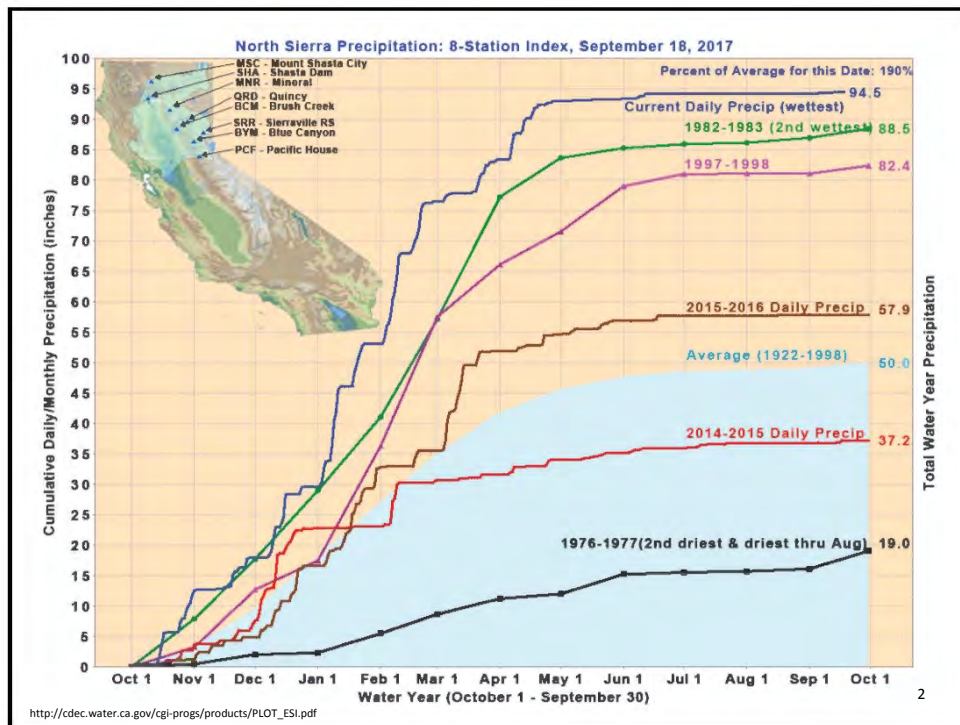


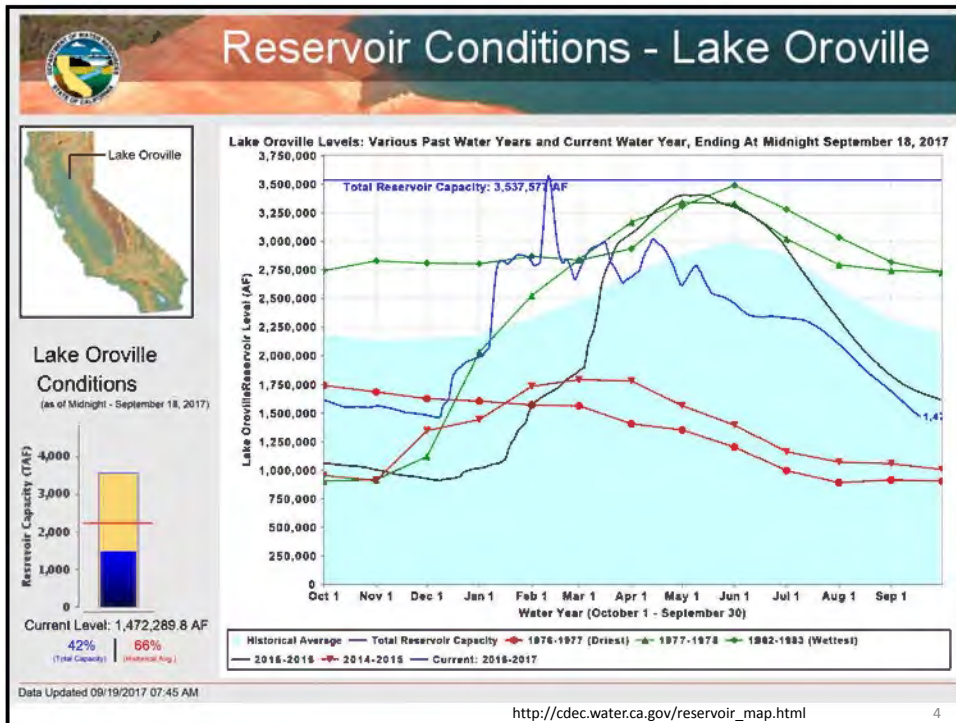
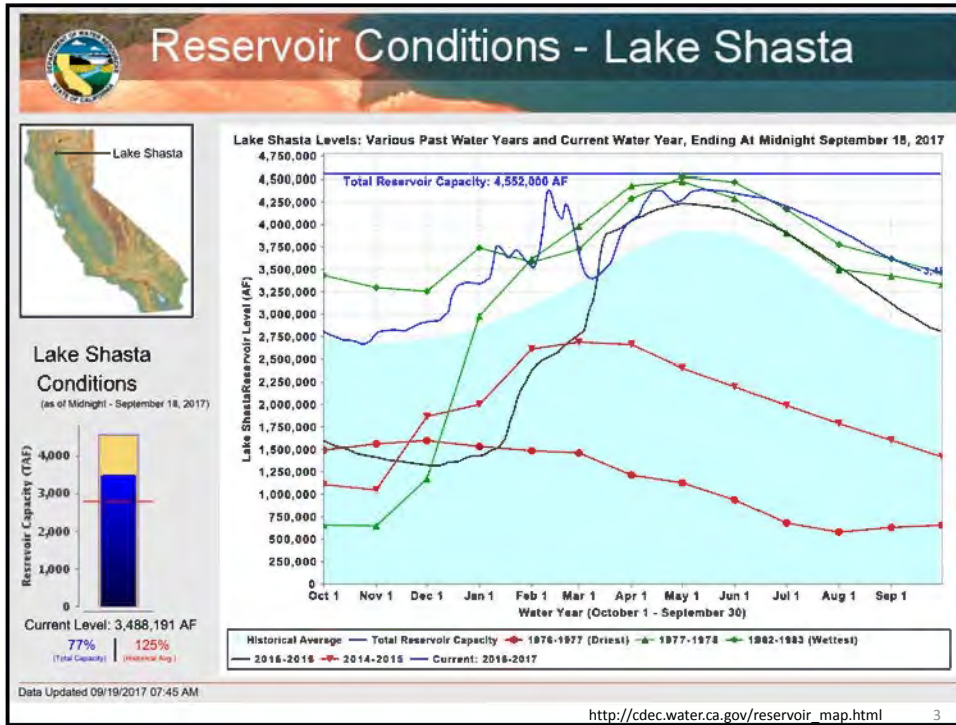
Focus on Conservation

September 19, 2017



August 2017 – 16 days of 90°F and above





Colorado River Conditions

Lower Colorado Water Supplies		
	Lake Mead*	Lake Powell
	August 2017	August 2017
Current Elevation	1,081.48'	3,629.37'
Current AF	10,134,000	14,782,000
Percent Full	39%	61%

Total System Content**		
August	Last Year	This Year
Percent Full	51%	56%
AF	30,327,000	33,142,000

Water year 2017 precipitation to date: 109% of normal (33.1")

Current basin snowpack: n/a

- * 1075 Feet is Water Shortage Declaration Level (BUREC)
- ** Includes Lakes Powell, Mead, Mohave, and Havasu.



