



Santa Clara Valley Water District

File No.: 20-0008

Agenda Date: 1/28/2020

Item No.: 2.6.

BOARD AGENDA MEMORANDUM

SUBJECT:

Santa Clara Valley Water District Government Relations Program Update and Legislative Outlook.

RECOMMENDATION:

- A. Receive information on the 2019 Santa Clara Valley Water District (Valley Water) government relations advocacy and stakeholder engagement program; and
- B. Provide input on current and future challenges, goals, and accomplishments since the last presentation to the Board of Directors.

SUMMARY:

On an annual basis, staff has presented the Board with updates on Valley Water's government relations advocacy and stakeholder engagement program. The last update was presented on January 22, 2019.

BACKGROUND

The Office of Government Relations advocates at the local, regional, state, and federal levels to promote the water supply, flood protection, revenue enhancement, and environmental stewardship interests of Valley Water and the residents of Santa Clara County, in alignment with the Board's legislative priorities. Consequently, Valley Water's government relations program cultivates strategic relationships with a variety of policymaking bodies and advocacy stakeholders, including elected officials, regulatory agencies, administrative agencies, and key advocacy groups. In addition, every October the Board reviews and adopts legislative policy proposals and legislative guiding principles that form the foundation for Valley Water's advocacy efforts. The 2020 Legislative Guiding Principles and Policy Proposals adopted by the Board in October 2019 are included as Attachment 1.

FEDERAL ADVOCACY AND STAKEHOLDER EFFORTS

The federal government operates on a long-term horizon, with bills introduced in one two-year congressional session and, if not enacted into law, requiring reintroduction in future sessions. Efforts at the federal level involve direct engagement and ongoing communication with Congress and executive agencies on legislative and regulatory matters affecting Valley Water's projects and priorities. In addition to staff's advocacy efforts, we also use Washington, D.C. based consultants who have extensive experience and established relationships with policymakers and administration officials.

Federal Advocacy and Engagement

Staff meets with Valley Water's congressional delegation in their local offices at least twice yearly and regularly communicates with their staff in Washington, D.C., to keep them informed of various projects and priorities. Staff also creates opportunities for the Board to dialogue directly with Members of Congress and other key federal officials on important policy issues, legislation, and regulatory concerns.

Washington, D.C. Advocacy Trips

Twice yearly, Valley Water Board Members lead a delegation on advocacy trips to Washington, D.C., to advance the Board's and Valley Water's federal projects and priorities. In 2019, Vice Chair Nai Hsueh led the Valley Water team on the spring trip to Washington, D.C. and CEO Norma Camacho led the Valley Water team on the fall trip. Over three days during each trip, the delegation meets with dozens of key officials, including Members of Congress and officials from the U.S. Army Corps of Engineers (USACE), the U.S. Bureau of Reclamation (Reclamation), the White House Office of Management and Budget (OMB), the U.S. Environmental Protection Agency (EPA), and the U.S. Fish and Wildlife Service (USFWS), among others.

Key Federal Legislation

In 2019, staff brought 24 federal bills to the Board for positions, listed in Attachment 2. With Board-approved authority, staff then actively educated our congressional delegation and advocated for the Board's position on each bill, addressing water infrastructure funding, water recycling, water quality, wetlands protection, environmental justice, and regulatory streamlining, among other topics.

Federal Successes

Even though the federal program operates on a long-term horizon due to the nature of the federal legislative and budgetary process, Valley Water had the following key successes in 2019:

1. Worked with Congresswoman Zoe Lofgren and others in the delegation to advocate for and secure \$600,000 in USACE FY 2020 funding to continue the feasibility study for Phase II of the South San Francisco Bay Shoreline Project (Economic Impact Areas 1-10).
2. Hosted a site tour of the Pacheco Reservoir Expansion Project for Congressman Jimmy Panetta's district staff to discuss the project and advocate for federal funding. Following the tour, staff worked with Congressman Panetta and others in the delegation to send a letter to Reclamation Commissioner Brenda Burman requesting that Reclamation include funding for the Pacheco Project in the agency's fiscal year 2020 budget.
3. Worked closely with the Natural Resources Conservation Service (NRCS) staff in Davis to advocate for federal funding for the Upper Llagas Creek Flood Protection Project. Supported by successful visits with NRCS officials in Washington, D.C., the local advocacy has positioned us well for potential receipt of project funding in 2020.
4. Coordinated two successful advocacy trips to Washington, D.C., that included more than 40 visits with Members of Congress and key agency officials to advocate for Valley Water projects and priorities.

