

AGENDA
 IRVINE RANCH WATER DISTRICT
 WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE
 WEDNESDAY, JUNE 13, 2018

CALL TO ORDER 3:30 p.m., Committee Room, Second Floor, District Office
 15600 Sand Canyon Avenue, Irvine, California

ATTENDANCE Committee Chair: Mary Aileen Matheis _____
 Member: Steve LaMar _____

ALSO PRESENT

Paul Cook	_____	Cheryl Clary	_____
Beth Beeman	_____	Paige Midstokke	_____
Mark Tettemer	_____	Christine Compton	_____
Fiona Sanchez	_____	Amy McNulty	_____
Paul Weghorst	_____	Kellie Welch	_____
Ray Bennett	_____	Jo Ann Corey	_____
_____	_____	_____	_____
_____	_____	_____	_____

COMMUNICATIONS

1. Notes: Sanchez
2. Public Comments
3. Determine the need to discuss and/or take action on item(s) introduced that came to the attention of the District subsequent to the agenda being posted.
4. Determine which items may be approved without discussion.

INFORMATION

5. GRANT FUNDING OVERVIEW – PALACIO/WELCH/SANCHEZ/WEGHORST

Recommendation: Receive and file.

ACTION

6. GET SMART WATER-ENERGY CUSTOMER PROGRAM – SEESANGRIT/MCNULTY/SANCHEZ/WEGHORST

Recommendation: That the Board authorize the General Manager to execute the Installation Services Agreement with Eagle Systems International, Inc. doing business as Synergy Companies, for the Get Smart program that commits funding in the amount of \$350,000, subject to non-substantive changes.

ACTION

7. SYPHON RESERVOIR IMPROVEMENT PROJECT COMMUNICATIONS AND OUTREACH PLAN – BEEMAN/WEGHORST

Recommendation: That the Committee provide input on the proposed communications and outreach plan for the Syphon Reservoir Project.

8. 2018 LEGISLATIVE AND REGULATORY UPDATE – COMPTON/COOK

Recommendation: That the Board adopt an “OPPOSE” position on SB 998 (Dodd, D-Napa) and a “SUPPORT” position on the Water Supply and Water Quality Act of 2018.

OTHER BUSINESS

9. Directors’ Comments

10. Adjourn

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.

June 13, 2018

Prepared by: N. Palacio/K. Welch

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

Approved by: Paul A. Cook *PA Cook*

WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

GRANT FUNDING OVERVIEW

SUMMARY:

Over the last five years, Irvine Ranch Water District (IRWD) has actively pursued and been awarded numerous grants and other outside funding assistance for many District projects and programs. At the Committee meeting, staff will present a summary of outside funding received over the past five years. Staff will also present an overview of other funding opportunities currently being pursued for IRWD projects.

BACKGROUND:

In the past, IRWD has pursued numerous grants and other financial assistance opportunities for its projects and programs. Over the past five years, staff has worked with many agencies to secure \$16.4 million in grant funding and \$19.4 million in other outside funding related to water or energy efficiency programs. Staff has compiled a summary of the grants awarded over the past five years, which is provided as Exhibit "A". Staff has also compiled a list of other grants and outside funding opportunities currently being pursued for various District projects. This list of other opportunities is provided as Exhibit "B". At the Committee meeting, staff will present an overview of the information contained in both exhibits.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Schedule of Grants and Other Outside Funding Received in the Last Five Years
Exhibit "B" – Other Grant and Outside Funding Opportunities

EXHIBIT "A"

Five Year Schedule of Grants and Other Outside Funding (FY 2013-2017)

Grants

Agency/ Program	Project	Funding Award	Award Date
CDPH- Proposition 50	Well 115 Replacement Project	\$ 2,264,475.00	5/1/2013
DWR- Proposition 84	Peters Canyon Wash Channel Water Capture and Reuse Pipeline Project	\$ 1,000,000.00	2/4/2014
DWR	Water-Energy Grant Program	\$ 1,932,621.00	7/1/2014
USBR	Stockdale Recovery Facilities Project	\$ 1,000,000.00	7/1/2014
USBR	Irvine Lake Pipeline Conversion Project	\$ 300,000.00	1/1/2015
SWRCB- Proposition 1	Irvine Lake Pipeline Conversion Project	\$ 9,728,355.00	10/19/2016
SCAMD- 2017 Natural Gas Infrastructure Program	Limited Access CNG Station	\$ 185,000.00	4/6/2018
Total:		\$ 16,410,451.00	

Water and Energy Funding Incentives/Rebates

Agency/ Program	Project	Incentives/Savings	Award Date
SCE- Savings-by-Design	Wells 21 & 22 Treatment Facility	\$ 65,990.96	6/25/2013
SCE- Savings-by-Design	Baker Water Treatment Plant	\$ 361,236.55	7/27/2016
SCE- Savings-by-Design	MWRP BioSolids	\$ 328,000.06	10/26/2017
SCE- Customized Solutions/EE Calculated	MWRP Timer Express Install	\$ 15.00	12/27/2013
SCE- Customized Solutions/EE Calculated	Plant Product Pump 560-PT	\$ 40,273.60	1/14/2014
SCE- Customized Solutions/EE Calculated	Dyer Road Well Field #2 Pump Overhaul	\$ 9,017.48	4/22/2014
SCE- Customized Solutions/EE Calculated	E Irvine ZN 3, Pump Overhaul	\$ 1,414.40	9/17/2013
SCE- Customized Solutions/EE Calculated	Coastal Zone B-D Pumps 1 & 4	\$ 6,481.92	4/6/2017
SCE- Customized Solutions/EE Calculated	Well 77 Pump Overhaul	\$ 8,954.59	5/19/2017
SCE- Retrocommissioning Projects	MWRP Low Energy Advanced Primary Retrofit	\$ 139,047.84	11/3/2017
SCE- Retrocommissioning Projects	Turblex Blower Overhaul	\$ 50,695.92	7/1/2016
California Solar Incentive	Performance Based Incentive	\$ 492,583.00	3/7/2017
MWDOC-So Cal WaterSmart	Baker Water Treatment Plant Landscape	\$ 18,850.00	11/16/2017
MWDOC-So Cal WaterSmart	Turf Removal Drought Tolerant Landscaping Project	\$ 5,401.00	3/20/2016
MWDOC-So Cal WaterSmart	Tustin Well 21 Turf Removal & Landscape	\$ 3,400.00	10/30/2015
Institute of Transportation Studies	NG Fleet Vehicle (2016 Kenworth T880)	\$ 25,000.00	2/23/2016
OCTA Local Tax	Peters Canyon Wash Channel Water Capture and Reuse Pipeline Project	\$ 3,273,105.00	2/9/2016
Self-Generating Incentive Program	MWRP BioSolids Microturbine	\$ 2,172,000.00	pending
SCG_ Rule No.38 Equipment Incentive Program	MWRP Biosolids Microturbine	\$ 150,000.00	pending
Locheed Martin- SmartWatt	Office Buildings LED Lighting	\$ 123,677.00	pending
Advanced Microgrid Systems	Demand Response Energy Storage Systems (annual savings)	\$ 342,350.00	pending
Advanced Microgrid Systems	Demand Management Systems (annual savings)	\$ 16,750.00	pending
Total:		\$ 7,634,244.32	

MWD Local Resource Program

Agency/ Program	Project	Funding Received 2013-2018	Effective Date
MWD- Local Resource Program	Irvine Desalter Project	\$ 4,288,905.50	FY 2007
MWD- Local Resource Program	Wells 21 & 22	\$ 2,645,117.00	FY 2013
MWD- Local Resource Program	Michelson/Los Alisos WRP Upgrade	\$ 4,846,818.60	FY 2005
Total:		\$ 11,780,841.10	

Exhibit B
Other Grant and Outside Funding Opportunities

Agency/Program	Project	Funding Pursued	Anticipated Award Date
Water Storage Investment Program under Proposition 1*	Kern Fan Groundwater Storage Project	\$85,700,000	July 2018
WaterSMART: Title XVI Water Recycling Projects under WIIN Act	Syphon Reservoir Improvement Project	\$20,000,000	2019
MWD Local Resource Program	Syphon Reservoir Improvement Project	<i>Not yet determined</i>	<i>Not yet determined</i>
SCE-IRWD Water-Energy Pilot	Baker Solar PV	<i>Not yet determined</i>	<i>Not yet determined</i>
SCE-IRWD Water-Energy Pilot	MWRP Recycled Water Storage	<i>Not yet determined</i>	<i>Not yet determined</i>
2019 WaterSMART Grant Programs	<i>Not yet determined</i>	<i>Not yet determined</i>	<i>Not yet determined</i>

**Project partner Rosedale-Rio Bravo WSD will receive half the funding awarded*

June 13, 2018

Prepared by: M. Seesangrit/A. McNulty *Am.*

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

Approved by: Paul A. Cook *Paul A. Cook*

WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

GET SMART WATER-ENERGY CUSTOMER PROGRAM

SUMMARY:

In 2017, IRWD successfully implemented a combined water-energy efficiency program with Southern California Edison (SCE) and Southern California Gas Company (SoCal Gas). Staff proposes to continue this water-energy partnership in 2018 with the implementation of a new program, called the “Get Smart” program. The Get Smart program will provide customers with Rachio smart irrigation timers (smart timers) and Nest thermostats. IRWD will provide funding for the smart timers while the energy utilities will provide funding for the thermostats. SCE and SoCal Gas have a contract with Synergy Companies to implement the energy portion of the program. Synergy Companies is also qualified to implement the water portion of the program. Staff recommends the Board authorize the General Manager to execute an Installation Services Agreement with Synergy Companies in the amount of \$350,000 for the water portion of the Get Smart program.

BACKGROUND:

In 2017, IRWD collaborated with SCE and SoCal Gas to implement a grant-funded program called the “One-Stop Shop for Water and Energy Efficiency” (One-Stop Shop program). The Department of Water Resources provided \$1.9 million in grant funding for the One-Stop Shop program. This successful program garnered interest from over 2,400 customers and 1,959 homes were provided with utility-provided water and energy efficiency upgrades by completing a single program application. The grant-funded One-Stop Shop program is now complete. To build on the success of the program, staff is proposing to continue the successful partnership with SCE and SoCal Gas by implementing a new water-energy program called “Get Smart”.

Get Smart Program:

The proposed Get Smart program will offer mutual customers of IRWD, SCE and SoCal Gas a Rachio smart irrigation timer and a Nest thermostat. The proposed program will launch in July 2018 and will facilitate the conservation of water and energy during the summer months by providing smart devices that automatically make adjustments of water and energy use based on irrigation demands and air conditioning requirements. Over-watering during the hot summer months is one of the leading causes of high water use. Smart timers can help customers avoid over-watering by automatically making the appropriate irrigation schedule adjustments based on the weather and specific conditions of landscape areas.

The webpage and registration portal that was created for the One-Stop Shop program will be rebranded for the Get Smart program. Repurposing the registration portal will eliminate the majority of program start-up costs. New marketing materials will direct customers to register on the program portal. Eligible customers may receive up to two Rachio smart timers, depending upon their landscape needs and a detailed assessment of their landscape. The Rachio 2 model was the smart timer used in the One-Stop Shop program. The new Rachio 3 model will be used in the Get Smart program.

Rachio 3 Smart Timer:

The Rachio 3 smart timer technology is compatible with the Nest smart home system offered by the energy utilities. The Rachio smart timer platform has an application that is accessible from a smartphone. This easy-to-use application provides customers with information about irrigation schedules such as anticipated run times, total gallons of water used per irrigation cycle and notifications if the controller is offline. Customers will receive on-site training on how to program the Rachio 3 controller using their smartphones.

Agreement with Synergy Companies:

Staff proposes that IRWD enter into an agreement with Eagle Systems International, Inc, doing business as Synergy Companies to install the Rachio 3 smart timers at eligible customer locations. Synergy Companies was the installation contractor for the One-Stop Shop program and is currently the only company under contract with SCE and SoCal Gas to install the Nest thermostats. By entering into an agreement with Synergy Companies to install the smart timers, IRWD can leverage the energy utilities' smart thermostat direct installation program and continue to provide a "One-Stop Shop" experience for customers who participate in the new Get Smart program.

The draft agreement and scope of services from Synergy Companies for implementation of the Get Smart Program is attached as Exhibit "A". Staff recommends that the Board authorize the General Manager to execute an agreement with Synergy Companies for the Get Smart program that commits funding in the amount of \$350,000.

FISCAL IMPACTS:

Funding for a smart timer distribution program is included in the FY 2018-19 Operating Budget in the amount of \$350,000.

ENVIRONMENTAL COMPLIANCE:

This program is not a project as defined in the California Environmental Quality Act as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

That the Board authorize the General Manager to execute the Installation Services Agreement with Eagle Systems International, Inc. doing business as Synergy Companies, for the Get Smart program that commits funding in the amount of \$350,000, subject to non-substantive changes.

LIST OF EXHIBITS:

Exhibit "A": Agreement with Synergy Companies for Get Smart Program

EXHIBIT "A"

INSTALLATION SERVICES AGREEMENT

This INSTALLATION SERVICES AGREEMENT ("Agreement") is effective _____, 20__ ("Effective Date") and is between the IRVINE RANCH WATER DISTRICT, a California Water District formed and existing pursuant to the California Water District Law ("District"), and EAGLE SYSTEMS INTERNATIONAL, INC., a Utah corporation doing business as SYNERGY COMPANIES ("Contractor"). The District and the Contractor are each a "party" and together are the "parties."

The District sponsors a program for direct installation of certain fixtures and equipment in its customer's properties in order to encourage water use efficiency. Contractor is a contractor licensed in the State of California that installs efficiency and conservation fixtures and equipment. The Parties intend by this Agreement to provide for Contractor's provision of on-call installation services of water efficiency fixtures and equipment at the sites of certain District customers, as directed by the District

The Parties therefore agree as follows:

1. Agreement. The following documents (if applicable) are incorporated into this Agreement by this reference:

Certificate(s) of Insurance and Endorsements

In the event of conflict between any of the terms and conditions contained in the above-listed documents and any of the terms and conditions contained in this Agreement, the parties agree that the terms and conditions contained in this Agreement will control.

2. Services. Subject to the terms and conditions set forth in this Agreement, Contractor agrees to provide District the services described in the Scope of Services, attached hereto as Exhibit 1 ("Services"). Contractor must, at its sole cost and expense, furnish all equipment that may be required for furnishing the Services. Contractor will not be compensated for services outside the scope of the Services as described in Exhibit 1, and in the Contractor's proposal, unless prior to the commencement of such out of scope services: (a) Contractor notifies District and District agrees that such services are out of scope services; (b) Contractor estimates the additional compensation required for such out of scope services; and (c) District, after notice, approves in writing a variance in the form attached hereto as Exhibit 6, specifying such out of scope services and amount of compensation for performing those out of scope services. District does not have any obligations whatsoever under this Agreement and/or any variance unless and until this Agreement and/or any variance is approved by the District's General Manager or authorized designee. Specific authorization to proceed with the Services shall be granted

in writing by District. Contractor shall not proceed with the Services unless authorized. If it is specified in the Scope of Services as described in Exhibit 1 that the Services are to be performed in phases as authorized, Contractor shall not proceed with any phase unless it is separately authorized.

3. Exhibits. The following exhibits are attached to this Agreement and incorporated into this Agreement by this reference:

- ___ Exhibit 1 – Scope of Services
- ___ Exhibit 2 – Fee Schedule (including Schedule of Charges for Services)
- ___ Exhibit 3 – Insurance Requirements
- ___ Exhibit 4 – Public Works Requirements
- ___ Exhibit 5 – Special Provisions
- ___ Exhibit 6 – Non-consultant Services Variance

4. Payment. District must pay Contractor for the Services in the manner specified in Exhibit 2. The payments specified in Exhibit 2 are the only payments to be made to Contractor for the services rendered pursuant to this Agreement unless pursuant to Section 1, above, District approves additional compensation for additional services. Contractor must submit all billings for said services to District in the manner specified in Exhibit 2.

5. No Guarantee of Compensation for On-Call Services. If this Agreement is an agreement for “on-call” Services, District makes no guarantee to Contractor as to the amount of Contractor-provided on-call Services will be requested by the District or the amount of compensation that will be provided Contractor pursuant to this Agreement. Under no circumstances, will Contractor or any of its subcontractors be entitled to or compensated for any direct or indirect loss arising from or relating to District’s failure to authorize performance of services under this Agreement. Such direct and indirect loss includes, but is not limited to, loss of expected profits, business overhead, loss of productivity, and loss of opportunity to work on other projects.

6. Standards of Performance. Contractor must perform all Services required pursuant to this Agreement in the manner and according to the standards currently observed by a competent practitioner of Contractor’s industry in California. Contractor must prepare all deliverables provided to District pursuant to this Agreement in a professional manner and conform to the standards of quality normally observed by a person currently practicing in Contractor’s industry, and must be provided in accordance with any schedule of performance specified in Exhibit 1. Contractor must assign only competent personnel to perform Services. Contractor must also devote such time and effort to the performance of Services as is necessary for the satisfactory and timely performance of Contractor’s

obligations under this Agreement. Neither party will be deemed in default of this Agreement, to the extent that party's performance is prevented or delayed by any cause, present or future, that is beyond the reasonable control of that party.

7. Independent Contractor. It is understood and agreed that Contractor (including Contractor's employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto for any purpose whatsoever. Neither Contractor nor Contractor's assigned personnel shall be entitled to any benefits payable to employees of District. District is not required to make any deductions or withholdings from the compensation payable to Contractor under the provisions of this Agreement. It is further understood and agreed by the parties hereto that Contractor, in the performance of its obligations hereunder, is subject to the control and direction of District as to the designation of tasks to be performed and the results to be accomplished under this Agreement, but not as to the means, methods, or sequence used by Contractor for accomplishing such results. To the extent that Contractor obtains permission to, and does, use District facilities, space, equipment or support services in the performance of this Agreement, this use is at the Contractor's sole discretion based on the Contractor's determination that such use will promote Contractor's efficiency and effectiveness. Except as may be specifically provided elsewhere in this Agreement, the District does not require that Contractor use District facilities, equipment or support services or work in District locations in the performance of this Agreement. If, in the performance of this Agreement, any third persons are employed by Contractor, then Contractor must ensure that such persons are entirely and exclusively under Contractor's direction, supervision, and control.