<http://www.usbr.gov/lc/region/g4000/weekly.pdf>

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Drought Monitor

September 12, 2017
(Released Thursday, Sep. 14, 2017)
Valid 8 a.m. EDT



Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:

Richard Tinker
CPC/NOAA/NWS/NCEP

<http://droughtmonitor.unl.edu>



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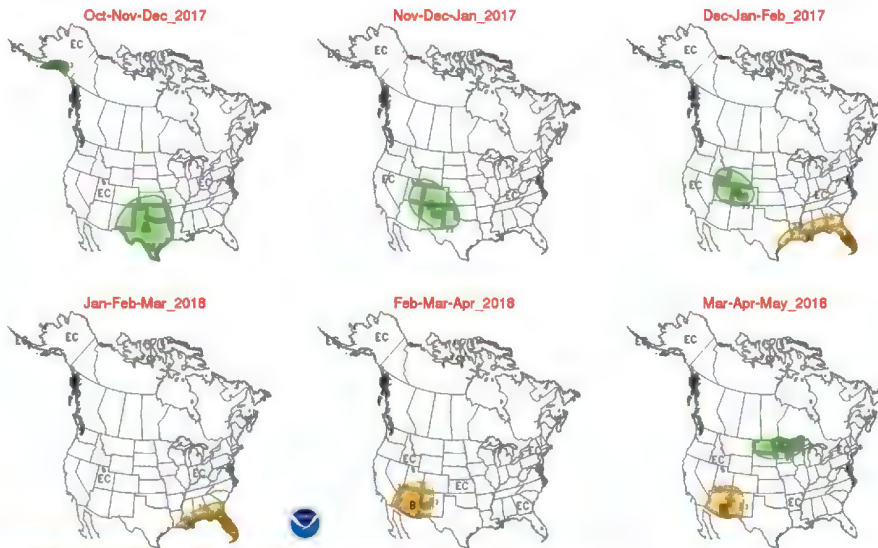
State Water Board Monitoring

Month	2013 Production	2016 /17 Production	Monthly Savings	Cumulative Savings (Since June 2015)
August 2016	783	601	23.2%	29.2%
September	723	517	28.4%	29.1%
October	612	510	16.7%	28.4%
November	461	401	13.0%	27.8%
December	420	262	37.6%	28.1%
January 2017	315	201	36.3%	28.3%
February	280	183	34.6%	28.5%
March	446	299	33.0%	28.7%
April	580	452	22.0%	28.4%
May	654	459	29.8%	28.4%
June	706	514	27.3%	28.4%
July	773	595	23.0%	28.1%
August	783	585	25.2%	28.0%

Note: Mandated conservation standard: **Residential GPCD = 144**
 March 2016 was 32%;
 April through May 2016 was 24%.
 June 2016 and forward is 10% (voluntary)



Precipitation Outlook



http://www.cpc.ncep.noaa.gov/products/analysis_monitoring/regional_monitoring/palmer.gif
http://www.cpc.ncep.noaa.gov/products/predictions/multi_season/13_seasonal_outlooks/color/p.gif

Legislation Update

- California Legislature on recess till January 3, 2018!
- Governor has until October 15 to act on bills sent during final weeks of legislative session
- Status of Bills of concern:
 - **AB 869 (Rubio)** – Rincon/OMWD/Padre Dam sponsored; pulled from committee due to language changes; 2-year bill
 - **AB 1654 (Rubio)** – Conservation; 2-year bill
 - **AB 574 (Quirk)** – new recycled/PR definitions and force SWRCB to produce regulations for PR by 2023; to Governor!
 - **AB 1668 (Friedman)** – Long-term WUE; made into 2-year bill
 - **SB 606 (Skinner/Hertzberg)** – Long-term WUE; made into 2-year bill [SB606 and AB1668 linked – split regulations]
 - **AB 1323 (Weber)** – stakeholder working group on LT WUE; 2-year bill



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Legislation Update (cont)

- Status of Bills of concern (cont):
 - **SB 623 (Monning)** – PGC/Water Tax; 2-year bill
 - **SB231 (Hertzberg)** - define and set stormwater rate as with water/sewer; Governor's desk
 - **SB 5 (De Leon)** – Parks/Resources/Water Bond; Governor's desk
 - \$4B bond to be placed on June 2018 election
 - \$200M to Salton Sea restoration and some funding for water related projects
 - **AB 746 (Gonzalez Fletcher)** – Lead testing in schools; Governor's desk
 - Sept 8 amendment – *shifts lead testing obligation from local educational agency to local water agency!*



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Legislation Update (cont)

- Status of Bills of concern (cont):
 - **SB 100 (De Leon)** – 100% renewables; ?????
 - **SB 49 (De Leon)** – CA Environmental protections against federal government; ?????
 - **SCA4 (Hertzberg)** - amend CA constitution and Prop 218 to allow low-income assistance be part of rate setting; ????



