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**INFORMATION - Continued**

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8. WATER EFFICIENCY DROUGHT ACTION PLAN IMPLEMENTATION UPDATE – MCNULTY/SANCHEZ/WEGHORST

Recommendation: Receive and file.

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**ACTION**

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9. 2016 LEGISLATIVE UPDATE – COMPTON/COOK

Recommendation: That the Board adopt a “support” position on the WaterReuse Association of California, Orange County Water District and the Orange County Sanitation District’s proposal related to the bottling of advanced purified demonstration water.

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**OTHER BUSINESS**

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- 10. A. Directors’ Comments
  
- B. Adjourn

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Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named Committee in connection with a matter subject to discussion or consideration at an open meeting of the Committee are available for public inspection in the District’s office, 15600 Sand Canyon Avenue, Irvine, California (“District Office”). If such writings are distributed to members of the Committee less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Committee Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available at the entrance of the meeting room at the District Office.

The Irvine Ranch Water District Committee Room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.), please contact the District Secretary at (949) 453-5300 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in an alternative format upon written request to the District Secretary at least seventy-two (72) hours prior to the scheduled meeting.

February 10, 2016

Prepared by: M. Veeh

Submitted by: B. Beeman / P. Weghorst *PM*

Approved by: Paul Cook *Paul Cook*

## WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

### REDESIGN OF IRVINE RANCH WATER DISTRICT LOGO

#### SUMMARY:

For over 50 years, IRWD's logo has represented the high-quality, reliable and cost-effective water and sewer services that it provides its customers. Some of the existing logo's long-standing features have become outdated or obsolete, which presents an opportunity to update the logo in a way that acknowledges the District's history, but also reflects its current services and programs. At the Committee meeting, staff will present a proposed timeline and implementation plan to update the District's logo.

#### BACKGROUND:

Since its inception in 1961, IRWD's logo has been used for District-related communications, outreach and education. It has come to be viewed by IRWD's customers as a recognizable symbol that represents the District's high quality services, programs, facilities and employees. It is also recognized throughout the state by other water resource organizations, local state and federal governmental agencies, and many others.

The logo is currently used and displayed in a variety of formats and locations, including:

- District buildings and facilities;
- Printed materials;
- District vehicles;
- Uniforms;
- Website;
- Multimedia displays;
- Signs and banners;
- Letters;
- Business cards; and
- Promotional items.

#### Need for Redesign:

There are numerous benefits of having the same logo for over 50 years, including ease of recognition, image stability and public perception of trust and reliability. These benefits provide significant value to the District in its ongoing customer outreach programs. The current logo utilizes design features that have become outdated. The font style and graphic within the logo no longer conform to modern style standards. When printing or displaying the logo in smaller sizes, it can become difficult to view or read the text contained within the logo. In addition, the central graphic within the logo shows a water cycle that is obsolete.

Redesign Considerations:

The most distinguishing aspect of the existing logo is its trapezoid-like shape. Preserving this shape as part of the redesign will be essential to maintaining the District's sense of history and connection to the local community that has been developed over 50 years. Other characteristics of the logo, such as its font style, color scheme and central image are elements that will be updated.

To accomplish a successful redesign, the following features will be considered:

- Simplicity;
- Modern design;
- Elegant features;
- Flexibility and adaptability;
- A sense of the District's core services and programs; and
- Preserving local history.

Timeline for Implementation:

To avoid disruption in business practices and to avoid the cost impact of replacing all uses of the existing IRWD logo at one time, the District will use a transitional strategy that will spread the implementation of a new logo over a period of time. This will be achieved by incremental replacement of the logo on an as-needed basis when District resources or assets need to be re-ordered or replaced.

A proposed timeline and implementation plan is shown below. As implementation of the plan proceeds, the timeline may be adjusted as needed.

Action Date	Implementation Plan Activity
February 2016	Work on design concepts for updated logo. Provide draft concepts to IRWD logo design team for feedback and recommendations.
March 2016	Present recommended draft design concepts at March WRP Committee meeting. Based on Committee feedback, perform additional refinements on one or more concepts, as needed.
April 2016	Present final design concepts at April WRP Committee meeting. Based on Committee feedback, perform additional refinements on one or two concepts, as needed.
May 2016	Present WRP Committee recommended logo(s) at May Board meeting.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:


Receive and file.

LIST OF EXHIBITS:

None.

February 10, 2016

Prepared by: T. Mossbarger / B. Beeman

Submitted by: C. Clary / P. Weghorst 

Approved by: Paul Cook 

## WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

### UPDATE ON IRWD CUSTOMER BILLING

#### SUMMARY:

Staff has reviewed IRWD's current water and sewer customer bill format and is recommending changes that would enhance the billing information provided to the customers. The redesign process will be a long-term project that will incorporate input from the Board, IRWD customers, and other stakeholders. In the interim, staff is also proposing the implementation of a short-term billing solution for the FY 2016-17 rate change that will eliminate split billing and associated customer concerns. As part of the short-term solutions, staff recommends that the FY 2016-17 rate change become effective in bills mailed to customers beginning August 1, 2016, rather than July 1, 2016.

#### BACKGROUND:

##### IRWD Water Bill Redesign:

While the District's billing format has undergone several minor changes to incorporate improvements in how information is presented to customers, the bill has remained essentially unchanged for many years. Recent technological advancements in billing software and design provide an excellent opportunity for IRWD to upgrade the billing experience for customers with enhanced messaging and formatting.

The redesign will include a review of utility bills from other water districts and utility companies. Staff also plans to hold a series of focus groups with IRWD's customers to solicit direct feedback; the results of these focus groups will be presented to the Board. The target date for implementing the redesigned bill is February 2017.

Staff has identified several minor changes, including removal of the fifth tier on the bill (currently in process) that can be made without substantial effort. These short-term changes to the monthly water bill format are scheduled to be implemented in April 2016.

##### Timing of FY 2016-17 Rate Change Implementation:

During the implementation of the new FY 2016-17 rates, staff recommends that the change in rates be implemented in bills mailed to customers beginning on August 1, 2016. This will ensure that all customers, regardless of the date when their meters are read throughout the month of July, will have all of their water usage through June 30, 2016 billed on the previous fiscal year user rates. Depending on the timing of when a customer's meter is read, some water usage after July 1, 2016 will be billed at the FY 2015-16 rates. The primary benefit of this change is that the District will not need to send split bills, which was done last year and caused confusion among customers.

FISCAL IMPACTS:

The cost of not implementing all rates effective July 1, 2016 and waiting one full month to begin billing new rates on August 1, 2016 is estimated at approximately \$250,000. This is due to the delay in implementation of the new rates as some July usage will be billed at the old user rates.

ENVIRONMENTAL COMPLIANCE:


Not applicable.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

None.

February 10, 2016  
Prepared by: F. Sanchez  
Submitted by: P. Weghorst  
Approved by: Paul Cook 

## WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

### STATE WATER RESOURCES CONTROL BOARD DROUGHT EMERGENCY REGULATION EXTENSION

#### SUMMARY:

In May 2015, the State Water Resources Control Board adopted an Emergency Regulation to implement the provisions of Governor Brown's April 2015 Executive Order which mandated a statewide 25% reduction in potable water use. The Emergency Regulation requires each urban water agency to reduce its potable water use to a conservation standard ranging from 8% to 36% of 2013 levels. On November 13, 2015, Governor Brown issued another Executive Order directing the State Board to extend the emergency regulation until October 31, 2016, if the drought conditions persisted through January 2016. On January 15, 2016, the State Board issued proposed text for the extended regulation, which included provisions for some minor adjustments and credits to the conservation standards. Staff prepared and submitted comments to the State Board by the requested January 28, 2016 deadline. Comments were provided in both a joint letter with several other water districts and in an IRWD-specific letter. At the Committee meeting, staff will provide an overview of the key comments from both letters. Staff will also provide an overview of the final regulation adopted by the State Board on February 2, 2016.

#### BACKGROUND:

In response to a four-year statewide drought, Governor Brown issued Executive Order B-29-15 on April 1, 2015, mandating a 25% reduction in statewide potable water use between June 2015 and February 2016. On May 5, 2015, the State Board adopted an Emergency Regulation to implement the provisions of the Executive Order. Each urban water agency was assigned a conservation standard ranging from 8% to 36%. The conservation standard is the required reduction in potable water use each agency is required to achieve compared with 2013 levels. IRWD was assigned a conservation standard of 16% and is on track to meet its reduction target in February 2016.

#### Extension of Emergency Regulation:

On November 13, 2015, Governor Brown issued Executive Order B-36-15, stating that if drought conditions persist through January 2016, the State Board shall extend the Emergency Regulation until October 31, 2016, which would otherwise expire on February 13, 2016. He further directed that the State Board shall consider modifying the existing restrictions to incorporate insights gained from the implementation of the existing regulation.

On January 15, 2016, the State Board issued the proposed text of the extended regulation that is provided as Exhibit "A". The regulation incorporates some of the modifications proposed by water agencies, including equity adjustments for climate and growth and a credit for new drought-resilient supplies. Other adjustments, including credits for use of recycled water for



irrigation, groundwater conjunctive use and the use of dedicated emergency storage supplies, were not addressed by the State Board.

Joint Comment Letter:

A joint comment letter which specifically addresses the growth adjustment was submitted to the State Board by IRWD, Eastern Municipal Water District, Santa Margarita Water District and Elsinore Valley Municipal Water District. This joint letter, which is provided as Exhibit "B", focuses on the fact that the State Board's proposed growth adjustment significantly discounts additional demand from water-efficient growth by multiplying the agency's growth by its assigned conservation standard. In IRWD's case, this would result in new residents who were added to the District's service area since 2013 allowed 18 gallons per capita per day. The letter further suggests a more equitable method of adjusting for growth. At the Committee meeting, staff will provide an overview of the joint comment letter.

IRWD Comment Letter:

IRWD staff also prepared and submitted a comment letter to the State Board which is provided as Exhibit "C". This letter expressed key concerns with the proposed regulation as follows:

- Limiting the credit for drought-resilient supplies to only those developed after 2013, and capping the credit at 8%, creates a disincentive for agencies to plan for and make investments into alternative sources of supply. The drought could be substantially worse without the pre-2013 investments, but agencies receive no credit for these supplies;
- Requiring that agencies demonstrate that drought resilient supplies are at least 4% of total potable supplies to receive any credit does not recognize all of the investments that agencies have made. Agencies should receive credit for all drought-resilient supplies, even if it is less than 4% of their total supplies;
- Agencies that planned for and developed dedicated emergency sources of supply, such as IRWD's water banking program, should be able to benefit from and receive credit for those investments on par with drought-resilient supplies;
- The State Board should re-evaluate the continued need for the drought regulation in April or May of 2016 when there is greater certainty about the state's hydrologic condition; and
- Due to the emergency nature of the regulation, the conservation standards were put in place based on limited data and did not take into consideration many factors that can affect water use throughout the state. The framework used to develop the emergency regulation, even with the equity adjustments and credits, should not be used as the basis for establishing emergency regulation reduction targets in future droughts.

State Board Action:

The extension of the regulation was considered for adoption by the State Board at its meeting on February 2, 2016. At the Committee meeting, staff will provide an update on the discussion at the State Board meeting and the provisions of the final adopted regulation. Staff will also

provide an overview of the expected impacts of the final regulation on IRWD, including consideration of potential modifications to IRWD customer billing allocations for FY 2016-17.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Proposed Text of the Emergency Regulation  
Exhibit "B" – Joint Letter Regarding Growth Adjustment  
Exhibit "C" – IRWD Comment Letter to State Board

# EXHIBIT "A"

## PROPOSED TEXT OF EMERGENCY REGULATION

### Article 22.5. Drought Emergency Water Conservation.

#### Sec. 863. Findings of Drought Emergency.

(a) The State Water Resources Control Board finds as follows:

(1) On January 17, 2014, the Governor issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions;

(2) On April 25, 2014, the Governor issued a proclamation of a continued state of emergency under the California Emergency Services Act based on continued drought conditions;

(3) On April 1, 2015, the Governor issued an Executive Order that, in part, directs the State Board to impose restrictions on water suppliers to achieve a statewide 25 percent reduction in potable urban usage through February, 2016; require commercial, industrial, and institutional users to implement water efficiency measures; prohibit irrigation with potable water of ornamental turf in public street medians; and prohibit irrigation with potable water outside newly constructed homes and buildings that is not delivered by drip or microspray systems;

(4) On November 13, 2015, the Governor issued an Executive Order that directs the State Board to, if drought conditions persist through January 2016, extend until October 31, 2016 restrictions to achieve a statewide reduction in potable usage;

(45) The drought conditions that formed the basis of the Governor's emergency proclamations continue to exist; and

~~(5) The present year is critically dry and has been immediately preceded by two or more consecutive below normal, dry, or critically dry years; and~~

(6) The drought conditions will likely continue for the foreseeable future and additional action by both the State Water Resources Control Board and local water suppliers will likely be necessary to prevent waste and unreasonable use of water and to further promote conservation.

Authority: Section 1058.5, Water Code.

References: Cal. Const., Art., X § 2; Sections 102, 104, 105, and 275, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

#### Sec. 864. End-User Requirements in Promotion of Water Conservation.

(a) To prevent the waste and unreasonable use of water and to promote water conservation, each of the following actions is prohibited, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency:

(1) The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;

(2) The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;

(3) The application of potable water to driveways and sidewalks; and

- (4) The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system;
- (5) The application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall;
- (6) The serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased;
- (7) The irrigation with potable water of ornamental turf on public street medians; and
- (8) The irrigation with potable water of landscapes outside of newly constructed homes and buildings in a manner inconsistent with regulations or other requirements established by the California Building Standards Commission and the Department of Housing and Community Development.

