

AGENDA
IRVINE RANCH WATER DISTRICT
WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE
THURSDAY, FEBRUARY 7, 2019

CALL TO ORDER 3:00 p.m., Committee Room, Second Floor, District Office
15600 Sand Canyon Avenue, Irvine, California

ATTENDANCE Committee Chair: Mary Aileen Matheis _____
Member: John Withers _____

<u>ALSO PRESENT</u>	Paul Cook	_____	Cheryl Clary	_____
	Beth Beeman	_____	Paul Weghorst	_____
	Mark Tettemer	_____	Christine Compton	_____
	Fiona Sanchez	_____	Amy McNulty	_____
	Wendy Chambers	_____	Kellie Welch	_____
	Ray Bennett	_____	Jo Ann Corey	_____
	_____	_____	_____	_____
	_____	_____	_____	_____

NOTICE

If you wish to address the Committee on any item, please file your name with the Committee. Forms are provided on the table outside of the Committee Room. Remarks are limited to three minutes per speaker on each subject.

COMMUNICATIONS

1. Notes: Weghorst
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. UPDATE OF THE GET SMART WATER-ENERGY CUSTOMER PROGRAM
– SEESANGRIT / HASTINGS / MCNULTY / SANCHEZ / WEGHORST

Recommendation: Receive and file.

ACTION

6. TERMS FOR AN AGREEMENT TO FACILITATE WATER DELIVERIES
TO THE UNIVERSITY OF CALIFORNIA MARSH – SWIFT / SANCHEZ /
WEGHORST

Recommendation: That the Committee provide input on the proposed terms for the delivery of water to the University of California Marsh, which will be used to prepare a final term sheet between the University of California and IRWD for consideration by the IRWD Board of Directors.

7. 2019 LEGISLATIVE AND REGULATORY UPDATE – COMPTON / COOK

Recommendation: That the Board adopt an “oppose” position on the Safe and Affordable Drinking Water and Exide Cleanup Budget Trailer Bill; a “watch” position on AB 68 (Ting), AB 69 (Ting), and SB 13 (Wieckowski) and authorize staff to change the position to “seek amendments” should amendments need to protect the District’s interests that relate to rate, charges and fees; a “watch” position on AB 134 (Bloom), AB 217 (Garcia), ACA 3 (Mathis/Garcia), SB 200 (Monning); a “support” position on AB 292 (Quirk), the Association of California Water Agencies/California Municipal Utilities Agencies’ Safe Drinking Water Trust, SB 134 (Hertzberg), the San Diego County Water Authority’s proposal related to military veterans and water/wastewater plant operator certification, and The Water Recycling Investment and Improvement Act (Napolitano); and a “support in concept” position on California Municipal Utilities Agencies/Eastern Municipal Water District’s reintroduction of AB 2050.

OTHER BUSINESS

8. Directors’ Comments

9. 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.

February 7, 2019

Prepared by: M. Seesangrit / N. Hastings /
A. McNulty

Submitted by: F. Sanchez / P. Weghorst

Approved by: Paul A. Cook 

WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

UPDATE OF THE GET SMART WATER-ENERGY CUSTOMER PROGRAM

SUMMARY:

In 2017, IRWD implemented a successful water-energy efficiency program in partnership with Southern California Edison (SCE) and Southern California Gas Company (SoCalGas). IRWD continued this water-energy partnership in 2018 with the implementation of the Get Smart Program. The Get Smart Program provides eligible customers with Rachio 3 smart timers and Nest thermostats. IRWD provides funding for the smart timers and the energy utilities provide funding for the thermostats. Targeted customers receive access to the devices through Synergy Companies, a third-party installation company. The Get Smart Program has been very successful. In order to continue offering the Get Smart Program to targeted customers, Variance No. 1 will be executed under the authority of the General Manager.

BACKGROUND:

In August 2018, IRWD implemented the Get Smart Program, which built on the successful partnership with SCE and SoCalGas that was forged through the One-Stop Shop for Water Energy Efficiency Program. The Get Smart Program provides targeted customers of both IRWD and the energy utilities with Rachio 3 smart timers and Nest thermostats. IRWD provides funding for the smart timers and the energy utilities provide funding for the thermostats. Customers who are participating in the program receive access to the devices through the third-party installation services of Synergy Companies.

The Rachio 3 smart timers and the Nest thermostats are compatible smart home system devices. The Rachio 3 is a weather-based irrigation timer that is accessible and programmable from a smartphone. This simple platform provides customers with information about their irrigation schedules such as anticipated run times, total gallons of water used per irrigation cycle and notifications if the controller is offline.

Program Participation:

IRWD's contracted commitment with Synergy Companies for the installation of Rachio 3 smart timers is currently \$350,000. Participation in the program has progressed rapidly and over 900 customers have registered to receive the devices. As of mid-January, 94% of the IRWD funds committed to the program have been reserved to customers participating in the program.

At the onset of the program, staff identified approximately 9,100 single-family customers as eligible for participation in the program. Eligibility was determined based on the size of each customer's yard, the year each home was constructed, water usage history and no participation in prior weather-based irrigation controller programs. Staff has marketed the program to all of the customers who were identified as being eligible for participation. Based on an expected

response rate of 2%, staff expects that approximately 200 additional customers would participate in the Get Smart Program, if more funding were available.

