment District (WRD) and Board of Directors of the West Basin Municipal Water District (WBMWD) was held on July 1, 2002, at 11:10 A.M. in the WRD District office at 12621 E. 166th Street, Cerritos, California. WBMWD President Keith McDonald called the meeting to order and presided. Deputy Secretary Marcia A. Forkos recorded the minutes for WRD.

I. DETERMINATION OF A QUORUM
There was a quorum of WRD Directors present which included President Leo J. Vander Lans, Directors Robert W. Goldsworthy and Willard H. Murray, Jr. Directors Pat Acosta and Albert Robles were excused. In addition to President McDonald, WBMWD Directors present included Directors Don Dear and Ed Little. Director Carol Kwan arrived while the meeting was in progress. Director Tyrone Smith was excused. Also participating in the meeting were WRD General Manager Bruce Mowry and District Counsel J. Arnoldo Beltrán, and WBMWD General Manager Darryl Miller and District Counsel Steven O’Neill.

II. PUBLIC COMMENT
None.

III. ADDITIONAL ITEMS TO THE AGENDA
None.

IV. GENERAL DISCUSSION REGARDING WATER SOURCES FOR BARRIERS AND ACQUISITION STRATEGIES
WBMWD General Manager Darryl Miller stated that the two Boards were brought together to discuss the possibility of WRD entering into a five-year
Purchase Agreement with WBMWD regarding purchase of imported water for the barriers, and a commitment to purchase 100% recycled water for the West Coast Barrier.

A PowerPoint presentation by West Basin Municipal Water District General Manager Darryl Miller discussed the costs, benefits, and schedules of the proposed agreements. Discussion followed.

Director Goldsworthy stated that he is uncomfortable about entering into a “take or pay” agreement.

The Board meeting adjourned for lunch.

The Board meeting reconvened at 1:10 p.m.

WRD General Manager Bruce Mowry began his PowerPoint presentation on the problem of seawater intrusion in the West Coast Basin. He discussed the history of water costs to WRD, the need to raise water levels in West Basin, storage capacity, groundwater storage and banking, and the impact of increased recycled water use. Discussion followed.

President McDonald asked what is a realistic time frame for a conjunctive use program to be in place. General Manager Mowry replied that he sees it happening within the next couple of years.

President McDonald stated that WBMWD does not want to manage the basin since that is WRD’s role but he would like to see a long-term water purchase contract in place.

Discussion also followed on the possibility of asking Metropolitan Water District (MWD) for a special discounted rate on injection.
President Vander Lans thanked the two Boards and staff for the discussions and stated that the full WRD Board will meet and discuss the options presented and get back to WBMWD with their answer.

The date set to get back to WBMWD was before September 30, 2002.

V. ADJOURNMENT

President McDonald asked if there was any further business to come before the two Boards and there being none, the meeting was adjourned.

________________________________________

President

ATTEST:

________________________________________

Secretary
AGENDA ITEM NO. VI

DATE: JULY 26, 2002

TO: BOARD OF DIRECTORS

FROM: BRUCE MOWRY, GENERAL MANAGER

SUBJECT: AUDITING SERVICES

The Finance Committee will discuss the District’s financial auditing services.

RECOMMENDATION: That the Board authorize staff to undertake a Request for Proposals for Auditing Services.
Request for Proposals (RFP) for Audit Services

General Information

The Water Replenishment District of Southern California (District) is a local government agency formed for the purpose of protecting the groundwater resources of the Central and West Coast groundwater basins in Southern Los Angeles County. Incorporated in 1959, the District serves 43 cities and 4 million constituents. The District has a June 30 fiscal year-end and earned $30 million in revenue for the fiscal year ended June 30, 2002. A Board of Directors consisting of five members, who are elected to four-year terms, governs the District.

The District maintains its accounting records on the accrual basis, and the accounting policies and procedures conform to generally accepted accounting principles. The District uses the enterprise method for maintaining its financial records. The financial records consist of 2 funds: the Replenishment Fund and the Clean Water Fund.

The District seeks an experienced auditing firm with outstanding qualifications to perform the fiscal year 2002, 2003, & 2004 financial audit.

Scope

The audit is to be performed in accordance with Generally Accepted Auditing Standards (GAAS), Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States, the provisions of OMB Circular A-133, and the requirements of the California Water Code, specifically section 60292 (Exhibit A). In addition, the auditing firm will be expected to prepare the related State Controller’s Report for all funds of the District.

The auditors will evaluate the adequacy of the internal control systems and, where weaknesses are noted, make appropriate recommendations for improvement. The auditing firm will submit a management letter, if material weaknesses are noted or if otherwise deemed appropriate, addressed and delivered to the General Manager and Board of Directors separate from the audit report itself.