(b) To promote water conservation, operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each guestroom using clear and easily understood language.

(c) Immediately upon this subdivision taking effect, all commercial, industrial and institutional properties that use a water supply, any portion of which is from a source other than a water supplier subject to section 865, shall either:

(1) Limit outdoor irrigation of ornamental landscapes or turf with potable water to no more than two days per week; or

(2) Reduce potable water usage supplied by sources other than a water supplier by 25 percent for the months of June 2015 through ~~February~~ October 2016 as compared to the amount used from those sources for the same months in 2013.

(d) The taking of any action prohibited in subdivision (a) or (e), or the failure to take any action required in ~~subdivisions~~ subdivision (b) or (c), is an infraction, punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs. The fine for the infraction is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

(e)(1) To prevent the waste and unreasonable use of water and to promote water conservation, any homeowners' association or community service organization or similar entity is prohibited from:

(A) Taking or threatening to take any action to enforce any provision of the governing documents or architectural or landscaping guidelines or policies of a common interest development where that provision is void or unenforceable under section 4735, subdivision (a) of the Civil Code; or

(B) Imposing or threatening to impose a fine, assessment, or other monetary penalty against any owner of a separate interest for reducing or eliminating the watering of vegetation or lawns during a declared drought emergency, as described in section 4735, subdivision (c) of the Civil Code.

(2) As used in this subdivision:

(A) "Architectural or landscaping guidelines or policies" includes any formal or informal rules other than the governing documents of a common interest development.

(B) "Homeowners' association" means an "association" as defined in section 4080 of the Civil Code.

(C) "Common interest development" has the same meaning as in section 4100 of the Civil Code.

(D) "Community service organization or similar entity" has the same meaning as in section 4110 of the Civil Code.

(E) "Governing documents" has the same meaning as in section 4150 of the Civil Code.

(F) "Separate interest" has the same meaning as in section 4185 of the Civil Code.

(3) If a disciplinary proceeding or other proceeding to enforce a rule in violation of subdivision (e)(1) is initiated, each day the proceeding remains pending shall constitute a separate violation of this regulation.

Authority: Section 1058.5, Water Code.

References: Cal. Const., Art., X § 2; Sections 4080, 4100, 4110, 4150, 4185, and 4735, Civil Code; Sections 102, 104, 105, 275, 350, and 10617, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

#### Sec. 865. Mandatory Actions by Water Suppliers.

(a) As used in this section:

(1) "Distributor of a public water supply" has the same meaning as under section 350 of the Water Code, except it does not refer to such distributors when they are functioning solely in a wholesale capacity, but does apply to distributors when they are functioning in a retail capacity.

(2) "R-GPCD" means residential gallons per capita per day.

(3) "Total potable water production" means all potable water that enters into a water supplier's distribution system, excluding water placed into storage and not withdrawn for use during the reporting period, or water exported outside the supplier's service area.

(4) "Urban water supplier" means a supplier that meets the definition set forth in Water Code section 10617, except it does not refer to suppliers when they are functioning solely in a wholesale capacity, but does apply to suppliers when they are functioning in a retail capacity.

(b) In furtherance of the promotion of water conservation each urban water supplier shall:

(1) Provide prompt notice to a customer whenever the supplier obtains information that indicates that a leak may exist within the end-user's exclusive control.

(2) Prepare and submit to the State Water Resources Control Board by the 15th of each month a monitoring report on forms provided by the Board. The monitoring report shall include the amount of potable water the urban water supplier produced, including water provided by a wholesaler, in the preceding calendar month and shall compare that amount to the amount produced in the same calendar month in 2013. The monitoring report shall specify the population served by the urban water supplier, the percentage of water produced that is used for the residential sector, descriptive statistics on water conservation compliance and enforcement efforts, and the number of days that outdoor irrigation is allowed, and monthly commercial, industrial and institutional sector use. The

monitoring report shall also estimate the gallons of water per person per day used by the residential customers it serves.

(c)(1) To prevent the waste and unreasonable use of water and to meet the requirements of the Governor's ~~April~~November 13, 2015 Executive Order, each urban water supplier shall reduce its total potable water production by the percentage identified as its conservation standard in this subdivision. Each urban water supplier's conservation standard considers its service area's relative per capita water usage.

(2) Each urban water supplier whose source of supply does not include groundwater or water imported from outside the hydrologic region in which the water supplier is located, and that has a minimum of four years' reserved supply available may, submit to the Executive Director for approval a request that, in lieu of the reduction that would otherwise be required under paragraphs (3) through (10), the urban water supplier shall reduce its total potable water production by 4 percent for each month as compared to the amount used in the same month in 2013. Any such request shall be accompanied by information showing that the supplier's sources of supply do not include groundwater or water imported from outside the hydrologic region and that the supplier has a minimum of four years' reserved supply available.

(3) Each urban water supplier whose average July-September 2014 R-GPCD was less than 65 shall reduce its total potable water production by 8 percent for each month as compared to the amount used in the same month in 2013.

(4) Each urban water supplier whose average July-September 2014 R-GPCD was 65 or more but less than 80 shall reduce its total potable water production by 12 percent for each month as compared to the amount used in the same month in 2013.

(5) Each urban water supplier whose average July-September 2014 R-GPCD was 80 or more but less than 95 shall reduce its total potable water production by 16 percent for each month as compared to the amount used in the same month in 2013.

(6) Each urban water supplier whose average July-September 2014 R-GPCD was 95 or more but less than 110 shall reduce its total potable water production by 20 percent for each month as compared to the amount used in the same month in 2013.

(7) Each urban water supplier whose average July-September 2014 R-GPCD was 110 or more but less than 130 shall reduce its total potable water production by 24 percent for each month as compared to the amount used in the same month in 2013.

(8) Each urban water supplier whose average July-September 2014 R-GPCD was 130 or more but less than 170 shall reduce its total potable water production by 28 percent for each month as compared to the amount used in the same month in 2013.

(9) Each urban water supplier whose average July-September 2014 R-GPCD was 170 or more but less than 215 shall reduce its total potable water production by 32 percent for each month as compared to the amount used in the same month in 2013.

(10) Each urban water supplier whose average July-September 2014 R-GPCD was 215 or more shall reduce its total potable water production by 36 percent for each month as compared to the amount used in the same month in 2013.

(d)(1) Beginning June 1, 2015, each urban water supplier shall comply with the conservation standard specified in subdivision (c), as modified by subdivision (f).

(2) Compliance with the requirements of this subdivision shall be measured monthly and assessed on a cumulative basis through October 2016.

(e)(1) Each urban water supplier that provides potable water for commercial agricultural use meeting the definition of Government Code section 51201, subdivision (b), may subtract the amount of water provided for commercial agricultural use from its potable water production total, provided that any urban water supplier that subtracts any water provided for commercial agricultural use from its total potable water production shall:

(A) Impose reductions determined locally appropriate by the urban water supplier, after considering the applicable urban water supplier conservation standard specified in subdivision (c), for commercial agricultural users meeting the definition of Government Code section 51201, subdivision (b) served by the supplier;

(B) Report its total potable water production pursuant to subdivision (b)(2) of this section, the total amount of water supplied for commercial agricultural use, and shall identify the reduction imposed on its commercial agricultural users and each recipient of potable water for commercial agricultural use;

(C) Certify that the agricultural uses it serves meet the definition of Government Code section 51201, subdivision (b); ~~and~~

(D) Certify that the water subtracted from the potable water production total pursuant to this subdivision is served only to customers who produced at least \$1,000 of revenue in the previous year from agricultural commodities meeting the definition of Government Code section 51201, subdivision (a), or who would have but for circumstances beyond their control;

(E) Certify that potable water used for ornamental landscapes is not included in the amount of agricultural water subtracted; and

~~(F)~~ Comply with the Agricultural Water Management Plan requirement of paragraph 12 of the April 1, 2015 Executive Order for all commercial agricultural water served by the supplier that is subtracted from its total potable water production.

(2) Submitting any information pursuant to subdivision (e)(1)(B), (C), (D) or ~~(E)~~ of this section that is found to be materially false by the ~~board~~ Board is a violation of this regulation, punishable by civil liability of up to five hundred dollars (\$500) for each day in which the violation occurs. Every day that the error goes uncorrected constitutes a separate violation. Civil liability for the violation is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

(f) In consideration of the differences in climate affecting different parts of the state, growth experienced by urban areas and significant investments that have been made by some suppliers towards creating new, local, drought-resilient sources of potable water supply, an urban water supplier's conservation standard identified in subdivision (c) shall be reduced by an amount, not to exceed eight (8) percentage points total, as follows:

(1) For an urban water supplier whose service area evapotranspiration (ET<sub>o</sub>) for the months of July through September exceeds the statewide average evapotranspiration for the same months by five (5) percent or more, the supplier's conservation standard identified in subdivision (c) shall be reduced:

(A) By two (2) percentage points if the supplier's service area evapotranspiration exceeds the statewide average by five (5) percent or more but less than ten (10) percent;

(B) By three (3) percentage points if the supplier's service area evapotranspiration exceeds the statewide average by ten (10) percent or more but less than twenty (20) percent;

(C) By four (4) percentage points if the supplier's service area evapotranspiration exceeds the statewide average by twenty (20) percent or more.

(D) Statewide average evapotranspiration is calculated as the arithmetic mean of all urban water suppliers' service area default evapotranspiration values for the months of July through September. Default service area evapotranspiration will be based on the California Irrigation Management System (CIMIS) ETo Zones Map zone for which the supplier's service area has the greatest area of overlap. In lieu of applying its default service area evapotranspiration, a supplier may use specific data from CIMIS stations within its service area that have at least a five-year continuous period of record to identify a more specifically-applicable evapotranspiration for its service area. To qualify for the in-lieu climate adjustment the supplier shall submit the following data to the Board by March 15, 2016 for each station: CIMIS station ID; station location; and monthly evapotranspiration, in inches per month, for July, August, and September for the five-year continuous period of record.

(2) To account for water efficient growth experienced in the state since 2013, urban water suppliers' conservation standards shall be reduced by the product of the percentage change in potable water production since 2013 and the percentage reduction in potable water use required pursuant to subdivision (c), rounded to the nearest whole percentage point. Change in potable water production since 2013 shall be calculated as the sum of the following:

(A) The number of additional permanent residents served since January 1, 2013, multiplied by 55 gallons per day, multiplied by 270 days;

(B) The area of new residential landscaping, in square feet, served by a supplier's service connections since 2013, multiplied by 55 percent of the total service area evapotranspiration, measured in inches, for the months of February through October, converted to gallons; and

(C) The number of new commercial, industrial and institutional connections since January 1, 2013, multiplied by the average commercial, industrial and institutional water use per connection for that supplier's service area during the months of February through October, 2015, in gallons.

(D) To qualify for the growth credit the supplier shall submit to the Board the following data by March 15, 2016: the number of additional connections served since January 1, 2013; the area of new residential landscaping, in square feet, served by a supplier's service connections since January 1, 2013; and the number of new commercial, industrial and institutional connections since January 1, 2013.

(3) For an urban water supplier that supplies four (4) or more percent of its total potable water production from a new local, drought-resilient source of supply, the use of which does not reduce the water available to another legal user of water or the environment, the conservation standard identified in subdivision (c) shall be reduced :

(A) By four (4) percentage points if the supplier's qualifying source of supply provides four (4) percent or more but less than five (5) percent of the supplier's total potable water production;

(B) By five (5) percentage points if the supplier's qualifying source of supply provides five (5) percent or more but less than six (6) percent of the supplier's total potable water production;



(C) By six (6) percentage points if the supplier's qualifying source of supply provides six (6) percent or more but less than seven (7) percent of the supplier's total potable water production;

(D) By seven (7) percentage points if the supplier's qualifying source of supply provides seven (7) percent or more but less than eight (8) percent of the supplier's total potable water production;

(E) By eight (8) percentage points if the supplier's qualifying source of supply provides eight (8) percent or more of the supplier's total potable water production;

(F) To qualify for this reduction the supplier must certify, and provide documentation to the Board upon request, demonstrating the percent of its total potable water production that comes from a local, drought-resilient source of supply developed after 2013 and that the use of that supply does not reduce the water available to another legal user of water or the environment. To qualify for this reduction a supplier shall submit the required certification to the Board by March 15, 2016;

(G) Certifications that do not meet the requirements of subdivision (f)(3)(F), including certifications for which documentation does not support that the source of supply is a local, drought-resilient source of supply, the use of which does not reduce the water available to another legal user of water or the environment, will be rejected. Submitting a certification or supporting documentation pursuant to subdivision (f)(3)(F) that is found to be materially false by the Board is a violation of this regulation, punishable by civil liability of up to five hundred dollars (\$500) for each day in which the violation occurs. Every day that the error goes uncorrected constitutes a separate violation. Civil liability for the violation is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

(4) No supplier's conservation standard shall drop below eight (8) percent as a consequence of the reductions identified in this subdivision. No reduction pursuant to this subdivision shall be applied to any urban water supplier whose conservation standard is four (4) percent based on subdivision (c)(2).

(fg)(1) To prevent waste and unreasonable use of water and to promote water conservation, each distributor of a public water supply that is not an urban water supplier shall take one or more of the following actions:

(A) Limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week; or

(B) Reduce by 25 percent reduction its total potable water production relative to the amount produced in 2013.