Program Continuation:

To continue this successful program, IRWD will issue a variance to Synergy Companies in the amount of \$95,000 to provide funding for the remaining customers expected to participate in the Get Smart Program. This variance will increase the contract amount with Synergy Companies from \$350,000 to \$445,000. As part of Variance No. 1, the scope of work has been modified to improve the installation verification process and to add an isolator controller protection device that is required at some customer locations. Variance No. 1 will be executed under the authority of the General Manager.

FISCAL IMPACTS:

Funding in the amount of \$95,000 to facilitate Variance No. 1 to the agreement with Synergy Companies is included in the FY 2018-19 Operating Budget.

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:

Receive and file.

LIST OF EXHIBITS:

None.

February 7, 2019

Prepared by: I. Swift / F. Sanchez

Submitted by: P. Weghorst

Approved by: Paul A. Cook 

WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

TERMS FOR AN AGREEMENT TO FACILITATE WATER DELIVERIES TO THE UNIVERSITY OF CALIFORNIA MARSH

SUMMARY:

IRWD relies upon its riparian water right to divert water from San Diego Creek to the San Joaquin Marsh. The University of California owns and manages the UC Marsh, which is located adjacent to San Diego Creek downstream of the San Joaquin Marsh. The University also claims a riparian right to divert water from San Diego Creek, but does not have its own diversion facilities. The water quality in the reach of the creek adjacent to the UC Marsh is subject to higher levels of salinity that are not appropriate for diversion and use in a freshwater marsh.

To exercise its rights to water, UC Irvine has requested that IRWD act as an agent to divert water from San Diego Creek through the San Joaquin Marsh and to the UC Marsh. Staff worked with special legal counsel and the University to prepare terms for an agreement that will facilitate the delivery of water to the UC Marsh. Staff recommends that the Committee provide input on the draft terms, which will be used to prepare a final term sheet for consideration by the IRWD Board of Directors.

BACKGROUND:

IRWD has operated the San Joaquin Marsh since 1998, relying upon an appropriate permit to divert water from San Diego Creek in quantified amounts. The diverted water has been used to support habitat and wildlife enhancements within the constructed wetlands of the San Joaquin Marsh. When this water is returned to San Diego Creek, the levels of pathogens and nutrients has been drastically reduced, which has a beneficial effect on the Upper Newport Bay. In 2018, following legal review and discussions with the State Water Resources Control Board Division of Water Rights, it was determined that IRWD's reliance upon a riparian right for purposes of diversion would provide greater operational flexibility at the Marsh.

University of California Marsh:

The University of California also owns and operates a freshwater marsh adjacent to San Diego Creek, which is located downstream of the San Joaquin Marsh. The University claims a riparian right to divert water from San Diego Creek, but does not have its own diversion facilities. The water quality in the reach of the creek adjacent to the UC Marsh is subject to higher levels of salinity that are not appropriate for diversion and use in a freshwater marsh. Historically, IRWD has provided storm water to the UC Marsh through a culvert under Campus Drive. This water has been provided at the University's request, subject to availability, and at IRWD's discretion.

Request for IRWD Assistance:

During the 2013-2017 statewide drought, the UC Marsh experienced severe water supply shortages. The University approached IRWD and requested assistance with providing water from San Diego Creek to the UC Marsh. Upon receiving the request, staff consulted with both the Division of Water Rights and special legal counsel at Alston & Bird. Both concurred that IRWD, in its sole discretion, could act as an agent for the University and divert water to the UC Marsh that is surplus to the needs of IRWD at the San Joaquin Marsh and adjacent areas such as the SAMS1 site owned by IRWD. By acting as the University's agent, the University could exercise its riparian rights to water.

Draft Terms for Agreement:

The University and IRWD staff and special counsel have developed draft terms that could lead to an agreement to allow IRWD to act as the University's agent in delivering water to the UC Marsh. The draft terms are designed to protect IRWD's ability to maintain and operate the San Joaquin Marsh, while not providing the University a permanent right to the use of IRWD's facilities. Key terms are as follows:

- Both the University and IRWD would rely upon their own respective riparian rights to divert water from San Diego Creek for use on their respective properties;
- The University and IRWD would collaborate in the operation and timing of any diversions to the UC Marsh without impacting the ability of IRWD to maintain and operate the San Joaquin Marsh and adjacent areas;
- The University would not have any additional right to use IRWD's existing or future facilities;
- The term of the agreement would be for 10 years, renewable by mutual agreement;
- IRWD would not guarantee either the water quality or the availability of water to divert to the UC Marsh beyond IRWD's ability to obtain water from San Diego Creek;
- Water delivered to the UC Marsh would be surplus to the needs of the San Joaquin Marsh and adjacent areas;
- No improvements to IRWD facilities at the IRWD Diversion Point will be made to increase the amount of water available to the UC Marsh;
- The University would defend and indemnify IRWD for the use of water delivered to the UC Marsh;
- Each party would be responsible for filing its own respective annual Statement of Water Diversion and Use to the Division of Water Rights; and
- The University would be responsible for installing and maintaining equipment at the culvert under Campus Drive to provide a reasonable measurement of water diverted to the UC Marsh consistent with the requirements of the State Water Resources Control Board.

A more detailed description of the draft terms is provided as Exhibit “A”.

At the Committee meeting, staff will present additional details associated with the terms for an agreement to divert water to the UC Marsh. Staff recommends that the Committee provide input on the proposed draft terms.