The audit will cover the general-purpose combined financial statements, general-purpose financial statements by fund, as well as supporting documentation and schedules. The auditor will assist the District in providing more meaningful and concise financial statements by seeking improved methods of reporting, by providing recommendations for improvements in the District’s financial/accounting practices, or means and methods for performing the work under review by the auditor. In addition, the auditor will be available on a day-to-day basis for consulting and ongoing auditing needs.
The auditing firm shall provide 20 copies each of the auditor’s report(s), the financial statements, supporting schedules, and management letters, if any. The partner in charge of the audit shall be available to attend at least one Board Meeting and one Finance Committee meeting at which the audit report(s) will be discussed.

The auditor shall submit a draft of the financial statements no later than September 30, 2002. The auditor shall submit the final and the State Controller’s Report no later than October 15, 2002.

The auditor shall make available its working papers and respond to all reasonable inquiries of successor auditors and others to review working papers of the District upon the District’s written consent.

The Government Accounting Standards Board (GASB) issued Statement No. 34 – Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments – in June 1999. This District adopted and implemented this accounting standard as of fiscal year 2001/02.

**Proposal Requirements**

To be considered, two copies of a proposal must be received no later than noon (12:00 p.m.) August 7, 2002. The following information is required by the deadline for the firm to be considered:

1. Title page and table of contents.

2. Signed transmittal letter to include:
   - A statement of the firm’s understanding of the work to be done.
   - The commitment to perform the work within the time period.
   - A statement why the firm believes itself to be the best qualified to perform the engagement.
   - A statement that the proposal is a firm and irrevocable offer until August 31, 2002.

3. Detailed scope of work which shall conform to, but not be limited to, the tasks outlined in this Request for Proposals. Where the auditor believes that additional work should be considered by the District beyond that stated in the Request for Proposals they shall detail that recommended work, identify it as recommended additional scope items, and provide a separate cost estimate for the extra work.

   Award of a contract for auditing services will not automatically include approval of the additional work, nor will the cost of the additional work be considered when selecting the firm. Additional work items will also not be considered in determining the responsiveness of the proposals, but will be considered for information only.

4. A total not to exceed fee for the work and detailed schedule of activities.
General Requirements for the Proposal

The purpose of the proposal is to demonstrate the qualifications, competence, and capacity of the firm, and the particular staff, seeking to undertake an independent audit of the District in conformity with the requirements of this request for proposals. The proposal should be concise and specify an audit approach that will meet the request for proposal requirements.

1. Independence

The firm should provide an affirmation statement that it is independent of the District as defined by Generally Accepted Auditing Standards. The firm should also list and describe its professional relationships involving the District for the past five years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

2. License to Practice

An affirmation statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in California.

3. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm’s governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of professional staff to be employed in this engagement.

The firm is also required to submit information on the report of its most recent peer review, with a statement whether the peer review included a review of specific government engagements. In addition, the firm will also submit a statement whether it has been the subject of any disciplinary action in the past three years.

4. Partner, Supervisory, and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists who would be assigned to the engagement, and indicate whether each person is licensed to practice as a certified public accountant in the state of California. The firm should also supply information on the government auditing experience of each person.

5. Similar Engagements with Other Government Entities

For the firm’s office that will be assigned responsibility for the audit, list the most significant engagements performed in the last five years that are similar to the engagement described in this request for proposals. Indicate the scope of work, date, engagement partner, total hours, and the name and telephone number of the principal client contact.
6. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, type and extent of statistical sampling, compliance test, and analytical tests to be performed, as well as schedule (by date and hours) of the work to be performed to meet the requirements of this request for proposals.

7. Identification of anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm’s approach to resolving these problems, and specific assistance that will be required from the District.

8. Not to exceed Fee Proposal

The not to exceed fee proposal should contain all cost information relative to performing the audit engagement as described in this request for proposal. A schedule of rates for partners, specialists, supervisors, and staff, times the number of hours anticipated by each should be included.

The not to exceed fee proposal should contain all direct and indirect costs including out-of-pocket expenses to arrive at a total not to exceed fee proposal which will constitute the compensation cap for all work and expenses associated with performing the work.

If it should become necessary for the District to request the auditor to render additional services to either supplement the services requested in this request for proposal or to perform additional work as a result of the specific recommendations included in any report issued with this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the District and the firm. Any such additional work agreed to between the District and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the formal bidding price proposal.

Progress payments shall be made on the basis of hours of work performed during the course of engagement in accordance with the firm’s formal bidding proposal. Interim billings shall cover a period of not less than 1(one)-calendar month, and shall include tasks performed, hours of work performed, and billing rate per hour.

Evaluation of Proposals

The Finance Committee of the Board of Directors will evaluate proposals submitted. The District reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected. During the evaluation process the Finance Committee may, at its discretion, request any one or all firms to make oral presentations and personal introduction of the proposed managing accountant and/or senior of the audit. Such presentations will provide firms with an opportunity to answer any questions the Finance Committee may have on a firm’s proposal. Not all firms may be selected to make such oral presentations.