(2) Each distributor of a public water supply that is not an urban water supplier shall submit a report by ~~December 15, 2015~~ September 15, 2016, on a form provided by the Board, that either confirms compliance with subdivision (fg)(1)(A) or identifies total potable water production, by month, from ~~June~~ December 2015 through ~~November~~ August, 2015 2016, and total potable water production, by month, for the same months in 2013.

Authority: Section 1058.5, Water Code.

References: Cal. Const., Art., X § 2; Sections 102, 104, 105, 275, 350, 1846, 10617 and 10632, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Sec. 866. Additional Conservation Tools.

(a)(1) To prevent the waste and unreasonable use of water and to promote conservation, when a water supplier does not meet its conservation standard required by section 865 the Executive Director, or the Executive Director's designee, may issue conservation orders requiring additional actions by the supplier to come into compliance with its conservation standard.

(2) A decision or order issued under this article by the ~~board~~Board or an officer or employee of the ~~board~~Board is subject to reconsideration under article 2 (commencing with section 1122) of chapter 4 of part 1 of division 2 of the California Water Code.

(b) The Executive Director, or his designee, may issue an informational order requiring water suppliers, or commercial, industrial or institutional properties that receive any portion of their supply from a source other than a water supplier subject to section 865, to submit additional information relating to water production, water use or water conservation. The failure to provide the information requested within 30 days or any additional time extension granted is a violation subject to civil liability of up to \$500 per day for each day the violation continues pursuant to Water Code section 1846.

(c) Orders issued under previous versions of this subdivision shall remain in effect and shall be enforceable as if adopted under this version.

Authority: Section 1058.5, Water Code.

References: Cal. Const., Art., X § 2; Sections 100, 102, 104, 105, 174, 186, 187, 275, 350, 1051, 1122, 1123, 1825, 1846, 10617 and 10632, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

## EXHIBIT "B"



January 28, 2016

The Honorable Felicia Marcus, Chair and Board Members  
State Water Resource Control Board  
c/o Jeanine Townsend, Clerk to the Board  
State Water Resources Control Board  
1001 I Street  
Sacramento, CA 95814

**Subject: February 2, 2016 BOARD MEETING  
(Conservation Extended Emergency Regulation)**

Dear Chair Marcus and Board Members:

Thank you for the opportunity to provide input to the State Water Resources Control Board (State Board) on the Proposed Extended Emergency Water Conservation Regulation (Emergency Regulation) issued for public review on January 15, 2016. We are committed to helping the State manage water resources sustainably during the current drought conditions and into the future.

We appreciate the effort made by the State Board to convene a water conservation workgroup to incorporate experiences from the current Emergency Regulation and improve equity for all water suppliers in the proposed extension. In those workgroup meetings many proposals were made to improve the fairness and equity of the Emergency Regulation, including a growth equity adjustment. We recognize that the current proposal does include some adjustments to improve equity and takes into account some stakeholder recommendations, however the adjustments are limited and do not promote true equity. This is especially true of the proposed growth adjustment.

The proposed method of calculating a growth adjustment is complex and does not properly recognize or adjust for the impacts of growth on an agency's ability to meet its Conservation Standard. Concerns with this calculation include the following:

- Provides less than half the water needed for efficient indoor use for new homes.
- Additional residential connections will not provide enough data to calculate population accurately. The number of persons per household for each supplier is required and the number of households. A single connection may, as in the

case with residential multi-family connections, represent several new households.

- Many agencies do not have landscape area information readily available for residential homes. The proposed method will require an estimate of irrigated area for many agencies, limiting the accuracy of the data.
- Using the state standard irrigation application rate of 55 percent of local ET, which was adopted in 2015, does not correctly reflect the state landscape standards or ordinances that were in place when the growth actually occurred. Development from 2013 to 2015 was required to comply with a standard that allowed 70 percent of local ET.

The population assumptions and the use of the lower 55 percent standard in the SWRCB's proposed calculation, automatically discounts the new demands that would be associated with water-efficient growth from 2013 to 2015. This discount is then compounded by multiplying the percent change in potable water production from growth since 2013 by the water supplier's conservation standard.

The impact of the discounting is illustrated in the table below. The table shows the Estimated New Demand in Gallon per Capita per Day (GPCD) using the State Board's proposed calculation. This calculation incorporates the discount effect of underestimating population and using the 2015 landscape standards. Under the proposed methodology this discounted adjustment is then reduced further by multiplying it by the supplier's conservation standard, resulting in a SWRCB Proposed Growth Adjustment per New Resident that is only a small fraction of what is required to provide growth equity.

Water Supplier	Percent Growth Since 2013 <sup>1</sup> .	Estimated New Efficient Demand (GPCD) <sup>1</sup> .	Supplier's Conservation Standard	Proposed SWRCB Daily Water Use Allowed
Eastern MWD	2.2%	110	28%	31 gallons
Irvine Ranch Water District	3.5%	112	16%	18 gallons
Santa Margarita Water District	2.1%	104	24%	25 gallons
Elsinore Valley MWD	7%	162	28%	45 gallons

1. Based on proposed method of estimating new demand included on the proposed Emergency Regulation (indoor + outdoor+ commercial) used in SWRCB's Proposal. Variations for new water growth between water suppliers exist due to differences in climate, housing density and proportion of residential and non-residential growth.

To improve the equity of the adjustment we request that the growth adjustment be applied by simply subtracting the calculated percent of new, demand from the conservation requirement. The growth equity adjustment should not be multiplied by the supplier's water conservation standard. This modification still discounts the demand associated with new growth due to the population assumptions and use of the newer efficiency standard for outdoor water use in the calculation, but removes the compounding effect. This would partially offset the impact of new demand for suppliers trying to meet their conservation targets and helps remove an unjust burden from suppliers that have experienced significant economic development.

This methodology is very similar to the workgroup recommendations previously presented to State Board and will more appropriately adjust for the impact of growth. The state's average growth from 2013 to 2015 is estimated at 1.8% based on population data from the Department of Finance. These adjustments will provide some equity to those suppliers and to their customers who without the adjustment would be burdened with disproportionate water savings requirements.

We also recommend that all equity adjustments be applied to a water supplier's current conservation requirement before any adjustments for sustainable supplies are made. Equity adjustments improve the fairness of the Emergency Regulation and account for various conditions that impact residential water use across the state. Only after the equity adjusted Conservation Standard is calculated should it be adjusted by up to eight percent if an agency has developed sustainable supplies.

Thank you for your consideration of our comments. We look forward to working with you and your staff to develop and implement an equitable and appropriate Emergency Regulation moving forward.

Sincerely,



Paul A. Cook, General Manager  
Irvine Ranch Water District



John D. Vega, General Manager  
Elsinore Valley Municipal Water District



Paul D. Jones II  
Eastern Municipal Water District



Daniel R. Feron, General Manager  
Santa Margarita Water District

## EXHIBIT "C"



**IRVINE RANCH WATER DISTRICT**

15600 Sand Canyon Avenue • P.O. Box 57000 • Irvine, California 92619-7000 • (949) 453-5300 • www.irwd.com

January 28, 2016

The Honorable Felicia Marcus  
and Members of the State Water Resources Control Board  
c/o Ms. Jeanine Townsend  
State Water Resources Control Board  
P.O. Box 100  
Sacramento, CA 95812-0100

**RE: 2/2/16 BOARD MEETING (Conservation Extended Emergency Regulation)**

Dear Chair Marcus and Board Members:

Thank you for the opportunity to provide comments for the State Water Resources Control Board's (SWRCB) consideration as it weighs adoption of an extension to the emergency regulation related to urban water conservation and drought response. The Irvine Ranch Water District (IRWD) understands the importance of preserving California's water supplies and is committed to helping the State manage water resources sustainably.

We support the SWRCB's continuation of the End User Requirements in the Promotion of Water Conservation, and the addition of requirements to help ensure that residents within homeowners associations or community service organizations are not discouraged from implementing outdoor water conservation.

We offer the following comments for your consideration as the proposed regulations are considered at the SWRCB's February 2 meeting:

- 1) ***Emergency storage supplies specifically developed and designated for use during periods of shortage should be eligible for the same credit as other drought-resilient supplies.***

Implicit in the concept of reliability is the responsibility to develop an array of strategies to meet existing and future water needs. IRWD, like other agencies throughout the state, has committed resources to develop alternative local supplies, recycled water and water use efficiency measures in order to prepare for times of drought and limited imported water supplies. Those efforts have included substantial investments by our rate payers for emergency supplies specifically developed and designated only for use during times of shortage. As structured, the regulation does not provide any benefit to our ratepayers for those investments, and thus creates a disincentive for water suppliers to plan for and invest in future drought resiliency.

Designated emergency storage supplies can require a similar level of advance planning and investment to those made to develop drought-resilient supplies. Development of emergency storage for periods of multiple dry years is a key strategy within IRWD's Water Resources Master Plan. IRWD has invested \$27 million since the 1989-92 statewide drought to develop emergency storage supplies. These designated emergency storage supplies are not available to other suppliers. We respectfully request that designated emergency storage supplies be placed on par with drought-resilient supplies, and that suppliers receive a credit to their conservation standard based on the percentage of total water supply that is from a designated emergency storage supply. To be eligible for the credit, we propose that suppliers certify that the designated emergency storage supply meets the following criteria:

1. Must be specifically designated to provide increased supply during periods of a water supply shortage or emergency. It must not provide water on a regular basis to the water supplier;
2. Must have been designated a source of supply for use during shortage or emergency conditions in an adopted Urban Water Management Plan or Water Resources Plan prior to the Governor's April 1, 2015 Executive Order;
3. Cannot involve variations to the use of the agency's existing water supply projects or programs;
4. Use of the emergency supply must be through a formal action by the governing body of the supplier, certifying that the project meets the eligibility requirements;
5. Must not impact the supplies legally available to other water agencies during the shortage condition or emergency; and
6. The supplier must demonstrate that, consistent with the requirements of CEQA, the use of the emergency storage supply has less than significant environmental impacts.

The proposed modification would recognize the benefits of water suppliers planning for and investing in emergency storage supplies for use in times of drought and will encourage water suppliers to continue to invest in self-reliant water supplies in the future.

- 2) ***Investments in Drought Resilient Supplies should not be limited to post-2013, and the requirement that Drought Resilient supplies should meet at least 4% of total potable supplies should be removed.***

We appreciate the SWRCB's recognition of the benefits realized by the development of drought resilient supplies by providing a credit, but urge that it not be limited to only new supplies since 2013. The severity of the drought could be significantly worse without the investments and supplies that were developed prior to 2013, but suppliers that made those early investments receive no credit under the proposed regulation. Development of drought-resilient supplies are typically multi-year capital projects, and it is difficult to predict when the new drought resilient supplies will be available. Suppliers should not be discouraged from making these kinds of investments and having them come on-line during non-drought years out of concern that they will not receive future credit. We urge the SWRCB to not limit the credit for qualifying drought resilient supplies to only those that came on line after 2013.

Similarly, suppliers that have made investments into drought resilient supplies should be able to benefit from them, regardless of whether the volume is greater than 4% of total potable supplies or not. The 4% minimum requirement could discourage suppliers from investing in small local reliability projects that can help reduce reliance on imported supplies. We propose that all drought resilient supplies that meet the criteria, regardless of the date they came on line or percentage of total potable supplies, be eligible for the credit.

**3) *The Growth Credit should be calculated to provide equity based on reasonable, planned water-efficient growth.***

IRWD has separately provided a more detailed joint comment letter on the growth adjustment. The following summarizes IRWD's comments regarding the SWRCB's proposed approach. Water-efficient growth is important to the state's continued economic growth and recovery, and we thank the SWRCB for including an equity adjustment for water suppliers that have experienced growth since 2013 in the proposed regulation. The first step of the SWRCB's proposed calculation is based upon calculating the demands from growth using conservation standards adopted in 2015 for indoor and outdoor use. However, this result is then multiplied by the supplier's conservation standard percentage. There is no link between a supplier's conservation standard percentage and the water necessary to sustain efficient growth. As a result, the amount of water is reduced to a level that is only a fraction of what would be considered reasonable for water-efficient growth.

Using the SWRCB's proposed calculation, a single resident who moved into the IRWD service area into a home built after 2013 would be expected to have access to only 18 gallons per day. This amount is slightly over half of the water IRWD has set for basic health and human safety purposes: 30 gallons per person per day.

IRWD requests that the SWRCB provide suppliers with an equity adjustment for growth that is based on state-adopted conservation standards. As such we propose that the requirement to multiply the needed water for efficient growth by the supplier's conservation standard be removed and the proposed regulation modified as follows:

*To account for water efficient growth experienced in the state since 2013, urban water suppliers' conservation standards shall be reduced by ~~the product of the percentage change in potable water production since 2013 and the percent reduction in potable water use required pursuant to subdivision (e)~~, rounded to the nearest whole percentage point.*

The application of any equity adjustments should be applied first to a supplier's conservation standard prior to any credits. Credits of up to 8% for drought-sustainable supplies and designated emergency storage should be applied to the supplier's equity-adjusted conservation standard. This allows the policy objectives of the equity adjustments to be effectively applied and also allow the supplier to receive the full benefit of the credit for investments into drought resilient supplies.