8. Contractor Not Agent of District. Except as District may specify in writing, Contractor and Contractor's personnel do not have authority, express or implied, to act on behalf of District in any capacity whatsoever as an agent. Contractor and Contractor's personnel do not have the authority, express or implied, to bind District to any obligations whatsoever.

9. Conflicts of Interest. Contractor covenants that neither it, nor any officer or principal of its firm, has or will acquire any interest, directly or indirectly, that would conflict in any manner with the interests of District or that would in any way hinder Contractor's performance of the Services. Contractor further covenants that in the performance of this Agreement, no person having any such interest will be employed by Contractor as an officer, employee, agent or subcontractor, without the written consent of District. Contractor agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the interests of District at all times during the performance of this Agreement.

10. Licenses and Permits. Except for any licenses, permits, or approvals which are expressly provided by the Scope of Services to be obtained by the District, Contractor represents and warrants that Contractor has all licenses, permits, qualifications, and approvals that are legally required for Contractor to provide the Services. Contractor represents and warrants that Contractor will, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, and approvals that are legally required for Contractor to provide the Services. Without limiting the generality of the foregoing, if Contractor is an out-of-state corporation, Contractor warrants and represents that it possesses a valid certificate of qualification to transact business in the State of California issued by the California Secretary of State pursuant to Section 2105 of the California Corporations Code.

11. Indemnification. Contractor agrees to defend, hold harmless and indemnify District, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably attorney fees and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), including but not limited to Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way connected with performance of or failure to perform this Agreement by Contractor, any subcontractor or agent, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment; provided that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the negligence or willful misconduct of District.

12. Insurance Requirements. During the entire term of this Agreement, Contractor must maintain the insurance coverage described in Exhibit 3.

13. Public Works Requirements. If the Services include "public work" subject to the requirements of the California Labor Code or other applicable statutes (generally, any of the following paid for by the District, with a contract amount of \$1,000 or more: construction work (including inspection and land surveying), alteration work, demolition work, installation work, street or other improvement work, repair work, certain refuse hauling for disposal, and maintenance work other than routine or recurring janitorial or

custodial work), Contractor shall comply with the requirements set forth in Exhibit 4, to the extent applicable to any of the Services.

14. Non-Discrimination. Contractor represents and warrants that it has and adheres to a policy of equal opportunity non-discrimination, and non-harassment of all persons regardless of race, religion, color, national origin, ancestry, disability, medical condition, marital status, gender, age, veteran status, or sexual orientation. Such policy must be in conformance with applicable State and Federal guidelines including the California Government Code Section 12940 (h), 12940(i), and the Federal Equal Opportunity Clause “Section 60-1.4 of Title 41, Part 60 of the Code of Federal Regulations” and must apply to all employment practices including recruitment, candidate selection, training, compensation, promotion, demotion, and recreation. Contractor will designate a specific person responsible for assuring nondiscrimination and non-harassment as provided in the Agreement. That named individual will be responsible for investigating all complaints directed to him/her by District. District will refer complaints in writing, and investigations will be deemed concluded only upon submission of a written investigation report from the Contractor to the District. The scope of such investigations includes not only officers, employees, and agents of the Contractor, but also all subcontractors, subcontractors, material, men, and suppliers of the Contractor. In cases where such investigation results in a finding of discrimination, harassment, or hostile work environment, Contractor must take prompt, effective disciplinary action against the offender. Failure to take appropriate action may be considered a material breach of the Agreement.

15. Compliance with Laws. In the performance of this Agreement, Contractor must at all times comply with all applicable governmental laws, statutes, ordinances, rules, codes, regulations, orders and other requirements. Upon the District's request, Contractor must provide the District with documentation demonstrating Contractor's compliance with such governmental requirements. After reasonable notice and under reasonable conditions, Contractor agrees that the District has the right to inspect and copy any records of Contractor regarding such compliance. Contractor represents and warrants that neither Contractor nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any government department or agency.

16. Term; Suspension; Termination. This Agreement will become effective on the date that it is approved by both parties, set forth on the first page of the Agreement, and continues in effect until both parties have fully performed their respective obligations under this Agreement, unless sooner terminated as provided herein. District must have the right at any time to temporarily suspend Contractor's performance hereunder, in

whole or in part, by giving a written notice of suspension to Contractor. If District gives such notice of suspension, Contractor must immediately suspend its activities under this Agreement, as specified in such notice. District may terminate this Agreement at any time by giving at least 10-days prior written notice of termination to Contractor. If District gives such notice of termination, Contractor must immediately cease rendering Services pursuant to this Agreement. If District terminates this Agreement, Contractor must, no later than five days after such notice of termination, deliver to District all Work Product prepared pursuant to this Agreement. District must pay Contractor the reasonable value of Services rendered by Contractor prior to termination.

17. Confidentiality of District Information. During performance of this Agreement, Contractor may gain access to and use District information regarding personnel, future plans, business affairs, governmental affairs, processes, trade secrets, security of facilities, customer account information, and other sensitive information (hereafter collectively referred to as "District Information"). Contractor agrees to protect all District Information and treat it as strictly confidential, and further agrees not at any time, either directly or indirectly, to divulge, disclose or communicate in any manner any District Information to any third party without the prior written consent of District. A violation by Contractor of this Section is a material violation of this Agreement and must justify legal and/or equitable relief.

18. Ownership of Work Product. Contractor agrees that District has full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by Contractor pursuant to this Agreement ("Work Product"). Contractor is not responsible for any unauthorized modification or use of such Work Product for other than its intended purpose by District. Contractor agrees to fully defend, indemnify and hold harmless District, its officers and employees, and each and every one of them, from and against any and all claims, actions, lawsuits or other proceedings alleging that all or any part of the information prepared, produced, or provided by Contractor pursuant to this Agreement infringes upon any third party's trademark, trade name, copyright, patent or other intellectual property rights.

19. California Public Records Act. All proprietary and other information received from Contractor by District, whether received in connection with Contractor's proposal to District or in connection with any Services performed by Contractor, will be disclosed upon receipt of a request for disclosure, pursuant to the California Public Records Act; provided, however, that, if any information is set apart and clearly marked "trade secret" when it is provided to District, District must give notice to Contractor of any request for the disclosure of such information. The Contractor has five (5) days from the date it

receives such notice to enter into an agreement with the District, satisfactory to the District Counsel, providing for the defense of, and complete indemnification and reimbursement for all costs (including plaintiff's attorney fees) incurred by District in any legal action to compel the disclosure of such information under the California Public Records Act. The Contractor has sole responsibility for defense of the actual "trade secret" designation of such information. The failure of Contractor to respond to the notice provided by District constitutes a complete waiver by Contractor of any rights regarding the information designated "trade secret" by Contractor, and such information will be disclosed by District pursuant to the California Public Records Act.

20. Severability. The parties agree that if any portion of this Agreement or the application thereof to any person or circumstance is held invalid or unenforceable, then the remainder of this Agreement will remain effective and is enforceable to the greatest extent permitted by law.

21. Waiver. Neither District acceptance of, or payment for, any Service or Additional Service performed by Contractor, nor any waiver by either party of any default, breach or condition precedent, may be construed as a waiver of any provision of this Agreement, nor as a waiver of any other default, breach or condition precedent or any other right hereunder.

22. Choice of Law and Venue. The parties agree that this Agreement is to be governed, construed and enforced in accordance with the laws of the State of California. The parties also agree that the venue of any litigation arising out of or connected with this Agreement will lie exclusively in the state trial court or Federal District Court located in Orange County in the State of California, and the parties consent to jurisdiction over their persons and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

23. No Assignment. The expertise and experience of Contractor are material considerations for this Agreement. District has a strong interest in the qualifications and capability of the persons and entities who will fulfill the obligations imposed on Contractor under this Agreement. In recognition of this interest, Contractor must not assign any right or obligation pursuant to this Agreement without the written consent of the District. Any attempted or purported assignment without District's written consent is void and of no effect.

24. Survival of Terms. The provisions of Section 5, 7, 8, 9, 10, 11, 15, and 17 through 26, survive termination of this Agreement.

25. Binding Effect. This Agreement is binding on the heirs, executors, administrators, successors and assigns of the parties.

26. Entire Agreement. This document, including all Exhibits, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this Agreement. No alteration to the terms of this Agreement is valid unless approved in the form of a written variance signed by an authorized representative of Contractor and District.

27. Authority. The person signing this Agreement for Contractor hereby represents and warrants that he/she is fully authorized to sign this Agreement on behalf of Contractor and to bind Contractor to the performance of its obligations hereunder.

EXECUTED AS OF THE DATE FIRST STATED ABOVE.

IRVINE RANCH WATER DISTRICT

Name: Paul Cook

Title: General Manager

Signature: _____

Contractor:

Name of Firm: _____

Federal I.D. No.: _____

State I.D. No.: _____

Type of Business Entity (check one):

Individual/Sole Proprietor

Partnership

Corporation (i.e. either corporate president must sign or two corporate officers)

Limited Liability Company

Other (please specify: _____)

Name of Firm's Authorized Representative: _____

Title: _____

Signature: _____

(If the firm is a corporation and its president did not sign above, then another corporate officer must sign below)

Name of Firm's Authorized Representative: _____

Title: _____

Signature: _____

EXHIBIT 1
SCOPE OF SERVICES

1. Representatives.

a. The District Representative for this Agreement is:

Amy McNulty, Water Efficiency Manager
15600 Sand Canyon Avenue
Irvine, CA 92618
(949) 453-5634
mcnulty@irwd.com

All Contractor questions pertaining to this Agreement must be referred to the District Representative or the District Representative's designee.

b. The Contractor Representative for this Agreement is:

Matthew Clark, Project Director
90 Business Park Drive
Perris, CA 92571
(951) 230-6425
matt.clark@synergycompanies.org

All District questions pertaining to this Agreement must be referred to the Contractor Representative. All correspondence to Contractor must be addressed to the address set forth on page one of this Agreement. Unless otherwise provided in this Agreement, all correspondence to the District must be addressed to the District Representative.

2. Scope of Services.

The scope of services for the Get Smart Program will consist of the direct installation of weather-based irrigation controllers (WBIC) in single-family homes of Irvine Ranch Water District customers. The program may consist of multiple phases depending on customer participation rates. Each phase will have a not-to-exceed amount to ensure the program stays within budget. Each phase requires separate authorization by the District to proceed. Any additional phases will be considered sequentially, when the prior phase is completed, and the determination to authorize each such phase will be at the District's sole discretion. The District's authorization to proceed with a subsequent phase will include a Notice to Proceed for such phase.

Get Smart Program

The Contractor will manage the customer intake process via the program web portal developed by IRWD. The Contractor will be responsible for contacting customers who register via the portal to schedule an on-site appointment to determine customer's eligibility for the direct installation of weather-based irrigation controllers. After performing the installation for qualified customers, the Contractor will leave behind

outreach materials for rebates and other programs for additional outdoor direct installation measures as determined by IRWD. The Contractor will provide the names and addresses of customers interested in outdoor measures to IRWD.

The Contractor will replace the preexisting non-weather-based irrigation controller. The Contractor will determine if an 8-zone or 16-zone controller should be installed. The installation includes connection to customer Wi-Fi router, mobile app installation on the customer's mobile device, individual zone set-up, and customer tutorial.

If the irrigation controller is exposed to outdoor elements an outdoor enclosure will be installed over the controller to ensure the proper functioning of the controller. At the end of the installation, the installer will perform post installation tests to ensure that the weather-based irrigation controller is operating all irrigation zones that were previously active and ensure the customer understands how to operate the new controller. The installer will also provide contact information for the controller's customer support team.

The Contractor will recycle the preexisting irrigation controller.

Payment

Invoices will be submitted routinely and include information on the customer name, address, and quantity of 8-Zone WBICs, 16-zone WBICs, and outdoor WBIC covers installed.

3. Time of Performance.

The time from the onset of program marketing to complete installation varies depending on customer participation. Payments are made for completed installations only.

4. Additional Services. If the District requests Contractor to provide services in addition to those specified above, Contractor shall develop a scope of work detailing the specific tasks to be completed and the estimated costs to complete those tasks. Contractor shall not perform any additional services unless authorized to provide those additional services are specified in a variance to this Agreement signed by both parties.

EXHIBIT 2

FEE SCHEDULE

- 1. Contractor's Compensation.** The parties agree that the total of all fees paid to the Contractor for the performance of all services set forth in Exhibit 1, including normal revisions (hereafter the "Services"), and for all authorized reimbursable expenses, must not exceed the total sum of \$350,000.
- 2. Billable Rates.** Contractor must be paid for the performance of Services on an hourly rate, daily rate, flat fee, lump sum or other basis, as set forth in the Schedule of Charges for Services, attached hereto and incorporated by this reference.
- 3. Contractor's Reimbursable Expenses.** Reimbursable expenses are limited to actual expenditures of Contractor for expenses that are necessary for the proper completion of the Services and are only be payable if specifically authorized in writing in advance by District.
- 4. Payments to Contractor.**
 - a. Undisputed invoices must be paid by the District within 30 days after receipt of such invoices. Contractor must be responsible for the cost of supplying all documentation necessary to verify the invoiced amounts to the satisfaction of District.
 - b. All invoices submitted by Contractor must contain the following information:
 - i. Date of Invoice Issuance
 - ii. Sequential Invoice Number
 - iii. Purchase Order Number
 - iv. Total Agreement Not-to-Exceed Amount
 - v. Amount of this Invoice (Itemize all reimbursable expenses, if any)
 - vi. Database with customer address, name, water account number, model and gallons per flush of toilet installed, and the installation date.

c. Billings that do not conform to the format outlined above must be returned to Contractor for correction. District must not be responsible for delays in payment to Contractor resulting from Contractor's failure to comply with the invoice format described below.

d. Requests for payment must be sent to the District Representative.

5. Contractor's Accounting Records. During performance of this Agreement and for a period of three (3) years after completing all Services and Additional Services hereunder, Contractor must maintain all accounting and financial records related to this Agreement, including, but not limited to, records of Contractor's costs for all Services and Additional Services performed under this Agreement and records of Contractor's Reimbursable Expenses, in accordance with generally accepted accounting practices, and must keep and make such records available for inspection and audit by representatives of the District upon reasonable written notice.

SCHEDULE OF CHARGES FOR SERVICES FOR IRVINE RANCH WATER DISTRICT

PRICE PER INSTALLATION

(INCLUDES EQUIPMENT, INSTALLATION, RECYCLING, TAXES AND ANY ADDITIONAL FEES)

Measure Description	Housing Type	Cost Each
Rachio 3 8-Zone Smart Sprinkler Controller with Wi-Fi Connection, Mobile App Installation, Zone Set-Up, and Customer Tutorial	Single Family	408.87
Rachio 3 16-Zone Smart Sprinkler Controller with Wi-Fi Connection, Mobile App Installation, Zone Set-Up, and Customer Tutorial	Single Family	478.85
Rachio Outdoor Enclosure and Install	Single Family	38.65

EXHIBIT 3

INSURANCE REQUIREMENTS

- 1. General.** CONTRACTOR shall not commence or continue to perform any Services unless they, at their own expense, have in full force and effect all required insurance. CONTRACTOR shall not permit any Subcontractor to perform Services on this project until the same insurance requirements have been complied with by such Subcontractor.
- 2. Types of Insurance.** CONTRACTOR shall obtain and maintain for the full period of the Agreement are Worker's compensation insurance, commercial general liability insurance, and business automobile liability insurance.
- 3. Insurer Rating.** Insurers shall have financial and size ratings of at least an "A", VIII in accordance with the most current Best's Key Rating Guide, Property Casualty.
- 4. Evidence of Insurance.** As evidence that specified insurance coverage has been obtained for the period of the Agreement, the CONTRACTOR shall provide, on forms satisfactory to District, including endorsements providing that policies cannot be canceled or reduced except on thirty (30) calendar days written notice by the insurance carrier of cancellation or non-renewal (ten (10) calendar days notice for non-payment of premium). Industry standard forms for "certificate on insurance" from ACORD are accepted, provided that appropriate language regarding notice of non-renewal or cancellation is provided on the form. Contractor shall provide proof that policies of insurance required herein expiring or terminated during the term of this Agreement have been renewed or replaced with other policies providing coverage meeting the requirements hereof. Such proof will be furnished at least fourteen (14) calendar days prior to the expiration of termination of the coverages. No alteration or substitution of said forms will be allowed. Certified copies of insurance policies from the insurance company affording coverage shall be provided by CONTRACTOR upon request.
- 5. Noncompliance.** DISTRICT reserves the right to withhold payments to CONTRACTOR in the event of material noncompliance with insurance requirements.
- 6. Limitation of Contractor liability.** The requirements set forth herein as to the types and limits of insurance coverage to be maintained by the CONTRACTOR and any approval of said insurance by the DISTRICT or its insurance consultant(s) is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the CONTRACTOR pursuant to the Agreement, including but not limited to the provisions concerning indemnification.
- 7. Worker's Compensation Insurance.** CONTRACTOR shall provide worker's compensation insurance coverage for no less than the statutory limits and employer's liability insurance coverage, with limits not less than those listed in 7.A, for all persons

whom CONTRACTOR employs or may employ in carrying out the Services. This insurance shall be in strict accordance with the requirements of the most current and applicable state worker's compensation insurance laws.

- A. Employer's Liability Insurance shall be for not less than:
 - \$1,000,000 Each Accident
 - \$1,000,000 Each Disease – Policy Limit
 - \$1,000,000 Each Disease – Each Employee

B. Notwithstanding the requirements of Section 3, above, DISTRICT will accept Workers Compensation Insurance from the State Compensation Fund (State Fund) that is not rated and that is evidenced on the State Fund's certificate form. Except as provided above with respect to State Fund, all other insurance shall comply with all requirements of this Exhibit.

8. Waiver of right of subrogation. The worker's compensation insurance shall include a waiver of right of subrogation against the DISTRICT, the District Board of Directors, DISTRICT's Representative, the Engineer/Architect, owners of record of all private properties on which entry will be made, and their consultants, and each of their officers, agents, and employees but only while acting in their capacity as such and only in respect to operations of the original named insured, their Subcontractors, agents, officers, and employees in the performance of the Services.