FISCAL IMPACTS:

This agreement is intended to have no cost impact to IRWD. Per the proposed terms, the University would reimburse IRWD for any additional energy costs incurred as a result of pumping water while serving as the University’s agent to divert water to the UC Marsh.

ENVIRONMENTAL COMPLIANCE:

IRWD’s former and existing diversions from San Diego Creek are consistent with IRWD’s riparian right to water. Such diversions are already considered a baseline condition and cannot have a significant effect on the environment; therefore, environmental review pursuant to the California Environmental Quality Act (CEQA) is not necessary for IRWD’s existing diversion to its San Joaquin Marsh. The University would be responsible for conducting environmental review consistent with CEQA concerning any additional diversion on behalf of the University.

RECOMMENDATION:

That the Committee provide input on the proposed terms for the delivery of water to the University of California Marsh, which will be used to prepare a final term sheet between the University of California and IRWD for consideration by the IRWD Board of Directors.

LIST OF EXHIBITS:

Exhibit “A” – Draft Terms Between University of California and Irvine Ranch Water District
Concerning Diversion of Water Pursuant to Riparian Water Right

**TERMS OF AGREEMENT BETWEEN
UNIVERSITY OF CALIFORNIA AND IRVINE RANCH WATER DISTRICT
CONCERNING DIVERSION OF WATER PURSUANT TO RIPARIAN WATER RIGHT**

**I.
RECITALS**

A. Whereas, the University of California ("University") owns and manages the 202-acre San Joaquin Marsh Reserve ("UC Marsh") for the purposes of teaching, research, and habitat management;

B. Whereas, the UC Marsh requires additional water supplies to maintain its habitat resources in support of its mission due to channelization of surface flow inputs from San Diego Creek and interception of sources of water from the San Joaquin Hills;

C. Whereas, the Irvine Ranch Water District ("IRWD") owns and operates the (a) 140-acre IRWD San Joaquin Marsh and Wildlife Sanctuary ("IRWD Marsh") for the purposes of habitat management and water quality treatment and (b) the Michelson Water Recycling Plant ("MWRP") for tertiary treatment of sewage;

D. Whereas, IRWD asserts that it possesses a riparian water right in San Diego Creek;

E. Whereas, the University asserts that it possesses a riparian water right in San Diego Creek; and

F. Whereas, the University seeks to designate IRWD as its agent for the purpose of exercising the University's riparian right upstream of the UC Marsh given various constraints on the University's ability to divert water from the portion of the San Diego Creek adjacent to the UC Marsh property.

II. KEY TERMS

Therefore, the University and IRWD agree as follows (subject to a mutually acceptable written agreement):

A. Agent for UC Riparian Water Right Diversion

1. IRWD shall serve as the University's non-exclusive agent in exercising UC's riparian water right to divert water from San Diego Creek for use in the UC Marsh.
2. In its capacity as University's agent, IRWD shall divert water from San Diego Creek from IRWD's existing diversion point adjacent to the IRWD Marsh ("Diversion Point"), located approximately 4,000 feet upstream from the UC Marsh.
3. IRWD retains its own riparian right to divert water from the San Diego Creek from the Division Point and to use that water at the IRWD Marsh ("IRWD Diverted Water").
4. Any and all water that remains after IRWD applies IRWD Diverted Water to and through IRWD's treatment pond and marshes as well as adjacent IRWD areas such as the SAMS 1 site shall be deemed water that IRWD diverted from the San Diego Creek under UC's riparian right (the "UC Diverted Water"). The UC Diverted Water shall be delivered to UC at the inlet of the existing culvert under Campus Drive that allows water to flow into the UC Marsh System (the "UC Delivery Point").
5. UC shall be responsible for all repairs, maintenance and replacements of the culvert under Campus Drive.
6. If IRWD's facilities at the IRWD Diversion Point on San Diego Creek are capacity limited or if there is no water remaining after IRWD applies the Diverted Water to and through its treatment ponds and marshes as well as adjacent IRWD areas, then IRWD shall have

no obligation to (a) deliver any other water to the University or (b) reduce the amount of water it diverts under IRWD's riparian water right. No improvements to IRWD facilities at the IRWD Diversion Point will be made to increase the amount of water available to the UC Marsh.

7. The University and IRWD shall collaborate in the operation and timing of water diversions to the UC Marsh as described in this Agreement.

8. The University shall not claim any additional right to use IRWD's existing or future facilities as a result of this Agreement, unless amended by mutual agreement.

9. The term of this Agreement shall be for 10 years and renewable by mutual agreement.

B. Water Sources

1. As a result of the existing hydrology of the IRWD Marsh system, water diverted to the UC Marsh through the IRWD Marsh may consist of a mix of San Diego Creek flows, groundwater pumped through dewatering operations at the Michelson Water Reclamation Plant (MWRP), urban runoff, and stormwater flows, some of which has flowed through IRWD's treatment system ponds.

2. The University recognizes that IRWD shall continue to use recycled water to irrigate its mitigation and landscaped areas adjacent to the IRWD Marsh, as needed, and flows to the UC Marsh may include molecules of recycled water.

3. The quantity and quality of UC Diverted Water available to the UC Marsh from IRWD shall vary depending on multiple factors, including climate and weather patterns, upstream conditions, and IRWD operations. As a result, IRWD cannot guarantee water quality or availability of UC Diverted Water to the UC Marsh beyond IRWD's ability to obtain water from

San Diego Creek. UC agrees to defend and indemnify IRWD with respect to the conveyance and use of the UC Diverted Water starting at the UC Delivery Point.