The District’s Board of Directors will make a decision based on the Finance Committee’s recommendations. Final selection will be based on the firm’s expertise, experience,
professional qualifications, bid, and overall value. Proposing firms should note that the
lowest bid might not be the deciding factor in the final selection. The District reserves
the right to reject any and all proposals.

It is anticipated that a firm will be selected by August 16, 2002, or sooner. Following
notification of the firm selected, it is expected that a contract will be executed between
both parties on August 16, 2002. The selected firm will be expected to begin work
immediately following execution of a contract.

Submission of a proposal constitutes acceptance by the firm of the conditions contained
in this request for proposal unless clearly and specially noted in the proposal submitted
and confirmed in the contract between the District and the firm selected.

For additional information and inquiries, contact:

Robert W. Martin, CPA
Controller
Water Replenishment District of Southern California
12621 E. 166th Street
Cerritos, CA 90703
(562) 921-5521

The proposing firm warrants the following:

1. That it is willing and able to obtain an errors and omissions insurance policy
   providing a prudent amount of coverage for the willful or negligent acts or omissions
   of any officers, employees, or agents thereof.
2. That it will not delegate or subcontract its responsibilities under an agreement
   without the express prior written permission of the District.
3. That all information provided by it in connection with this proposal is true and correct.
4. That it will acknowledge and agree with all terms and conditions stated in this
   request for proposal.
California Water Code:

60292. (a) The district shall order, review, and maintain on file an independent, audited financial statement not later than 60 days from the conclusion of the district's fiscal year. The independent audited financial statement shall be prepared by a certified public accountant, licensed by the California Board of Accountancy. The independent audited financial statement shall be consistent with standards provided in the "Standards for Audits of Governmental Organizations, Programs, Activities, and Functions" prepared by the Comptroller General of the United States. The independent audited financial statement shall include all of the following:

(1) The balances in all accounts established for the maintenance of the district's funds.
(2) A report describing the amount of district funds to be expended for any capital improvement project authorized to be constructed or funded by the district and a detailed description of the capital improvement project.
(3) A report detailing the source of funds to be expended on any authorized capital improvement project, and whether the source of funds is the water replenishment assessment levied in accordance with Part 6 (commencing with Section 60300).
(4) A report describing the propriety of the district's operating expenses.
(5) A summary of independent audited financial statement exceptions and management improvement recommendations.
(6) A description of correction or plan of correction shall be incorporated in the independent audited financial statement, describing the specific actions that are planned to be taken, or that have been taken, to correct the problem identified by the auditor. The descriptions of specific actions to be taken or that have been taken shall not solely consist of general comments such as "will implement," "accepted the recommendation," or "will discuss at a later date."

(b) Copies of the independent audited financial statements shall be submitted to the Governor, the Legislature, and the State Auditor on or before November 1 of each year.
AGENDA ITEM NO. VII

DATE: JULY 26, 2002
TO: BOARD OF DIRECTORS
FROM: BRUCE A. MOWRY, GENERAL MANAGER
SUBJECT: LEGISLATIVE REPORT

Staff will provide a legislative update.

FISCAL IMPACT
None.