- 4) Proposed regulation should include a requirement for the SWRCB to re-evaluate the need for the continued extension of the regulation and the level of mandated reductions in April or May 2016.**

There is still uncertainty in January 2016 regarding how much of an impact precipitation and snowfall may have this winter on California's water supplies and the influence it will have on the ongoing drought. In addition, it is unknown whether after one wet-year, the state could head into another drought. Based on these uncertainties, we understand the need for continued diligence in our extraordinary conservation efforts, but there should be a nexus between the mandated reduction levels and current supply conditions, taking into account potential winter storms and storage levels. We propose that in April or May 2016 the SWRCB take into account any changes in supply conditions due to winter storms. The re-evaluation should ensure there is a continued nexus between supply availability and the level of mandated savings required, which could be tapered as appropriate.

- 5) Development of a New Framework to Address Future Drought Emergencies.**

We understand that the Emergency Drought Regulation was developed by necessity in a very short time frame, and therefore was limited in its ability to consider and incorporate many of the complex factors that can affect water use in California. Those factors include emergency supplies, recycled water, sustainable supplies, service area characteristics that influence demands and prior conservation. We appreciate the efforts made by SWRCB to seek stakeholder input to incorporate some adjustments into the proposed extension of the regulation. While we are hopeful that the impacts of this drought will be reduced by winter storms this year, droughts will continue to occur in California. We look forward to working with SWRCB, the Department of Water Resources, and other stakeholders to develop a new framework that will address the complex factors affecting water use for use in future statewide shortages.

Thank you for considering our comments on the proposed emergency regulations. Please do not hesitate to contact me at (949) 453-5590, or Fiona Sanchez, at (949) 453-5325 if we can be of assistance to you or your staff.

Sincerely,



Paul A. Cook  
General Manager

February 10, 2016

Prepared by: A. McNulty

Submitted by: F. Sanchez/P. Weghorst *PMW*

Approved by: Paul Cook *Paul Cook*

## WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

### WATER EFFICIENCY DROUGHT ACTION PLAN IMPLEMENTATION UPDATE

#### SUMMARY:

In response to the state-mandated 16% water savings target assigned to IRWD, the District's water efficiency program was significantly expanded as part of its Drought Action Plan. This expansion included enhanced efforts with providing customer support and assistance, increasing customer incentive programs, implementing pilot programs and new technologies and conducting increased numbers of workshops, presentations and special events. An update on these efforts is provided below.

#### BACKGROUND:

In May 2015, the State Water Resources Control Board adopted an Emergency Drought Regulation which mandated that the District reduce its potable use by 16% from 2013 levels. In response, staff implemented a Drought Action Plan which includes a suite of District-wide actions designed to achieve the IRWD's potable water use reduction target. Following is an update on the enhanced water efficiency programs that have been implemented through December 2015, as well as new initiatives being implemented in early 2016. These enhanced water efficiency programs are centered on providing increased customer support and assistance, increasing customer incentive programs, implementing pilot programs and new technologies, and conducting increased numbers of workshops, presentations and special events.

#### Customer Support and Assistance:

##### *Drought Response Center:*

A Drought Response Center was established to provide a focal point for all drought-related customer communications and assistance. New temporary staff resources were hired to respond to customer inquiries regarding conservation, water waste reports and high water bill assistance.

##### *Customer Site Surveys:*

The Customer Site Surveys program provides a complementary service to customers and has been heavily promoted during the past year, resulting in an increase from 50 residential surveys per month to an average of approximately 120 surveys per month. The program was recently expanded to include services from WaterWise Consulting to provide, on average, an additional 11 residential, four commercial, industrial and institutional (CII) and two large landscape surveys per week.

*Online Customer Training Center:*

Staff developed the content and format for a new web-based portal that guides residential customers through understanding their water bills, finding leaks and water waste in and around their homes and how to make simple repairs. The training module was launched as a resource to customers who want to conduct their own home water efficiency audits. The program includes an option for the District to require that customers who habitually request leak or other bill adjustments complete the training prior to receiving an adjustment.

*Bilingual Landscaper Training:*

An eight-week Bilingual Training Institute Professional Landscaper Training course for landscape management companies was offered three times during 2015, with one English course and two courses taught in Spanish. Companies with staff who completed the course were listed on IRWD's website.

*Water Smart Reports:*

The Water Smart Reports program sends residential customers a monthly report comparing their water use with their allocations and with peer groups. The program also provides customized water savings recommendations and was expanded to double the number of monthly reports from 11,000 to 22,000 that are sent to over-allocation residential customers. There are currently 21,956 residential customers receiving monthly reports. A new online water usage portal was also developed for CII customers.

Customer Incentive Programs:

*Rebate Program:*

IRWD's regional rebate program budget for residential and CII customers was increased from \$500,000 to \$1.06 million in FY 2015-16. The number of rebates issued over the past three years has increased substantially and are shown in the tables below.

Residential Rebates

Year	High Efficiency Clothes Washers	High Efficiency Toilets	Rain Barrels	Rotating Nozzles	Soil Moisture Sensors	Weather-Based Irrigation Controllers
2013	1807	509	7	487	0	70
2014	1885	1708	77	1408	0	75
2015	1746	3301	503	3336	4	284

Commercial, Industrial and Institutional Rebates

Year	High Efficiency Toilets	Multi-Family High Efficiency Toilets	High Efficiency Toilets w/ Flushometers	Zero and Ultra Low Water Urinals	Plumbing Flow Controls	Rotating Nozzles	Weather-Based Irrigation Controllers
2013	430	0	0	3	0	4272	72
2014	539	0	99	18	0	840	323
2015	650	2060	68	11	780	2873	156

*Performance-based Incentive Program:*

The Performance-based Incentive Program provides CII customers with an incentive of \$3 per 1,000 gallons of water saved in one year with equipment efficiency upgrades or retrofits not otherwise covered in the device rebate programs. This year, two customers participated:

- University of California, Irvine participated with the installation of nozzles on their central plant cooling towers. This project is estimated to save 30 acre feet (AF) of water per year, and
- SDC Technologies replaced its water-cooled chiller with an air-cooled chiller. The project will save approximately 2.6 AF annually.

*Do-It-Yourself Turf Removal Rebate:*

Nearly 3.2 million square feet of turf has been replaced with drought-tolerant landscaping since the Do-It-Yourself Program began. There are currently 443 active applications with an additional 1.2 million square feet in the process of conversion. The average water savings for residential customers who convert to drought-tolerant landscaping is 44 gallons per square foot per year.

*Turnkey Turf Removal Program:*

The Turnkey Turf Removal Program was designed in response to the two most frequent obstacles expressed by customers relative to turf replacement. The program provides both customer design assistance and a qualified contractor for the renovation work. Residential customers can have their turf removed and a new drought-tolerant landscape designed and installed at a cost of \$3 per square foot. The total cost charged by the contractor is \$5 per square foot, with IRWD's \$2 per square foot incentive billed directly to IRWD. Over 80 inquiries from customers have been received since the program was announced in the December *Pipelines*. There are currently 13 participants in process through the program.

*Landscape Makeover Contest:*

The Landscape Makeover Contest was designed to challenge residential customers to save as much water as possible during the key outdoor water savings months of July, August and

September. There were 700 participants in the program with water savings totaling 28.9 AF. Four winners were selected and are currently in the design phase of the landscape makeovers.

*Fix a Leak:*

In March, customers will have the opportunity to win one of five \$100 Home Depot gift cards by providing IRWD with photos of themselves checking for leaks. The Fix a Leak campaign will incorporate use of the newly-developed Online Customer Training Center that is described above as a guide for customers to conduct their own leak detection audits at home.

Pilot Programs and New Technologies:

*Smart Water Integrated Management Program:*

The Smart Water Integrated Management Program (SWiM) pilot study will assess water savings potential from customer use of a smart meter and online customer usage dashboard. Staff targeted the top 100 residential customers with consistent over-allocation use to participate. The customer usage portal provides customers with hourly usage data and can quickly identify leaks or excessive irrigation. SWiM meters from customers that are back within allocation are redeployed to the next highest over-allocation customers.

*Smart Irrigation Controller Direct Install Program:*

The Smart Irrigation Controller Direct Install Program will pilot test up to 100 Water Sage irrigation controllers at customer locations within Orange Park Acres. Water savings from a Stanford University pilot study showed a 30% reduction in irrigation water use at homes with more than 0.25 acre lots. The first wave of participants attended educational workshops in January to learn how to install and program the controller.

*Water-Energy Residential Direct Install Program:*

IRWD was awarded a California Department of Water Resources grant for a combined residential program in partnership with Southern California Edison and Southern California Gas Company. The Water-Energy Residential Direct Install Program offers customers a one-stop-shop for water and energy efficiency indoors and outdoors.

Workshops, Presentations and Special Events:

Staff created several workshops to address customer needs that focus on the “RightScape” series and topics including “Rainwater Harvesting,” “Control Your Controller” and “Designing a Water Efficient Garden”. Staff made a significant number of presentations at Homeowner Association (HOA) Board of Directors meetings. These presentations led to many successful turf conversions to drought-tolerant landscaping. Staff provided presentations on IRWD’s drought response, rates, resources and rebates to the Turtle Rock Community Association, University Community Association, the Keystone Pacific Property Management Board and numerous

HOAs including Shady Canyon, Evergreen, Foothill Ranch, Village Glen, and Portola Hills. A complete list of all Water Efficiency events is included as Exhibit "A".

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – 2015 Water Efficiency Events and Presentations

## EXHIBIT "A"

<b>2015 Water Efficiency Events &amp; Presentations</b>	
January	
Shady Canyon HOA	Rainwater Harvesting
Evergreen HOA	
February	
Google	
March	
Garden Friendly Home Depot Events	Village Glen Maintenance Association Board
Garden Friendly Home Depot Events	Foothill Ranch Maintenance Corporation Board Meeting
RightScape Workshop Series	UCI Sustainability Student Drought
Presidio HOA Board	Lake Forest Kiwanis
April	
UCI Water Resource Group Presentation	Irvine Valley College Green Summit
Keystone Pacific Property Management Board Presentation	Building Owners and Managers Association (BOMA) Panel
Broadcom Booth	Golden State Foods
Colliers International	Landscape Workshop
OPA Trails Meeting	
May	
IUSD Landscape Maintenance Staff Presentation	University of California Student Drought Presentation
Congregation B'nai Israel Youth Group	UCI Faculty Housing Earth Day
3M Healthy Living 2x	
June	
Vista Filare Homeowners Assoc. 'Water Symposium	Orange Park Acres (OPA) Garden Club Workshop
RightScape Workshop Series	Portola Hills Community Event
HOA Drought Response Workshop	Drought presentation to Indo American Women's Group
The Meadows Water & Energy Presentation	OPA Control Your Controller
Portola Hills I HOA Board	
July	
RightScape Workshop Series	Cedar Glen HOA Board
Google Landscape	HOA Recycling Event
University Community Association	
August	
RightScape Workshop Series	Doria Apartments Luau-Jamboree Housing

September	
RightScape Workshop Series	City of Newport Beach Green Event
Drought Survival Expo	Annual Landscape Expo
Tustin Expo	

2015 Water Efficiency Events & Presentations	
October	
Pinnacle Landscape Company	OC Fire Authority Open House
RightScape Workshop Series	UCI Sustainability Class Presentation
UCI Faculty Housing Annual Fiesta	OC Parks
Home Depot Garden Friendly	
November	
Home Depot Niagara Stealth Event	Designing a Water Efficient Garden
Ways to Save Indoor - Meadows	



February 10, 2016

Prepared and

submitted by C. Compton 

Approved by: Paul Cook 

## WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

### 2016 LEGISLATIVE UPDATE

#### SUMMARY:

This report provides an update on the 2016 legislative session and IRWD priorities. As legislation develops, staff will provide updates and recommendations to the Water Resources Policy and Communications Committee and the Board, as appropriate. Staff recommends that the Board consider the following action/position:

- *Bottling of Advanced Purified Demonstration Water*- “SUPPORT.”

#### BACKGROUND:

The second year of the 2015-2016 legislative session is in full swing. Assemblymember Anthony Rendon (D-Paramount) has been formally elected Speaker of the Assembly and will take office in his new role on March 7, 2016. In addition, members of the Legislature with two-year bills remaining in their house of origin at the beginning of the year had until January 31 to have the bill heard and passed over to the other house. Those bills failing to meet the house of origin deadline are now dead. Members will have until February 19 to introduce any new bills.

A copy of the Legislative Matrix, which has been modified to remove any bill that failed to meet the house of origin deadline, is attached as Exhibit “A”.

#### State of the State:

Governor Brown delivered his annual State of the State address to a joint session of the Legislature on January 21. The Governor’s address focused on California’s existing commitments and challenges in the areas of inequality, health care, education, unfunded liabilities, infrastructure, water, and climate change. The Governor also focused on how the State will pay for the commitments already made, the risk and impact of a recession in California, and the need for fiscal discipline over the next few years in order to prepare the State for the next economic downturn. He began his address by stating:

“Here at the State Capitol we often think we have more control over things than we actually do...According to economists at the Department of Finance, the next recession, even if it were only of average intensity, would cut our revenues by \$55 billion over three years. That is why it is imperative to build up the Rainy Day Fund - which was recently overwhelmingly approved by the voters - and invest our temporary surpluses in badly needed infrastructure or in other ways that will not lock in future spending.

We must also be realistic about our current tax system. California has a very progressive but volatile income tax that provides 70 percent of General Fund revenues. If we are to minimize the zigzag of spend-cut-spend that this tax system inevitably produces, we must build a very large reserve.”