4. UC Diverted Water shall not be delivered by IRWD by any other method or to any location other than the UC Delivery Point unless mutually agreed upon by both parties.

5. The University and IRWD shall each, individually, file with the State Water Resources Control Board's Division of Water Rights an annual Statement of Water Diversion and Use with respect to the amount of UC Diverted Water and IRWD Diverted Water, respectively.

C. Water Needs and Communication

1. The University and IRWD shall each designate contacts for water diversion requests.

a. Ian Swift, (949) 453-5864, swift@irwd.com

b. Megan Lulow, (949) 500-8754, mlulow@uci.edu

2. IRWD and the University will meet as needed to determine annual water needs for the UC Marsh.

3. The University shall provide IRWD with an annual estimate of projected additional water needs ("Water Budget") for the UC Marsh, including a forecast of estimated quarterly water needs, by September 1st of each year.

4. IRWD shall make all reasonable efforts to accommodate the University's requests for water diversion pursuant to the Water Budget with the understanding that such efforts shall not impact IRWD's ability to maintain and operate the IRWD Marsh, other IRWD areas and upstream facilities.

5. IRWD shall not divert water to the UC Marsh unless the University has

requested the water diversion or for reason of force majeure.

D. Metering, Measurement, and Reporting

1. The University shall install and maintain equipment at the culvert under Campus Drive necessary to provide a reasonable measurement of water flow (“Metering”) delivered to the UC Marsh from the IRWD Marsh, and share the final annual measurement results with IRWD by January 31 each year. The Metering equipment shall comply with all applicable law, regulations and rules established by the State Water Resources Control Board for the diversion and reporting of surface water. If the optimal location of the Metering equipment is on IRWD’s property, then the Parties shall cooperate with each other to permit the University access onto IRWD’s property for purposes of reading the Metering equipment. The University shall provide the measurement results to IRWD upon request.

2. On an annual basis, IRWD shall report to the University the total quantity of water that IRWD diverted from the San Diego Creek.

3. The University shall provide IRWD with its annual Statement of its Water Diversion and Use.

4. IRWD shall provide the University with its annual Statement of Water Diversion and Use.

5. Should IRWD incur additional energy costs in order to serve as the University’s agent in pumping water from their Diversion Point, the University shall reimburse IRWD’s energy-related expenses based on the amount of UC Diverted Water relative to the combined amount of IRWD Diverted Water plus UC Diverted Water.

E. Recycled Water Supplies

1. IRWD produces tertiary treated wastewater (“recycled water”), as defined under California Code of Regulations Title 22, at the MWRP, which is sold to IRWD customers for use in irrigation and other non-potable water applications.

2. While IRWD does not release recycled water directly into the IRWD Marsh, land areas within the watershed of the IRWD Marsh are irrigated with recycled water, resulting in the potential for recycled water runoff in the mix of water sources provided to the UC Marsh.

3. If the University determines at a future date that the UC Marsh could benefit from the direct release of recycled water into the UC Marsh, the University will work collaboratively with IRWD to establish any required infrastructure, water treatment, and procedures for recycled water discharges directly into the UC Marsh. UC would be responsible for paying IRWD’s its standard variable and fixed costs associated with the delivery of recycled water as well as the cost of any required infrastructure, water treatment, and procedures for discharging recycled water directly into the UC Marsh. UC would also be responsible for all permitting and environmental compliance associated with its use of recycled water in the UC Marsh.

F. Other

1. By entering into an agreement based on these terms, the parties do not intend to concede or to make any representations regarding the validity of the other party’s claimed riparian water right, the scope of that right, or the proper places of use for that right, nor do the parties waive their ability to assert any potential claims necessary to protect their own rights in the future.

2. IRWD's historic and existing diversions from San Diego Creek are consistent with IRWD's riparian right to water. Such conditions are already considered a baseline condition and therefore environmental review pursuant to the California Environmental Quality Act (CEQA) is not necessary for IRWD's existing diversions to its San Joaquin Marsh. The University shall be responsible for conducting environmental review consistent with CEQA to demonstrate that any additional diversion on behalf of the University would not have any significant effect on the environment.

February 7, 2019

Prepared and

submitted by: C. Compton

Approved by: Paul A. Cook



WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

2019 LEGISLATIVE AND REGULATORY UPDATE

SUMMARY:

This report provides an update on the 2019-2020 legislative session and IRWD 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:

- *Safe and Affordable Drinking Water and Exide Cleanup Budget Trailer Bill — “OPPOSE”;*
- *AB 68 (Ting, D-San Francisco) — Land Use: Accessory Dwelling Units — “WATCH” and authorize staff to change the position to “seek amendments” should amendments need to protect the District’s interests that relate to rate, charges and fees;*
- *AB 69 (Ting, D-San Francisco) — Land Use: Accessory Dwelling Units — “WATCH” and authorize staff to change the position to “seek amendments” should amendments need to protect the District’s interests that relate to rate, charges and fees;*
- *AB 134 (Bloom, D-Santa Monica) — Safe, Clean, Affordable, and Accessible Drinking Water — “WATCH”;*
- *AB 217 (Garcia) — Safe and Affordable Drinking Water Fund — “WATCH”;*
- *AB 292 (Quirk, D-Hayward) — Recycled Water: Raw Water and Groundwater Augmentation — “SUPPORT”;*
- *ACA 3 (Mathis (R-Visalia)/Garcia) — Water: Minimum Funding Guarantee — “WATCH”;*
- *Association of California Water Agencies/California Municipal Utilities Agencies’ Safe Drinking Water Trust — “SUPPORT”;*
- *California Municipal Utilities Agencies/Eastern Municipal Water District’s Reintroduction of AB 2050 — “SUPPORT IN CONCEPT”;*
- *SB 13 (Wieckowski, D-Fremont) — Accessory Dwelling Units — “WATCH” and authorize staff to change the position to “seek amendments” should amendments need to protect the District’s interests that relate to rate, charges and fees;*