RECOMMENDATION: For information.
<table>
<thead>
<tr>
<th>Bill No./Author</th>
<th>Title/Content</th>
<th>Status</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB 954 Kelley</td>
<td>California Water Supply Reliability and Protection Bond Act of 2002.</td>
<td>Intr. 02/23/01&lt;br&gt;Location: Senate Agriculture &amp; Water (02/07/02)&lt;br&gt;Status: Dead</td>
<td>Staff Rec. Support&lt;br&gt;WRD Position: Support (04/19/02), letter of support faxed&lt;br&gt;ACWA: Watch&lt;br&gt;CMUA: Support</td>
</tr>
<tr>
<td>AB 1163 Calderon</td>
<td>Water Replenishment District of Southern California. Requires a State Audit report on the compliance of the May 2002 audit report by 2007. Establishes the amount of groundwater to be purchased. Requires development of a 5-year capital improvement project under a &quot;meet and confer&quot; process.</td>
<td>Int. 02/23/01&lt;br&gt;Location: Senate Local Government (06/27/02)&lt;br&gt;Status: Amended (06/28/02, 06/19/02, 05/21/02); Hearing on 08/07/02</td>
<td>Staff Rec. Oppose&lt;br&gt;WRD Position: Oppose (03/23/02 and 06/21/02), letter of opposition transmitted&lt;br&gt;ACWA: Oppose/Amend&lt;br&gt;CMUA: Support</td>
</tr>
<tr>
<td>AB 1545 Florez</td>
<td>Department of Water Resources: groundwater supplies. This bill requires DWR to study the feasibility of additional groundwater storage and reclamation projects in Southern California and increased efficient use of existing reservoirs in those counties.</td>
<td>Intr. 02/23/01&lt;br&gt;Location: Held at Senate Desk (08/30/01)&lt;br&gt;Status: Dead</td>
<td>Staff Rec. Watch&lt;br&gt;ACWA: Watch</td>
</tr>
<tr>
<td>AB 1760 Campbell</td>
<td>Orange County Water District. This bill extends the deadline for water retailers to file their basin equity assessment report with the Orange County Water District from September 30 to November 30 each year.</td>
<td>Intr. 01/08/02&lt;br&gt;Status: Chaptered (05/15/02)</td>
<td>Staff Rec. Watch</td>
</tr>
<tr>
<td>AB 1778 Nakano</td>
<td>Public safety: water treatment plant and distribution system security. This bill would require criminal background checks for persons responsible for the supervision and operation of water treatment plants and water distribution systems.</td>
<td>Intr. 01/10/02&lt;br&gt;Location: Senate Public Safety (06/12/02)&lt;br&gt;Status: Hearing on 08/06/02; Amended (06/27/02, 06/10/02)</td>
<td>Staff Rec. Watch&lt;br&gt;ACWA: Favor/Amend&lt;br&gt;CMUA: Watch</td>
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<tr>
<td>Bill Number</td>
<td>Sponsor</td>
<td>Title</td>
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<tr>
<td>AB 1925</td>
<td>Nakano</td>
<td>California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002: Coastal Water Quality Monitoring System. Appropriates unspecified funds from Proposition 40 for the purpose of establishing a coastal water quality monitoring system. Specifically, this bill would appropriate funds to the California Ocean Trust for use by local public entities.</td>
<td>Intr. 02/14/02 Location: Senate Appropriations (04/29/02) Status: Dead</td>
</tr>
<tr>
<td>AB 1972</td>
<td>Frommer</td>
<td>Drinking water: reports regarding contaminants. Requires that all contaminants present in the water supply at levels above its public health goals (PHGs) be identified on the annual consumer confidence report and statements by the Office of Environmental Health Hazard Assessment (OEHHA) that describe the adverse health effects associated with those contaminants. Also requires that the triennial supplementary report prepared by large water systems identify not only the category of health risk posed by each contaminant present in excess of its PHG but also, if available, whether it has synergistic effects, potentially disrupts endocrine functioning, or adversely affects sensitive population subgroups. Comments: Sponsored by the California League of Conservation Voters and Clean Water Action</td>
<td>Intr. 02/14/02 Location: Senate Appropriations (06/18/02) Status: Hearing 08/05/02</td>
</tr>
<tr>
<td>AB 2017</td>
<td>Bates</td>
<td>State Water Pollution Cleanup and Abatement Account. The Porter-Cologne Water Quality Control Act authorizes a California region water quality control board to impose a civil penalty where there is a violation relating to water quality. This bill would continuously appropriate 75% of those funds that are collected by a regional board to that particular regional board to carry out clean-up activities and 25% of those funds to the state board carry out clean-up activities.</td>
<td>Intr. 02/15/02 Location: Assembly Environmental Safety &amp; Toxic Materials (02/21/02) Status: Dead</td>
</tr>
<tr>
<td>AB 2365</td>
<td>Goldberg</td>
<td>Water Recycling and Dual Plumbing Bond Act of 2002. Enacts the Water Recycling and Dual Plumbing Bond Act of 2002 by authorizing the issuance of bonds in amount of $575.9 million. If passed, the bond will be placed before the voters at the November 5, 2002 election. Comments: Requires 2/3 votes</td>
<td>Intr. 02/21/02 Location: Assembly Appropriations (Re-referred 05/07/02) Status: Dead</td>
</tr>
<tr>
<td>AB 2376</td>
<td>Cogdill</td>
