



San Gabriel Basin Water Quality Authority

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**WQA LEGISLATIVE/PUBLIC INFORMATION COMMITTEE
AND SPECIAL MEETING OF THE BOARD OF DIRECTORS
TO BE HELD ON WEDNESDAY, SEPTEMBER 13, 2017 AT 10:00 A.M.
AT
1720 W. CAMERON AVE., SUITE 100 IN WEST COVINA, CA**

**The Legislative/Public Information Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board that are not assigned to the Legislative/Public Information Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the Committee as advisory to the Board, members of the Board who are not assigned to the Legislative/Public Information Committee will not vote on matters before the Committee*

AGENDA

Committee Members: **Jorge Marquez, Valerie Munoz and Mark Paulson**

Liaison Member: **Dan Arrighi**

- I. Call to Order
- II. Public Comment
- III. Discussion Regarding Next Advertorial
- IV. Discussion Regarding WQA's 25th Anniversary
- V. Legislative Activities/Reports
 - a. State
 - b. Federal
- VI. Executive Director's Report
- VII. Adjournment



MEMO

DATE: September 6, 2017

TO: San Gabriel Basin Water Quality Authority

FROM: Jackson R. Gualco, Kendra Daijogo & Robert J. Gore

RE: August State Government Relations Report

- We continue to aggressively pursue a two-track effort to address the Prop. 1 interpretation issue that has proven so vexatious. One track is the pursuit of corrective language in a water bond bill that will emerge from discussions ongoing between the speaker, the pro tem, and the governor. The language has been provided to the key negotiators and is in play. The second track, adoption of corrective legislative language, has been stymied a bit by the paucity of available legislative vehicles, the compressed timeframe, and the lack of feedback on the language from the attorney general. We are working closely with Asm. Calderon to secure agreement from a Member for the use of a bill. Sen. Hernandez and his staff have been actively involved and very helpful throughout. (We developed a one-page summary of what the WQA is seeking to legislatively correct. It is attached for your information.)
- WQA-supported AB 869 by Asm. Blanca Rubio regarding urban water recycling is now a two-year bill. Urban recycling is a key component in the deliberations surrounding the “water conservation/efficiency as a way of life” deliberations.
- Periodically published “Water Whirled”, an exclusive summation of key water and resources issues pending in the capital; delivered urgent advisories as merited by key developments
- Provided timely updates on issues and officials’ activities

cc: Mr. Gabriel Monares



MEMO



Issue

The treasurer and the attorney general contend that the language in Prop. 1 that directs funding to eligible entities for “treatment and remediation activities” does not allow for the allocation of bond funds for anything other than traditional capital projects.

Recommendation

Pursue a legislative solution suggested by Legislative Counsel that clearly indicates that the language in Proposition 1 overrides any other provision of law, including Section 16727 of the Government Code, that may limit the use of bond proceeds to capital expenditures.

Alternatively, seek an amendment to SB 5 or AB 18, two pending water and natural resources bond measures, that would address the issues raised by the attorney general and treasurer.

Discussion

The State General Obligation Bond Law (Bond Law) governs bond indebtedness in the State. (Gov. Code, § 67720 et seq.) The use of proceeds from the sale of any bonds issued pursuant to the Bond Law is restricted to the costs of construction or acquisition of capital assets. (Gov. Code § 16727, subs. (a) and (b).) However, the Bond Law specifies that “[n]othing in this [capital assets requirement] is intended to prohibit the investment of bond proceeds or the use of proceeds of those investments in any manner authorized by law.” (Gov. Code § 16727.)

The Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Water Code § 79700 et seq., hereafter “Water Bond Act” or “Act”) is a legislative bond act that was adopted by the voters as Proposition 1 at the November 4, 2014, statewide general election. The Water Bond Act authorizes the issuance of bonds in the amount of \$7,120,000,000 to finance a water quality, supply, and infrastructure improvement program intended to provide more reliable water supplies, the restoration of important species and habitat, and a more resilient and sustainably managed water infrastructure. (Wat. Code § 79701, subd. (e).) Of that amount, \$80,000,000 is to be made “available for grants for treatment and remediation

activities that prevent or reduce the contamination of groundwater that serves as a source of drinking water.” (Wat. Code § 79772.) The Water Bond Act requires priority funding to be given to projects that “produce the greatest public benefit” and emphasizes that cleaning up polluted groundwater supplies is “crucial to providing a reliable supply of water.” (Wat. Code §§ 79707, subd. (b) and 79701, subd. (i).) The Water Bond Act explicitly excludes the application of the capital project requirement in Government Code section 16727 to the extent that the requirement conflicts with any provision of the Water Bond Act. The Act also does not contain any provision explicitly requiring that the funding in question be used for capital projects.

The treasurer’s office has indicated that the “proposed treatment and remediation activities” the WQA seeks to fund are ineligible for Prop 1 funding under Chapter 10 (Wat. Code § 79772) because the attorney general has found that the activities are related to ongoing operation and maintenance of existing capital assets.