Governor Brown also emphasized water infrastructure during his State of the State. His comments on water consisted of the following statement:

“One of the bright spots in our contentious politics is the joining together of both parties and the people themselves to secure passage of Proposition 1, the Water Bond. That, together with our California Water Action Plan, establishes a solid program to deal with the drought and the longer-term challenge of using our water wisely. Our goal must be to preserve California's natural beauty and ensure a vibrant economy - on our farms, in our cities and for all the people who live here. There is no magic bullet but a series of actions must be taken. We have to recharge our aquifers, manage the groundwater, recycle, capture stormwater, build storage and reliable conveyance, improve efficiency everywhere, invest in new technologies - including desalination - and all the while recognize that there are some limits.

Achieving balance between all the conflicting interests is not easy but I pledge to you that I will listen and work patiently to achieve results that will stand the test of time. Water goes to the heart of what California is and what it has been over centuries. Pitting fish against farmer misses the point and grossly distorts reality. Every one of us and every creature that dwells here form a complex system which must be understood and respected.”

#### State Budget Update:

Governor Brown submitted his proposed budget to the Legislature on January 7, 2016, — three days before the constitutional deadline. The Governor’s budget proposes \$122.6 billion in General Fund expenditures and \$170.7 billion in total expenditures. The proposed budget forecasts total revenues at \$170.5 billion, which is \$2.9 billion higher than the forecast contained in the Fiscal Year 2015-2016 approved budget. It also forecasts General Fund revenues at \$120.6 billion in Fiscal Year 2016-2017, which is \$3.1 billion higher than the forecast contained in the Fiscal Year 2015-2016 approved budget. The improved revenue forecasts have been driven by California’s continued economic improvement. The economic improvement has led to higher capital gains tax receipt estimates and higher income tax receipt estimates due to strong growth in wages.

While the proposed budget is centered upon strong economic forecasts for the next few years, it cautions that a recession during the next three years is possible, particularly in light of the length of current economic expansion. The Governor’s position, as stated in the proposed budget, is that:

“The current expansion has lasted since mid-2009, but on average expansions continue for only around five years...it would be a historical anomaly for there not to be a recession before 2020. Even a fairly mild recession for the U.S. would be difficult for California. For example, if unemployment rates fell to the point where inflation began to rise, this could trigger a moderate recession in 2017-18. If so, the Department of Finance’s recession scenario forecast U.S. Real Gross Domestic Product falling by 0.4 percent and then recovering in the following two years. California would lose almost half a million jobs, and wages and salaries would fall by about 6 percent. Some of these losses would be partially offset by higher unemployment insurance payments and there

may be higher growth rates during the recovery that would follow. However, as a recession would likely be accompanied by a large fall in the stock market, revenues would be strongly affected.” *2016-17 Governor’s Budget Summary*, Page 145-146, citations omitted.”

The proposed budget cites this risk, the State’s long-term liabilities, and the expiration of Proposition 30’s temporary tax increase as the reasons why State spending should remain constrained. These factors have led Governor Brown to propose a budget for the General Fund which is 5.6 percent higher than the Fiscal Year 2015-2016 approved budget. The Governor proposes to grow the Rainy Day Fund by \$3.5 billion to \$8 billion by the end of Fiscal Year 2016-2017.

The proposed budget contains several items of interest to IRWD. Of interest to the District are the budget’s proposed \$3.1 billion Cap-and-Trade Revenue expenditure plan, proposal to spend an additional \$323.1 million on emergency drought response, and actions related to the California Water Action Plan. Detail on each of these proposals is provided below.

*Climate Change Policies and Cap-and-Trade Revenues:*

Last April, the Governor issued Executive Order B-30-15 setting the greenhouse gas emissions reduction target at 40 percent below 1990 levels by 2030. Additionally, SB 350 (2015) was enacted doubling the rate of energy efficiency within California buildings, setting the Renewable Portfolio Standard at 50 percent and moving California towards greater transportation electrification. In order to further California’s climate change goals, the proposed budget outlines a \$3.1 billion Cap-and-Trade expenditure plan. The plan proposes to appropriate the Fiscal Year 2015-2016 and Fiscal Year 2016-2017 Cap-and-Trade auction proceeds as follows:

*Cap-and-Trade Expenditure Plan  
 (Fiscal Year 2016-2017 Proposed Budget)*

<b>Investment Category</b>	<b>Department</b>	<b>Program</b>	<b>Amount (millions)</b>
Continuous Appropriations	High-Speed Rail Authority	High-Speed Rail	\$500
	State Transit Assistance	Low Carbon Transit Operations	\$100
	Transportation Agency	Transit and Intercity Rail Capital Program	\$200
	Strategic Growth Council	Affordable Housing and Sustainable Communities Program	\$400
50 Percent Reduction in Petroleum Use	Transportation Agency	Transit and Intercity Rail Capital Program	\$400
	Caltrans	Low Carbon Road Program	\$100
	Air Resources Board	Low Carbon Transportation & Fuels	\$500

	Energy Commission	Biofuel Facility Investment	\$ 25
Local Climate Action	Strategic Growth Council	Transformational Climate Communities	\$100
Short-Lived Climate Pollutants	Air Resources Board	Black Carbon Woodsmoke	\$ 40
	Cal Recycle	Water Diversion	\$ 20
	Department of Food and Agriculture	Climate Smart Agriculture-Healthier Soils and Dairy Digesters	\$ 55
Safeguarding California/Water Action Plan	Department of Food and Agriculture & Water Resources	Water and Energy Efficiency	\$ 30
	Energy Commission	Drought Executive Order- Water and Energy Technology Program & Appliance Rebates	\$ 60
	Department of Fish and Wildlife	Wetlands and Watershed Restoration/CalEcoRestore	\$ 60
Safeguarding California/Carbon Sequestration	CAL FIRE	Healthy Forests	\$150
		Urban Forestry	\$ 30
	Natural Resources Agency	Urban Greening	\$ 20
Energy Efficiency and Clean Energy	Department of General Services	Energy Efficiency for Public Buildings	\$ 30
	I Bank	California Lending for Energy and Environmental Needs Center	\$ 20
	Conservation Corps	Energy Corps	\$ 15
	Department of Community Services and Development	Energy Efficiency Upgrades/Weatherization	\$ 75
	University of California/California State University	Renewable Energy and Energy Efficiency Projects	\$ 60
<b>TOTAL</b>			<b>\$ 3,090</b>

SB 535 (2011) requires that at least 10 percent of the Cap-and-Trade proceeds be invested directly in disadvantaged communities and that at least 25 percent of the proceeds benefit those communities. The communities that qualify as disadvantaged have been identified by the California Environmental Protection Agency using CalEnviroScreen.

*Emergency Drought Response:*

The Governor’s proposed budget also includes an additional \$323.1 million for drought response. The proposed appropriations are as follows:

*Emergency Drought Funding  
 (Fiscal Year 2016-2017 Proposed Budget)*

<b>Investment Category</b>	<b>Department</b>	<b>Program</b>	<b>Amount (millions)</b>
Protecting Water Supplies	Department of Water Resources	Emergency Salinity Barriers in the Delta	\$42.0
	Department of Water Resources	Local Assistance for Small Communities	\$ 5.0
	State Water Resources Control Board	Water Curtailment	\$ 5.4
	State Water Resources Control Board	Emergency Drinking Water Projects	\$16.0
Water Conservation	Department of Water Resources	Urban Water Conservation & Save Our Water Campaign	\$32.8
	Energy Commission	Rebates for Appliances	\$30.0
	Energy Commission	Water and Energy Technology Program	\$30.0
	Department of Food and Agriculture	Agricultural Water Conservation	\$20.0
Emergency Response	Department of Forestry and Fire Protection	Enhanced Fire Protection	\$77.4
	Department of Water Resources	Drought Management and Response	\$12.0
	Department of Fish and Wildlife	Protection of Fish and Wildlife	\$17.7
	Department of Social Services	Drought Foot Assistance	\$18.4
	Office of Emergency Services	California Disaster Assistance Act	\$22.7
	Office of Emergency Services	State Operations Center	\$ 4.0
	Department of Community Services and Development	Farmworker Assistance	\$ 7.5
<b>TOTAL</b>			<b>\$323.1</b>

*State Water Action Plan Investments and Proposition 1:*

On January 28, 2014, the California Natural Resources Agency, jointly with the California Environmental Protection Agency and the Department of Food and Agriculture, released the Final California Water Action Plan. The five-year plan is aimed at moving California towards

sustainable water management. In furtherance of the Water Action Plan, the Governor's proposed budget proposes expending:

- \$385 million in Proposition 1 funds for State obligations related to the Klamath Agreements, the Central Valley Project Improvement Act, and the San Joaquin River Settlements;
- \$100 million from the General Fund for the Department of Water Resources to enhance flood project in the Central Valley;
- \$80 million in Proposition 1 funds for Salton Sea restoration;
- \$60 million from the Greenhouse Gas Reduction Fund for the Department of Fish and Wildlife to implement wetland restoration projects and carbon sequestration benefits;
- \$3.6 million from the General Fund for the Delta Stewardship Council to implement the Delta Science Plan and to incorporate the WaterFix Delta conveyance into the Delta Plan;
- \$3 million from the General Fund for the Department of Water Resources to manage and prepare for dry periods;
- \$2.5 million from the General Fund for the Department of Water Resources to update data and safety hazards at 15 monitoring sites that are part of the National Hydrography Dataset; and
- \$1.2 million from the General Fund for the Department of Water Resources to develop a long-term finance and investment target for the Water Action Plan.

*December's Revenue Numbers:*

On January 11, 2016, State Controller Betty Yee released her monthly report on the State's finances. She announced that the State took in \$14.1 billion during the month of December. For the first half of the fiscal year, total revenues exceeded projections by \$884.6 million, or 1.8 percent, with higher-than-expected personal income tax revenues offsetting lower corporation tax and sales and use tax revenues.

The State ended the month with an outstanding loan balance of \$11.1 billion, which was 11.4 percent less than expected.

2016 IRWD State Legislative Priorities:

*The California Water Conservation, Flood Control and Stormwater Management Act of 2016:*

The California League of Cities, the California Association of Counties and the Association of California Water Agencies have continued work to develop a constitutional amendment to address tiered water rate structures, stormwater funding, and voluntary low-income rate

subsidization. “The California Water Conservation, Flood Control and Stormwater Management Act of 2016,” also known as the Article X proposal, was submitted by this coalition to the Attorney General’s Office on December 14, 2015. A revised version was submitted to the Attorney General’s Officer on January 19, 2016. A copy of the revised proposal is attached as Exhibit “B”. Staff will provide the Committee with an oral update on any new developments.

*Procedural Reform Proposal Related to Water and Sewer Rates Challenges:*

The California Municipal Utilities Association (CMUA) has agreed to sponsor legislation proposing procedural reforms related to water and sewer rate challenges. Specifically, the proposal would create an expedited and streamlined process for the legal challenge of water and sewer rates to resolve the question of legality more quickly. It would establish a 120-day challenge period for water and sewer rates; require water or sewer rate challenges to comply with local claiming procedures; and clarify how a local agency can adopt a claiming procedure. CMUA staff is in the process of seeking an author for this proposal. Staff will provide the Committee with an oral update on any new developments.

Other 2016 State Legislation:

*Bottling of Advanced Purified Demonstration Water:*

The WaterReuse Association of California, the Orange County Water District (OCWD) and the Orange County Sanitation District (OCSD) are co-sponsoring a proposal to permit the bottling of advanced purified reuse water for educational purposes and for the purpose of promoting water recycling. If enacted, the bill would allow OCWD to bottle water from the Groundwater Replenishment System (GWRS) for educational and demonstration purposes. Under current law, OCWD is unable to bottle GWRS water. Currently, WaterReuse, OCWD and OCSD are seeking an author for the proposal. Staff recommends that the Board adopt a “support” position on the proposal, which is attached as Exhibit “C”.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

That the Board adopt a “support” position on the WaterReuse Association of California, Orange County Water District and the Orange County Sanitation District’s proposal related to the bottling of advanced purified demonstration water.

**LIST OF EXHIBITS:**

Exhibit "A" – IRWD Legislative Matrix

Exhibit "B" – "The California Water Conservation, Flood Control and Stormwater Management Act of 2016," as amended

Exhibit "C" – Advanced Purified Demonstration Water Proposal



**EXHIBIT "A"**  
**IRWD 2016 LEGISLATIVE MATRIX**  
**Updated 02/4/2016**

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<b>AB 12</b> Cooley (D)	State Government: Administrative Regulations: Review		Requires each state agency after a noticed public hearing, to review the agency's regulations, identify any regulations that are duplicative, overlapping, inconsistent, or out of date, to revise those identified regulations, and report to the Legislature and Governor.	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<b>AB 45</b> Mullin (D)	Household Hazardous Waste		Requires the Department of Resources Recycling to adopt model ordinance for a comprehensive program for the collection of household hazardous waste. Authorizes a local jurisdiction proposing to enact an ordinance for the collection and diversion of such waste to adopt a Department model. Requires a determination as to whether a nonprofit organization has been created and funded to make grants to local entities for purposes related to the disposal of such waste.	01/27/2016 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<b>AB 259</b> Dababneh (D)	Personal Information Privacy		Requires an agency, if the agency was the source of the breach and the breach compromised a person's social security number, driver's license number, or California identification card number, to offer to provide the person with identity theft prevention and mitigation services at no cost for not less than 12 months.	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<b>AB 291</b> Medina (D)	Environmental Quality Act: Local Agencies: Water		Authorizes a local agency, for certain water projects, to file a specified notice with the county clerk of the county in which the local agency's principal office is located, along with any required payment to the Department of Fish and Wildlife, and with the Office of Planning and Research and to transmit a copy of the notice to the county clerk of the counties in which the project is located. Requires the notice and the copies of the notice to be available to for public inspection. Relates to challenges.	06/10/2015 - From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.;06/10/2015 - In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.
<b>AB 356</b> Williams (D)	Oil and Gas: Groundwater Monitoring		Authorizes the State Oil and Gas Supervisor to require a well operator to implement a monitoring program for below ground oil production tanks and facilities, and disposal and injection wells. Requires the annual review of underground injection or disposal	02/01/2016 - Died on Inactive File.