<td>Water Sustainability and Reliability Bond Act of 2002. Finances a water storage program through the issuance and sale of bonds. Comments: Requires 2/3 votes. If passed, the bond will be placed before the voters at the November 5, 2002 election.</td>
<td>Intr. 02/21/02 Location: Assembly Water, Parks, &amp; Wildlife (03/07/02) Status: Dead</td>
</tr>
<tr>
<td>AB 2534</td>
<td>Pavley</td>
<td>Watershed, Clean Beaches, and Water Quality Act. Enacts the Watershed, Clean Beaches, and Water Quality Act, which would provide for a program of loans and grants to public agencies and nonprofit organizations for projects designed to improve water quality at public beaches, improve water quality monitoring and sewer capability, protect water quality by reducing runoff pollution and controlling non-point source water pollution.</td>
<td>Intr. 02/21/02 Location: Senate Agriculture &amp; Water Resources (06/04/02) Status: Amended by author (06/18/02) Status: Dead</td>
</tr>
<tr>
<td>AB 2606</td>
<td>Harman</td>
<td>Recycled Water. This bill changes the standard and process by which DHS approves proposed injection of recycled into an aquifer used as a source of water for domestic purposes. Specifically, the bill (1) allows recycled water to be injected into such an aquifer DHS finds the recharge will not degrade, rather than impair, the quality of water in the aquifer; and (2) requires the DHS to consider a certain antidegradation policy adopted by the State Water Resources Control Board and the public health consequences of the controlled recharge.</td>
<td>Intr. 02/21/02 Location: Senate Appropriations (Re-referred 06/12/02) Status: Hearing postponed (07/01/02)</td>
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<tr>
<td>Bill</td>
<td>Sponsor</td>
<td>Description</td>
<td>Action Details</td>
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<td>AB 2644</td>
<td>Havice</td>
<td><strong>Water Replenishment District of Southern California.</strong> Requires that the annual engineering survey and report produced by water replenishment districts also include areas contiguous to the district that affect the hydrology of the district or that impact the supply and quality of groundwater available to the district.</td>
<td>Intr: 03/19/02&lt;br&gt;Location: Assembly Water, Parks &amp; Wildlife (04/04/02)&lt;br&gt;Status: Failed passage in committee (05/07/02)</td>
</tr>
<tr>
<td>AB 2840</td>
<td>Wright</td>
<td><strong>Water replenishment districts.</strong> Makes technical, nonsubstantive changes to the ability of a water replenishment district to perform certain actions for the purposes of replenishing the groundwater supplies within the district.</td>
<td>Intr: 02/25/02&lt;br&gt;Location: Assembly&lt;br&gt;Status: Dead</td>
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<tr>
<td>AB 2877</td>
<td>Wayne</td>
<td><strong>Water quality: water discharge requirements.</strong> Requires the State Water Resources Control Board (SWRCB) and the Department of Water Resources (DWR) to jointly conduct a study and to make recommendations regarding groundwater management policy and proposed legislation regulating groundwater. Requires the study to be completed by December 31, 2004.</td>
<td>Intr: 02/25/02&lt;br&gt;Location: Assembly Water, Parks, &amp; Wildlife (04/15/02)&lt;br&gt;Status: Dead</td>
</tr>
<tr>
<td>ACA 11</td>
<td>Richman</td>
<td><strong>Infrastructure: finance.</strong> Constitutional amendment to expand state's infrastructure spending. Establishes the California Twenty-First Century Infrastructure Investment Fund in the State Treasury. Beginning FY04-05, a percentage of revenues will be transferred from the General Fund to the infrastructure fund. Funds would be allocated for transportation, education, parks or natural resources preservation or protection, and water projects.</td>
<td>Intr: 06/05/01&lt;br&gt;Location: Assembly Appropriations (05/20/02)&lt;br&gt;Status: Under submissions (05/20/02)</td>
</tr>
<tr>
<td>SB 460</td>
<td>Scott</td>
<td><strong>Public Health: Drinking Water.</strong> Requires the DHS, when it adopts a formal drinking water standard for chromium VI, to conduct bench scale testing of various technologies and investigative methods to remove chromium VI from drinking water supplies. Also requires DHS to maintain monthly updated reports of detection of levels and other specific information of related to chromium VI on the Internet.</td>
<td>Intr: 02/22/01&lt;br&gt;Location: Assembly Appropriations (09/06/01)&lt;br&gt;Status: Withdrawn by author</td>
</tr>
<tr>
<td>SB 469</td>
<td>Alpert</td>
<td><strong>Water quality: total maximum daily loads.</strong> Requires the state board to prepare by January 1, 2004, guidelines to be used by the state board and the regional boards to develop lists of impaired bodies of water and to develop and implement actions related to total maximum daily load (TMDL) of water pollutants. Additionally, the bill would reduce, from 90 days to 60 days, the maximum review time spent on a water quality control plan resubmitted by a regional board to the water board due solely to the addition of a TMDL component in the plan.</td>
<td>Intr: 02/22/01&lt;br&gt;Status: Chaptered (04/08/02)</td>
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<tr>
