



EXHIBIT 27-D

FINAL MINUTES

Legislative Advocacy Committee of the Monterey Peninsula Water Management District *January 26, 2015*

Call to Order

The meeting was called to order at 2:05 pm in the MPWMD conference room.

Committee members present: David Potter, Chair (arrived at 2:50 pm)
Robert S. Brower, Sr.
Andrew Clarke

Staff members present: David J. Stoldt, General Manager
Arlene Tavani, Executive Assistant

District Counsel present: David C. Laredo

Consultant present: John Arriaga, JEA and Associates

Comments from the Public: No comments.

Action Items

- 1. Adopt Minutes of August 20, 2014 Committee Meeting**
No minutes presented. Item deferred to next committee meeting.

Discussion Items

- 2. Overview of Governor's Proposed FY 2015-16 Budget**
Stoldt reported that \$532.5 million of Proposition 1 funds (adopted by the voters in 2014) are proposed for distribution in Governor Brown's proposed 2014-15 budget. Proposition 1 funds would be distributed to seven categories. The Water Management District could apply for funding under the Integrated Regional Water Management Plan and Water Recycling categories. However, there will be state-wide competition for use of these funds and they are usually awarded agencies in highly populated areas. The committee discussed opportunities for working with state legislators and Department of Water Resources staff to obtain support for the local projects that require funding. This would also be an opportunity to brief state legislators on the need to modify the CDO.
- 3. Update on State Water Bond**
See discussion above.
- 4. Bill Tracking**
Arriaga reported that the deadline for submission of bills to Legislative Counsel is February 28, 2015. He expects that CEQA reform will be introduced again. At the request of the committee, Arriaga stated that by March he would establish a bill tracking mechanism that would provide Stoldt with updates on legislation that is of importance to the Water Management District. This will enable the Water Management District to be more active in expressing support for bills by

methods such as sending letters to sponsoring legislators. Stoldt noted that it is important for the Water Management District to increase its presence in Sacramento.

5. Update on Cease and Desist Order Negotiations

Stoldt reported that negotiations continue with the parties involved and with staff at the state level.

6. Update of Roster of Senate and Assembly Committees Affecting Water

Stoldt expressed the importance of maintaining relationships with representatives Anthony Cannella and Bill Monning; who are members of the Senate Natural Resources on Water Committee, and Senate Committee on Energy, Utilities and Communications. The Water Management District should also be in contact with Ben Hueso. There are no local representatives on the Assembly committees that are responsible for water issues: Assembly Water, Parks and Wildlife, and the Committee on Utilities and Commerce.

7. Overview of Federal W21 Western Water Bill

Stoldt referred the committee members to a summary of the proposed legislation that was contained in the committee packet. This legislation would provide for grants and loans that would be administered directly through the EPA. A consultant, Ginger Bryant, has been asked to develop a federal strategy for successful adoption of this legislation which would be beneficial to the Pure Water Monterey program. Stoldt and Directors Brower and Byrne will be meeting with Sam Farr regarding this legislation when they are in Washington DC for the Association of California Water Agencies conference.

Director Potter joined the meeting at 2:50 pm

8. Discuss Opportunities from House 2015 Omnibus Spending Bill

Stoldt reviewed the Energy and Water Development and Related Agencies Appropriations Act of 2015 that includes \$50 million under the Western Drought Response category. The Water Management District is planning to apply to this program for Pure Water Monterey funding, even though the deadline may have passed. Ms. Bryant is researching other federal grant and loan opportunities for Pure Water Monterey funding.

9. Overview of Build America Revisions and Proposed EPA “Water Finance Center”

The Build America Investment Initiative launched by the Federal government in July 2014 has established the Water Finance Center, administered by the EPA. Stoldt expressed an interest in utilization of public/private bond funding opportunities contained in that initiative for the Pure Water Monterey program. Stoldt stated that every funding opportunity must be explored, in an effort for the Pure Water Monterey program to be cost competitive with the desalination project proposed by California American Water. Arriaga stated that over \$1 billion is available for cap-and-trade funds, if it can be shown that the program will reduce emissions. Stoldt noted that emissions levels can only be determined when more information is available to compare the different sized desalination projects against the Pure Water Monterey program.

Other Items: No other items were discussed.

Set Next Meeting Date

No follow-up meeting was scheduled.

Adjournment

The meeting was adjourned at 3:30 pm.