**IRWD 2016 LEGISLATIVE MATRIX**  
**Updated 02/4/2016**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
			projects that use Class II wells. Requires the submission of a related groundwater monitoring plan. Requires submission of certain data for the State's geotracker database. Provides procedures for an aquifer exemption. Relates to plan modification.	
<b>AB 453</b> Bigelow (R)	Groundwater Management		Authorizes, until a groundwater sustainability plan is adopted, a local agency that has adopted a groundwater management plan to impose fees on the extraction of groundwater from a groundwater basin to fund costs of groundwater management and to collect groundwater extraction information, as long as a groundwater management plan adopted before a specified date, is in effect.	12/10/2015 - Re-referred to SENATE Committee on RULES.
<b>AB 501</b> Levine (D)	Resources: Delta Research		Relates to the Sacramento-San Joaquin Delta Reform Act of 2009. Requires a person conducting State-funded Delta Research to take specified actions with regard to the sharing of the primary data, metadata, and other supporting materials created or gathered in the course of that research. Relates to ineligibility. Relates to researcher State funding eligibility requirements. Provides conditions for Delta research grants. Relates to the provision of consistent procedural and technical requirements.	01/27/2016 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<b>AB 537</b> Allen T (R)	Public Employees' Benefits		Prohibits a public agency, state employer, employee organization, or public employee from entering into a memorandum of understanding that provides postemployment health care benefits without a strategy for permanently prefunding members' postemployment healthcare benefits.	02/01/2016 - Died pursuant to Art. IV, Sec. 10(c) of the Constitution.
<b>AB 577</b> Bonilla (D)	Biomethane: Grant Program		Requires the development and implementation of a grant program to award grants for projects that produce biomethane, that build or develop collection and purification technology or infrastructure, or that upgrade or expand existing biomethane facilities. Authorizes moneys in the Greenhouse Gas Reduction Fund to be used to fund grants awarded under the program.	09/11/2015 - Re-referred to SENATE Committee on RULES.

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**Updated 02/4/2016**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
<b>AB 590</b> Dahle (R)	Greenhouse Gas Reduction Fund		Provides that moneys in the Greenhouse Gas Reduction Fund account may be made available for expenditure by the State Energy Resources Conservation and Development Commission for maintaining the current level of biomass power generation or geothermal energy generation in the State and revitalizing currently idle facilities in strategically located regions. Establishes requirements for an applicant to receive available funding for a facility's eligible electrical generation.	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<b>AB 615</b> Rendon (D)	Office of Sustainable Water Solutions: Assistance		Amends existing law that establishes the Office of Sustainable Water Solutions to promote permanent and sustainable drinking water and wastewater treatment solutions to ensure the effective and efficient provision of safe, clean, affordable, and reliable drinking water and wastewater treatment services and authorizes the office to provide technical assistance to disadvantaged communities and small drinking water systems and wastewater systems. Specifies the technical assistance that may be provided.	06/18/2015 - To SENATE Committee on ENVIRONMENTAL QUALITY.
<b>AB 647</b> Eggman (D)	Beneficial Use: Storing of Water Underground		Declares that the diversion of water to underground storage constitutes a beneficial use of water if the water so stored is thereafter applied to the beneficial purposes for which the appropriation for storage was made, or if the water is so stored consistent with a sustainable groundwater management plan, statutory authority to conduct groundwater recharge, or a judicial degree and is for specified purposes. Requires applying for a permit or petition for a change. Requires including specified conditions.	06/30/2015 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's amendments.;06/30/2015 - In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.
<b>AB 723</b> Rendon (D)	Rental Property: Plumbing Fixtures: Replacement		Requires the lease or rental agreement of a single-family residential real property or any portion of a multifamily residential real property or commercial real property that is entered into, renewed, or amended, be accompanied by a disclosure stating the property owner's responsibility to replace all noncompliant plumbing fixtures with water-conserving plumbing fixtures.	07/16/2015 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

**IRWD 2016 LEGISLATIVE MATRIX**  
**Updated 02/4/2016**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
<b><u>AB 935</u></b> Salas (D)	Water Projects		Requires, upon appropriation by the Legislature, the Department of Water Resources to provide funding for certain projects, provided that certain conditions are met.	09/10/2015 - In SENATE. From third reading. To Inactive File.
<b><u>AB 937</u></b> Salas (D)	Groundwater Plan/Assistance: Disadvantaged Communities		Requires the Department of Water Resources to provide technical assistance to disadvantaged communities so that they may participate in groundwater planning, including planning for regional groundwater banking, with any county or other local agency.	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<b><u>AB 938</u></b> Salas (D)	Groundwater: Basin Reprioritization		Imposes the requirement to establish a groundwater sustainability agency on a local agency or combination of local agencies overlying a groundwater basin.	05/07/2015 - To SENATE Committee on NATURAL RESOURCES AND WATER.
<b><u>AB 954</u></b> Mathis (R)	Water and Wastewater Loan and Grant Pilot Program		Creates the Water and Wastewater Loan and Grant Program. Require the State Water Resources Control Board to establish a pilot program to provide low-interest loans and grants to local agencies for grants to eligible individual homeowners for purposes relating to drinking water and wastewater treatment. Creates a related fund for use under the program. Transfers a specified amount of funds from the General Fund to the fund.	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<b><u>AB 1030</u></b> Ridley-Thomas S (D)	Global Warming Solutions Act of 2006: Greenhouse Gas		Amends existing law that relates to the Greenhouse Gas Reduction Fund. Requires priority be given to projects involving hiring that support the targeted training and hiring of workers from disadvantaged communities for career-track jobs.	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<b><u>AB 1144</u></b> Rendon (D)	Renewables Portfolio Standard Program: Credits		Provides that renewable energy credits may be used to meet certain portfolio content requirements if the credits are earned by electricity that is generated by an entity that would be excluded from the definition of an electrical corporation by operation of the exclusions for entities employing landfill or digester gas technology that meets certain requirements, including that the electricity is used at a wastewater treatment facility. Prohibits certain marketing claims.	08/17/2015 - From SENATE Committee on APPROPRIATIONS with author's amendments.;08/17/2015 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

**IRWD 2016 LEGISLATIVE MATRIX**

**Updated 02/4/2016**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
<b><u>AB 1173</u></b> Williams (D)	Water Equipment: Backflow Prevention Devices Testing		Requires, if a local health officer does not maintain a program for certificate of backflow prevention device testers, the testing and maintenance of such device be performed by a person who has received a California-specific certification for such devices from one of the specified entities or a similar certification provider deemed acceptable by the State Water Resources Control Board.	07/14/2015 - In SENATE Committee on ENVIRONMENTAL QUALITY: Not heard.
<b><u>AB 1201</u></b> Salas (D)	Delta: Predation by Nonnative Species	Support	Requires the State Department of Fish and Wildlife to develop a science-based plan that addresses predation by nonnative species upon species of fish listed pursuant to the State Endangered Species Act that reside all or a portion of their lives in the Sacramento-San Joaquin Delta and that considers predation reduction for all Chinook salmon and other native species not listed pursuant to the Act. Provides for input from the scientific community, water users and fishing communities.	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<b><u>AB 1242</u></b> Gray (D)	Water Quality and Storage		Provides provisions of law requiring a specified increase in statewide water storage capacity, and updating water strategies and implementation plans. Requires the Water Resources Control Board, in formulating policy for water quality control and adopting or approving a water quality control plan for the Sacramento-San Joaquin Delta, to take into consideration any applicable groundwater sustainability plan or alternative and available information on impacts of groundwater use and beneficial uses of water.	09/02/2015 - In SENATE. Read second time. To third reading.;09/02/2015 - Re-referred to SENATE Committee on RULES.
<b><u>AB 1463</u></b> Gatto (D)	Onsite Treated Water		Requires the State Water Resources Control Board, in consultation with the Department of Public Health, the Building Standards Commission, and stakeholders, to establish water quality standards and distribution, monitoring, and reporting requirements for onsite water recycling systems prior to authorizing the use of onsite treated water in internal plumbing of residential and commercial buildings. Requires onsite treated water to be considered the same as recycled water that is produced on site.	09/04/2015 - From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.;09/04/2015 - In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.

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**Updated 02/4/2016**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
<b><u>AB 1550</u></b> Gomez (D)	Greenhouse Gases: Investment Plan: Communities		Requires the investment plan to allocate a minimum of 25% of the available moneys in the Greenhouse Gas Reduction Fund to projects located within disadvantaged communities and a separate and additional 25% to projects that benefit low-income households.	02/01/2016 - To ASSEMBLY Committee on NATURAL RESOURCES.
<b><u>AB 1586</u></b> Mathis (R)	Environmental Quality Act: Temperance Flat Reservoir		Prohibits the court, in an action or proceeding brought alleging a violation of the California Environmental Quality Act, from staying or enjoining the construction or operation of the Temperance Flat Reservoir unless the court makes certain findings.	02/04/2016 - To ASSEMBLY Committees on NATURAL RESOURCES and JUDICIARY.
<b><u>AB 1587</u></b> Mathis (R)	Water Quality, Supply, and Infrastructure Improvement		Requires special consideration be given, in implementing the competitive grants for those projects that develop and implement groundwater planning requirements, to those projects that would create groundwater recharge basins in areas of fallow farmland. Appropriates a specified amount of funds from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 for the purpose of that competitive grant program.	02/01/2016 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
<b><u>AB 1588</u></b> Mathis (R)	Water and Wastewater Loan and Grant Program		Requires the State Water Resources Control Board to establish a program to provide low-interest loans and grants to local agencies for low-interest loans and grants to eligible applicants for specified purposes relating to drinking water and wastewater treatment. Creates the Water and Wastewater Loan and Grant Fund and provides that the moneys in this fund are available to the board for expenditure for the program.	02/01/2016 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
<b><u>AB 1589</u></b> Mathis (R)	Environmental Quality Act: Exemption		Exempts from the requirements of the California Environmental Quality Act, for the duration of a state of emergency proclaimed by the Governor due to drought, flood, or fire, projects that are undertaken, carried out, or approved by a public agency to mitigate the effects or, or conditions caused by, drought, flood, or fire.	02/01/2016 - To ASSEMBLY Committee on NATURAL RESOURCES.
<b><u>AB 1590</u></b> Mathis (R)	State Water Resources Control Board: Appointments		Requires that additional members be appointed to the State Water Resources Control Board by the Legislature.	02/01/2016 - To ASSEMBLY Committee on WATER, PARKS AND

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**Updated 02/4/2016**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
				WILDLIFE.
<b><u>AB 1647</u></b> Waldron (R)	Environmental Quality: Water Storage Facilities		Exempts from the Environmental Quality Act a project to expand the storage capacity of an existing surface water storage facility, or to replace an existing surface water storage facility, that is owned and operated by a public entity if that public entity adopts, by resolution, findings and declarations that the project meets specified criteria.	02/04/2016 - To ASSEMBLY Committee on NATURAL RESOURCES.
<b><u>AB 1649</u></b> Salas (D)	Water Quality, Supply, and Infrastructure Improvement		States the intent of the Legislature to enact legislation to ensure surface water storage is funded and built consistent with the goals of Proposition 1 and that the State Water Commission fulfills the original intent of the water storage project provisions of Proposition 1.	01/12/2016 - INTRODUCED.
<b><u>AB 1694</u></b> Lackey (R)	Water Quality, Supply, and Infrastructure Improvement		Requires, in implementing grants for multibenefit stormwater management projects, that special consideration be given to projects that would use cisterns for water storage and flood protection. Appropriates a specified amount from the proceeds of the Water Quality, Supply, and Infrastructure Improvement Act of 2014 for the purpose of the grants for multibenefit stormwater management projects.	01/21/2016 - INTRODUCED.
<b><u>AB 1704</u></b> Dodd (D)	Water Rights		Requires the registrant to provide a copy of the registrant's registration form to the Department of Fish and Wildlife and agree to general conditions. Requires the State Water Resources Control Board to consult with the Department of Fish and Wildlife in establishing these general conditions and include in the general conditions compliance with certain Fish and Game Code requirements applicable to the diversion of water.	01/25/2016 - INTRODUCED.
<b><u>AB 1713</u></b> Eggman (D)	Sacramento-San Joaquin Delta: Peripheral Canal		Prohibits the construction of a peripheral canal in the Sacramento-San Joaquin Delta unless expressly authorized by an initiative voted on by the voters of California, and requires the Legislative Analyst's Office to complete a prescribed economic feasibility analysis prior to	01/26/2016 - INTRODUCED.