STATE ADVOCACY AND STAKEHOLDER EFFORTS

Our work in Sacramento involves protecting Valley Water's interests and advocating on state legislative, regulatory, and budgetary items. Staff routinely meets with members of the Legislature, the Office of the Governor, and key agencies on legislative and regulatory issues. Staff also utilizes a consultant with an extensive network of established relationships with policymakers to assist in the advancement of Valley Water's interests at the State Capitol. Staff reviews over 3,600 bills and numerous regulatory proposals for impacts on Valley Water; consults with Valley Water staff regarding significant policy issues; brings legislation before the Board for consideration of positions; and educates officials about Valley Water positions and concerns, engaging them for advocacy in support of Valley Water interests.

State Advocacy and Engagement

Once the Board approves a legislative position, staff advocates for Valley Water's position with the members and staff of the Legislature, the Office of the Governor, regulatory agencies, and other stakeholders. Staff also monitors and engages on regulatory issues as needed to advance Valley Water's interests.

Regulatory issues in 2019 were numerous, including the Governor's Climate Resiliency Plan, Direct Potable Reuse Framework, Dredge and Fill Materials in Waters of the State, San Francisco Bay Plan to allow for increased fill in the Bay, the 303(d) listing of Los Gatos Creek for temperature impairment, along with key decisions by the California Water Commission regarding Proposition 1 Water Bond funding and the Department of Water Resources on Subventions funding for the South San Francisco Bay Shoreline Project (Shoreline Project). In all of these proceedings, Government Relations staff coordinated internal staff review, consolidated comments into a coherent message, sought the final approval from senior management, and formally submitted the comments. When warranted, staff facilitated meetings and public presentation of Valley Water's positions.

Sacramento Legislative Days at the Capitol

The Office of Government Relations coordinated its annual series of State Legislative Days for Valley Water Board members on May 21-22. Chair LeZotte and Director Keegan led Valley Water's team in 22 meetings over two days and included meetings with legislators, state agency officials, and the Office of the Governor. The delegation advocated for a Valley Water-sponsored bill regarding an increase to the formal contract bidding threshold, bond funding for our numerous projects, a ballot label fix for tax measures, financial assurances for long-term mitigations in lieu of endowments, Delta Conveyance, funding for flood protection, the Pacheco Project, and the permitting process at various agencies.

Key Legislation

In 2019, staff brought 25 state bills, resolutions, budget items, or bond measures to the Board for positions, which are also included in Attachment 2. Staff then advocated for the Board-approved positions with the Legislature. Of those 25 items with Board-approved positions, 15 resulted in the Board's desired outcome.

State Successes

In 2019, Valley Water had several legislative successes at the state level:

1. **AB 707 (Kalra) Valley Water Contracting Threshold** - Signed by Governor - Increases our agency's cost threshold above which a formal bidding process is required from \$25,000 to \$50,000. The new law also updates Valley Water's force account threshold from \$5,000 to \$50,000 and expands exemptions to the force account limit to include work consisting of environmental preservation and habitat management. Existing law exemptions to the force account limit were preserved, including channel protection, maintenance, and emergency work.
2. **SB 268 (Wiener) Enhanced Transparency for Local Tax Measures** - Vetoed by Governor - The bill would have fixed several unintended consequences stemming from recently-enacted ballot label requirements that create problems for local bonds and tiered-rate taxes, including Valley Water's Safe, Clean Water parcel tax. For cities, counties, or special districts proposing a tax or bond, SB 268 would have allowed the option to choose whether to state the rate, duration, and annual revenue of the tax in the ballot label, or to state, "See voter guide for tax rate information," in the ballot label and provide expanded financial disclosures in the voter guide.
3. **State Water Resources Control Board: Waters of the State** - Valley Water staff participated in the State Water Resources Control Board (State Water Board) process to adopt the State Wetland Definition and Procedures for Discharges of Dredge or Fill Material to Waters of the State, ultimately securing several important revisions, including an exclusion for routine, and emergency, operations and maintenance of existing facilities. The agreed changes allow the Regional Water Quality Control Boards to extend, renew, or re-issue existing permits when no material changes to the volume, location, or character of previously authorized discharges are proposed.
4. **State Flood Control Subventions Funding** - Successfully worked with the Department of Water Resources (DWR) to complete the administrative process to qualify the Shoreline Project for State Subventions funding. Staff worked to plan a tour of the Shoreline Project for DWR staff, which included an open invitation to the public and the completion of the State Cost Share report.