9. Commercial General Liability Insurance. CONTRACTOR shall provide commercial general liability insurance coverage equivalent to Insurance Services Office Form CG 00 01, with limits not less than those specified in 9.A.

- A. Commercial General Liability Insurance shall be for not less than:

Bodily Injury	Products/Completed
Property Damage	Completed
Personal Injury	Operations
<u>(Occur/Aggr)</u>	<u>(Occur/Aggr)</u>
\$1M/\$2M	\$1M/\$2M

B. Included in such insurance shall be blanket contractual liability coverage and severability of interests (no cross suits exclusion).

C. The commercial general liability insurance shall be primary and non-contributory and include as additional insureds: DISTRICT, the District Board of Directors, DISTRICT's Representative, the Engineer/Architect, owners of record of all private properties on which entry will be made, and their consultants, and each of their officers, agents, and employees but only while acting in their capacity as such and only in respect to operations of the original named insured, their Subcontractors, agents,

officers, and employees in the performance of the Services and shall be evidenced by ISO CG 20 33 07 04 endorsement form or equivalent.

D. Such insurance shall have a deductible or self insured retention not to exceed \$25,000.

10. Automobile Liability Insurance. CONTRACTOR shall provide business automobile liability insurance coverage equivalent to Insurance Services Office Form CA 00 01, with limits not less than those specified in 10 A. Business automobile liability insurance coverage shall be provided for all owned, non-owned and hired vehicles.

A. Automobile liability insurance shall be for not less than:

\$2,000,000 Bodily injury and property damage each occurrence.

11. CONTRACTOR's Responsibility Not Limited by Insurance. Nothing contained in these insurance requirements is to be construed as limiting the extent of the liability of CONTRACTOR or CONTRACTOR's sureties.

12. Maintaining Insurance. The maintenance of proper insurance in conformity with the Contract Documents is a material element of this Agreement. If at any time during the life of the Agreement, including the guarantee period, or any extension, CONTRACTOR fails to maintain the required insurance in full force and effect, the Services shall be discontinued immediately and all payments due or that become due to CONTRACTOR shall be withheld until notice is received by DISTRICT that the required insurance has been restored to full force and effect and that the premiums have been paid for a period satisfactory to DISTRICT. Failure to maintain or renew coverage or to provide evidence of renewal upon request of DISTRICT may be treated by DISTRICT as a material breach of contract.

EXHIBIT 4

SUPPLEMENTARY CALIFORNIA PUBLIC WORKS REQUIREMENTS

If the Scope of Work includes construction work to be performed during the construction phase or design and preconstruction phases of construction, including, but not limited to, inspection and land surveying work, or work to be performed during the post-construction phases of construction, including, but not limited to, all cleanup work at the jobsite, or any other work that has been determined by the California Director of Industrial Relations to constitute "public work," that portion of the Scope of Work is subject to the following provisions which amend and supplement the contract, or to the extent of any inconsistency supersede and take precedence over the contract.

SECTION 1. Labor. The requirements of this Section apply to the public work portion of the Scope of Work, if more than \$1,000 (Labor Code 1771).

1.01 Registration.

Qualification to engage in the performance of any of the work for this project requires proof of the contractor's or subcontractor's current registration and qualification to perform public work pursuant to Labor Code Section 1725.5. No contract or subcontract entered into without proof of the contractor's or subcontractor's current registration.

1.02 *Compliance Monitoring; Registration; Notices.* The project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

Qualification to engage in the performance of any of the work requires that CONTRACTOR and subcontractors maintain their current registration to perform public work pursuant to Labor Code Section 1725.5.

CONTRACTOR shall post on the jobsite all notices as prescribed by law or regulation.

1.03 *Prevailing Wage Requirements.* Under the provisions of the California Labor Code, the Director of the Department of Industrial Relations has determined the prevailing rate of wages for the locality in which the Work is to be performed and IRWD has adopted said prevailing rate of wages. A copy of these prevailing rates is on file at the office of IRWD and shall be made available to any interested party on request. A copy of such prevailing wage rates shall be posted on the jobsite by CONTRACTOR.

CONTRACTOR shall comply with Labor Code Section 1775. In accordance with said Section 1775, CONTRACTOR shall forfeit as a penalty to IRWD, up to two hundred dollars (\$200), as determined by the Labor Commissioner, for each calendar day or

portion of a day for each worker paid less than the stipulated prevailing rates for such work or craft in which such worker is employed for any work done under the contract by them or, except as provided by the Labor Code, by any Subcontractor under them in violation of the provisions of the Labor Code, and in particular, Labor Code Sections 1770 to 1780, inclusive. In addition to said penalty and pursuant to Section 1775, the difference between the stipulated prevailing wage rates and the amount paid to each worker for each calendar day or portion of a day for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by CONTRACTOR.

CONTRACTOR shall forfeit as a penalty to IRWD \$25 for each worker employed in the execution of the Work by CONTRACTOR or any Subcontractor under them for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code, in particular, Section 1810 to Section 1815 thereof, inclusive, except that work performed by employees of CONTRACTOR in excess of eight (8) hours per day and forty (40) hours during any one (1) week shall be permitted upon compensation for all hours worked in excess of eight (8) hours per day at not less than one and one half (1 1/2) times the basic rate of pay as provided in said Section 1815.

1.04 Payroll Records. CONTRACTOR and each of their Subcontractors shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by them in connection with the Work. The records shall be in a format prescribed by the Labor Commissioner. The records may consist of printouts of payroll data maintained as computer records, if the printouts are in a format prescribed by the Labor Commissioner and are verified as required under this paragraph. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating that (1) the information contained in the payroll record is true and correct, and (2) CONTRACTOR (or the Subcontractor, as the case may be) has complied with the requirements of Sections 1771, 1811 and 1815 of the Labor Code for any of the work performed by their employees. The payroll records shall be submitted monthly to IRWD and directly to the Labor Commissioner and shall be available for inspection at all reasonable hours at the principal office of CONTRACTOR (or the Subcontractor, as the case may be) to the employee or their authorized representative on request, to the Division of Labor Standards Enforcement on request, and the public, provided that requests by the public must be made through IRWD or the Division of Labor Standards Enforcement in accordance with the requirements of Labor Code Section 1776. Copies shall be provided to the requesting entity within ten (10) days after receipt of a written request. Any copy of a payroll record made available to the public or any public agency by IRWD shall be marked or obliterated to prevent disclosure of individual workers' names, addresses and social security numbers. CONTRACTOR shall inform IRWD of the location address of payroll records of CONTRACTOR and each Subcontractor and notify

IRWD of a change in any such location within five (5) working days. In the event CONTRACTOR or a subcontractor fails to comply with the above-specified 10-day period, CONTRACTOR or the subcontractor shall forfeit as a penalty to IRWD one hundred dollars (\$100) for each calendar day or portion of a day for each worker until strict compliance is effectuated. CONTRACTOR is not subject to a penalty under this paragraph due to the failure of a subcontractor to comply with this paragraph.

1.04 *Apprentices.* (applicable if contract is \$30,000 or more) CONTRACTOR and any Subcontractor under them shall comply with the requirements of Sections 1777.5 and 1777.6 of the Labor Code in the employment of apprentices. Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Department of Industrial Relations. Willful violations of Section 1777.5 will result in forfeiture of one hundred dollars (\$100) for each calendar day of noncompliance, or up to three hundred dollars (\$300) for each calendar day of noncompliance for second and subsequent violations within a three-year period that result in apprenticeship training not being provided as required by the Labor Code, and may also result in debarment sanctions in the case of violations, as determined by the Labor Commissioner pursuant to Section 1777.7. Section 1777.7 also imposes requirements that, if not observed by CONTRACTOR, will result in CONTRACTOR's liability for Subcontractor violations of Section 1777.5.

1.05 *Subcontracting.* CONTRACTOR is prohibited from performing any of the work with a subcontractor who is ineligible to perform such Work pursuant to Section 1777.1 or 1777.7 of the Labor Code. CONTRACTOR agrees that in accordance with Public Contract Code Section 6109, a subcontract with an ineligible subcontractor is void as a matter of law, amounts paid to the subcontractor shall be returned to IRWD, and CONTRACTOR is responsible for paying wages of the subcontractor's employees if the subcontractor is allowed to perform any part of the work.

1.06 *CONTRACTOR'S Certificate Regarding Workers' Compensation* (Labor Code Section 1861): I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this Contract.

SECTION 2. Site Conditions. The requirements of this Section apply to the public work portion of the Scope of Work, subject to the applicability further specified below.

2.01 *Utilities* (applicable if the contract with IRWD is made pursuant to an invitation for bids and includes removal, relocation or protection of main or trunkline utility facilities – Government Code Section 4215)

CONTRACTOR shall be compensated by IRWD for the costs of locating, repairing damage not due to the failure of CONTRACTOR to exercise reasonable care, and removing, relocating, protecting, or temporarily maintaining main or trunk line utility facilities not indicated with reasonable accuracy in the plans and specifications, and for equipment in the project necessarily idled during such work. Alternatively IRWD may change the project grade or alignment to avoid such removal, relocation or protection or make arrangements with the owner of the utility for such work to be done at no cost to CONTRACTOR. No forfeiture due to delay shall be made because of any delays in the completion of the Work due to the failure of IRWD or the owner of a utility to provide for removal or relocation of main or trunk line facilities not indicated in the plans or specifications with reasonable accuracy.

IRWD is not responsible for removal, relocation or temporary maintenance of (i) main or trunk line utilities or other structures which are in the position shown on the plans, or (ii) service connections, and CONTRACTOR shall bear all expenses incidental thereto. Such work shall be done in a manner satisfactory to the owner of the utility or service connection, it being understood that the owner has the option of doing such work with their own forces or permitting the work to be done by CONTRACTOR. It shall be the responsibility of CONTRACTOR to investigate to find out whether or not this cost is required to be borne by the owner of the utility.

2.02 Excavation Plans for Worker Protection (applicable if the public work portion is over \$25,000, and involves excavation of any trench five (5) feet or more in depth – Labor Code Section 6705)

CONTRACTOR shall submit to IRWD for acceptance, in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of any trench or trenches five (5) feet or more in depth. The plan shall be prepared specifically for the work by a registered civil or structural engineer who is licensed by the State of California. The plan shall be in an original format, not a reproduced copy, and shall include the engineer's original signature and seal. As a part of the plan, a note shall be included stating that the registered civil or structural engineer certifies that the plan complies with the CAL OSHA Construction Safety Orders, or stating that the registered civil or structural engineer certifies that the plan is not less effective than the shoring, bracing, sloping, or other provisions of the safety orders.

All shoring submittals shall include surcharge loads from adjacent embankments, construction loads and spoil bank. The submittal shall indicate the minimum horizontal distance from the top of trench to the edge of all surcharge loads for all cases of shoring and side slopes.

The detailed plan showing the design of shoring, etc., which CONTRACTOR is required to submit to IRWD for acceptance in advance of excavation, will not be accepted if the plan

is based on subsurface conditions which are more favorable than those revealed by the investigations made by IRWD or the Engineer/Architect or their consultants; nor will the plan be accepted if it is based on soils related design criteria that are less restrictive than the criteria set forth in the report on the investigations of subsurface conditions.

Nothing contained in this paragraph shall be construed as relieving CONTRACTOR of the full responsibility for providing shoring, bracing, sloping, or other provisions which are adequate for worker protection.

2.03 Differing Physical Conditions. (applicable if the public work portion involves excavation more than four (4) feet in depth – Public Contract Code Section 7104)

CONTRACTOR shall promptly notify IRWD of the following work site conditions (hereinafter called differing physical conditions), in writing, upon their discovery and before they are disturbed: (1) any material that CONTRACTOR believes may be material that is a hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law; (2) subsurface or latent physical conditions differing from those indicated by information about the site made available to bidders prior to the deadline for submitting bids; (3) unknown physical conditions of any unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in work of the character being performed.

IRWD will promptly investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in CONTRACTOR's cost of, or the time required for, performance of any part of the work, shall issue a change order under the procedures described in the Contract.

In the event that a dispute arises between IRWD and CONTRACTOR whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in CONTRACTOR's cost of, or time required for, performance of any part of the work, CONTRACTOR shall not be excused from any scheduled completion date provided for by the Contract, but shall proceed with all work to be performed under the Contract. CONTRACTOR shall retain any and all rights provided either by the Contract or by law which pertain to the resolution of disputes and protests between the contracting parties.

CONTRACTOR shall not be required to resume work in connection with a condition involving hazardous waste until after IRWD has obtained any required permits related thereto and delivered to CONTRACTOR written notice specifying any special conditions under which such work may be resumed safely.

SECTION 3. Materials. The requirements of this Section apply to the public work portion of the Contract, pursuant to Public Contract Code §3400.

3.01 Substitutions. Whenever materials or equipment are specified or described in the Plans or specifications by using the name of a proprietary item or the name of a particular supplier, the naming of the item is intended to establish the type, function and quality required. Unless the name is followed by words indicating that no substitution is permitted, the name shall be deemed to be followed by the words “or approved equivalent” and materials or equipment of other suppliers may be accepted by IRWD if sufficient information is submitted by CONTRACTOR to allow IRWD to determine that the material or equipment proposed is equivalent to that named. Approval of proposed equivalent materials or equipment is at the sole discretion of IRWD. No substitute shall be ordered or installed without IRWD’s prior written acceptance.

CONTRACTOR assumes sole responsibility for verifying the proposed substitute items are in accordance with the requirements of the contract documents, and that the dimensions, arrangement, design and construction details and all other features of substitute items are suitable for their intended purpose.

In the event that a substitute item, and said difference was not expressly identified in CONTRACTOR’s request for the substitution, or the incorporation of the substitute into the work results in a change(s) to the work or in the function or general design of the project, which was not expressly identified in CONTRACTOR’s request for the substitution, IRWD may require the removal and replacement of the substitute at CONTRACTOR’s sole expense.

CONTRACTOR may submit data substantiating requests for substitutions of equivalent items at any time after notice of award. Under no circumstances shall CONTRACTOR be entitled to an increase in Contract Time as a result of the submission or review of a substitution request.

SECTION 4. Claims. The requirements of this Section apply to the public work portion of the Contract, pursuant to Public Contract Code §20104.

4.01 Resolution of Construction Claims. (applicable to a claim meeting the below-described criteria – Public Contract Code Section 20104)

This Section is intended as a summary of the provisions of Article 1.5 (commencing with Section 20104) of Chapter 1 of Part 3 of Division 2 of the Public Contract Code (“Claims Resolution Statute”) and is subject to the actual provisions of the Claims Resolution Statute. This Section shall govern the resolution of any claim of \$375,000 or less which may be made by CONTRACTOR.

“Claim” is defined as CONTRACTOR’s demand for (i) a time extension, (ii) money or damages arising from the work, payment for which is not otherwise expressly provided for or CONTRACTOR is not otherwise entitled to, or (iii) an amount disputed by IRWD.

CONTRACTOR shall make all claims in writing and include the necessary substantiating documents. Any claim which is intended to invoke the procedures under the Claims Resolution Statute shall specify that the claim is being made pursuant to the Claims Resolution Statute. All claims by CONTRACTOR must be filed on or before the date of final payment.

IRWD shall respond in writing, within forty-five (45) days of receipt of a claim less than \$50,000 and within sixty (60) days of receipt of a claim over \$50,000 and less than \$375,000, or IRWD may request, in writing, within thirty (30) days of receipt of the claim, any additional documentation supporting the claim or relating to defenses or claims IRWD may have against CONTRACTOR. If additional information is thereafter required, it shall be requested and provided upon mutual agreement of IRWD and CONTRACTOR. If IRWD requests additional documentation, IRWD’s written response to the claim shall be submitted to CONTRACTOR, (i) within fifteen (15) days after receipt of the additional documentation for a claim less than \$50,000 and within thirty (30) days after receipt of the additional documentation for a claim over \$50,000 and less than \$375,000, or (ii) within the same time period as used by CONTRACTOR in producing the additional documentation, whichever is greater.

If CONTRACTOR disputes IRWD’s written response, or IRWD fails to respond within the time prescribed, CONTRACTOR may, by giving written notice to IRWD within fifteen (15) days of receipt of IRWD’s response (or within fifteen (15) days of IRWD’s failure to respond), demand an informal conference to meet and confer for settlement of the issues in dispute. Upon such demand, IRWD shall schedule a “meet and confer” conference within thirty (30) days.

If after the “meet and confer” conference, any portion of the claim remains in dispute, CONTRACTOR may file a claim pursuant to Government Code Section 900 et seq. If a court action is thereafter filed to resolve the claim, the court must, within the time specified by law, submit the matter to nonbinding mediation unless waived by mutual stipulation of IRWD and CONTRACTOR. If after the mediation process, the matter remains in dispute, the case must then be submitted to judicial arbitration pursuant to the applicable law.

4.02 *Third Party Claims.* In accordance with Public Contract Code Section 9201, IRWD shall timely notify CONTRACTOR if IRWD receives any third-party claim relating to the Work. IRWD shall be entitled to recover from CONTRACTOR the reasonable costs incurred by IRWD in providing such notification.

SECTION 5. Payment and Retention. The requirements of this Section apply to construction contracts.

5.01 *Progress Payments.*

The following is a summary of the provisions of Article 1.7 of Chapter 1 of Part 3 of Division 2 (commencing with Section 20104.50) of the Public Contract Code, regarding progress payments, and is subject to the actual provisions of that statute. For purposes of this Section, a “progress payment” includes all payments due CONTRACTOR, except that portion of the final payment designated under this Agreement as retention.

If IRWD fails to make any progress payment within thirty (30) days after receipt of an undisputed and properly submitted progress payment request from CONTRACTOR, IRWD shall pay interest to CONTRACTOR equivalent to the legal rate set forth in subdivision (a) of Section 685.010 of the Civil Code of Procedure.

Upon receipt of a progress payment request, IRWD shall (i) review each payment request as soon as practicable after receipt for the purpose of determining that the payment request is a proper payment request, and (ii) return to CONTRACTOR, as soon as practicable but not later than seven (7) days after receipt, any payment request determined not to be a proper payment request suitable for payment. A request returned pursuant to this paragraph shall be accompanied by a document setting forth in writing why the payment request is not proper. The number of days available to IRWD to make a payment without incurring interest shall be reduced by the number of days by which IRWD exceeds the seven (7) day return requirement.