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<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
			a vote authorizing the construction of a peripheral canal.	
<b><u>AB 1738</u></b> McCarty (D)	Building Standards: Dark Graywater		Defines dark graywater as a specified wastewater that comes from kitchen sinks and dishwashers. Requires the Department of Housing and Community Development, at the next triennial building standards rulemaking cycle, to adopt and submit for approval building standards for the construction, installation, and alteration of dark graywater systems for indoor and outdoor uses.	02/01/2016 - INTRODUCED.
<b><u>AB 1749</u></b> Mathis (R)	Environmental Quality Act: Exemption: Recycled Water		Amends the California Environmental Quality Act which exempts from its requirements projects that provide for the expansion of recycled water pipeline and directly related infrastructure within existing rights of way, and directly related groundwater replenishment, if the project does not affect wetlands or sensitive habitat where construction impacts are mitigated and undertaken to mitigate drought conditions for which a state of emergency was proclaimed to extend the date connected to such exemption.	02/02/2016 - INTRODUCED.
<b><u>AB 1755</u></b> Dodd (D)	The Open and Transparent Water Data Act		Enacts the Open and Transparent Water Data Act. Requires the Department of Water Resources to establish a public benefit corporation that would create and manage a statewide water information accounting system to improve the ability of the State to meet the growing demand for water supply reliability and healthy ecosystems that would integrate existing water data information from multiple databases and a related clearinghouse. Creates a related fund for improvement of water data and purposes of the Act.	02/02/2016 - INTRODUCED.
<b><u>AB 1773</u></b> Oberholte (R)	Local Government Renewable Energy Program		Amends existing law that authorizes a local governmental entity to receive a bill credit to a designated benefiting account, for electricity exported to the electrical grid by an eligible renewable generating facility. Includes as a local governmental entity for this purpose a joint powers authority.	02/03/2016 - INTRODUCED.
<b><u>SB 7</u></b>	Housing: Water Meters:		Requires a landlord to make submeter disclosures to a tenant prior to	09/08/2015 - In ASSEMBLY. Read



**IRWD 2016 LEGISLATIVE MATRIX**

**Updated 02/4/2016**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
Wolk (D)	Multi-unit Structures		executing a rental agreement. Relates to tenant billing procedures and requirements. Authorizes building standards that require the installation of water submeters in multiunit residential buildings. Provides structure exemptions. Relates to landlord requirements. Relates to the use of meters or submeters in new mixed-use residential and commercial structures as a condition for service. Requires licensed contractors do the installation.	third time. Failed to pass ASSEMBLY.;09/08/2015 - In ASSEMBLY. Motion to reconsider.
<b>SB 20</b> Pavley (D)	State Water Resiliency Investment Act		Creates the State Water Resiliency Investment Fund. Provides that moneys in the Fund are available for the purpose of providing a more dependable water supply in the State. Creates various accounts within the Fund for prescribed purposes.	08/26/2015 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;08/26/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
<b>SB 32</b> Pavley (D)	Global Warning Solutions Act of 2006		Requires the State Air Resources Board to approve a specified statewide greenhouse gas emission limits that are the equivalent to a specified percentage below the 1990 level to be achieved by 2030. Revises current provisions of existing law regarding the implementation of the next update of a greenhouse gas scoping plan under existing law. Requires reports regarding reaching these limits.	09/10/2015 - Re-referred to ASSEMBLY Committee on NATURAL RESOURCES.;09/10/2015 - From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.;09/10/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES
<b>SB 122</b> Jackson (D)	Environmental Quality Act: Record of Proceedings		Amends the Environmental Quality Act. Relates to a database for the collection, storage, retrieval, and dissemination of environmental documents, notices of exemption, notices of preparation, notices of determination, and notices of completion provided to the office that shall be available online to the public through the internet. Provides for the phase-in of electronic documents. Requires the lead agency to submit to the State Clearinghouse a sufficient number of environmental documents for review.	08/27/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Not heard.

**IRWD 2016 LEGISLATIVE MATRIX**

**Updated 02/4/2016**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
<b>SB 163</b> Hertzberg (D)	Wastewater Treatment: Recycled Water	Oppose	Declares the discharge of treated wastewater from ocean outfalls is a waste and unreasonable use of water in light of certain conditions. Requires such facility to achieve a specified percentage of reuse of the actual annual flow for beneficial purposes. Prohibits such discharge except as backup discharge. Provides procedures for related exemption requests. Requires a prescribed plan to meet these provisions.	09/08/2015 - Re-referred to ASSEMBLY Committee on RULES.
<b>SB 223</b> Galgiani (D)	Division of Boating and Waterways: Oversight Committee		Requires the Division of Boating and Waterways to establish an advisory and oversight committee to evaluate and monitor the activities of the Division relating to the management and control or eradication of invasive aquatic plants. Provides the expertise of members of the committee. Requires the committee to meet a specified amount of times per year and to communicate any findings or recommendations to the Division.	08/27/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<b>SB 248</b> Pavley (D)	Oil and Gas		Provides for an inspection program for all activities regulated pursuant to provisions concerning drilling, operation, maintenance, and abandonment of oil and gas wells and certain tanks and facilities. Requires inspections to be reported and posted, and the recording of information in a well history, including fluid injection, chemical composition, and waste disposal injection. Provides for shutdown. Requires updating related regulations. Requires notification and clearance of chemical injection.	08/27/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Not heard.
<b>SB 286</b> Hertzberg (D)	Electricity: Direct Transactions		Requires the Public Utilities Commission to adopt and implement a schedule that implements a specified phase-in period for expanding direct transactions for individual retail nonresidential end-use customers over a maximum time period, raising the allowable limit of kilowatthours that can be supplied by other electrical corporation's distribution service territory to that corporation's share of the gigawatthours. Requires such customers to be responsible for their share of the costs of specified programs.	08/27/2015 - In ASSEMBLY. Joint Rule 62(a) suspended.

**IRWD 2016 LEGISLATIVE MATRIX**  
**Updated 02/4/2016**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
<b>SB 471</b> Pavley (D)	Water, Energy, Reduction of Greenhouse Gas Emissions		Includes reduction of greenhouse emissions associated with water treatment among the investments that are eligible for funding from the Greenhouse Gas Reduction Fund. Requires the State Water Resources Control Board to establish a grant and loan program for water projects that result in the net reduction of water-related greenhouse gas emissions.	08/27/2015 - In ASSEMBLY. Joint Rule 62(a) suspended.;08/27/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<b>SB 551</b> Wolk (D)	State Water Policy: Water and Energy Efficiency	Seek_Amend	Declares the policy of the state that water use and water treatment shall operate in a manner that is as energy efficient as in feasible and energy use and generation shall operate in a manner that is as water efficient as is feasible. Requires all relevant state agencies to consider this state policy when revising, or establishing policies, regulations, and grant criteria when pertinent to these uses of water and energy.	08/27/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<b>SB 552</b> Wolk (D)	Public Water Systems: Disadvantaged Communities		Requires the State Water Resources Control Board to hold at least one initial public meeting prior to ordering the consolidate or extension of public water system service and to obtain the consent of any domestic well owner. Provides any affected resident and domestic well owner within the service area who does not consent is ineligible for any future water-related grant funding. Requires the Board to compensate certain water systems. Prohibits a charge increase for certain customers.	07/09/2015 - Re-referred to ASSEMBLY Committee on RULES.
<b>SB 554</b> Wolk (D)	Delta Levee Maintenance		Relates to the maintenance or improvement of project or nonproject levees in the Sacramento-San Joaquin Delta. Declares legislative intent to reimburse up to a certain percent of costs incurred in any year for the maintenance or improvement of levees in excess of a specified sum per mile of levee and authorizes a specified board to advance funds in an amount that does not exceed a certain percent of the estimated state share to an eligible local agency.	01/27/2016 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.
<b>SB 814</b> Hill (D)	Drought: Excessive Water Use: Urban Retail Water		Relates to the drought. Prohibits excessive use of water by a residential customer during a period which the Governor has issued a	01/28/2016 - To SENATE Committees on NATURAL RESOURCES AND

**IRWD 2016 LEGISLATIVE MATRIX**  
**Updated 02/4/2016**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
	Supply		proclamation of a state of emergency based on drought conditions. Requires utility information about residential customers that violate the prohibition on excessive water use to be made available under the Public Records Act.	WATER and JUDICIARY.
<b><u>SB 919</u></b> Hertzberg (D)	Water Supply: Creation or Augmentation of Local Water		Requires the Public Utilities Commission to adopt and implement policies or tariffs to address the oversupply of renewable energy resources, including, but not limited to, a tariff for use by facilities that create or augment local water supplies, like desalination, brackish water desalting, water recycling, or water reuse facilities, based on certain economic factors.	01/27/2016 - INTRODUCED.
<b><u>HR 2689</u></b> Walters (R)	Eligible Water Resources Projects	Support	Clarifies the scope of eligible water resources projects under the Water Resources Development Act of 1986 and the Water Resources Reform and Development Act of 2014.	06/10/2015 - In HOUSE Committee on TRANSPORTATION & INFRASTRUCTURE: Referred to Subcommittee on WATER RESOURCES AND ENVIRONMENT.

*Law Offices of***OLSON****HAGEL &****FISHBURN****LLP**

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January 19, 2016

**VIA MESSENGER**Office of the Attorney General  
Attention: Ashley Johansson, Initiative Coordinator  
1300 "T" Street  
Sacramento, CA 95814**RECEIVED****JAN 19 2016**INITIATIVE COORDINATOR  
ATTORNEY GENERAL'S OFFICE**RE: Submission of Amendment to Statewide Initiative Measure -  
The California Water Conservation, Flood and Stormwater  
Management Act of 2016, No. 15-0116**

Dear Ms. Johansson:

As you know, we serve as counsel for the proponents of the proposed statewide initiative, "The California Water Conservation, Flood Control and Stormwater Management Act of 2016." The proponents of the proposed initiative are Christopher McKenzie, Tim Quinn, and Matthew Cate. On their behalf, we are enclosing the following documents:

- The amended text of "The California Water Conservation, Flood Control and Stormwater Management Act of 2016"
- A red-line version showing the changes made in the amended text
- Signed authorizations from each of the proponents for the submission of the amended text together with their requests that the Attorney General's Office prepare a circulating title and summary using the amended text.

Please continue to direct all inquiries or correspondence relative to this proposed initiative to us at the address listed below:

Lance H. Olson & Richard Miadich  
Olson, Hagel & Fishburn LLP  
555 Capitol Mall, Suite 1425  
Sacramento, CA 95814

Very truly yours,

**OLSON HAGEL & FISHBURN LLP**


RICHARD MIADICH

RCM:LHO:EAA

**VIA MESSENGER**

January 15, 2016

Office of the Attorney General  
1300 "I" Street  
Sacramento, CA 95814

Attention: Ashley Johansson, Initiative Coordinator

Re: Submission of Amendment to The California Water Conservation, Flood Control and Stormwater Management Act of 2016 (15-0116)

Dear Ms. Johansson:

On December 14, 2015 I submitted a proposed statewide initiative titled "The California Water Conservation, Flood Control and Stormwater Management Act of 2016" ("Initiative") and a request that the Attorney General prepare a circulating title and summary pursuant to section 10(d) of Article II of the California Constitution. Pursuant to Elections Code section 9002(b), I hereby submit timely amendments to the text of the Initiative. As a proponent of the Initiative, I approve the submission of the amended text to the Initiative and I declare that the amendment is reasonably germane to the theme, purpose, and subject of the Initiative. I request that the Attorney General prepare a circulating title and summary using the amended Initiative.

Sincerely,



Matthew Cate

Executive Director, California State Association of Counties

**VIA MESSENGER**

January 15, 2016

Office of the Attorney General  
1300 "I" Street  
Sacramento, CA 95814

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Sincerely,

A handwritten signature in black ink, appearing to read "Timothy H. Quinn", with a long horizontal line extending to the right.

Timothy H. Quinn

Executive Director, Association of California Water Agencies

1400 K STREET  
SACRAMENTO, CA 95814  
PH: (916) 658-8200  
EX: (916) 658-8240



WWW.CACITIES.ORG

**VIA MESSENGER**

January 15, 2016

Office of the Attorney General  
1300 "I" Street  
Sacramento, CA 95814

Attention: Ashley Johansson, Initiative Coordinator

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Sincerely,

A handwritten signature in black ink that reads "Christopher McKenzie".

Christopher McKenzie

Executive Director, League of California Cities



**The California Water Conservation, Flood Control  
And Stormwater Management Act of 2016**

**SECTION 1. Title**

This measure shall be known as the California Water Conservation, Flood Control and Stormwater Management Act 2016

**SECTION 2. Findings, Declarations and Purposes**

- A. California's historic drought and the extensive heavy floods and property damage that often accompany heavy rains require that California local communities have the tools needed to further encourage conservation and discourage excessive use of water; to effectively manage and increase water supplies; to capture, clean and eliminate pollution from local water sources; and to better protect people and property from the dangers of floods.
- B. Effective local management of water supplies includes authorizing local agencies to design rates to encourage water conservation and discourage excessive use of water.
- C. Local agencies should also invest in infrastructure to capture and clean water polluted by toxic chemicals and trash; recycle and reuse rainwater and stormwater runoff; and to prevent toxic stormwater and urban runoff from contaminating sources of drinking water, including rivers, lakes, streams, and groundwater, and polluting beaches, coastal waters, and wetlands.
- D. California must also improve local flood control by better capturing and managing storm and flood waters and upgrading storm drains, sewer and drainage systems to protect properties from floods and increase local supplies of water available for public use.
- E. Existing state laws governing the funding of local water supplies, clean water, water conservation and flood water protection were not developed with California's current water realities in mind.
- F. Furthermore, local governments face thousands of dollars in fines per day from the state and federal governments if they cannot meet obligations under the federal Clean Water Act and state laws and regulations to adequately capture and treat toxic stormwater and urban runoff.