LOCAL/REGIONAL ADVOCACY AND ENGAGEMENT

Similar to the work at the federal and state levels, Valley Water's local and regional government relations programs involve direct engagement and communication with elected and appointed officials in all 15 cities of Santa Clara County, the County Board of Supervisors, both open space agencies, and the San Francisco Bay Restoration Authority. The local and regional government relations staff also proactively engages with the field staff for the 11 members of the state delegation, as well as with key advocacy stakeholders including business, civic, environmental, and diversity organizations.

2019 Local and Regional Successes

In 2019, Valley Water had many local and regional successes that advanced Valley Water's interests

and Board priorities. A full list of tours, events, and sponsorships is included in Attachment 3. Highlights included:

1. Advocated for two Board-approved Priority 1 state bills:
 - Secured local support for Valley Water's sponsored bill, Assembly Bill 707, from more than a dozen business, environmental, diversity, and labor organizations, and successfully leveraged that support to assist in removing opposition to the bill.
 - Secured local support for Senate Bill 268, which sought to fix unintended consequences of prior bills pertaining to ballot language, by recruiting local support for the bill from labor and diversity organizations and municipalities.
2. Advanced Valley Water projects and priorities with elected officials, regulatory agency representatives, and advocacy stakeholders by conducting two advocacy tours of key water supply, flood protection, and environmental restoration projects. A central highlight was the October VIP Water Walk Tour of several priority projects, such as Anderson Dam, the Upper Guadalupe River Flood Protection Project, the Shoreline Project, and the Advanced Water Purification Center, for more than 40 elected officials and staff, as well as key advocacy stakeholders.
3. Educated, engaged, and bolstered support for Valley Water priorities with communities across Santa Clara County by participating in 50 community events, where Valley Water highlighted flood preparedness, water conservation, purified recycled water, and community-specific projects such as Anderson Dam, Pacheco Reservoir, Upper Llagas Creek, and the Shoreline Project, among others. Thirteen of these events included Valley Water's new water truck, which continues to be in great demand.
4. Coordinated a joint meeting with the Contra Costa Water District, and initiated planning and coordination for additional joint meetings with the cities of Morgan Hill, Gilroy, and San Jose.
5. Supported Valley Water's and the Board's presence at a variety of civic, business, diversity and inclusion, and professional events by sponsoring 61 community events that had a nexus to and advanced Valley Water's mission, vision, and goals.

2020 Legislative Outlook

In a divided federal government and a highly partisan political environment, enacting federal legislation in 2020 will be very difficult. Members of Congress will be focused largely on impeachment proceedings and the upcoming election, and legislative activity may essentially grind to a halt by mid-year. Finding strategic opportunities to move legislation, and securing bipartisan consensus, will be critical. Valley Water's federal advocacy efforts will continue to be robust and aggressive, building upon our 2019 accomplishments to achieve even greater success in 2020 and beyond.

The outlook for progress at the state level is promising. With the election of Gavin Newsom as Governor and a Democratic supermajority in both the Senate and Assembly, staff is looking forward to another productive year. Valley Water's state advocacy efforts, as well as our local/regional engagement activities, will also continue to be vigorous and build upon our 2019 successes so that

the Board's priorities and Valley Water's interests are protected and advanced at all levels.

2020 Legislative Proposals, Policies, and Priorities

Guided by the Board of Directors' adopted 2020 Legislative Policy Proposals and Guiding Principles, and contingent upon an approved budget for FY 2021, staff is planning one new legislative policy proposal in 2020 (for the full list of Board-approved policies and proposals, see Attachment 1):

- Sponsor state legislation to:
 - Expedite permitting and best value contracting for the Anderson Dam Seismic Retrofit Project

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: 2020 Legislative Guiding Principles/Policy Proposals

Attachment 2: Key Legislation

Attachment 3: Community Events and Sponsorships

Attachment 4: PowerPoint

UNCLASSIFIED MANAGER:

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