5.02 *Progress Payment Retention.* (Applies if performance retention will apply.) IRWD shall retain five (5) percent of such estimated value as part security for fulfillment of the Contract by CONTRACTOR and shall pay to CONTRACTOR the balance of such estimated value after deducting all previous payments and all sums to be kept or retained under the terms of the Contract. Nothing herein shall require payment of a disputed amount or limit IRWD’s ability to withhold an amount in respect of a disputed amount as provided for in Section 7107 of the Public Contract Code. The retention payment shall not be due and payable until the expiration of thirty-five (35) days from the date of IRWD’s recording of a notice of completion of the work in the office of the County Recorder.

5.03 *Substitution of Securities for Amounts Withheld.* Pursuant to Section 22300 of the Public Contract Code, CONTRACTOR may substitute securities for any monies withheld by IRWD to ensure performance of the Work. At the request and expense of CONTRACTOR, securities equivalent to the amount withheld shall be deposited with IRWD or with a state or federally chartered bank in California as the escrow agent. Such securities shall be released to CONTRACTOR at the same time as amounts retained would be released upon satisfactory completion of the work, to the extent such

securities have not previously been utilized or are not then being held by IRWD or the escrow agent for purposes as provided in this Contract. Alternately, CONTRACTOR may request, and IRWD shall make, payment of retention earned directly to the escrow agent at the expense of CONTRACTOR.

If the securities are deposited with IRWD, IRWD shall determine their value. IRWD shall also be entitled in their discretion to sell, redeem, or otherwise convert them or portions thereof to cash in order to apply them to any of the purposes set forth in the Contract for which amounts may be withheld from CONTRACTOR and used. CONTRACTOR shall furnish such documents as are deemed necessary by IRWD to enable IRWD to make such sales, redemptions, or conversions. If the securities are deposited with an escrow agent, CONTRACTOR, escrow agent and IRWD shall execute IRWD's form entitled "Escrow Agreement for Security Deposits in Lieu of Retention."

SECTION 6. Miscellaneous. The requirements of this Section apply as specified.

6.01 *Audit.* (applicable if the contract exceeds \$10,000 – Government Code 8546.7)

Pursuant to Government Code Section 8546.7, this contract, and CONTRACTOR and IRWD as the contracting parties, are subject to the examination and audit of the California State Auditor, at the request of IRWD or as part of any audit of IRWD, for a period of three years after the final payment under the contract.

6.02 *Notice of Taxable Possessory Interest.*

The terms of this contract may result in the creation of a possessory interest. If such a possessory interest is vested in CONTRACTOR, CONTRACTOR may be subjected to the payment of property taxes levied on such interest.

6.03 *Antitrust Claims Assignment.* (applicable if contract is awarded by competitive bidding)

In entering into a public works contract or subcontract to supply goods, services, or materials pursuant to a public works contract, CONTRACTOR or subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2, commencing with Section 16700, of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body tenders final payment to CONTRACTOR, without further acknowledgment by the parties.

6.04 *License.*

CONTRACTOR shall possess a State of California license for the contracting class(es) applicable to the work.

6.05 *Delays.* (Applies if contract documents specify damages for failure to complete work by applicable contract times.)

No forfeiture due to delay shall be made because of any delays in the completion of the work due to unforeseeable causes beyond the control and without the fault or negligence of CONTRACTOR (including but not restricted to acts of God or of the public enemy, acts of the government, acts of IRWD, or acts of another contractor in the performance of a contract with IRWD, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays caused by the failure of IRWD, or the owner of a utility to provide for removal or relocation of main or trunk line facilities not indicated in the plans or specifications with reasonable accuracy). Any such delays shall not entitle CONTRACTOR to any additional compensation, and the sole remedy of CONTRACTOR shall be an extension of time obtained in accordance with the contract; the only exception shall be if the delay has been caused solely by acts for which IRWD is responsible and which delay is unreasonable under the circumstances involved, is not within the contemplation of the parties, and continues after CONTRACTOR's notice to IRWD of such acts.

EXHIBIT 5

SPECIAL PROVISIONS

(e.g., project schedule, form of customer participation releases and other items not covered elsewhere)

EXHIBIT 6

NON-CONSULTANT SERVICES VARIANCE

Purpose. This procedure shall be used to identify, estimate, and report variances to the scope of work in non-consultant services agreements between IRWD and a contracting engineer or other type of contractor. A variance may be initiated by either IRWD's Project Manager or by the Engineer/Contractor.

Variance. The Variance shall be used to identify all changes to the original scope of work, budget, and schedule for any study, design, or construction phases services.

Engineer/Contractor Initiates Variance. If a Variance is initiated by the Engineer/Contractor, the Engineer/Contractor shall prepare the Variance including the Description of Variance, the Engineering & Management Cost Impact, the Schedule Impact, and the Required Approval Determination sections. The Engineer/Contractor shall then sign the Variance and submit it to the IRWD Project Manager for action.

IRWD Initiates Variance. If a Variance is initiated by IRWD's Project Manager, the IRWD Project Manager shall complete the Description of Variance and fill-in the Total Original Contract amount and Previous Variances amount (if any). The Variance shall then be given to the Engineer/Contractor to complete the Cost Impact, the Schedule Impact, and the Required Approval Determination sections. The Engineer/Contractor shall then sign the Variance and submit it to the IRWD Project Manager for action.

Variance Processing. Once a Variance is signed and submitted by the Engineer/Contractor, the IRWD Project Manager shall:

1. Enter the Variance's details onto a Variance Register for the project,
2. Review, sign, and date the Variance, and
3. Obtain appropriate approvals.

Notice to Proceed. Work covered by a Variance may proceed upon signing by the department Director. A copy of the Variance, signed by the Director, shall be the Engineer's/Contractor's Notice to Proceed with the required work.

Contractual Authorization. Work covered by a Variance which has been signed by the Director may require final approval from the General Manager, Committee, or Board based upon the requirements of the Procurement Policy. These approvals may be obtained after the Engineer/Contractor has been given a copy of the Variance signed by the Director (the Engineer's/Contractor's Notice to Proceed). The IRWD Project Manager shall promptly thereafter prepare a memo to the General Manager, Committee and/or Board agenda items(s) for approvals as required. Once the Variance is properly approved, it modifies the existing Engineer's/Contractor's agreement.

Financial Authorization. An approved Variance may require any of the following:

1. A Capital Budget increase,
2. A new Expenditure Authorization,
3. An extension to an existing Purchase Order, and/or
4. A new Purchase Order.

It is the IRWD Project Manager's responsibility to process the necessary paperwork to grant the required financial authorization

**IRVINE RANCH WATER DISTRICT
NON-CONSULTANT SERVICES VARIANCE**

Project Title: _____ File No.: _____
 _____ Date: _____
 _____ Variance No.: _____
 Project No.: _____ Project No.: _____
 Purchase Order No.: _____

Originator: IRWD ENGINEER/CONTRACTOR Other (Explain) _____

Description of Variance (*attach any back-up material*):

Engineering & Management Cost Impact:

Classification	Manhours	Billing Rate	Labor \$	Direct Costs	Subcon. \$	Total \$
Total \$ =						

Schedule Impact:

Task No.	Task Description	Original Schedule	Schedule Variance	New Schedule

Required Approval Determination:

Total Original Contract \$ _____ Previous Variances \$ _____ This Variance \$ _____ Total Sum of Variances \$ _____ New Contract Amount \$ _____ Percentage of Total Variances to Original Contract _____%	<input type="checkbox"/> General Manager: Single Variance less than or equal to \$30,000. <input type="checkbox"/> Committee: Single Variance greater than \$30,000, and less than or equal to \$60,000. <input type="checkbox"/> Board: Single Variance greater than \$60,000. <input type="checkbox"/> Board: Cumulative total of Variances greater than \$60,000, or 30% of the original contract, whichever is higher.
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ENGINEER/CONTRACTOR: _____
 Company Name

IRVINE RANCH WATER DISTRICT

Project Engineer/Manager _____ Date

Department Director _____ Date

Engineer's/Contractor's Management _____ Date

General Manager/Comm./Board _____ Date

**IRVINE RANCH WATER DISTRICT
NON-CONSULTANT SERVICES VARIANCE REGISTER**

Project Title: _____

Project No.: _____ Project Manager: _____

Variance No.	Description	Dates		Variance Amount
		Initiated	Approved	

June 13, 2018

Prepared by: Beth Beeman

Submitted by: Paul Weghorst *PW*

Approved by: Paul A. Cook *PAC*

WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

SYPHON RESERVOIR IMPROVEMENT PROJECT COMMUNICATIONS AND OUTREACH PLAN

SUMMARY:

In January 2018, the Board approved a Professional Services Agreement with Fiona Hutton and Associates (FHA) to develop and implement a public outreach program for the Syphon Reservoir Improvement Project (Project). Since that time, staff has worked with FHA to develop a communications and outreach plan for the proposed Project. At the Committee meeting, FHA will present an overview of the plan. Staff recommends that the Committee provide input on the materials presented at the meeting.

BACKGROUND:

On January 22, 2018, the Board approved a consultant contract with FHA to develop and implement a public communications and outreach program for the Project. The purpose of the outreach program is to:

- Share information about the proposed project with interested stakeholders;
- Present technical information to target audiences;
- Proactively contact community business leaders and interest groups; and
- Solicit and address comments and questions from stakeholders.

Work on the communication and outreach plan began in February 2018 with an outreach team kick-off meeting and a visit to Syphon Reservoir. Subsequently, FHA participated in an initial coordination meeting with staff. Environmental consultants from Environmental Science Associates, which is preparing an Environmental Impact Report for the Project, have conducted a community mapping exercise and have facilitated weekly conference calls and team meetings. At the Committee meeting, FHA will present an overview of an outreach plan that is the culmination of these efforts.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

This project is subject to CEQA. In conformance with the California Code of Regulations Title 14, Chapter 3, Section 15004, IRWD is preparing an Environmental Impact Report for the project.

RECOMMENDATION:


That the Committee provide input on the proposed communications and outreach plan for the Syphon Reservoir Project.

LIST OF EXHIBITS:

None.

June 13, 2018

Prepared and

submitted by: C. Compton 

Approved by: Paul A. Cook 

WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

2018 LEGISLATIVE AND REGULATORY UPDATE

SUMMARY:

This report provides an update on the 2018 legislative session and IRWD's legislative and regulatory priorities. As legislation and regulations develop, 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 actions / positions:

- *SB 998 (Dodd, D-Napa): Discontinuation of Residential Water Service* — “OPPOSE”; and
- *Water Supply and Water Quality Act of 2018* — “SUPPORT”.

BACKGROUND:

This year, the last day for fiscal committees to hear fiscal bills was May 25, while June 1 was the house of origin deadline. Any bill that did not meet the June 1 deadline and does not contain an urgency clause is now dead. The next major legislative deadline is June 15, which is the constitutional deadline for passage of the budget, while June 28 is the last day for a legislative measure to qualify for the November 8 General Election.

A copy of the 2018 Legislative Matrix is attached as Exhibit “A”. Exhibit “B” is the 2018 Legislative Update Report Links to Bill and Regulatory Texts, which contains links to the bills discussed below, unless a separate exhibit is noted.

State Budget Update:

April Revenue Numbers:

On May 10, 2018, State Controller Betty Yee released her monthly report on the State's finances. She announced that the State took in \$18.03 billion, or 5.3 percent, more during the month of April than estimates contained within the Governor proposed Fiscal Year (FY) 2018-2019 budget. According to the Controller:

“For the first 10 months of the 2017-18 fiscal year that began in July, total revenues of \$107.13 billion are \$4.72 billion above estimates in the enacted budget and \$3.82 billion higher than January's revised fiscal year-to-date predictions. Total fiscal year-to-date revenues are \$10.25 billion higher than for the same period in FY 2016-17.”

April's higher-than-expected revenues were largely due to personal income tax receipts, which were \$715.9 million, or 5.3 percent, higher than the revised January estimates. This is \$2.58

billion higher than was anticipated in the Governor's proposed budget. Sales tax revenues were \$139.1 million, or 17.2 percent, higher than expected for April although sales tax revenues for the fiscal year is consistent with the assumptions included in the Governor's proposed FY 2018-2019 budget. Corporate tax revenues exceeded estimates in the Governor's proposed budget by 13.5 percent and came in at \$2.30 billion, or \$78.4 million, higher than projected.

The State's outstanding loan balance was \$4.52 billion, which was \$6.35 billion less than proposed budget estimates. Unused borrowable resources exceed projections by 36.9 percent.

Governor's May Revise:

Governor Brown released the May revision to his proposed State Fiscal Year 2018-2019 Budget (the May Revise) on May 11, 2018. The May Revise proposes \$137.56 billion in total general expenditures, \$141.96 billion in total general fund revenues, and designates \$13.76 billion for the Budget Stabilization Account/Rainy Day Fund. This compares to the \$131.69 billion in total general fund expenditures, \$135.14 billion in total general fund revenues, and \$13.46 billion designated for the Budget Stabilization Account/Rainy Day Fund in the Governor's Proposed Budget, released in January.

Overall, the May Revise projects an additional \$8 billion in higher revenues through FY 2018-2019, as compared to the Proposed Budget. Governor Brown, cautioning against adding additional ongoing commitments due to the State's sizeable financial vulnerability during the next recession, proposes to use the \$8 billion for existing on-going expenses and for one-time purposes. A portion of the \$8 billion will be needed for on-going expenses related to increased spending commitments made related to Medi-Cal, Cal Grants, child care, In-Home Supportive Services and foster care reform; however, \$4 billion of the \$8 billion is proposed for one-time purposes related to infrastructure, homelessness and mental health services.

Additionally, as its primary short-term fiscal goal, the May Revise continues to prioritize the filling of the Rainy Day Fund. In 2014, the voters approved the Rainy Day Fund, when they approved Proposition 2, which amended the State Constitution to require the establishment of a reserve of up to 10 percent of tax revenues during high capital gains years for use in lower revenue years. By the end of FY 2017-2018, the Rainy Day Fund is projected to be at \$9.4 billion, or 71 percent, of the constitutionally required target of 10 percent of tax revenues, and the May Revise maintains the January proposal to direct additional funding to the Rainy Day Fund so that it will be funded at 100 percent by the end of FY 2018-2019.

The May Revise reflects the Administration's concern over an expected economic downturn and the rise in pension and healthcare costs statewide. For these reasons, the May Revise cautions against any further long-term spending increases. The Governor's position, as stated in the May Revise, is that:

“The past six years have been the longest stretch of balanced budgets in recent history. With a volatile revenue structure and limited spending flexibility, the California budget demands constant vigilance to stay in balance. These six years of relative fiscal stability illustrate the benefits of a prudent approach to budgeting—building up a Rainy Day

Fund, avoiding overcommitting to one-time revenues, and making tough decisions when necessary. These years provide a sharp contrast to the decade of budget crises that preceded it—a decade that was defined by using one-time revenues from capital gains for ongoing expenditures while deferring tough decisions through borrowing and gimmicks. The next recession will be upon California soon enough, but a full Rainy Day Fund and a commitment to prudent one-time spending are the best tools available to guide the state through it.” (2018-19 May Revision, Introduction, Page 10).

These concerns, and an assumption that the Federal tax changes will have a negative long-term impact on California’s economic growth, have led Governor Brown to put forth a budget that prioritizes the Rainy Day Fund and one-time expenditures. Despite the limited new spending, there are several items of interest to the District. Of interest to IRWD are the budget’s proposed Cap-and-Trade revenue expenditure plan and forest carbon plan. More detail on each of these proposals is provided below.

Cap-and-Trade Revenue Expenditure Plan:

In April 2015, the Governor issued Executive Order B-30-15 setting the State’s greenhouse gas emissions reduction target at 40 percent below 1990 levels by 2030. Additionally, AB 398 was enacted last year extending the Cap-and-Trade Program through 2030 by a two-thirds bipartisan vote, further strengthening the revenues the State is expecting to receive from the Cap-and-Trade Program. In order to further California’s climate change goals and to continue the conversation regarding the expenditure of the Cap-and-Trade revenues, the May Revise continues to maintain a proposed Cap-and-Trade revenue expenditure plan.

The May Revise increases the proposed \$1.2 billion Cap-and-Trade expenditure plan contained in the Proposed Budget to \$1.3 billion. Despite the increased expenditure plan, both the State Senate and Assembly budget committees adopted higher Cap-and-Trade expenditure plans. The Senate adopted a \$1.45 billion plan and the Assembly adopted a \$1.55 billion plan. The Cap-and-Trade expenditures are now under discussion in the budget negotiations. A comparison of the Governor’s, Senate’s and Assembly’s plans is provided below:

*Proposed Cap-and-Trade Expenditure Plans
 (Fiscal Year 2018-2019)*

Program	<i>(In Millions)</i>		
	Governor’s Proposed Amount	Assembly’s Proposed Amount	Senate’s Proposed Amount
AB 617 - Community Air Protection	\$250	\$250	\$310
Technical Assistance to Community Groups	\$5	\$5	\$5
Clean Vehicle Rebate Project	\$175	\$175	\$175
Clean Trucks, Buses, & Off-Road Freight Equipment	\$160	\$230	\$160

Enhanced Fleet Modernization Program, School Buses & Transportation Equity Projects	\$100	\$100	\$100
Low Carbon Fuel Production	\$25	\$0	\$5
Agricultural Diesel Engine Replacement & Upgrades	\$102	\$85	\$102
Energy Efficiency	\$34	\$34	\$34
Renewable Energy	\$4	\$4	\$4
Health Soils	\$5	\$5	\$0
Healthy & Resilient Forests	\$160	\$160	\$203
Prescribed Fire and Fuel Reduction	\$27	\$27	\$27
Regional Forest Health Projects	\$20	\$20	\$20
Local Fire Response	\$25	\$25	\$25
Methane Reduction	\$99	\$99	\$99
Waste Diversion	\$20	\$40	\$20
Transformative Climate Communities	\$35	\$25	\$80
California Integrated Climate Investment Program	\$20	\$20	\$5
Energy Corps.	\$6	\$6	\$10
California Climate Change Technology and Solutions Initiative	\$35	\$35	\$55
Low Income Weatherization	\$0	\$20	\$30
State Water Efficiency and Enhancement Program	\$0	\$5	\$0
Urban Forestry	\$0	\$20	\$0
Urban Greening	\$0	\$60	\$5
Wetlands	\$0	\$20	\$0
Coastal Adaptation	\$0	\$6	\$0
Natural Lands Adaptation	\$0	\$20	\$0
Ports	\$0	\$50	\$0
Local Government Sharing Best Practices	\$0	\$1	\$0
Workforce Development and Training	\$0.4	\$0	\$0.4
TOTAL	\$1,297	\$1,547	\$1,449

In addition to the proposed expenditures plans, it is important to note that 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.