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Legislation Update (Cont)

- AB 401 (Dodd) – Low-Income Assistance
 - SWRCB required to submit report by 1 Feb 2018
 - Stakeholder Workshop held Aug 30-31; **next one October 4th**
 - Several options being presented:
 - Applies to 200% of FPL (\$49,200) for family of 4; would apply to 34% of all CA households
 - All to attempt 20% rebate based on \$100 and 12 CCF
 - One option has 20% rebate up to \$100 and 35% for portion over \$100
 - Cost: \$550-620M annually
 - Would amount to approx. \$6/month meter fee (for those above \$49,200) if passed as PGC fee or tax
 - Considering use of FTB and administered through CARE program



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QUESTIONS





RINCON DEL DIABLO MUNICIPAL WATER DISTRICT
WATER RATES
 Effective September 1, 2017

Water Usage Rates - Level 1 \$/unit		System Operations Charge \$/month			
User	Effective 9/1/2017	Meter	SDCWA		Effective 9/1/2017
			District Charge	IAC 1/1/2017	
Residential		Potable			
1 – 5 units	\$6.54	5/8"	\$31.93	\$2.51	\$34.44
6 – 24 units	\$7.56	1"	\$45.33	\$6.28	\$51.61
25 units or more	\$8.00	1.5"	\$67.66	\$12.56	\$80.22
Apartment/Mobile Home		2"	\$94.46	\$20.10	\$114.56
		3"	\$179.32	\$43.96	\$223.28
		4"	\$246.32	\$62.81	\$309.13
		6"	\$469.63	\$125.61	\$595.24
6 units or more	\$8.00	8"	\$737.61	\$200.98	\$938.59
Non-Residential		Recycled			
Uniform	\$7.09	5/8"	\$15.97	\$ -	\$15.97
Irrigation		1"	\$22.67	\$ -	\$22.67
		1.5"	\$33.83	\$ -	\$33.83
		2"	\$47.23	\$ -	\$47.23
		3"	\$89.66	\$ -	\$89.66
		4"	\$123.16	\$ -	\$123.16
<100% Budget	\$7.56	6"	\$234.82	\$ -	\$234.82
>100% Budget	\$8.00	8"	\$368.80	\$ -	\$368.80
Construction Water		16"	\$1,172.75	\$ -	\$1,172.75
Uniform	\$7.91	Fire			
Recycled Water		1"	\$14.54	\$ -	\$14.54
Uniform	\$5.22	2"	\$29.07	\$ -	\$29.07
Pumping		4"	\$58.14	\$ -	\$58.14
Uniform	\$0.25	6"	\$87.21	\$ -	\$87.21
NOTES		8"	\$116.29	\$ -	\$116.29
		10"	\$145.36	\$ -	\$145.36
		Construction			
		Uniform	\$179.33	\$ -	\$179.33
		1. Water rates are per unit. 1 unit equals 1,000 gallons. 2. TSAWR customers should refer to individual information provided by the District. 3. Level 1 Rates were approved by the Board on October 13, 2015.			

The Legislature's "Year Of Housing" Produces Broad Package of Bills to Stimulate Affordable Housing Construction

A package of more than one dozen bills designed to help communities combat California's affordable housing crisis was approved by the California Legislature on September 15 and sent to the Governor for his signature. These bills are the culmination of the Legislature's "Year of Housing" in which more than one hundred housing proposals were introduced and debated. The Legislature took several different approaches to the housing dilemma, approving bills to provide more funding for affordable housing development, bills aimed to streamlining of local government approval of housing projects, bills designed to restore local government authority to impose inclusionary housing requirements on private housing developers, and bills strengthening the state's Anti-NIMBY laws. Governor Brown is expected to sign at least the three major bills in the package, SB 2, SB 3 and SB 35.