- *SB 134 (Hertzberg, D Van Nuys) — Water Conservation: Water Loss Performance Standards — “SUPPORT”;*
- *SB 200 (Monning) — Safe and Affordable Drinking Water Fund — “WATCH”;*
- *San Diego County Water Authority’s Proposal Related to Military Veterans and Water/Wastewater Plant Operator Certification — “SUPPORT”;* and
- *The Water Recycling Investment and Improvement Act (Napolitano) — “SUPPORT”.*

BACKGROUND:

The 2019-2020 state legislative session convened on December 3, 2018. New members of the Legislature were sworn into office that day. The Legislature then recessed until January 7, 2019, when the first year of the 2019-2020 legislative session was convened. Three days after the Legislature returned to session, on January 10, Governor Gavin Newsom submitted his proposed Fiscal Year 2019-2020 budget to the Legislature.

January 25 was the last day for bills to be submitted to the Office of the Legislative Counsel. The bill introduction deadline this year is February 22, although resolutions and constitutional amendments can be introduced after that date. The first policy committee deadlines are in late April and early May.

A copy of the 2019 Legislative Matrix is attached as Exhibit “A”. Exhibit “B” is the 2019 “Legislative Update Report Links to Bill Texts,” which contains links to the bills discussed below, unless a separate exhibit is noted.

State Budget Update:

Governor Newsom submitted his first proposed budget to the Legislature on January 10, 2019 — the day of the constitutional deadline. The Governor’s budget proposes \$141.19 billion in General Fund expenditures and \$209.07 billion in total expenditures. The proposed budget forecasts total revenues at \$202.21 billion, which is \$2.556 billion higher than the forecast contained in the Fiscal Year 2018-19 budget. It also forecasts General Fund revenues at \$144.38 billion in Fiscal Year 2019-2020, which is \$4.7 billion higher than the forecast contained in the Fiscal Year 2018-2019 budget.

The Governor’s budget states that he is taking a conservative approach to revenue projects and spending due to the fiscal risks that would face the State if California were to experience even a mild recession. The proposed budget summarizes the risk facing California’s fiscal outlook and budget as:

“While the state currently has a strong foundation, growing uncertainty related to the global political and economic climate, federal policies, rising costs, and the length of the current economic expansion require that the Budget be prudent. A trade war between the U.S. and China has materialized and the stock market ended 2018 with dizzying levels of

volatility. Furthermore, relatively low interest rates and a growing federal deficit leave the federal government with fewer policy options to address an economic slowdown. By the time the budget year starts, the nation will have experienced 10 straight years of economic expansion — matching the longest economic expansion in modern history.

The Budget assumes moderate growth over the forecast period... even a moderate recession could result in significant revenue declines. A one-year recession in 2019-20 that is larger than the 2001 recession, but milder than the 2007 recession, could result in a nearly \$70 billion revenue loss and a \$40 billion budget deficit over three years.”

Governor’s Budget Summary— 2019-2020, Page 3.

Like the last Governor’s proposed budgets, the proposed budget continues to focus on the State’s long-term liabilities and paying down the State’s wall of debt. These factors have led Governor Newsom to propose a budget for General Fund expenditures which is 0.1 percent higher than the Fiscal Year 2019-2020 budget. The proposed budget also allocates an additional \$1.8 billion to the Rainy Day Fund, and proposes to add \$700 million to the Safety Net Reserve created in the 2018 Budget Act, bringing the total in that specific reserve account to \$900 million. The Safety Net Reserve is a reserve that sets aside funds specifically to protect safety net services during the next recession.

The proposed budget contains several items of interest to IRWD. Of interest to the District are the budget’s proposed \$1 billion Cap-and-Trade Revenue expenditure plan and the following proposals related to water:

- *Safe Drinking Water Projects* - The proposed budget allocates \$168.5 million in Proposition 68 funds for the State Water Resources Control Board (“State Board”) to provide technical assistance, grants, and loans to public water systems in disadvantaged communities for infrastructure improvements to meet safe and affordable drinking water standards, including both drinking water and wastewater treatment projects;
- *Emergency Water Supplies* - The proposed budget allocates \$10 million from the General Fund for the State Board to address safe drinking water emergencies in disadvantaged communities. The funding is to be used to provide alternative water supplies to disadvantaged communities and to improve or repair existing water systems, including well rehabilitation or replacement, extension of service, consolidation projects, or treatment systems;
- *Technical Assistance* - Governor Newsom’s budget proposes \$10 million from the General Fund for the State Board to contract with, or provide grants to, an administrator to provide administrative, technical, operational, or managerial services to a designated water system to achieve compliance with current drinking water standards; and
- *Safe and Affordable Drinking Water Fund* - The proposed budget seeks to establish “a new special fund, with a dedicated funding source from new water, fertilizer, and dairy fees, to enable the State Water Resources Control Board to assist communities, particularly

disadvantaged communities, in paying for the short-term and long-term costs of obtaining access to safe and affordable drinking water. This proposal is consistent with the policy framework of SB 623, introduced in the 2017-18 legislative session. The Budget also includes \$4.9 million General Fund on a one-time basis for the State Water Resources Control Board and the Department of Food and Agriculture to take initial steps toward implementation of this new Safe and Affordable Drinking Water Program, including (1) implementation of fee collection systems, (2) adoption of an annual implementation plan, and (3) development of a map of high-risk aquifers used as drinking water sources.”
Governor’s Budget Summary— 2019-2020, Pages 126-127.