Staff will provide an update on the budget discussions related to expenditure of Cap-and-Trade revenues, as appropriate.

Forest Carbon Plan:

Following the Governor's January State the State announcement that he would review and improve how the State manages its forests and reduces the threat of fires and prior to the release

of the May Revise, Governor Brown issued Executive Order B-52-18 on forest management and wildfires. The executive order seeks to improve forest management and restoration; provide regulatory relief for forest health and fuels reduction programs; reduce barriers for prescribed fires; boost education and outreach regarding forest restoration; streamline fuel reductions projects and permitting; and support wood products innovation. The full text of the executive order can be read at <https://www.gov.ca.gov/wp-content/uploads/2018/05/5.10.18-Forest-EO.pdf>.

Governor Brown's intent behind the executive order is to actively manage California's forests to combat tree mortality, increase the ability of forest to capture carbon and improve forest management. To complement the executive order, the May Revise includes \$96 million for the Forest Carbon Plan.

Staff continues to monitor the budget negotiations, and continues to engage on the budget-related policy issues of interest to the District. Staff will provide the Committee with an oral update on any new developments.

Legislation Related to a Water Tax:

Water Tax — SB 623 (Monning, D-Santa Cruz) and Budget Trailer Bill Proposal:

In 2017, Senator Bill Monning (D-Santa Cruz) authored SB 623. SB 623 would have established the Safe and Affordable Drinking Water Fund in the State Treasury and would have provided that the moneys in the fund be continuously appropriated to the State Water Resources Control Board for grants, loans, contracts, or services to assist those without access to safe and affordable drinking water consistent with a fund implementation plan to be adopted annually by the State Board. On August 21, 2017, the bill was amended to include a fee on fertilizer, a fee on milk, and a monthly water tax of the following:

- \$0.95 per month for meters less than or equal to 1-inch;
- \$4.00 per month for meters less than or equal to 2-inch;
- \$6.00 per month for meters less than or equal to 4-inch;
- \$10.00 per month for meters greater than 4-inch; and
- Customers without a meter would be taxed at a rate of \$0.95.

SB 623 remains in the Assembly Rules Committees. Last year, IRWD adopted an "oppose/oppose unless amended" position on SB 623 and advocate against any water tax inconsistent with the Board-adopted policy on a public good charge/statewide user fee.

In addition, earlier this year the Administration released a budget trailer bill labeled as "Safe and Affordable Drinking Water Act" which was proposed in the form of a budget trailer bill the agricultural fees and water tax included in SB 623. Given the budget trailer bill's similarity to SB 623 and its inconsistency with the Board-adopted policy on a public good charge/statewide user fee, IRWD adopted an "oppose/oppose unless amended" position on the budget trailer bill.

The budget trailer bill was heard by the Senate Budget Subcommittee No. 2 on Resources, Environmental Protection, Energy and Transportation and the Assembly Budget Subcommittee No. 3 on Resources and Transportation and the in March and May. The Senate Budget Subcommittee No. 2 on Resources, Environmental Protection, Energy and Transportation took an action to fund drinking water needed with General Fund and Proposition 2 revenues while the Assembly Budget Subcommittee No. 3 passed the Administration's budget trailer bill.

Despite the Assembly Budget Subcommittee's action, the Assembly Budget Committee took action to rescind the Assembly Budget Subcommittee No. 3's approval of the budget trailer bill. Instead, the Assembly Budget Committee rejected the Administration's budget trailer bill, adopted placeholder trailer bill language relating to addressing water pollution clean-up efforts, and approved a one-time loan of \$4.7 million from the Underground Storage Tank Cleanup Fund to begin implementation.

As a result of both the Senate and Assembly Budget Committee actions, the Administration's budget trailer bill was placed before the Budget Conference Committee. As of the writing of this report, the Conference Committee is still considering which actions to take on the Administration's budget trailer bill and on safe and affordable drinking water.

The Association of California Water Agencies (ACWA) and the water coalition it is leading have urged the Conference Committee to reject the Administration's budget trailer bill and look to one of the four alternatives proposed by ACWA. Exhibit "C" provides the material on the "Funding Alternatives to the Proposed Tax on Drinking Water" that ACWA is proposing.

Staff has continued to work with ACWA and the District's other industry partners to oppose a water tax. Staff will be available to provide an update on any new developments.

AB 2050 (Caballero, D-Salinas) — Small Water System Authority Action of 2018:

In addition to the discussions taking place on a water tax to address water quality issues within disadvantaged communities, the water community to support AB 2050 (Caballero, D-Salinas) as one way to address the challenges facing many communities in the state. The Eastern Municipal Water District (EMWD), in partnership with the California Municipal Utilities Association (CMUA), are sponsoring AB 2050 to address the management and governance challenges facing water systems within disadvantaged communities.

AB 2050 would create a new category of water agency — a Small System Water Authority — with unique powers to absorb, improve and competently operate currently non-compliant public water systems with either contiguous or non-contiguous boundaries. Small System Water Authorities would consolidate failing small water systems that are voluntarily donated to the Authority to provide technical, managerial and financial capabilities to ensure the provision of safe, clean, affordable, and accessible water and local governance.

AB 2050 is currently in the Senate having been passed by the Assembly on a vote of 56 to 19. Given the important role governance will play in California's ability to address water quality issues within disadvantaged communities, IRWD has a "support" position on AB 2050.

2018 State Legislative Update:

Other Consolidation Bills:

In addition to AB 2050, there are several other bills related to consolidations of water or wastewater agencies:

- *AB 2501(Chu, D- Milpitas) — Drinking water: Consolidation and Extension of Service:* AB 2501, authored by Assemblymember Kaasen Chu (D-Milpitas), seeks to amend the consolidation authorities granted to the State Board in SB 88 (2015). SB 88 authorized the State Board to order a water system to take over and consolidate with a public water system or a state small water system that consistently fails to provide an adequate supply of safe drinking water within a disadvantaged community in order to ensure that those communities would no longer receive unsafe drinking water. In addition to the authority granted in SB 88, AB 2501 seeks to extend the State Board's consolidation authority. If enacted, AB 2501 would allow the State Board to order a water system to take over, consolidate or provide service where the disadvantaged community is reliant on a water system that has 200 connections or less, individual domestic wells, or an unregulated water system serving fewer than five connections. AB 2501 was passed by the Assembly on a vote of 55 to 21, and
- *SB 1215 (Hertzberg, D-Van Nuys) — Drinking Water Systems and Sewer Systems: Consolidation and Extension of Service:* Senator Bob Hertzberg has authored SB 1215. Like AB 2501, SB 1215 seeks to expand the State Board's authority for extension of service. Specifically, SB 1215 would authorize the State Board to order a sewer service provider to extend service to a disadvantaged community or where the residents of a disadvantaged community are served by an onsite sewage treatment system (i.e. septic systems) that does not provide adequate sewage service.

Both AB 2050 and SB 1215 have been topics of conversation within IRWD's industry associations. Staff will be available to provide an update on these discussions.

AB 1912 (Rodriguez, D-Pomona) — Joint Powers Authority Public Employees' Retirement Liability:

Existing law permits two or more public agencies to form a joint powers authority (JPA). A JPA is a separate entity from the public agencies that form it; however, under existing law, the debts, liabilities and obligations of the JPA become the debts, liabilities and obligations of its member agencies unless the agreement governing the JPA states otherwise. In the case of pension and retirement obligations, the JPA agreement may limit those obligations and liabilities to be obligations and liabilities of the JPA alone. AB 1912, authored by Assemblymember Freddie Rodriguez (D-Pomona), would change this.

Specifically, AB 1912 would made both current and former member agencies of a JPA liable for a portion of the JPA's retirement liabilities. Member agencies of a JPA would be required to mutually agree as to the apportionment of the JPA's retirement liabilities, provided that the

agreed-to split equals the total retirement liability of the JPA. If the JPA's member agencies are unable to mutually agree to apportionment, the retirement liabilities will be apportioned based on the share of service the member agency received from the JPA or by the population of each member agency.

AB 3206 (Friedman, D-Burbank) — Water Conservation: Water Meters: Accuracy and Performance Standards

Assembly Member Friedman authored AB 3206 to reduce water loss and water waste by auditing water meters. This bill would require the California Energy Commission (CEC) to adopt regulations setting standards for the accuracy of water meters purchased on and after the effective date of the regulation setting the standards. Additionally, the bill would require the State Water Resources Control Board, when adopting the water loss standards under SB 555 (2016), to adopt protocols to be used by each urban water supplier for the regular sampling and testing of its customers' service meters to establish a statistically sound estimate of the accuracy of the water meters serviced by the urban water supplier. IRWD has sought amendments through our coalition to use AWWA standards for water meters. Previous amendments requested removed the requirement that the CEC establish the useful life a meter.

SB 998 (Dodd, D-Napa) — Discontinuation of Residential Water Service:

SB 998, authored by Senate Bill Dodd (D-Napa), would establish new statutory provisions governing when a public water system may discontinue water service at a residential property. Among its many provisions, the bill would prohibit a public water system from discontinuing residential water service for nonpayment until a customer has been delinquent for at least 60 days and has been provided adequate notice about their options to avoid discontinuation of their water service. The bill also prohibits, if certain situations exist, the discontinuation of water service. The bills would prohibit the discontinuation of water service where all of the following conditions are met:

- The customer, or a tenant of the customer, submits to the water provider certification from a licensed medical professional that that discontinuation of residential service will be life-threatening to, or pose a serious threat to the health and safety of, a resident of the premises where the service is being provided;
- The customer demonstrates that he or she is financially unable to pay their bill within the normal payment period; if any member of the customer's household is a recipient of CalWORKS, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants and Children; or he or she declares that the household's annual income is less than 200 percent of the federal poverty level; and
- The customer is willing to enter into an amortization agreement, alternative payment schedule or plan for deferred or reduce payment with respect to the delinquent charges.

Additionally, the bill limits a water provider’s ability to discontinue service if the customer is delinquent on a payment required under an amortization agreement, alternative payment schedule or plan for deferred or reduced payment plan. The bill would require that service could not be discontinued until the customer was 60 days delinquent on those charges.

SB 998 also limits reconnection fees and interest charges on past due bills. The bill limits reconnection fees to \$50.00 or less for a reconnection during normal operating hours and \$150.00 or less during non-normal operating hours. It would also require that reconnection and interest charges be waived for a residential customer who demonstrates to a water provider that their household income is below 200 percent of the federal poverty line.

Despite requests that these limits and waiver of charges be removed from the bill, the author has indicated that he will retain these provisions without change. As a result, ACWA, CMUA, League of Cities, California Water Association and California Special Districts Association are considering moving from an “oppose unless amended” position to “oppose” positions. They have asked that water agencies also consider moving to an “oppose” position.

Staff has been and will continue to participate in the ACWA and CMUA working group on the bill. At this time, staff recommends that the Board consider an “oppose” position on SB 998 because the author has rejected the amendments requested by the water community which would make the bill consistent with Proposition 218’s cost-of-service requirements.

2018 State Water Bonds:

Water Supply and Water Quality Act of 2018:

The Water Supply and Water Quality Act of 2018 is the \$8.877 billion general obligation bond proposed by Jerry Meral for the November 2018 election. The bond, which has qualified for the November 2018 ballot, allocates \$8.877 billion to the following categories:

Category of Funding		Total (in millions)
Groundwater	Groundwater – SGMA Compliance	\$675
	Groundwater Desalination	\$400
Water & Wastewater Infrastructure	Stormwater	\$550
	Safe Drinking Water	\$500
	Wastewater Recycling	\$400
	Wastewater Treatment in Disadvantaged Communities	\$250
	Water Measurement	\$60
	Office of Sustainable Water Solutions	\$10
	Integrated Regional Water Management	\$5

Water Conservation	Urban Water Conservation	\$300
	Agricultural Water Conservation Incentives	\$50
	Energy Commission Water and Energy Program	\$15
Flood Control	Flood Control Reservoirs	\$200
	San Francisco Bay Wetlands and Flood Improvements	\$200
	Central Valley Flood Management	\$100
Watershed & Habitat	Watershed Improvements	\$2,355
	Water for Wildlife	\$930
	Watershed Restoration for Fisheries	\$400
	Land Management for Water Yield	\$100
	Conservation Corps	\$40
Specific Project Funding	Madera and Friant Kern Canals	\$750
	Oroville Repair	\$200
	Bay Area Regional Reliability Partnership	\$250
	San Joaquin River Settlement	\$100
	Sutter Butte Flood Management	\$21
	American River Basin Planning	\$10
	North Bay Aqueduct Planning	\$5
	Butte County Emergency Equipment	\$1
Total		\$8,877

Given the allocations included in the bond, staff recommends that the Board adopt a “support” position on the Water Supply and Water Quality Act of 2018.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

That the Board adopt an “OPPOSE” position on SB 998 (Dodd, D-Napa) and a “SUPPORT” position on the Water Supply and Water Quality Act of 2018.

LIST OF EXHIBITS:

- Exhibit “A” – IRWD Legislative Matrix
- Exhibit “B” – 2018 Legislative Update Report Links to Bill Texts
- Exhibit “C” – ACWA’s Funding Alternatives to the Proposed Tax on Drinking Water

EXHIBIT "A"
IRWD 2018 LEGISLATIVE MATRIX
Updated 06/07/2018

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 18 Garcia E (D)	Clean Water, Climate, and Coastal Protection Act		Enacts the California Clean Water, Climate, Coastal Protection and Outdoor Access For All Act, which would authorize the issuance of bonds to finance a clean water, climate, and coastal protection and outdoor access for all program. Provides for the submission of these provisions to the voters at the statewide direct primary election.	08/31/2017 - In SENATE. Joint Rule 62(a) suspended.;08/31/2017 - From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on GOVERNANCE AND FINANCE.;08/31/2017 - From SENATE Committee on GOVERNANCE AND FINANCE: Do pass to Committee on APPROPRIATIONS.
AB 161 Levine (D)	Department of Finance: Infrastructure Investment		Authorizes the Department of Finance to identify infrastructure projects in the state for which the department will guarantee a rate of return on investment for an investment made in that infrastructure project by the Public Employees' Retirement System.	08/21/2017 - In SENATE Committee on APPROPRIATIONS: Not heard.
AB 196 Bigelow (R)	Greenhouse Gas Reduction Fund: Water Supply		Amends the Global Warming Solutions Act, which creates the Greenhouse Gas Reduction Fund and authorizes specified investments, including water use and supply. Authorizes the use of the moneys in the fund for electric pump efficiency, water and wastewater systems, pump and pump motor efficiency improvements, and drinking water transmission and distribution systems' water loss if the investment furthers the regulatory purposes of the act and is consistent with law.	09/01/2017 - In SENATE Committee on APPROPRIATIONS: Held in committee.
AB 732 Frazier (D)	Levee Maintenance		Extends indefinitely the operation of the authorization to advance funds to reimburse local agencies under a program for the maintenance or improvement of project or nonproject levees. Postpones the operation of certain related provisions.	09/01/2017 - In SENATE Committee on APPROPRIATIONS: Held in committee.
AB 869 Rubio (D)	Sustainable Water Use: Recycled Water		Requires long-term standards for urban water conservation and water use to include a credit for recycled water. Prohibits an urban retailer water supplier from being required to reduce the	08/24/2017 - From SENATE Committee on NATURAL RESOURCES AND WATER with

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			amount of recycled water it produces, sells, or distributes for beneficial potable or nonpotable uses during a period when water conservation measures are in effect.	author's amendments.;08/24/2017 - In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.
<u>AB 987</u> Calderon I (D)	Water Quality, Supply, and Infrastructure Improvement		Amends existing law relating to the State General Obligation Bond Law. Relates to the capital asset exception provided under Proposition 1. Clarifies that a conflict exists for purposes of that exception if any provision of this division authorizes, either expressly or by necessary implication, a project or program that would not result in the creation of a capital asset, including projects relating to the prevention, cleanup, treatment, or remediation of contaminated groundwater, or other such projects.	09/11/2017 - In SENATE. Read second time. To third reading.;09/11/2017 - Re-referred to SENATE Committee on RULES.
<u>AB 1000</u> Friedman (D)	Water Conveyance: Unused Facility Capacity	WATCH	Prohibits a transferor of water from using a water conveyance facility that has unused capacity to transfer water from a groundwater basin underlying desert lands that is in the vicinity of specified federal lands or state lands to outside of the groundwater basin unless the State Lands Commission, in consultation with the Department of Fish and Wildlife, finds that the transfer of the water will not adversely affect the natural or cultural resources of those federal and state lands.	09/01/2017 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<u>AB 1017</u> Santiago (D)	Collective Bargaining Agreements: Arbitration		Amends the existing law, with regard to disputes concerning collective bargaining agreements for private employees. Provides for such provision apply to public employment. Limits liability for attorney's fees under such provisions to a labor organization or employer.	09/15/2017 - In ASSEMBLY. Ordered returned to SENATE. *****To SENATE.
<u>AB 1270</u> Gallagher (R)	Dams and Reservoirs: Inspections and Reporting		Amends existing law that requires the Department of Water Resources to inspect dams, reservoirs, and appurtenant structures once per fiscal year. Requires the owner of a dam to operate critical outlet and spillway control features on an annual basis and to demonstrate their full operability in the presence of the	02/26/2018 - Signed by GOVERNOR.;02/26/2018 - Chaptered by Secretary of State. Chapter No. 2018-3

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			Department. Provides certain inspection reports may be withheld from public release. Requires the Department to provides specified information on its website.	
<u>AB 1273</u> Gallagher (R)	Environmental Quality Act: Exemption: Levee Repairs		Amends the California Environmental Quality Act (CEQA). Exempts from the requirements of the CEQA, repairs of critical levees of the State Plan of Flood Control within an existing levee footprint to meet standards of public health and safety. Requires the lead agency to take certain actions regarding the repairs.	07/11/2017 - In SENATE Committee on NATURAL RESOURCES AND WATER: Failed passage.
<u>AB 1323</u> Weber (D)	Sustainable Water Use and Demand Reduction		Requires the Department of Water Resources to convene a stakeholder workgroup. Requires the workgroup to develop, evaluate, and recommend proposals for establishing new water use targets for urban water suppliers and report to the Governor and the Legislature. Requires all expenses to be the responsibility of the nonstate agency stakeholders.	08/21/2017 - In SENATE Committee on APPROPRIATIONS: To Suspense File.
<u>AB 1420</u> Aguiar-Curry (D)	Water Rights: Small Irrigation Use		Requires State Water Resources Control Board to give priority to adopting general conditions that permit a registrant to store water for small irrigation use during times of high streamflow in exchange for the registrant reducing diversions during periods of low streamflow. Exempts an entity from the requirement to enter into a lake or streambed alteration agreement with the department under specified circumstances.	09/01/2017 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<u>AB 1654</u> Rubio (D)	Water Conservation	CO-SPONSOR & SUPPORT	States the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.	07/19/2017 - Re-referred to SENATE Committee on RULES.
<u>AB 1667</u> Friedman (D)	Water Management Planning	OPPOSE	Requires the State Water Resources Control Board to adopt long-term standards for urban water conservation and water use on or before the specified date. Requires the board to adopt performance measures for commercial, industrial, and institutional water use on or before that date. Require an urban water supplier to calculate a water use target beginning the	07/11/2017 - In SENATE Committee on NATURAL RESOURCES AND WATER: Heard, remains in Committee.