Here is a brief description of the approved housing bills:

SB 2: The Permanent Source. SB 2 is the long debated legislation that would provide a "permanent source" of funds for affordable housing development through the imposition of a \$75 fee on most recorded documents (except for home sales). The recording fee is expected to generate \$200 - \$300 million per year for affordable housing. Half of the funds generated in 2018 would be made available to local governments for updating planning documents and zoning ordinances in order to streamline housing production, and the other half would go to the state for homeless assistance programs. Beginning in 2019, 70% of the funds would be directly allocated to local governments, by the same formula used for the federal Community Development Block Grant program, for a variety of affordable housing projects and programs, and the other 30% would be used by the state for farmworker housing, mixed income multifamily housing and other programs.

SB 3: \$4 Billion Housing Bond. This bill would place a bond act on the November 2018 state ballot, with bond proceeds to be used to fund various existing housing programs. \$1.5 billion of the funds would go to the state's Multifamily Housing Program for affordable housing development loans, \$1 billion of the funds would go to the state's CalVet veteran's home loan program, with the remainder of the funds allocated for farmworker housing, the CalHome down payment and mortgage assistance program, transit oriented development and infrastructure supporting infill

housing. The last state housing bond (Proposition 1C) was approved in 2006, with those funds long since allocated.

SB 35: Streamlined Approval Process for Housing Projects. This complex bill creates a streamlined ministerial approval process for applicants for housing developments in communities that have not approved enough housing to keep up with regional fair share housing goals. Eligible projects do not need to obtain conditional use permits, and can take advantage of lower state-mandated parking standards. There are numerous requirements and prerequisites to take advantage of the special process: the proposed development must be on an urban infill site, the existing zoning or general plan land use designation must allow residential uses, and the development must not be in the coastal zone, agricultural land, severe fire areas, hazardous waste sites, earthquake zones, flood zones, or other sensitive areas. A developer taking advantage of the streamlined process must pay prevailing wages and in some cases certify that it will use a "skilled and trained workforce" to complete the project.

AB 1505: The Return of Inclusionary Housing. This bill overturns the 2009 appellate court ruling in *Palmer/Sixth Street Properties, L.P. v. City of Los Angeles* which ruled that cities and counties were not permitted to require private developers to restrict rent levels under the State's Costa Hawkins Rental Housing Act. Costa Hawkins limits local government ability to establish rent control. This bill authorizes (but does not mandate) local governments to require, as a condition of development of residential rental homes, that new rental housing developments include a specified percentage of affordable units for moderate, low, very low and extremely low income households. Cities would need to provide for alternate means of compliance, including in lieu fees, land dedication, offsite construction, and/or acquisition and rehabilitation of existing housing units. This bill gives the State Housing and Community Development Department the authority to review inclusionary ordinances that require more than 15% affordable housing in localities that have met less than three-fourths of their regional fair share of housing, and to require an economic feasibility study to support their ordinances.

AB 678, SB 167 and AB 1515: Strengthening Anti-NIMBY Law. These bills strengthen the State's Housing Accountability Act, often referred to as the "Anti-NIMBY Law", which limits the ability of cities and counties to disapprove proposed housing developments unless specified findings are made. AB 678 and SB 167 impose a higher standard of proof on local governments which make findings to support disapproval of housing projects, award attorneys' fees to housing advocates (in addition to project applicants) who successfully challenge local disapprovals, and allow courts to vacate local disapprovals and impose fines of \$10,000 or more per unit for violation of the Housing Accountability Act. AB 1515 directs courts to give less deference to local government determinations of a project's consistency with local zoning and general plans.

SB 540 and AB 73: Workforce Housing and Housing Sustainability Districts. Under SB 540, which is sponsored by the League of California Cities, local governments can identify Workforce Housing Opportunity Zones within their boundaries and conduct necessary environmental reviews and public engagement at the "front end," possibly eliminating time-consuming environmental reviews for specific projects later proposed within the zones. Local governments would need to act on the proposed developments within 90 days of application, and would not be able to turn down development that satisfies the plan's criteria. The environmental review and streamlining process within these Workforce Housing Opportunity Zones would be in effect for 5 years, and development would need to be completed within that time frame.