<td>SB 621</td>
<td>Costa</td>
<td><strong>Water Transfers.</strong> Expands the transfer request and approval process of the water wheeling statutes by (1) requiring the water conveyance facility owner to make an initial determination within 30 days, and a final determination within 60 days, consider any information submitted by the water transferee, and make certain information available to the public, (2) requiring that the determination set forth with reasonable specificity the basis for the decision, and (3) making certain determinations subject to annual review. This bill also makes other related changes.</td>
<td>Intr: 02/22/01&lt;br&gt;Location: Assembly Water, Parks &amp; Wildlife (06/25/01)&lt;br&gt;Status: Passed from Senate Floor (05/30/01)</td>
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<tr>
<td>Bill Number</td>
<td>Bill Title</td>
<td>Description</td>
<td>Committee</td>
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<td>SB 710</td>
<td>SB 710</td>
<td>Surface water quality monitoring. Requires the State Water Resources Control Board to provide a report to the advisory group and the public that summarizes the contents of reports prepared by Regional Water Quality Control Boards regarding their implementation of surface water quality monitoring programs.</td>
<td>Intr. 02/23/02 Location: Senate (02/04/02) Status: Dead</td>
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<tr>
<td>SB 712</td>
<td>SB 712</td>
<td>Water supply planning. Prohibits an urban water supplier that provides wholesale water to local public agencies from considering water suppliers developed by agencies to their customers in making dry-year plan allocations or in creating an urban water shortage contingency analysis, if those supplies were developed without the financial assistance of the agency that provides the water. Comments: Originally a bill to study off-leash dog activity in state parks, this bill was amended on June 25, 2002 by Senator Costa.</td>
<td>Intr. 02/23/01 Location: Assembly Water, Parks &amp; Wildlife (Re-referred 06/25/02) Status: Hearing postponed (07/02/02)</td>
</tr>
<tr>
<td>SB 1342</td>
<td>SB 1342</td>
<td>Waste discharge requirements: municipal separate storm sewer systems. Requires the state board and the regional boards to prescribe and enforce waste discharge requirements for municipal separate storm sewer systems in conformance with the &quot;maximum extent practicable&quot; standard set forth in the Clean Water Act.</td>
<td>Intr. 02/20/02 Location: Senate Environmental Quality (02/14/02) Status: Failed passage in committee (04/22/02)</td>
</tr>
<tr>
<td>SB 1384</td>
<td>SB 1384</td>
<td>Water Omnibus Act of 2002. Authorizes DWR to provide grants from the Safe Drinking Water Fund to 4 specified school districts for the purposes of financing domestic water system improvement projects to meet state and federal drinking water standards. Also authorizes the directors of the Lakeside Water District to adopt a resolution modifying the requirements to serve as a director of that district.</td>
<td>Intr. 02/20/02 Location: Assembly Appropriations (07/02/02) Status: Amended (07/10/02, 07/02/02, 06/20/02); Passed Assembly Environmental Safety &amp; Toxic Materials (07/01/02)</td>
</tr>
<tr>
<td>SB 1518</td>
<td>SB 1518</td>
<td>Recycled water. Allows sanitary districts to supply recycled water service contingent upon noticing and offering to consult with cities, water districts, or other local agencies. Additionally, it requires urban water supplier to include in its urban water management plan a description of the actual use of recycled water in comparison to previously projected uses and amount of reusable water discarded than recycled.</td>
<td>Intr. 02/20/02 Location: Senate Floor for concurrence (06/29/02) Status: Passed Assembly Water, Parks, &amp; Wildlife with amendments (06/28/02)</td>
</tr>
<tr>
<td>SB 1653</td>
<td>SB 1653</td>
<td>California Bay-Delta Act. This bill would create a governance structure for the CALFED Bay-Delta Program known as the California Bay-Delta Commission. The commission would be required to carry out programs, projects, and activities necessary to implement the Bay-Delta Program.</td>
<td>Intr. 02/21/02 Location: Assembly Water, Parks &amp; Wildlife (06/13/02) Status: Joint rule 61(b) suspended (06/27/02)</td>
</tr>
<tr>
<td>SB 1672</td>
<td>SB 1672</td>
<td>Integrated Regional Water Management Planning Act of 2002. Authorizes groups of local agencies to adopt regional water management plans after meeting certain procedural</td>
<td>Intr. 02/21/02 Location: Assembly Local</td>
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<tr>
<td>Bill Number</td>
<td>Sponsor</td>
<td>Title</td>
<td>Description</td>
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<tr>
<td>SB 1664</td>
<td>Romero</td>
<td>San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy: membership.</td>
<td>Adds 4, non-voting seats on the San Gabriel and the lower Los Angeles Rivers and Mountains Conservancy to be appointed by the Senate Rules Committee and Assembly speaker.</td>
</tr>
<tr>
<td>SB 1710</td>
<td>Costa</td>
<td>Safe, Clean, and Reliable Water Supply Bond Act of 2002.</td>