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			calendar year after the board adopts long-term standards for urban water conservation and water use. Relates to submission of specified information.	
<u>AB 1668</u> Friedman (D)	Water Management Planning	SUPPORT	Requires the State Water Resources Control Board to adopt long term standards for the efficient use of water and performance measures for certain water uses. Requires the Department to conduct necessary studies and investigations and authorizes them to recommend to the Legislature a standard for indoor residential water use. Imposes civil liability for a violation of an order or regulation issued pursuant to these provisions, as specified.	05/31/2018 - Signed by GOVERNOR.;05/31/2018 - Chaptered by Secretary of State. Chapter No. 2018-15
<u>AB 1740</u> Daly (D)	Budget Deficit Savings Account		Establishes the Budget Deficit Savings Account in the State Treasury, provides that funds in the reserve shall be available only for specified purposes, for appropriation by the Legislature in fiscal years in which there is a state budget deficit.	04/30/2018 - In ASSEMBLY. Joint Rule 62(a) suspended.
<u>AB 1745</u> Ting (D)	Vehicles: Clean Cars 2040 Act		Requires all new passenger vehicles to be zero emissions vehicles after a specified date. States that zero emissions vehicles cannot produce exhaust emissions of any criteria pollutant or greenhouse gas under any operational mode or condition. Exempts large commercial vehicles (larger than a specified number of pounds) and does not apply to vehicles owned by people moving into California from other states.	01/16/2018 - To ASSEMBLY Committee on TRANSPORTATION.
<u>AB 1748</u> Steinorth (R)	Property Taxation: Base Year Value Transfer		Amends existing law relating to the base year value of property that is eligible for the homeowner's exemption. Deems a replacement dwelling to be of equal or lesser value if the amount of the full cash value of that replacement dwelling does not exceed specified amounts based on the date of the sale of the original property relative to the purchase or new construction of the replacement dwelling.	05/14/2018 - In ASSEMBLY Committee on REVENUE AND TAXATION: Failed passage.

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<u>AB 1770</u> Steinorth (R)	Local Government: Investments		Revises the maximum 5-year maturity requirement regarding investment in securities by a local agency to instead require that the securities have a maximum remaining security of 5 years or less. Eliminates the requirement that the securities issuer be rated A or its equivalent or better for the issuer's debts as provided by an NRSRO.	05/03/2018 - To SENATE Committee on GOVERNANCE AND FINANCE.
<u>AB 1912</u> Rodriguez (D)	Public Employees' Retirement: Joint Powers Agreements		Specifies that if an agency to a joint powers agreement participates in a public retirement system, all parties are jointly and severally liable for all obligations to the retirement system. Prohibits the PERS Board of Administration from contracting with an agency formed under the Joint Exercise of Powers Act unless all the parties to that agreement are jointly and severally liable for all of the public agency's obligation to the system.	05/30/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 1945</u> Garcia E (D)	Greenhouse Gas Reduction Fund: Investment Plan		Require the State Air Resources Board to work with state agencies administering grant programs that allocate moneys from the Greenhouse Gas Reduction Fund to give specified communities preferential points during grant application, scoring for programs intended to improve air quality, to include a specified timeline for programs with competitive application processes.	05/30/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 1989</u> Mathis (R)	Water and Wastewater Loan and Grant Program		Appropriates a specified amount to the State Water Resources Control Board. Provides funding to eligible applicants for specified purposes relating to drinking water and wastewater treatment.	05/25/2018 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>AB 1991</u> Mathis (R)	Safe Drinking Water State Revolving Fund		Requires the State Water Resources Control Board to post information on its internet web site regarding implementation of the Safe Drinking Water Revolving Fund Law and expenditures from the Fund.	03/15/2018 - To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.;03/15/2018 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND

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				TOXIC MATERIALS with author's amendments.;03/15/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<u>AB 2003</u> Daly (D)	Public Contracts: Sanitation Districts	SUPPORT	Relates to existing law which requires a sanitation district, when an expenditure for work exceeds a specified amount, to contract with the lowest responsible bidder after notice. Requires the notice to be published in a manner that the district board determines to be reasonable, which may include, but is not limited to, newspapers, Internet Web sites, radio, television, or other means of mass communication.	02/12/2018 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<u>AB 2017</u> Chiu (D)	Public Employers: Employee Organizations		Expands the definition of public employer to include those employers of excluded supervisory employees and judicial council employees. Includes in the definition of public employee those employees of a public transit agency with specified labor relation provisions. Prohibits a public employer from deterring or discouraging prospective public employees from becoming or remaining members of an employee organization.	05/03/2018 - To SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT.
<u>AB 2038</u> Gallagher (R)	Countywide Drought and Water Shortage Contingency Plans		Requires the Department of Water Resources, in consultation with the State Water Resources Control Board and other relevant state and local agencies and stakeholders, to use available data to identify small water suppliers and rural communities that may be at risk of drought and water shortage vulnerability and requires the department to notify counties and groundwater sustainability agencies of those suppliers or communities.	02/16/2018 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
<u>AB 2042</u> Steinorth (R)	Personal Income Tax Credits: Graywater Reuse Systems		Allows as a credit against the net personal income tax equal to a certain percent of the cost of installing a residential graywater reuse system in the taxpayer's residence located in the state. Limits the cumulative amount of the credit. Requires the	05/25/2018 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

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			Franchise Tax Board to receive and evaluate applications that are submitted by taxpayers to receive a residential graywater reuse system credit and to certify to the taxpayer the amount of the credit that is authorized.	
AB 2050 Caballero (D)	Small System Water Authority Act of 2018	SUPPORT	Creates the Small System Water Authority Act to authorize the creation of small system water authorities to have powers to absorb, improve, and competently operate noncompliant public water systems. Requires the State Water Resources Control Board to provide certain notices to systems that are not compliant with drinking water standards.	05/30/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 2060 Garcia E (D)	Water: Grants: Advanced Payments		Requires the board, within 60 days of awarding a grant from the grant fund, to provide a project proponent that requests and demonstrates a need for advanced payment with advanced payment of \$500,000 or 50% of the grant award, whichever is less, for projects in which the project proponent is a nonprofit organization or a disadvantaged community, or the project benefits a disadvantaged community.	05/31/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 2064 Gloria (D)	Integrated Regional Water Management Plans: Grants		Requires require the department to provide a project proponent that requests and demonstrates a need for advanced payment with advanced payment for those projects of \$500,000 or 50% of the grant award, whichever is less. Eliminates the requirement that the grant award for the project be less than \$1,000,000 to obtain advanced payment.	05/30/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 2065 Ting (D)	Local Agencies: Surplus Land		Expands the definition of local agency to include sewer, water, utility, local and regional park districts, joint powers authorities, successor agencies to former redevelopment agencies, housing authorities, and other political subdivisions of this state that is empowered to acquire and hold real property, thereby requiring these entities to comply with the requirements for the disposal of	05/25/2018 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

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			surplus land. Defines surplus land, dispose of, and priority for purposes of these provisions.	
AB 2071 Bloom (D)	Government Immunity: Accessory Dwelling Units		Provides that the City of Los Angeles is not liable for an injury or for damage that has arisen from or is related to the use of an accessory dwelling unit and that is caused by any utility system, including, but not limited to, a water system or electrical system equipment, that the city designed, owns, operates, or maintains if the city has permitted the utility system equipment and the accessory dwelling unit or structure being converted to an accessory dwelling unit to remain in the same location.	05/30/2018 - To SENATE Committee on JUDICIARY.
AB 2072 Quirk (D)	State Water Resources Control Board: Contaminants		Requires the State Water Resources Control Board to establish and maintain a dedicated program to research the potential effects of constituents of emerging concern in water sources on human and ecosystem health.	05/25/2018 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
AB 2077 Limon (D)	Electricity: Local Government Renewable Energy Program		Requires an electrical corporation to negotiate in good faith with the County of Santa Barbara to construct and operate eligible renewable generating facilities sufficient to meet the local government's 100% renewables commitment. Requires that any mutually agreed upon rates and terms be submitted to the commission and would require the commission to approve the rates and terms if the commission determines them to be just and reasonable.	05/25/2018 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
AB 2123 Cervantes (D)	California Voting Rights Act: District-Based Elections		Permits a political subdivision and a prospective plaintiff bringing an action under the state Voting Rights Act to enter into a written agreement to extend the time period during which a prospective plaintiff is prohibited from commencing an action for up to an additional specified amount of days in order to provide additional time to conduct public outreach, encourage public participation, and receive public input. Requires a schedule of the public outreach events be published on the subdivision web site.	05/24/2018 - To SENATE Committees on ELECTIONS AND CONSTITUTIONAL AMENDMENTS and JUDICIARY.

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AB 2154 Bonta (D)	Public Employment: Labor Relations: Release Time		Prescribes requirements relating to release time that would apply to all of the public employers and employees subject to specified public employee acts and would generally repeal the provisions relating to release time in those acts. Prohibits the Public Employment Relations Board from enforcing these provisions with regard to public transit workers that are not otherwise subject to the board's jurisdiction.	04/02/2018 - From ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY with author's amendments.;04/02/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.
AB 2179 Gipson (D)	Municipal Corporations: Public Utility Service		Authorizes a municipal corporation to utilize the alternative procedures to lease, sell, or transfer that portion of a municipal utility used for furnishing sewer service outside the boundaries of the municipal corporation.	05/29/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 2241 Rubio (D)	The Open and Transparent Water Data Act	SUPPORT	Amends the Open and Transparent Water Data Act. Requires the Department of Water Resources to work to improve the open and transparent access to data by reducing the fractured or duplicative reporting of the same data to multiple governmental agencies and departments, and by reducing the reporting burden on entities providing data to governmental agencies.	05/25/2018 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
AB 2242 Rubio (D)	Urban Water Management Planning		Amends the Urban Water Management Planning Act. Requires an urban water supplier, to include in its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry years, including a repeat of consecutively historic driest years the urban water supplier has experienced.	06/04/2018 - In ASSEMBLY. To Inactive File.
AB 2249 Cooley (D)	Public Contracts: Local Agencies: Alternative Procedure		Authorizes public projects of a specified amount or less to be performed by the employees of a public agency, authorize public projects of a specified amount or less to be let to contract by informal procedures, and require public projects of more than a	06/04/2018 - From SENATE Committee on GOVERNANCE AND FINANCE with author's amendments.;06/04/2018 - In

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			specified amount to be let to contract by formal bidding procedures.	SENATE. Read second time and amended. Re-referred to Committee on GOVERNANCE AND FINANCE.
AB 2266 Bigelow (R)	Urban Water Management Plans: Adoption		Requires urban water suppliers to prepare and adopt urban water management plans within a specified number of years after becoming urban water suppliers.	03/15/2018 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.;03/15/2018 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;03/15/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
AB 2277 Mathis (R)	Solid Waste Facilities: Pharmaceutical Waste		Vests the Department of Resources Recycling and Recovery with the primary responsibility for the disposal of home-generated pharmaceutical waste and would require the Department of Resources Recycling and Recovery, in collaboration with the State Department of Public Health, the Department of Toxic Substances control, and the California State Board of Pharmacy, to adopt regulations authorizing the incineration of home-generated pharmaceutical waste by solid waste facilities.	03/01/2018 - To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
AB 2278 Berman (D)	Local Government Renewable Energy Self Generation		Amends the Local Government Renewable Energy Self Generation Program. Revises how the bill credit is calculated. Requires the electrical corporation to use the time of use periods and certain seasonal definitions. Requires a tariff approved by the commission as part of the program to remain in effect for the operating life of the associated eligible renewable generating facility. Repeals the requirement that when the last billing cycle of a 12-month period is reached, any remaining credit is reset to zero.	05/25/2018 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
AB 2283 Holden (D)	Income Taxes: Exclusion: Turf Removal Program	SUPPORT	Extends the operation of existing law which provides an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a local	05/25/2018 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

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			water agency or supplier for participation in a turf removal water conservation program.	
<u>AB 2341</u> Mathis (R)	California Environmental Quality Act		Specifies that, except as provided, the aesthetic effects of projects meeting certain requirements are not significant effects on the environment for the purposes of the California Environmental Quality Act and that the lead agency is not required to evaluate the aesthetic of those projects.	06/06/2018 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass as amended.
<u>AB 2370</u> Holden (D)	Lead Exposure: Child Daycare Facilities		Requires, as a condition of licensure, the health and safety training to include instruction in the prevention of lead exposure as a part of the preventive health practices course or courses component. Requires a licensed child day care facility, upon enrolling or reenrolling a child receiving state-subsidized child care, to request that the child's parent or guardian provide the facility with documentation demonstrating that the child had received a blood lead screening test.	05/31/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 2371</u> Carrillo (D)	Water Use Efficiency: Landscape Irrigation		Amends existing law regulating the labeling of nursery stock. Requires, upon delivery to a job site, as defined, each landscape plant or a representative number of each landscape plant, as determined by the Secretary of Food and Agriculture, to be individually labeled as to its correct name in order to correctly identify nursery stock installed in outdoor landscapes that are subject to inspection under the Model Water Efficient Landscape Ordinance or any local water efficient landscape ordinance.	05/31/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 2379</u> Bloom (D)	Waste Management: Plastic Microfiber		Relates to toxic chemical enforcement. Requires that new clothing with a certain material composition bear a conspicuous label that is visible to the consumer in the form of a sticker, or any other label type, with a statement that the garment sheds plastic microfibers when washed. Requires additional information, including that same statement, on the care label of	06/04/2018 - In ASSEMBLY. To Inactive File.

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			such garments. Prohibits sales of such new clothing without those labels.	
<u>AB 2432</u> Obermolte (R)	California Voting Rights Act		Prohibits the courts under the California Voting Rights Act, from imposing district-based elections unless the plaintiff has established that district-based elections would remedy the dilution of abridgment of voting rights and that alternatives to district-based elections would not achieve greater voting rights and other benefits.	04/25/2018 - In ASSEMBLY Committee on ELECTIONS AND REDISTRICTING: Not heard.
<u>AB 2434</u> Bloom (D)	Strategic Growth Council: Health in All Policies		Establishes the Health in All Policies Program, to be administered by the Strategic Growth Council, for the purposes of incorporating health, equity, and sustainability considerations into decision making across sectors and policy areas.	05/29/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 2441</u> Frazier (D)	Sac San Joaquin Delta Abandoned Commercial Vessels		Amends existing law authorizing the State Lands Commission to recover costs relating to the removal of abandoned commercial vessels. Requires the Commission to deposit any moneys recovered from commercial vessel removal actions into the Sacramento San Joaquin Delta Abandoned Vessel Removal Account. Requires the Commission to develop a plan for the removal of abandoned and derelict commercial vessels using those moneys, as prescribed.	05/29/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 2447</u> Reyes (D)	California Environmental Quality Act: Land Use		Requires the Office of Environmental Health Hazard Assessment to publish a list of subject land uses and a map that identifies disadvantaged communities and areas within a certain distance of the disadvantaged communities. Requires a lead agency that is preparing an EIR or a negative declaration to provide certain notices to property owners and schools near any parcel or parcels on which there is a project involving a subject land use.	05/30/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.

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<u>AB 2464</u> Harper (R)	California Coastal Act: Port of Newport Beach		Relates to a port master plan for the port of Hueneme, Long Beach, Los Angeles, or San Diego Unified Port District located within the coastal zone. Applies this port master plan provision to the Port of Newport Beach located within the coastal zone, except as provided.	03/05/2018 - To ASSEMBLY Committee on NATURAL RESOURCES.
<u>AB 2470</u> Grayson (D)	Invasive Species		Establishes the Invasive Species Council of California, composed as prescribed, to help coordinate a comprehensive effort to prevent the introduction of invasive species in the state and to provide for the control or eradication of invasive species already established in the state. Establishes the Invasive Species Fund and, upon appropriation by the Legislature, moneys in the fund would be available for the purposes of funding invasive species projects.	05/30/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 2475</u> Ting (D)	State Owned Property: Sustainable Landscaping		Requires the Department of General Services to review, at least every 5 years, any existing regulations and practices for sustainability, energy efficiency, and water efficiency requirements for landscapes on state-owned real property to ensure those regulations and practices reflect the most current sustainability and efficiency standards available.	05/24/2018 - To SENATE Committee on GOVERNMENTAL ORGANIZATION.
<u>AB 2501</u> Chu (D)	Drinking Water: Consolidation and Extension of Service		Redefines disadvantaged community for purposes of the California Safe Drinking Water Act to also include a disadvantaged community that is served by a state small water system or domestic well. Authorizes the State Water Resources Control Board to order consolidation with a receiving water system where a disadvantaged community is reliant on domestic well that consistently fails to provide an adequate supply of safe drinking water.	05/29/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 2516</u> Eggman (D)	Dams: Reservoir Restrictions		Requires the Department of Water Resources to post, and update quarterly, on its Internet Web site a report containing the name of each reservoir subject to restriction, the effective date of the	05/10/2018 - To SENATE Committee on NATURAL RESOURCES AND WATER.