AB 73 authorizes local governments to establish Housing Sustainability Districts, and provides incentive funds for upfront zoning and environmental review to localities that issue permits for residential units on infill sites within the district. Under AB 73, local governments must allow residential use within each district by ministerial permit. Incentive payments must be returned if no construction begins within 3 years.

AB 1397 and SB 166: No Net Loss Zoning. These bills would modify the existing "No Net Loss Zoning" law, which ensures that local governments do not downzone sites or approve new housing at significantly lower densities than projected in their housing elements without identifying other sites that could accommodate the local need for housing sites at specified income levels. The bills would ensure that as development occurs, local governments assess their ability to accommodate

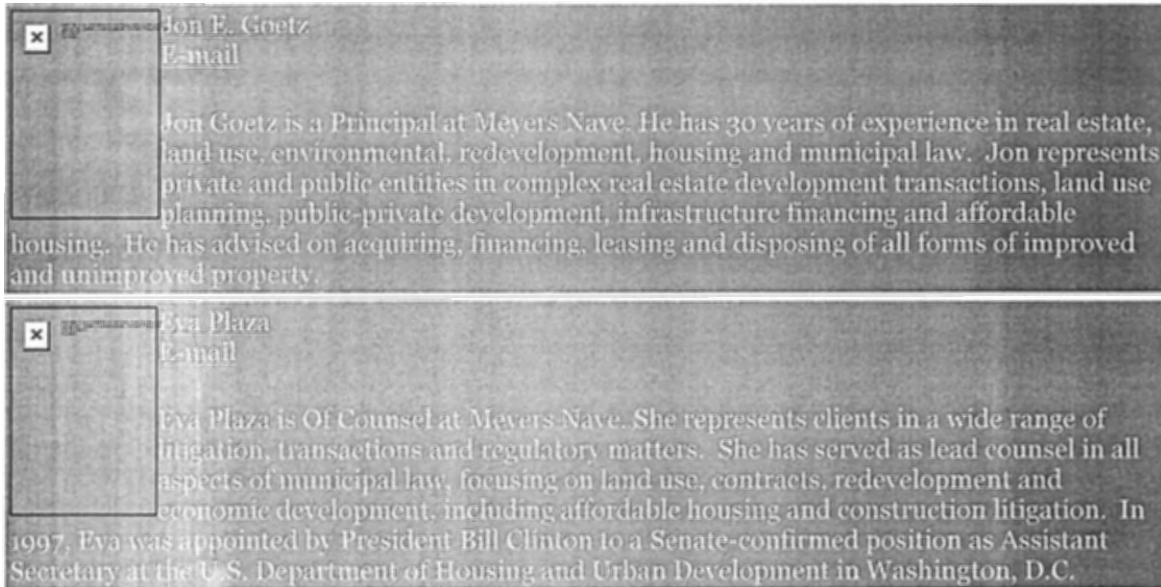
new housing on the remaining sites in their inventory and make adjustments to their zoning if needed. The bills also establish more specific standards for those sites.

AB 45: Affordable Housing for Teachers. This bill establishes the California School Employee Housing Assistance Fund which would provide predevelopment grants to developers who partner with school districts to build affordable housing for teachers and other school employees, and would provide long-term construction and permanent loans for housing projects. Housing projects must be in school districts which have demonstrated chronic problems in recruiting and retaining employees due to housing availability. Funded projects will require project labor agreements and the payment of prevailing wages. No funds were appropriated in the bill for this program.

AB 72 and SB 879: Housing Elements. AB 72 authorizes the Department of Housing and Community Development to review actions by cities and counties for compliance with their adopted housing elements, and allows the Department to revoke housing element compliance for inconsistent actions. SB 879 makes changes to housing element requirements and directs the Housing and Community Development Department to conduct a study evaluating the reasonableness of local fees charged to housing developments.

Meyers Nave will continue to monitor these bills as they go to the Governor's desk for final approval. We will update this legal alert to report whether the bills have been signed into law or have been vetoed. We will also provide further analysis and practice tips on those bills which will become law.

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