<td>This water quality and water supply infrastructure improvement bond legislation provide for the issuance of $2.962 billion of general obligation bonds if passed by the voters at an unspecified election.</td>
</tr>
<tr>
<td>SB 1822</td>
<td>Sher</td>
<td>Public water systems: public health goals: perchlorate.</td>
<td>Requires the Office of Environmental Health Hazard Assessment (OEHHA) to adopt a public health goal (PHG) for perchlorate by January 1, 2003. Also requires DHS to adopt a primary drinking water standard for perchlorate by July 1, 2003.</td>
</tr>
<tr>
<td>SB 1938</td>
<td>Machado</td>
<td>Groundwater management: state funding.</td>
<td>Requires a local agency that elects to develop a groundwater management plan to make available to the public a written statement describing the manner in which interested parties would be allowed to participate in the development of that plan. The bill would require a local agency, for the purposes of qualifying as a groundwater management plan under certain provisions of law, or, with certain exceptions, for the purposes of receiving state funds for the construction of groundwater projects or groundwater quality projects, to prepare and implement a plan that includes certain basin management objectives and components, and to adopt certain monitoring protocols. The bill would require the local agency to submit a copy of the plan to the Department of Water Resources, which would be required to make copies available to the public. A local agency may receive state funds for the construction of groundwater projects or for other projects that directly affect groundwater levels or quality if it prepares and implements a groundwater management plan, a basin-wide management plan, or other integrated regional water management program or plan under the specified requirements. Local agency that participates in or is subject to a groundwater management plan, an adjudication, or any other law prior to January 1, 2003 is exempt.</td>
</tr>
<tr>
<td>SB 1960</td>
<td>Polanco</td>
<td>Water replenishment districts.</td>
<td>Authorizes a water replenishment district to perform certain actions for the purposes of replenishing the groundwater supplies within the district.</td>
</tr>
<tr>
<td>SB 1993</td>
<td>Machado</td>
<td>Water-transfer clearinghouse.</td>
<td>Creates a procedure for dealing with third party impacts of water transfers. Process outlined in the bill includes preparation of an economic analysis report, a commitment by the transferee to pay a fee, and formation of a community board to distribute the funds collected. The fee is set to $1 per acre foot of water transferred, or $5</td>
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<td>per acre foot if the transfer will involve land retirement or fallowing.</td>
<td><strong>Status:</strong> Joint rule 61(b) suspended (06/27/02); Amended (06/17/02, 05/24/02, 04/16/002)</td>
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<td>Bill No./Author</td>
<td>Title/Content</td>
<td>Status</td>
<td>Position</td>
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<td>HR 454 Johnson (R-IL)</td>
<td>To prohibit the use of, and provide for remediation of water contaminated by MTBE</td>
<td>Intr: 02/06/01</td>
<td>ACWA: Watch</td>
</tr>
<tr>
<td>HR 532 Capps (D-CA)</td>
<td>Authorizes $200 million “to protect human health and the environment from releases of MTBE from underground storage tanks</td>
<td>Intr: 02/08/01</td>
<td></td>
</tr>
<tr>
<td>HR 608 Ganske (R-IA)</td>
<td>To amend the Clean Air Act to prohibit the use of MTBE, to provide flexibility within the oxygenate requirement of the EPA’s Reformulated Gasoline Program, to promote the use of renewable ethanol</td>
<td>Intr: 02/14/01</td>
<td></td>
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<tr>
<td>HR 1252 Sanders (I-VT)</td>
<td>To amend SDWA to change arsenic standard from 50 ppb to 10 ppb by FY2003 and to 3 ppb by FY2006 and to authorize an $800 million in grants</td>
<td>Intr: 03/27/01</td>
<td>ACWA: Oppose</td>
</tr>
<tr>
<td>HR 1413 Waxman (D-CA)</td>
<td>To codify the rule establishing a MCL for arsenic published in the Federal Register by the EPA on January 22, 2001.</td>
<td>Intr: 04/01/01</td>
<td>ACWA: Watch/ Oppose if moves out of Committee</td>
</tr>
<tr>
<td>HR 1985 Calvert (R-CA)</td>
<td>Western Water Security Enhancement Act – Reauthorizes the CALFED Bay-Delta Program</td>
<td>Intr: 05/24/01</td>
<td>ACWA: Support</td>
</tr>
<tr>
<td>HR 1999 Nussle (R-IA)</td>
<td>Ethanol Energy Promotion Act – Amends the Clean Air Act to prohibit the use of MTBE as a fuel additive, and require federal vehicles to use ethanol fuel</td>
<td>Intr: 05/24/01</td>
<td>ACWA: Oppose</td>
</tr>
<tr>
<td>HR 2404 Miller (D-CA)</td>
<td>To authorize federal agency participation and financial assistance for programs and for infrastructure improvements for the purposes of increasing deliverable water supplies, conserving water and energy, restoring ecosystems, and enhancing environmental quality in the state of California (CALFED)</td>
<td>Intr: 06/28/01</td>
<td>ACWA: Oppose</td>
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<tr>