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			reservoir restriction, the reason for the restriction, and actions that would allow the restrictions to be removed, if no reservoir restrictions are in effect, would require the department to post this fact on its Internet Web site.	
<u>AB 2528</u> Bloom (D)	Climate Adaptation		Specifies that the biodiversity and habitat sector includes habitat resilience areas, as defined. Requires state agencies to maximize the objective of protecting and enhancing habitat resilience areas.	05/29/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 2541</u> Salas (D)	Safe Drinking Water State Revolving Fund		Relates to existing laws grant funding, and principal forgiveness and 0% financing on loans, from the Safe Drinking Water State Revolving Fund to a project for a water system with a service area that qualifies as a severely disadvantaged community. Authorizes the board, to the extent permitted by federal law, to provide up to 100% grant funding, and principal forgiveness and 0% financing on loans, from the Safe Drinking Water State Revolving Fund.	06/06/2018 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee on APPROPRIATIONS.
<u>AB 2551</u> Wood (D)	Forest and Wildland Health Improvement		Requires the Department of Forestry and Fire Prevention to establish, implement, and administer the Forest and Wildland Health Improvement and Fire Prevention Program. Implements and administers programs that are intended to promote forest and wildland health, restoration, and resilience, and improve fire outcomes, prevention, and preparedness throughout the state. Authorizes the Department to enter into an agreement with a person to conduct joint prescribed burning operations, as specified.	05/30/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 2571</u> Gonzalez (D)	Public Employee Retirement Systems: Investments		Requires a public investment fund to require an alternative investment vehicle to report at least annually certain information concerning specified hospitality employers relating to race and gender pay equity and sexual harassment. Requires such fund to disclose race and gender pay equity and sexual harassment	04/18/2018 - In ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY: Not heard.

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			information provided to it in a report presented at a meeting open to the public.	
<u>AB 2649</u> Arambula (D)	Water Rights: Water Management		Requires the State Water Resources Control Board to prioritize a temporary permit for a project that enhances the ability of a local or state agency to capture water during high precipitation events for local storage or recharge. Provides that, consistent with permits or licenses, the diversion of water to underground storage constitutes a diversion of water for beneficial use, if the diverted water is put to beneficial use.	05/31/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 2697</u> Gallagher (R)	Wildlife, Bird, and Waterfowl Habitat		Requires the Wildlife Conservation Board to establish a program, which may include direct payments or other incentives, to encourage landowners to voluntarily cultivate or retain cover crops or other upland vegetation on idled lands to provide waterfowl, upland game bird, and other wildlife habitat cover for purposes, including, but not limited to, encouraging the use of idle agricultural lands for wildlife habitat.	05/31/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 2711</u> Chen (R)	Property Tax Revenue Allocations: County Of Orange	WATCH	Requires the auditor of the County of Orange to increase the total amount of ad valorem property tax revenue that is otherwise required to be allocated to the county by the county equity amount and to commensurately decrease the amount of ad valorem property tax revenue that is otherwise required to be allocated to the county Educational Revenue Augmentation Fund and, if necessary, the amount of those revenue otherwise required to be allocated to school districts.	05/25/2018 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>AB 2728</u> Chen (R)	Replacement Of Corroded Or Lead-containing Plumbing		Authorizes the State Water Resources Control Board to establish a grant program to provide funding to a county or qualified nonprofit organization, as specified, to provide low-interest loans to defined property owners for the replacement of corroded or lead-containing plumbing and service lines that adversely impact	05/25/2018 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

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			drinking water standards for the installation of a point-of-use or point-of-entry water treatment system, as specified.	
<u>AB 2812</u> Limon (D)	Data Storage and Protection Standards: Local Agencies		Creates the Office of Local Cloud Migration and Digital Innovation in the Department of Technology. Requires the Office to promote the use of technologies including cloud based computing and data storage that will assist local agencies in their efforts to further transparency, efficiency, disaster preparedness and response, and general accessibility to the public. Requires the Office to partner with private industry and the nonprofit community to maximize the assistance provided to local agencies.	05/25/2018 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>AB 2815</u> Gray (D)	Water Rights: Appropriations of Water		Makes nonsubstantive changes in provisions of the State Water Resources Control Board water rights program.	02/16/2018 - INTRODUCED.
<u>AB 2828</u> Friedman (D)	Waste Discharge Requirements: Oil and Gas Operations		Amends the Porter Cologne Water Quality Control Act. Authorizes a regional board to approve a waste discharge requirement for the use or reuse of produced water from an oil and gas operation for agriculture purposes or for groundwater recharge only if, after a public hearing, it finds that the Council on Science and Technology has reviewed the best available independent scientific evidence and has found the use will not pose a significant risk to the public from any contaminants.	04/17/2018 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS with author's amendments.;04/17/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<u>AB 2890</u> Ting (D)	Land Use: Accessory Dwelling Units	SEEK AMENDMENTS	Authorizes a local agency to provide by ordinance for the creation of accessory dwelling units in single-family and multifamily residential zones. Prohibits the imposition of lot coverage standards or requirements on minimum lot size, lot coverage, or floor area ratio. Prohibits an ordinance from establishing size requirements for accessory dwelling units that do not permit a certain minimum square foot unit of at least 16 feet in height to be constructed.	05/30/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 2898</u> Gloria (D)	Emergency Services: Local Emergencies		Requires a review of a local emergencies by the governing body of a city or county to occur at specified time intervals under the Emergency Services Act .	05/30/2018 - To SENATE Committee on GOVERNMENTAL ORGANIZATION.
<u>AB 2957</u> Gallagher (R)	Water: Institute for Water Innovation and Technology		Requests the Regents of the University of California to establish the California Institute for Water Innovation and Technology in order to achieve specified goals, including developing the state's next generation of water professionals and technicians and growing the state's economy by creating new opportunities for jobs in water research, management, and technology. Provides for the location of the Institute.	05/25/2018 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>AB 2966</u> Aguiar-Curry (D)	Disaster Relief		Provides that the state share for the removal of dead and dying trees in connection with the Governor's proclamation of a state of emergency issued on a specified date is no more than 90 percent of total state eligible costs.	05/25/2018 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>AB 2970</u> Cooper (D)	Public Employees: New Employee Orientations		Requires that the date, time, and place of a new employee orientation by a state or local public employer be confidential and not be shared with anyone other than employees, the exclusive representative, or a vendor that is contracted to provide a service for purposes of the orientation.	05/30/2018 - To SENATE Committees on PUBLIC EMPLOYMENT AND RETIREMENT and JUDICIARY.
<u>AB 2975</u> Friedman (D)	Wild and Scenic Rivers		Takes action to enact a statute that, upon enactment, would require the removal or delisting of any river or segment of a river in California that is included in the national wild and scenic rivers system and not in the state wild and scenic rivers. Requires the Secretary of the Natural Resources Agency, after holding a public hearing on the issue, based on the information obtained through the public hearing.	05/31/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 3027</u> Chavez (R)	California Environmental Quality Act: Attorney's Fees		Limits the awarding of attorney's fees to certain persons or entities for a prevailing party that is a plaintiff or petitioner in an	04/23/2018 - In ASSEMBLY Committee on NATURAL RESOURCES: Failed

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			action or proceeding under the California Environmental Quality Act.	passage.;04/23/2018 - In ASSEMBLY Committee on NATURAL RESOURCES: Reconsideration granted.
<u>AB 3031</u> Quirk (D)	Safety in Employment: Power Tools: Training		Requires an employer whose employees are involved in using power tools or other equipment for the cutting, grinding, coring, or drilling of concrete or masonry materials to provide specified training to those employees to reduce health hazards associated with the inhalation or ingestion of dust arising from those operations.	03/12/2018 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.
<u>AB 3037</u> Chiu (D)	Community Redevelopment Law		Amends the Community Redevelopment Law. Authorizes a city or county to propose the formation of a redevelopment housing and infrastructure agency by adoption of a resolution of intention that meets specified requirements, including a passthrough provision and an override passthrough provision. Requires the city or county to submit that resolution to each affected taxing entity. Requires the Strategic Growth Council to provide technical assistance to a city or county desiring to form an agency.	05/25/2018 - In ASSEMBLY. Joint Rule 62(a) suspended.;05/25/2018 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>AB 3045</u> Gallagher (R)	Natural Resources Agency: State Water Project		Establishes within the Natural Resources Agency the State Water Project Commission, consisting of 9 members appointed by the Governor and subject to confirmation by the Senate, including one member nominated by the Butte County Board of Supervisors. Imposes a new duty on the Butte County Board of Supervisors, the bill would impose a state-mandated local program.	05/25/2018 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>AB 3155</u> Cooper (D)	Public Works: Definition		Expands the meaning of the term public works for purposes of requirements regarding the payment of prevailing wages, to include warranty work, and would include warranty work within the definition of construction as it is used to define "public works".	03/12/2018 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 3170</u> Friedman (D)	Sales and Use Taxes: Exemptions: Water Efficiency	SUPPORT	Exempts from sales and use taxes the gross receipts from the sale of, and the storage, use, or other consumption of, qualified water efficiency products sold or purchased during a certain period of time, or for which a layaway agreement is entered into, a raincheck is issued, or other specified orders are placed, during this period until a specified date.	05/25/2018 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>AB 3187</u> Grayson (D)	Biomethane: Gas Corporations: Rates		Replaces the requirement that this consideration be made before expiration of the program, to instead require the commission to open a proceeding to consider those options by no later than July 1, 2019.	05/25/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 3206</u> Friedman (D)	Water Conservation: Water Meters: Accuracy		Requires the State Energy Resources Conservation and Development Commission to adopt rules for urban retail water supplier performance standards and to adopt protocols to be used by such supplier for the regular sampling and testing of its customers' service meters to ensure accuracy.	05/30/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 3222</u> O'Donnell (D)	Public Works: Prevailing Wages		Expands the definition of public works, for the purposes of provisions relating to the prevailing rate of per diem wages, to also include any construction, alteration, demolition, installation, or repair work done under private contract on a project for a charter school, as defined, when the project is paid for, in whole or in part, with the proceeds of conduit revenue bonds, as defined, that were issued on or after a specified date.	05/31/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 3253</u> Banking and Finance Cmt	Local Government: Financial Affairs		Increases the percentage of a local agency's funds that can be invested of the agency's surplus funds in deposits at specified types of financial institutions that use a private sector entity to assist in the placement of deposits and in certificates of deposit at specified types of financial institutions.	04/10/2018 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;04/10/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 3254</u> Local Government Cmt	Local Government Organization: Omnibus		Revises the definitions of affected territory and inhabited territory under the Local Government Reorganization Act of 2000 to include territory that is to receive extended services from a local agency, and additionally defines the term uninhabited territory for purposes of the Act.	05/30/2018 - To SENATE Committee on GOVERNANCE AND FINANCE.
<u>ACA 24</u> Waldron (R)	Property Taxation: Transfer of Base Year Value		Requires the Legislature to provide for the transfer of base year value of property that is substantially damaged or destroyed by a disaster, as declared by the Governor, occurring on or after a specified date through a specified date, to comparable property located within the same or a different county that is acquired or newly constructed as a replacement for the substantially damaged or destroyed property.	02/14/2018 - INTRODUCED.
<u>ACA 28</u> Mathis (R)	Water: Projects: Funding		Provides that, from specified state revenues, there shall be set apart, in unspecified percentages, moneys to be applied by the state for the payment of principal and interest on bonds authorized pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 and, of the amount remaining, for specified water projects of the Department of Water Resources and the State Water Resources Control Board.	02/26/2018 - INTRODUCED.
<u>AJR 38</u> Mathis (R)	Dams and Reservoirs: Federal Jurisdiction: Safety		Urges Congress to implement revised dam safety and inspection requirements, with specified components, for all federally operated and regulated dams and reservoirs for the purpose of ensuring public safety.	05/24/2018 - Chaptered by Secretary of State.;05/24/2018 - Resolution Chapter No. 2018-76
<u>SB 24</u> Portantino (D)	Political Reform Act of 1974: Economic Interest		Amends the Political Reform Act which requires certain disclosures to include a statement indicating the fair market value of investments or interests in real property and the aggregate value of income received from each reportable source. Revises the dollar amounts associated with these ranges.	08/31/2017 - In ASSEMBLY. To Inactive File.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
SB 49 de Leon (D)	Environmental and Workers' Defense Act		Relates to the California Environmental, Public Health, and Workers Defense Act of 2017. Relates to clean air, drinking water, discharge of pollutants into the atmosphere and waters, and endangered species. Requires specified agencies to take prescribed actions to maintain and enforce standards pertaining to air, water, and protected species. Prohibits a state agency from amending rules to be less stringent in protection of workers' rights and workers' safety than established by federal law.	09/12/2017 - From ASSEMBLY Committee on RULES with author's amendments.;09/12/2017 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on RULES.
SB 80 Wieckowski (D)	California Environmental Quality Act: Notices		Amends the California Environmental Quality Act. Requires a lead agency to post certain notices on the agency's Internet Web site and to offer to provide those notices by e-mail. Requires a county clerk to post notices regarding an environmental impact report or a negative declaration on the county's Internet Web site. Requires the filing of a notice in certain cases.	10/15/2017 - Vetoed by GOVERNOR.
SB 210 Leyva (D)	Heavy Duty Vehicle Inspection and Maintenance Program		Authorizes the State Air Resources Board to develop and implement a Heavy-Duty Vehicle Inspection and Maintenance Program for nongasoline heavy-duty on road motor vehicles. Authorizes the state board to assess a fee and penalty as part of the program. Creates the Truck Emission Check Fund and the Diesel Emission System Inspection and Smoke Test Account in the fund, with all the moneys deposited in each fund to be available upon appropriation.	04/18/2018 - Re-referred to ASSEMBLY Committee on TRANSPORTATION.
SB 224 Jackson (D)	Personal Rights: Sexual Harassment		Amends existing law which establishes liability for sexual harassment when the plaintiff proves specified elements and existing law which states that a relationship may exist between a plaintiff and certain persons. Includes an investor, elected official, lobbyist, director, and producer among those listed persons who may be liable to a plaintiff for sexual harassment.	01/22/2018 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.
SB 473 Hertzberg (D)	California Endangered Species Act		Amends the California Endangered Species Act which prohibits the taking of an endangered or threatened species. Provides that	09/08/2017 - In ASSEMBLY. To Inactive File.

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			the accidental take of candidate, threatened, or endangered species resulting from acts that occur on a farm or a ranch in the course of otherwise lawful routine and ongoing agricultural activities is not prohibited by the act.	
SB 606 Hertzberg (D)	Water Management Planning	SUPPORT	Requires an urban retail water supplier to calculate an urban water use objective and its actual urban water use by specified dates and requires a report. Authorizes the Department of Water Resources to waive these requirements for a maximum number of years. Imposes a civil liability for a violation of an order or regulation. Amends the Urban Water Management Planning Act. Provides certain requirements imposed on urban water suppliers.	05/31/2018 - Signed by GOVERNOR.;05/31/2018 - Chaptered by Secretary of State. Chapter No. 2018-14
SB 623 Monning (D)	Water Quality: Safe and Affordable Drinking Water Fund	OPPOSE	Establishes the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the state board. requires the state board to expend moneys in the fund for grants, loans, contracts, or services to assist eligible applicants with projects relating to safe and affordable drinking water.	09/01/2017 - Re-referred to ASSEMBLY Committee on RULES.
SB 771 de Leon (D)	California Environmental Quality Act		Relates to The California Environmental Quality Act. Establishes a continuing education requirement for employees of public agencies who have primary responsibility to administer the act.	09/13/2017 - In ASSEMBLY. To Inactive File.
SB 778 Hertzberg (D)	Safe Drinking Water Fund		Requires the State Water Resources Control Board to track and publish on its Internet Web site an analysis of all voluntary and ordered consolidations of water systems that have occurred on or after a certain date. Requires the published information to include the resulting outcomes of the consolidations and whether the consolidations have succeeded or failed in providing an adequate supply of safe drinking water to the communities served by the consolidated water systems.	09/01/2017 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>SB 831</u> Wieckowski (D)	Land Use: Accessory Dwelling Units	SEEK AMENDMENTS	Requires the local agency ordinance for the creation of accessory dwelling units to designate areas where accessory dwelling units may be excluded for health and safety purposes. Revises the standards for the local ordinance to delete the authority to include lot coverage standards. Prohibits certain considerations by local agencies when deciding whether or not to approve an application.	05/30/2018 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.
<u>SB 919</u> Dodd (D)	Water Resources: Stream Gages		Requires the Department of Water Resources to develop a plan to deploy a network of stream gages that includes a determination of funding needs and opportunities for reactivating existing gages. Requires the Department develop the plan to address significant gaps in information necessary for water management. Requires the Department to give priority in the plan to placing or reactivating stream gages where lack of data contributes to conflicts in water management actions.	05/29/2018 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.
<u>SB 952</u> Anderson (R)	Water Conservation: Local Water Supplies		States the intent of the Legislature to enact legislation that would require the State Water Resources Control Board to recognize local water agency investment in water supply and ensure that local agencies receive sufficient credit for these investments in meeting any water conservation or efficiency mandates.	02/08/2018 - To SENATE Committee on RULES.
<u>SB 963</u> Allen (D)	Water Replenishment Districts		Repeals a reserve fund authorization for a water replenishment district. Requires financial statements to be submitted to the appropriate policy committees of the Legislature instead of the Legislature generally.	06/04/2018 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;06/04/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
<u>SB 966</u> Wiener (D)	Onsite Treated Nonpotable Water Systems		Requires the State Water Resources Control Board, in consultation with the California Building Standards Commission, to adopt regulations for risk based water quality standards for the onsite treatment and reuse of nonpotable water. Authorizes the Board to contract with public or private entities regarding the	05/31/2018 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.