December Revenue Numbers:

On January 10, 2019, State Controller Betty Yee released her monthly report on the State’s finances. She announced that the State took in \$4.82 billion less than anticipated during the month of December. Personal income tax revenue came in at \$6.76 billion, which was \$3.45 billion less than projected in the Fiscal Year 2018-2019 enacted budget (FY 2018-19 budget). Sales tax revenues came in at \$1.16 billion, which was \$1.42 billion less than expected, while corporate tax revenues came in at \$2.09 billion, or \$179.5 million lower than the enacted budget.

The State Controller attempted to explain the shortfall through the following statement:

“Personal income tax (PIT), sales tax, and corporation tax — the state’s “big three” revenue sources — all were lower than projected in the FY 2018-19 budget. The shortfall in December could be partly due to lags in taxpayer filings at the end of the tax year as a result of federal tax deduction changes. Consequently, January receipts are expected to catch up to the FY 2018-19 budget forecast.”

For the first six months of the fiscal year, the State took in \$55.63 billion, which was \$2.54 billion, or 4.4 percent, less than the projections in the enacted budget. Despite the lower revenues, the General Fund ended the first six months of the fiscal year with an internal loan borrowing balance of \$11.8 billion, which was \$4.85 billion less than anticipated.

2019 State Legislative Update:

Water Tax and Other Safe Drinking Water Proposals:

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 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 and agriculture operations, and a monthly water tax on 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.

During the 2017-2018 legislative session, SB 623 was held in the Assembly Rules Committees and did not move forward. Despite that fact, the bill created quite a bit of discussion during the 2017-2018 legislative session. In response to that discussion, the Administration released a budget trailer bill labeled as the “Safe and Affordable Drinking Water Act” which proposed in the form of a budget trailer bill the agricultural fees and water tax included in SB 623. While the trailer bill was not passed by the Legislature in either 2017 or 2018, the water tax was still discussed widely by the Administration and promoted by several prominent members of the Legislature until the end of session.

Toward the end of the 2017-2018 session, the Administration revived and modified its trailer bill proposal. The new proposal included the fees on fertilizer and agriculture along with a voluntary “water tax”. The voluntary “water tax” would have required water agencies to place on each customer’s bill a recommended voluntary remittance to fund safe and affordable drinking water in the state. On August 16, 2018, SB 844 and SB 845 were “gutted and amended” to reflect the Administration’s voluntary “water tax” proposal. The author of both bills was Senator Monning.

Despite this activity, at the end of session, Assembly Speaker Anthony Rendon (D-Lakewood) announced that the bill would not move forward stating that a piecemeal approach to addressing safe drinking water in California would not work. He committed to working on the safe and affordable drinking water issues next year, and announced that Assemblymembers Eduardo Garcia (D-Coachella) and Heath Flora (R-Ripon) would lead the Assembly’s effort on the matter.

Since the end of the 2017-2018 legislative session, work on a solution for safe drinking water in California has continued to be a topic of considerable conversation at the State level. Governor Newsom included support for a funding solution in his inaugural address and included a funding proposal in his proposed budget. On February 1, 2019, his administration released budget trailer bill language detailing his funding proposal in the Safe and Affordable Drinking Water and Exide Cleanup Budget Trailer Bill.

The Safe and Affordable Drinking Water and Exide Cleanup Budget Trailer Bill follows the provisions of SB 623 (2017-2018) closely and includes a statewide water tax and a tax on fertilizer, confined animals facilities and dairy operations. The budget trailer bill also includes the liability relief previously included in SB 623 for agricultural operations.

In addition to the budget trailer bill, there have already been three bills introduced this legislative session that relate to safe drinking water:

- AB 134 (Bloom, D-Santa Monica) - Safe, Clean, Affordable, and Accessible Drinking Water: As introduced, the bill includes findings and declarations related to the intent of the Legislature to address safe, clean, affordable, and accessible drinking water. As introduced, the bill includes no funding mechanism;
- AB 217 (Garcia) – Safe and Affordable Drinking Water Fund: The bill would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are available, upon appropriation by the Legislature, to the State Board to provide a stable source of funding to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure. As introduced, the bill includes no funding mechanism;
- SB 200 (Monning) – Safe and Affordable Drinking Water Fund: The bill would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are available, upon appropriation by the Legislature, to the State Board to provide a stable source of funding to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure. As introduced, the bill does not include a funding mechanism; and
- ACA 3 (Mathis (R-Visalia)/Garcia) – Water: Minimum Funding Guarantee: ACA 3, while not directly related to safe and affordable drinking water, relates to providing a durable funding source for water in the state which could be used to address safe and affordable drinking water in California. The proposed constitutional amendment proposes that commencing with the 2021–2022 fiscal year, not less than 2 percent of State revenues are to be set apart for the payment of principal and interest on bonds authorized pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014; water supply, delivery, and quality projects administered by the department; and water quality projects administered by the State Board.