<td>HR 2534 Solis (D-CA)</td>
<td>To authorize the Secy of the Interior to conduct a special resource study to determine the suitability and feasibility of designating the Lower Los Angeles River and San Gabriel River watersheds as a National Park system</td>
<td>Intr: 07/17/01</td>
<td>ACWA: Support</td>
</tr>
<tr>
<td>HR 3208 Calvert (R-CA)</td>
<td>CALFED reauthorization – Authorizes funding through the Secy of Interior for the implementation of a comprehensive program in California to achieve increased water yield and environmental benefits, as well as</td>
<td>Intr: 11/01/01 (from HR 1985)</td>
<td>ACWA: Support</td>
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<td>Bill Number</td>
<td>Sponsor</td>
<td>Description</td>
<td>Action Notes</td>
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<td>HR 3792</td>
<td>Kelly (R-NY)/Tauscher (D-CA)</td>
<td>To amend the Federal Water Pollution Control Act to authorize appropriations for State water pollution control revolving funds.</td>
<td>Intr: 02/26/02  House Action: Referred to Sub. Water Resources &amp; Environment of House Transportation &amp; Infrastructure Comm. (02/27/02)</td>
</tr>
<tr>
<td>HR 3930</td>
<td>Duncan (R-TN)</td>
<td>To amend the Federal Water Pollution Control Act to authorize appropriations for State water pollution control revolving funds.</td>
<td>Intr: 03/12/02  House Action: Referred to Comm. On Transportation &amp; Infrastructure and Comm. On Ways &amp; Means (03/12/02)  (03/20/02) Passed Transportation &amp; Infrastructure as amended (04/17/02) Passed Ways &amp; Means as amended</td>
</tr>
<tr>
<td>HR 3996</td>
<td>Boehlert (R-NY)</td>
<td>To amend the Federal Water Pollution Control Act to authorize appropriations for water pollution control research, development and technology demonstration.</td>
<td>Intr: 03/19/02  House Action: Referred to Subcommittee on Water Resources and Environment of House Transportation (03/20/02) &amp; Infrastructure and Comm. On Science (03/19/02)</td>
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<tr>
<td>S 252</td>
<td>Voinovich (R-OH)</td>
<td>To amend the Federal Water Pollution Control Act to authorize appropriations for State water pollution control revolving funds.</td>
<td>Intr: 02/06/01  Senate Action: Referred to Committee on Environment &amp; Public Works (02/28/02) Hearings held in Committee on Environment and Public Works Subcommittee on Fisheries, Wildlife, and Water</td>
</tr>
<tr>
<td>S. 265</td>
<td>Fitzgerald (R-IL)</td>
<td>To prohibit the use of, and provide for remediation of water contaminated by MTBE</td>
<td>Intr: 02/06/01  Senate Action: Referred to Comm. On Environment &amp; Public Works (02/06/01)  ACWA: Support</td>
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<tr>
<td>S 285</td>
<td>Wyden (D-OR)</td>
<td>To amend the Federal Water Pollution Control Act to authorize use of State revolving funds for construction of water conservation and quality improvements.</td>
<td>Intr: 02/08/01  Senate Action: Hearings held in Subcommittee on Fisheries, Wildlife &amp; Water of Comm on Environment &amp; Public Works (02/28/02)  ACWA: Support</td>
</tr>
<tr>
<td>S. 670</td>
<td>Daschle (D-SD)</td>
<td>To amend the Clean Air Act to eliminate MTBE from the US fuel supply and to increase production and use of ethanol, and for other purposes</td>
<td>Intr: 03/30/01  Senate Action: Referred to Committee on Environment &amp; Public Works (03/30/01)  ACWA: Watch</td>
</tr>
<tr>
<td>S 698</td>
<td>Boxer/Reid</td>
<td>Amends the SDWA to designate chromium 6 as a contaminant and establish a MCL for it</td>
<td>Intr: 04/04/01  Senate Action: Referred to Comm on Environment &amp; Public Works (04/04/01)  ACWA: Watch</td>
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<tr>
<td>S 796</td>
<td>Boxer (D-CA)</td>
<td>To amend the SDWA to ensure that drinking water consumers are informed about the risks posed by arsenic in drinking water.</td>
<td>Intr: 04/26/01  Senate Action: Referred to Comm on Environment &amp; Public Works (04/26/01)  ACWA: Support</td>
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<tr>
<td>S 976</td>
<td>Feinstein (D-CA)</td>
<td>Western Water Security Enhancement Act – Reauthorizes the CALFED Bay-Delta program</td>
<td>Intr: 05/25/01  Senate Action: Hearings held at Subcomm on Energy &amp; Natural Resources of Comm on Energy &amp; Natural Resources (07/19/01)  ACWA: Support</td>
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<tr>
<td>Bill Number</td>
<td>Sponsor</td>
<td>Description</td>
<td>Introduction Date</td>
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<td>S. 1374</td>
<td>Bingaman (D-NM)</td>
<td>To provide for the study of the effects of hydraulic fracturing on underground drinking water sources.</td>
<td>08/03/01</td>
</tr>
<tr>
<td>S 1961</td>
<td>Graham (D-FL)</td>
<td>To improve financial and environmental sustainability of the water program of the United States</td>
<td>02/15/02</td>
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<tr>
<td>S 1768</td>
<td>Feinstein (D-CA)</td>
<td>To authorize the Secy of the Interior to implement the CALFED Bay-Delta program</td>
<td>12/05/01</td>
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