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			content of the standards and exempts those contracts from review and approval of the Department of General Services.	
SB 998 Dodd (D)	Discontinuation of Residential Water Service	OPPOSE UNLESS AMENDED	Amends the Safe Drinking Water Act. Prohibits residential water service from being disconnected under specified circumstances. Requires an urban and community water system that furnishes individually submetered residential service to inform the residential occupants by written notice that service will be terminated and that the residential occupants have the right to become customers. Requires compliance on or after a specified date.	05/29/2018 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.
SB 1032 Moorlach (R)	California Public Employees' Retirement System		Authorizes a contracting agency to terminate its contract with the Board of Administration of the Public Employees' Retirement System the agency's will and would not require the contracting agency to fully fund the board's pension liability upon termination of the contract. Authorizes the board to reduce the member's benefits in the terminated agency pool by the percentage of liability unfunded.	04/23/2018 - In SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Failed passage.;04/23/2018 - In SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Reconsideration granted.
SB 1033 Moorlach (R)	Public Employees Retirement: Reciprocal Benefits		Requires an agency participating in the Public Employees' Retirement System, that increases the compensation of a member who was previously employed by a different agency, to bear all actuarial liability for the action, if it results in an increased actuarial liability beyond what would have been reasonably expected for the member. Requires the increased liability be in addition to reasonable compensation growth that is anticipated for a member who works for employer or employers over an extended time.	04/23/2018 - In SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Heard, remains in Committee.
SB 1147 Hertzberg (D)	Offshore Oil and Gas Wells		Requires the State Oil and Gas Supervisor to evaluate and estimate the costs associated with the decommissioning of offshore oil and gas wells under its jurisdiction before a specified date. Requires the Supervisor to develop a schedule to increase	06/07/2018 - To ASSEMBLY Committee on NATURAL RESOURCES.

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			the bond amounts or other financial surety provided by an operator. Establishes the Offshore Infrastructure Decommissioning Fund. Requires the State Lands Commission to expend moneys to finance the costs of well plugging and abandonment.	
<u>SB 1167</u> Anderson (R)	Eminent Domain: Final Offer of Compensation		Provides that if a court finds, on motion of a defendant that a plaintiff's offer was lower than a specified percentage of the compensation awarded in the proceeding, then the court would be required to include the defendant's litigation costs in the costs allowed.	05/08/2018 - In SENATE Committee on JUDICIARY: Failed passage.
<u>SB 1215</u> Hertzberg (D)	Provision of Sewer Service: Disadvantaged Communities		Authorizes the State Water Resources Control Board to order the provision of sewer service by a special district, city, or county to a disadvantaged community, under specified circumstances. Authorizes the Board to take certain actions before ordering the provision of sewer service similar to those required for the consolidation or extension of water. Authorizes the Board to develop a process by which members of disadvantaged communities may petition for sewer service.	05/29/2018 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.
<u>SB 1226</u> Bates (R)	Building Standards: Building Permits		Amends the State Building Standards Law. Requires the Department to propose the adoption of a building standard to the State Building Standards Commission pursuant to existing law that would authorize, when a record of the issuance of a building permit for the construction of an existing residential unit does not exist, enforcement officials to determine when the residential unit was constructed and issue a retroactive permit.	05/31/2018 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.
<u>SB 1284</u> Jackson (D)	Employers: Annual Report: Pay Data		Requires that, on or before a certain date, annually, a private employer that has a certain number of employees is to submit a pay data report to the Department of Industrial Relations. Requires the Department to make the report available to certain agencies upon request. Imposes specified civil penalties on any	05/31/2018 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.

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			employer not in compliance. Makes it unlawful for any officer or employee of the Department to make public any individually identifiable information obtained from such report.	
<u>SB 1301</u> Beall (D)	State Permitting: Environment: Processing Procedures		Requires the Office of Planning and Research to develop a joint multiagency preapplication and a model fee-for-service agreement, in consultation with a state agency with the power to issue a permit that would authorize a dam safety project or authorize a flood risk reduction project and any interested potential project applicants.	05/30/2018 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.;05/30/2018 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.
<u>SB 1364</u> Vidak (R)	Safe, Clean, Reliable Water Supply Act		Makes a nonsubstantive change in findings and declarations of the Safe, Clean, Reliable Water Supply Act.	03/08/2018 - To SENATE Committee on RULES.
<u>SB 1422</u> Portantino (D)	Safe Drinking Water Act: Microplastics		Requires the State Water Resources Control Board to adopt regulations requiring annual testing for and reporting of the amount of microplastics in drinking water, including public disclosure of those results.	05/31/2018 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.
<u>SB 1433</u> Moorlach (R)	County Deferred Retirement Option Program		Prohibits a county or district from allowing a member to participate in a Deferred Retirement Option Program who was not participating in the program on or before a specified date. Prohibits a county or district from establishing a new or additional Deferred Retirement Option Program.	04/23/2018 - In SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Failed passage.;04/23/2018 - In SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Reconsideration granted.
<u>SB 1469</u> Skinner (D)	Land Use: Accessory Dwelling Units	SEEK AMENDMENTS	Revises and recast the above-described provisions regarding accessory dwelling units to authorize the ordinance adopted for the creation of accessory dwelling units to designate areas where accessory dwelling units are excluded for health and safety purposes based on clear findings supported by substantial evidence. Limits the types of standards that a local agency may impose on accessory dwelling units, including parking, height,	05/25/2018 - In SENATE Committee on APPROPRIATIONS: Held in committee.

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			size, and setback requirements, and would revise certain standards.	
<u>SB 1496</u> Governance and Finance Cmt	Validations		Enacts the Second Validating Act. Validates the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.	06/01/2018 - Signed by GOVERNOR.;06/01/2018 - Chaptered by Secretary of State. Chapter No. 2018-23
<u>SB 1497</u> Governance and Finance Cmt	Validations		Enacts the First Validating Act. Validates the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.	06/01/2018 - Signed by GOVERNOR.;06/01/2018 - Chaptered by Secretary of State. Chapter No. 2018-24
<u>SB 1498</u> Governance and Finance Cmt	Local Government Omnibus Act		Amends existing law requiring the Controller to report financial information about selected special districts. Eliminates the requirement that the report contain specified breakdowns of each special district's fund balance, retained earnings, fixed assets, and cash investments. Specifies the time frame for the filing of a test claim based on the date of incurring increased costs. Authorizes the display of a report to the Commission by providing a link to the Treasurer website relating to bond info.	05/25/2018 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<u>SB 1499</u> Governance and Finance Cmt	Validations		Enacts the Third Validating Act.. Validates the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.	06/01/2018 - Signed by GOVERNOR.;06/01/2018 - Chaptered by Secretary of State. Chapter No. 2018-25
<u>SB 1502</u> Environmental Quality Cmt	Nonvehicular Air Pollution		Authorizes air districts to send electronically instead of by mail any required public notice and other certain notices. Requires air districts to send a public notice by mail to any person who has requested the notices to be sent by mail. Requires an air district governing board, if the air district opts to send public notices electronically, to adopt procedures for a person to request public notices to be sent by mail.	05/07/2018 - To ASSEMBLY Committee on NATURAL RESOURCES.
<u>SCA 4</u> Hertzberg (D)	Water Conservation		Declares the intent of the Legislature to amend the California Constitution to provide a program that would ensure that	02/16/2017 - To SENATE Committee on RULES.

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			affordable water is available to all Californians and to ensure that water conservation is given a permanent role in California's future.	
SCA 18 Allen (D)	Elections: Recalls		Increases the vote required to recall a state officer.	05/25/2018 - In SENATE Committee on APPROPRIATIONS: Not heard.
HR 23 Valadao (R)	Gaining Responsibility on Water Act		Amends the Gaining Responsibility on Water Act of 2017, provides drought relief in the State of California.	07/18/2017 - In SENATE. Read second time.;07/18/2017 - To SENATE Committee on ENERGY AND NATURAL RESOURCES.

Exhibit “B”

2018 Legislative Update Report:
Links to Bill & Regulatory Texts
(as of June 7, 2018)

Bill Number/Version Date	Link to Bill Text
AB 1912 (Rodriguez), as amended	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1912
AB 2050 (Caballero), as amended	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2050
AB 2501 (Chu), as amended	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2501
AB 3206 (Friedman), as amended	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB3206
SB 623 (Monning), as amended	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB623
SB 998 (Dodd), as amended	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB998
SB 1215 (Hertzberg),	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB1215
“Safe and Affordable Drinking Water” Budget Trailer Bill	http://dof.ca.gov/Budget/Trailer_Bill_Language/documents/SafeandAffordableDrinkingWater.pdf
“Water Supply and Water Quality Act of 2018”	https://waterbond.org/wp-content/uploads/2017/10/Water-Supply-and-Water-Quality-Act-of-2018.pdf

Funding Alternatives to the Proposed Tax on Drinking Water

Introduction

The Association of California Water Agencies (ACWA)-led "Oppose-Unless-Amended" coalition agrees on the intent of SB 623 (Monning) and the Administration's budget trailer bill, which would establish a fund to assist those who do not have access to safe drinking water. The proposed tax on drinking water, however, is not the right solution. The following are credible funding alternatives to the proposed tax on drinking water and a tool to help improve safe drinking water.

Funding Alternatives

1. Current "Oppose Unless Amended" Coalition Funding Proposal

The first alternative to the proposed drinking water tax is the Safe Drinking Water Funding Package, which is the current funding proposal by the coalition. This funding package is comprised of ongoing federal safe drinking water funds, general obligation bond funds, the assessments related to nitrates in groundwater proposed in the budget trailer bill and SB 623, and a limited amount of state general fund dollars. (Attachment 1)

2. Safe and Affordable Drinking Water Trust

The creation of an irrevocable trust is the second alternative. The trust would be held for the sole purpose of providing funding for safe and affordable drinking water. (Attachment 2)

3. Lease Revenue Bonds for Safe Drinking Water

The third alternative is lease revenue bonds issued for safe drinking water. (Attachment 3)

4. Cap and Trade Allocation for Safe Drinking Water

The fourth alternative is to allocate a percentage of Cap and Trade funding via continuous appropriation for safe drinking water. (Attachment 4)

Other Tools

1. Governance Solution

AB 2050 (Caballero, 2018), the Small System Water Authority Act of 2018, would propose a local solution for consolidation of non-compliant public water systems based on regional governance and administration.

Funding Alternative #1 to the Proposed Tax on Drinking Water

Safe Drinking Water Funding Package

<u>Funding Source</u>	<u>Funding Type</u>	<u>Funding Amount</u>
Safe Drinking Water State Revolving Funding (Federal)	Capital	<u>Part of \$81 million¹</u>
General Obligation Bonds	Capital	Proposition 68 <u>\$250 million²</u> and/or Water Supply/Quality Bond: <u>\$500 million³</u>
<u>BUDGET TRAILER BILL / SB 623 (Monning)</u>		
Nitrate Assessment	Nitrate: • Replacement Water • Point of Use Treatment • Point of Entry Treatment	Approximately <u>\$30 million per year</u>
General Fund	Operation and Maintenance for Public Water Systems	Approximately <u>\$34.44 million per year⁴</u>

¹ \$81 million is estimated SDW SRF Total for California for 2018. Part of this would go to capital costs for disadvantaged communities

² For both safe drinking water and clean water

³ For safe drinking water

⁴ State Water Board's estimate for annual non-nitrate O&M costs for public water systems

Funding Alternative #2 to the Proposed Tax on Drinking Water in the Budget Trailer Bill

Irrevocable Safe and Affordable Drinking Water Trust

The establishment of an Irrevocable Safe and Affordable Drinking Water Trust is a viable alternative to a tax on drinking water because it could provide a stable and perpetual source of funding. The Irrevocable Safe and Affordable Drinking Water Trust could provide a targeted amount of revenue each year into perpetuity to fund safe drinking water solutions for disadvantaged communities and low-income residents. For example, the targeted annual funding generated from the trust could be \$50 million per year.

In general, an irrevocable trust is a mechanism into which an entity or person (the grantor) places assets for the benefit of a designated beneficiary. Once the grantor places the assets into an irrevocable trust, the assets cannot be removed. Instead, the trust assets, which comprise the trust's principal, are managed by a trustee who invests the principal and make distributions from the trust for the benefit of the beneficiary. Trustees have fiduciary duties, responsibilities and obligations to trust beneficiaries.

One type of irrevocable trust is a charitable trust. A charitable trust is a trust designed to advance a charitable or governmental purpose. In the case of the Irrevocable Safe and Affordable Drinking Water Trust, the trust would be created as an irrevocable charitable trust designed to advance the governmental purpose of providing a continual source of funding for drinking water solutions for disadvantaged communities and low-income residents which currently do not have access to safe drinking water. The primary purpose of the Irrevocable Safe and Affordable Drinking Water Trust would be to provide a perpetual source of funding of at least \$50 million dollars each year to the Safe and Affordable Drinking Water Fund.

How the Irrevocable Trust Would Work:

- 1) The Irrevocable Safe and Affordable Drinking Water Trust Fund would be established in the State Treasury and be designated as the fund which would hold the funds placed into the Irrevocable Safe and Affordable Drinking Water Trust.
- 2) To generate \$50 million per year, the one-time sum of \$725 million would be irrevocably transferred in Fiscal Year 2018-19 from the General Fund to the Irrevocable Safe and Affordable Drinking Water Trust Commission (the Commission) for deposit in the Irrevocable Safe and Affordable Drinking Water Trust Fund. This funding would serve as the trust's principal. (The \$725 million amount is based on an assumption of a 6.5 percent annual rate of return.)

- 3) The Commission would serve as the trustee for the trust and would consist of 3 members and would be comprised of the State Treasurer, the Lieutenant Governor and the State Controller.
- 4) The Commission would invest the trust principal. If the net income earned by the trust during the previous fiscal year is less than or equal to \$50 million, the trustee would deposit the entire value of the net income into the Safe and Affordable Drinking Water Fund for the benefit of the trust's beneficiary.
- 5) If the net income earned by the trust during the previous fiscal year was greater than \$50 million, the trustee would deposit \$50 million into the Safe and Affordable Drinking Water Fund and would split the remaining portion of the net income between the Safe and Affordable Drinking Water Fund and the trust principal. Increasing the size of the trust principal would enable the trust to generate more money annually for transfer to the Safe and Affordable Drinking Water Fund.
- 6) The trustee and others would be statutorily restricted from drawing down the trust principal.

Funding Alternative #3 to the Proposed Tax on Drinking Water in the Budget Trailer Bill

Lease Revenue Bonds for Safe Drinking Water

During the height of the budget crisis in 2008, the Legislature authorized the issuance of Lease Revenue Bonds through AB 900 to pay for a variety of costs related to the building of new prisons. A Lease Revenue Bond (LRB) can be generally described as a loan made to the State that is repaid by revenue generated by the project.

Under AB 900, the state envisioned that the Department of Public Works would design and build the prison and incur the debt, and the Department of Corrections would generate the "revenue" to repay the debt. In the case of AB 900, the "revenue" was a transfer of money between two government agencies, and the money came from the General Fund.

Based on a presentation provided by the Treasurer's office on their website, the issuer of an LRB – in this case the State - covenants to appropriate annual lease payments from the General Fund to meet the lease obligations. In this proposal, there would be a commitment of the new revenue from the agricultural taxes proposed in the bill, and revenue would ultimately be deposited in the General Fund. The financial instrument would be structured as lease revenue bonds or "certificates of participation" ("COPs") that are not subject to constitutional debt limits per a lease exception. Unlike General Obligation bonds, no voter approval of the bond issuance is required. Of course, the disadvantage is that the debt payments compete with other General Fund priorities.

These types of bonds are often used for projects of general community benefit and to indirectly leverage a General Fund revenue stream. These bonds are often used to provide "credit enhancement" for less credit-worthy borrowing for desired "risk sharing." Under the LRB alternative financing concept, the State Water Resources Control Board would ask the Board of Public Works to issue Revenue Bonds up to an amount to be determined. The proceeds from the bonds could be used to fund operation and maintenance costs. Capital projects could be constructed with the use of ongoing federal funds and General Obligation bond funding. The debt for the bonds would be securitized by the ongoing cash flow from the agricultural taxes in the budget trailer bill along with a one-time appropriation of General Fund money into a special account –the ultimate guarantor would be the General Fund. All of the funds would be continuously appropriated to pay off the debt obligations.

By the issuance of the LRBs that would be securitized with the already-proposed agricultural tax revenues, this approach ensures that the money would only be spent for the desired purpose.

Funding Alternative #4 to the Proposed Tax on Drinking Water in the Budget Trailer Bill

Cap-and-Trade Allocation for Safe Drinking Water

In 2017, the Legislature passed, and Governor Brown signed into law, AB 398 (Garcia) which extended the State's authority to operate a Cap-and-Trade program through 2030. AB 398 passed by a two-thirds vote which was significant in the context of Proposition 26 requirements.

The Cap-and-Trade program generates revenue annually from the sale of allowances to entities which emit greenhouse gas (GHG) emissions and which need the allowances to continue to emit GHG emissions. By reducing the number of allowances issued over time, the State limits the ability of emission sources to continue emitting. The Legislative Analyst's Office (LAO) has estimated that the program will bring in anywhere from \$2 to \$7 billion annually between 2018 and 2030.

The Governor's Proposed Budget for Fiscal Year 2018-19 includes a \$2.8 billion Cap-and-Trade expenditure plan. \$1.3 billion of this amount is "discretionary" spending which is not subject to continuous appropriation. A small portion of this revenue could be appropriated with a majority vote to fund drinking water solutions for disadvantaged communities and low-income residents who do not have access to safe drinking water. Revenue from the program could also be used to supplement or backstop any other alternative proposal.

Providing clean drinking water to disadvantaged communities is consistent with the historic emphasis on using Cap-and-Trade revenue to benefit these communities. It would also help eliminate the need for some of these communities to rely on the transportation of bottled water or shipped water in order to have access to safe drinking water – thereby resulting in a reduction of GHG emissions.