In addition to these proposals, the Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA) will be sponsoring two proposals related to safe drinking water. ACWA and CMUA are jointly sponsoring an alternative mechanism to fund safe drinking water. The proposal would create a Safe Drinking Water Trust to provide a perpetual funding source to address safe drinking water in disadvantaged communities.

Additionally, CMUA, in coordination with the Eastern Municipal Water District (EMWD), will be sponsoring a proposal to address the governance issues causing unsafe drinking water in a number of communities in California. The proposal will be similar to AB 2050 (2018).

At this time, staff recommends that the Board adopt an “oppose” position on the Governor’s Safe and Affordable Drinking Water and Exide Cleanup Budget Trailer Bill; a “watch” position on AB 134, AB 217, and ACA 3; a “support” position on ACWA/CMUA’s water tax alternative; and a “support in concept” position on CMUA/EMWD’s governance proposal. Adopting these positions, at this time, will allow staff to continue to work with the water coalition on addressing safe drinking water in California without a water tax.

Staff will provide an oral update on any new developments.

AB 292 (Quirk, D-Hayward) — Recycle water: Raw Water and Groundwater Augmentation:

In 2017, in order to further the development of potable reuse regulations, WaterReuse California sponsored AB 574, introduced by Assemblymember Bill Quirk (D-Hayward). AB 574 established a statutory deadline for the State Board to develop a policy and sequential regulations for potable reuse consistent with the report provided to the Legislature. Additionally, the bill recognized that there is a continuum of potable reuse projects, and defined “potable reuse” as well as four subcategories — groundwater augmentation, reservoir augmentation, raw water augmentation, and treated water augmentation.

As introduced, AB 574 also proposed to remove the terms “Indirect Potable Reuse” and “Direct Potable Reuse” from the Water Code; however, the version of AB 574 signed into law did not include the removal of the terms from the Water Code. As a result, WaterReuse California is sponsoring AB 292, authored by Assemblymember Quirk, this year. AB 292 proposes to remove the terms “Indirect Potable Reuse” and “Direct Potable Reuse” from the Water Code.

As a leader in recycled water, IRWD has long advocated and supported efforts to increase water recycling in California. The District supported AB 574 in 2017, as introduced. Given IRWD’s support of AB 574, staff recommends that the Board adopt a “support” position on AB 292.

Accessory Dwelling Unit Legislation:

Like last year, there have been a number of bills introduced that related to accessory dwelling units (ADU). The three bills introduced on ADU so far include:

- *SB 13 (Wieckowski, D-Fremont) – Accessory Dwelling Units:* As introduced, this bill is a spot bill which states that it is the intent of the Legislature to enact legislation that would reduce impact fees and other existing barriers for homeowners seeking to create ADUs for the purpose of creating additional residential housing within their neighborhoods;
- *AB 68 (Ting, D-San Francisco) – Land Use: Accessory Dwelling Units:* As introduced, the bill would prohibit local ordinances from imposing requirements on minimum lot size, lot coverage, or floor area ratio on ADUs, and would prohibit a local ordinance from establishing size requirements for ADUs that do not permit at least an 800-square-foot unit of at least 16 feet in height to be constructed, among other things; and
- *AB 69 (Ting, D-San Francisco) – Land Use: Accessory Dwelling Units:* As introduced, the bill would require the Department of Housing and Community Development to develop standards for ADUs.

Relevant to IRWD, the ADU bills introduced by these authors last year included provisions that could have impacted water fees and charges. Staff will monitor the ADU legislation this year to ensure that they do not impact the District’s ability to charge connection fees, or cost-of-service-based rates and charge. Toward that end, staff recommends that the Board adopt a “watch” position on SB 13, AB 68 and AB 69 and authorize staff to change the position to “seek amendments” should amendments need to protect the District’s interests that relate to rate, charges and fees.

SB 134 (Hertzberg, D Van Nuys) — Water Conservation: Water Loss Performance Standards:

Last year, Senator Bob Hertzberg (D, Van Nuys) and Assemblymember Laura Friedman (D, Glendale) authored SB 606 and AB 1668, the “Making Water Conservation a California Way of Life” legislation. The legislation, among other things, requires urban retail water suppliers to calculate and comply with an urban water use objective. The urban water use objective is comprised of adding efficient indoor residential water use, efficient outdoor water use, and water loss to create a retail-level water budget for each urban retail agency.

When SB 606 and AB 1668 were enacted last year, one of the outstanding issues was the fact that the urban water use objective language did not clearly state that the State Board could only enforce the water loss performance standard within the urban water use objective. In fact, the State Board has made statements indicating that enforcement of the water loss performance standard, which is currently being set by the State Board, may be enforced under both the urban water use objective and as a separate objective.

Hearing the concerns raised by the water community, Senator Hertzberg has introduced SB 134 this year to clarify that the performance standard being set by the State Board on water loss shall only be enforced via the urban water use objective. Staff recommends that the Board adopt a “support” position on SB 134 since it clarifies the urban water use objective and water loss enforcement consistent with the District’s previous positions on the enforcement of the water loss performance standards.

San Diego County Water Authority’s Proposal Related to Military Veterans and Water/Wastewater Plant Operator Certification:

The San Diego County Water Authority (SDCWA), in partnership with Otay Mesa Water District, is sponsoring legislation to provide a statutory and regulatory path for military veterans to become water and wastewater treatment and distribution operators. The proposal, which is attached as Exhibit “C”, would allow military veterans to use their reverent military experience to meet the experience requirement to become a water or wastewater treatment operator.