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- G. An alternative method for funding critical local water supplies, water quality, water conservation and flood protection projects is needed.
- H. This measure establishes an alternative funding method that authorizes local agencies to:
  - i. Set rates for customers to encourage water conservation, prevent waste, and discourage excessive use of water.
  - ii. Levy fees or charges, subject to ratepayer protest, for flood control, and for management of stormwater to protect coastal waters, rivers, lakes, streams, groundwater and other sources of drinking water from contamination and to comply with the federal Clean Water Act and state laws and regulations.
  - iii. Use fees or charges to reduce water, and sewer fees or charges for low-income customers.
- I. Any local agency that utilizes this alternative funding method for water, flood control, stormwater, or sewer service should be required to adhere to strict accountability, transparency and ratepayer protections. This includes:
  - i. Providing local ratepayers with a description of the need for the proposed fee or charge and a list of the projects and purposes projected to be funded by any proposed fee or charge in advance of any public hearing or consideration of the fee or charge;
  - ii. Posting the description of the proposal on the agency's Internet website with all applicable exhibits;
  - iii. Providing local ratepayers a notice of the date and time of the public hearing the local agency will hold on the proposed fee or charge;
  - iv. If written protests against the fee or charge are presented by a majority of persons to whom the local agency sent the notice about the proposal then the local agency shall not impose, increase or extend the fee or charge;
  - v. All money must be spent for the local purpose for which the fee or charge was imposed and cannot be taken by state government;
  - vi. Revenues derived from the fee or charge shall not exceed the reasonable cost to the local agency of providing the water, flood control, stormwater, or sewer service or be used for any purpose other than that for which it was imposed;
  - vii. The manner in which the costs are allocated to a fee payor shall bear a fair or reasonable relationship to the fee payor's burden on or benefits received from the water, flood control, stormwater, or sewer service;
  - viii. The initiative power of voters may be used to repeal or reduce the fee or charge in the future with the filing of a petition calling for an election on the question;
  - ix. Independent annual audits shall be made available to the public showing how all funds are spent.

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- J. This new funding method will allow local agencies to invest in the water supplies, water quality, flood protection and water management and conservation programs we need, while guaranteeing a high level of accountability and ratepayer protections.

**SECTION 3. Section 8 is hereby added to Article X of the California Constitution to read as follows:**

**SEC. 8 Water, Flood Control, Stormwater, and Sewer Service**

(a) Alternative funding method. This section provides alternative procedures and requirements for funding water service, flood control service, stormwater service, and sewer service independent of any other procedures and requirements in this Constitution for funding these services.

(1) A local agency that adheres to the procedures and requirements of this section, including the strict accountability requirements to protect local ratepayers, may use at its discretion, the provisions of this section instead of any other procedures or requirements in this Constitution for funding the cost of providing water service, flood control service, stormwater service, and sewer service only if undertaken voluntarily and at the sole discretion of the local agency.

(2) The revenues derived from the fees or charges imposed in accordance with this section may only be used by the local agency that imposed, increased or extended the fee or charge, and like other fees or charges imposed, increased or extended by local agencies, the Legislature is prohibited from reallocating, transferring, borrowing, appropriating, restricting the use of, or otherwise using the proceeds of such fees or charges.

(b) Definitions. As used in this section:

(1) "Fee" or "charge" means any levy other than an ad valorem tax, a special tax, or an assessment, imposed by a local agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for water service, flood control service, stormwater service, or sewer service having a direct relationship to property ownership.

(2) "Flood control service" means any system of public improvements, facilities, projects, or services for the collection, conveyance, drainage, control, conservation, or management, of flood water to: (A) reduce the risk of flooding of public or private property, or (B) comply with federal or state laws, rules and regulations.

(3) "Local agency" means any city, county, city and county, including a charter city or county, special district, or any other local or regional governmental entity.

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(4) "Property ownership" shall be deemed to include tenancies of real property where tenants are directly liable to pay the fee or charge.

(5) "Sewer service" means any system of public improvements, facilities, projects, or services for the collection, conveyance, conservation, drainage, disposal, recycling or treatment of dry weather runoff, sewage or waste to: (A) conserve and protect sources of drinking water, such as rivers, lakes, streams and groundwater, or the environment, such as beaches, coastal waters, and wetlands, from toxic chemicals, biological contaminants, and other pollutants; (B) protect public health and safety; or (C) comply with federal or state laws, rules, and regulations.

(6) "Stormwater service" means any system of public improvements, facilities, projects or services for the collection, conveyance, conservation, drainage, disposal, recycling or treatment of stormwater and dry weather runoff to: (A) protect sources of drinking water, such as rivers, lakes, streams and groundwater, or the environment, such as beaches, coastal waters, and wetlands from toxic chemicals, biological contaminants, and other pollutants; (B) protect public health and safety; (C) conserve water; or (D) comply with federal or state laws, rules and regulations.

(7) "Water service" means any system of public improvements, facilities, projects or services intended to provide for the production, management, storage, supply, treatment, recycling, conservation or distribution of water from any source.

(c) Requirements for new, increased or extended fees or charges. A fee or charge for water service, flood control service, stormwater service, or sewer service shall not be imposed, increased, or extended by a local agency pursuant to this section unless it meets all of the following requirements:

(1) Revenues derived from the fee or charge shall not exceed the reasonable cost to the local agency of providing the water service, flood control service, stormwater service, or sewer service.

(2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.

(3) The manner in which the costs of the water service, flood control service, stormwater service, or sewer service are allocated to a fee payor shall bear a fair or reasonable relationship to the fee payor's burdens on or benefits received from the water service, flood control service, stormwater service, or sewer service.

(d) Conservation fee or charge; low-income households. A local agency that imposes, extends, or increases a fee or charge pursuant to this section may do either or both of the following:

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(1) Allocate the cost of water service, flood control service, stormwater service or sewer service by increasing or decreasing the amount of a fee or charge as part of a rate structure reasonably designed to encourage water conservation and resource management in furtherance of the policy established in section 2;

(2) Increase the amount of a fee or charge to derive revenues that do not exceed the reasonable cost of reducing such fee or charge for lower-income households.

(e) Notice, public hearing and majority protest. A local agency shall comply with the procedures of this subdivision in imposing, increasing, or extending a fee or charge for water service, flood control service, stormwater service, or sewer service pursuant to this section:

(1) The local agency shall provide written notice by mail of the new fee or charge or the proposed increase in or extension of an existing fee or charge to the fee payor listed in the local agency's billing, or customer service records or other appropriate records. If the fee or charge is or will be imposed on a parcel, the local agency shall provide written notice to the record owner as provided in paragraph (4). The local agency may include the notice in the agency's regular billing statement for the fee or charge to the person at the address to which the agency customarily mails the billing statement for water service, flood control service, stormwater service, or sewer service. If the customer is billed only electronically, the agency shall provide notice by mail.

(2) The notice required by paragraph (1) shall include the amount of the fee or charge proposed to be imposed on the recipient of the notice or the basis upon which the amount of the fee or charge will be calculated, together with the date, time and location of the public hearing on the fee or charge. The notice also shall state that if written protests against the fee or charge are presented by a majority of persons to whom the local agency sent the notice required by paragraph (1), then the local agency shall not impose, increase or extend the fee or charge.

(3) The notice required by paragraph (1) shall include a general description of the services, facilities and improvements projected to be funded with the proceeds derived from the new fee or charge or proposed increase in, or extension of the fee or charge. A more complete description of the projected services, facilities and improvements, including any applicable exhibits, shall be made available at an accessible location and on the local agency's Internet website.

(4) If the local agency desires to preserve any authority it may have to record or enforce a lien on the parcel to which service is provided, the local agency shall also mail notice to the record owner's address shown on the last equalized assessment roll if that address is different than the billing address.

(5) The local agency shall conduct a public hearing upon the proposed fee or charge not less than 45 days after mailing the notice required by paragraph (1). At the

January 19, 2016

public hearing, the local agency shall consider all oral and written protests against the fee or charge. If written protests against the fee or charge are presented by a majority of persons to whom the local agency sent the notice required by paragraph (1), then the local agency shall not impose, increase or extend the fee or charge. One written protest per service address shall be counted in calculating a majority protest pursuant to this paragraph.

(f) Burden of proof. The local agency bears the burden of proving by a preponderance of the evidence that the amount of a fee or charge is no more than necessary to cover the reasonable costs of the water service, flood control service, stormwater service, or sewer service, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the water service, flood control service, stormwater service, or sewer service. A fee or charge levied pursuant to and in compliance with this section is not a tax

(g) Initiative power for fees or charges. Notwithstanding any other provision of this Constitution, including, but not limited to Sections 8 and 9 of Article II, the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any fee or charge for water service, flood control service, stormwater service, or sewer service adopted, increased or extended pursuant to this section. The power of the initiative to affect such fees or charges shall be applicable to all local agencies and neither the Legislature nor any local government charter shall impose a signature requirement higher than that applicable to statewide statutory initiatives.

(h) Mandatory audit. Any local agency that approves a fee or charge for water service, flood control service, stormwater service, or sewer service in accordance with this section shall cause to be prepared an independent financial audit of the receipt and expenditure of the revenues derived from the fee or charge. Such an audit may be part of a comprehensive audit of the agency's finances, but the audit shall identify the revenues received and expended in accordance with this section with sufficient clarity to help ratepayers compare the use of the funds to the description provided in paragraph (3) of subdivision (e).

#### **SECTION 4. Severability**

If the provisions of this act, or part thereof, are for any reason held to be invalid or unconstitutional, the remaining provisions shall not be affected, but shall remain in full force and effect and to this end the provisions of this act are severable.

#### **SECTION 5. Conflicting Measures**

It is the intent of the people that in the event that this measure and another measure relating to the establishment of an alternative method of imposing, increasing, or extending fees or charges to fund water service, flood control service, stormwater

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service, or sewer service appear on the same statewide election ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure, and if approved by the voters, this measure shall take effect notwithstanding.

**SECTION 6. Liberal Construction**

The provisions of this act shall be liberally construed in order to effectuate its purposes and the intent of the voters to provide local agencies alternative procedural and substantive requirements for imposing fees and charges for water service, flood control service, stormwater service, and sewer service from those otherwise found in the Constitution.

## EXHIBIT "C"

### SUGGESTED ADVANCED PURIFIED DEMONSTRATION WATER BILL LANGUAGE

An act to add Section 13570 to the Water Code, relating to bottled advanced purified demonstration water.

SECTION 1. Section 13570 is added to the Water Code, to read:

13570. (a) As used in this section, "advanced purified demonstration water" means product water from an advanced water purification facility that satisfies both of the following requirements:

(1) The product water is treated by means of all of the following treatment processes:

- (A) Microfiltration, ultrafiltration, or other filtration processes to remove particulates before reverse osmosis.
- (B) Reverse osmosis.
- (C) Advanced oxidation.

(2) The product water meets or is superior to all federal and state drinking water standards.

(b) An advanced water purification facility may use an alternative to a requirement in this section if the facility demonstrates to the Division of Drinking Water of the State Water Resources Control Board that the proposed alternative assures at least the same level of protection to public health.

(c) Except as expressly set forth in this section, the operator of a facility producing advanced purified demonstration water may cause that water to be bottled and distributed as samples for educational purposes and to promote water purification, without complying with the requirements of Article 12 of Chapter 5 of Part 5 of Division 104 (commencing with Section 111070) of the Health and Safety Code.

(d) Any operator seeking to bottle advanced purified demonstration water shall collect water samples prior to the commencement of the bottling process, and test that water in accordance with Section 111165 of the Health and Safety Code. Advanced purified demonstration water shall not be distributed unless that water meets or is superior to all federal and state drinking water standards, all maximum contaminant levels established by the Division of Drinking Water for public drinking water, and all water quality requirements imposed by regulatory agencies on the water purification facility that produces the product water being used as advanced purified demonstration water.

(e) Advanced purified demonstration water may only be bottled at a licensed water-bottling plant in compliance with Sections 111080, 111120, 111145, and 111155 of the Health and Safety Code.



(f) Advanced purified demonstration water shall be handled from the point of production to the completion of bottling in accordance with all regulations governing the transportation, bottling, and handling of bottled water, as defined in subdivision (a) of Section 111070 of the Health and Safety Code, including, but not limited to, subdivisions (b), (f), and (h) of Section 111075 of the Health and Safety Code. A water bottling plant that bottles advanced purified demonstration water in accordance with this section may also bottle other potable water, subject to compliance with Article 12 of Chapter 5 of Part 5 of Division 104 (commencing with Section 111070) of the Health and Safety Code.

(g) Advanced purified demonstration water shall be bottled in nonreturnable (one-way) bottles or packages with labels containing the following information in an easily readable format that complies with all of the following:

(1) The label shall state "sample water--not for sale" and "advanced purified water meeting all federal and state drinking water standards."

(2) The label shall set forth the name, address, telephone number, and Internet Web site of the operator of the facility producing the advanced purified demonstration water.

(3) The label shall include a brief description of the advanced purified demonstration water, including its source and the treatment processes to which the water is subjected.

(h) A specific water purification facility may not bottle more than 2,500 gallons of advanced purified demonstration water in a calendar year.

(i) No advanced purified demonstration water shall be sold or otherwise distributed in exchange for financial consideration.

(j) Bottled advanced purified demonstration water may be distributed as a sample at no cost for educational purposes or to promote water purification.