SDCWA has asked that IRWD consider supporting this proposal. Staff recommends that the Board adopt a “support” position on the proposal.

2019 State Regulatory Update:

California Water Plan- Update 2018:

The Department of Water Resources (DWR) is currently working on the 2018 update to the California Water Plan. The California Water Plan is the State’s strategic plan for managing and developing water resources. The 2018 Update seeks to “ever-green” the plan by identifying specific outcomes and metrics to track performance, prioritizing near-term State actions and investments, recommending financing methods having more stable revenues, and informing water deliberations and decisions. More specifically, the current version of the 2018 Update — the public review draft — was released in December 2018.

In January 2019, staff submitted a comment letter to DWR on the public review draft of the 2018 Update for DWR's consideration as it prepares the final document. The public review draft of Update 2018 continues to focus on a vision of sustainable water resource management, but was substantially different from the previous draft shared with the public and commented on by IRWD one year ago. The District's comment letter on the public review draft focuses on the fact that the Update 2018 needs to do a better job recognizing the role of local and regional agencies in water management, contains a number factual inaccuracies, and the Update's funding discussion.

Given the importance of the 2018 Update, staff continues to engage on the Update and will provide an update on any new developments related to the water plan.

State Water Resources Control Board Proposed Recycled Water Policy Amendments:

In May, the State Board released proposed amendments to the "Policy for Water Quality Control for Recycled Water" (e.g. the Recycled Water Policy). The proposed amendments greatly change the policy from being focused on the use of recycled water for irrigation to a more overarching regulatory/policy document that will govern the terms of permits issued to recycled water producers and purveyors.

On June 19, 2018, the State Board held a public hearing to accept oral comments on the proposed amendments to the Recycled Water Policy. Staff participated in the hearing providing comments on the reporting, permitting and overarching policy goals of the proposed amendments. On June 26, 2018, IRWD submitted formal comments on the proposed amendments.

In late fall 2018, the State Board released a revised version of the proposed amendments. The State Board considered and adopted the final version on December 11, 2018. Many of the changes made in the adopted version addressed the District's comments and concerns. One of the outstanding issues that was not fully addressed, however, is how environmentally beneficial uses of recycled water support in-stream flows or natural habitat are classified in the annual reporting recycled water purveyors are now required to make to the State Board. Staff is working with WateReuse California, the California Association of Sanitation Agencies, and Coastkeeper to seek a solution on the classification. Staff will provide an update to the Committee.

Other Pending State Regulations:

In addition to the regulations discussed above, the following is a list of some of the other state regulations and agency reports staff is monitoring, tracking or planning to engage in over the next three to 12 months. As the next drafts of the regulations or report are released for public review and comment, staff will engage, as appropriate. Staff will also provide an oral update to the Committee on any new developments related to these regulations.

The pending regulations and reports actively being tracked include the:

- Building Standards Commission's "2019 California Plumbing Code;"
- DWR and the State Board's implementation of the "Making Water Conservation a California Way of Life" legislation;
- DWR's "The Open and Transparent Water Data Act (AB 1755, Dodd) Implementation Plan;"
- State Board Electronic Annual Report;
- State Board's AB 401 Implementation/Low Income Rate Assistance Report and the Office of Environmental Health Hazard Assessment's "A Framework and Tool for Evaluating California's Progress in Achieving the Human Right to Water;"
- State Board's development of a "Cross Connection Policy Handbook;"
- State Board's proposed "Environmental Laboratory Accreditation Program Regulations;"
- State Board's proposed "Mercury TMDL and Statewide Mercury Control Program for Reservoirs" regulations;
- State Board's proposed regulations on "Prohibiting Wasteful Water Use Practices;"
- State Board's "State Wetland Definition and Procedures for Discharges of Dredged or Fill Material to Waters of the State" regulations;
- State Board's "Water Loss Performance Standards Regulations;" and
- State Board's "Water Quality Control Plan for Inland Surface Waters, Enclosed Bays, and Estuaries of California" and draft "Toxicity Provisions."

2019 Federal Legislative Update:

The Water Recycling Investment and Improvement Act:

Through Title XVI, the Water Reclamation and Reuse Program, the Bureau of Reclamation provides funding for water recycling projects that reclaim and reuse municipal, industrial, domestic or agricultural wastewater and naturally impaired ground or surface waters. The programs provides federal cost-sharing for water recycling projects. In 2016, the program was reauthorized and a \$50 million authorization was provided for new Title XVI projects. In the first round of new Title XVI projects, Congress received 44 approved studies from the Bureau of Reclamation. The cost of those 44 projects is estimated to be \$3,635,834,497.

In response to the large demand for Title XVI funding, Rep. Grace Napolitano (D, El Monte) has indicated that she will introduce "The Water Recycling Investment and Improvement Act." The Act would reauthorize the Title XVI program and increase the program's authorization from \$50 million to \$500 million. The text of "The Water Recycling Investment and Improvement Act" is attached as Exhibit "D".

Over many years, IRWD has supported the reauthorization of the Title XVI program and increases in the program's authorization. Staff recommends that the Board adopt a "support" positions on The Water Recycling Investment and Improvement Act.

2019 Federal Regulatory Update:

Proposed Definition of Waters of the United States:

The United States Environmental Protection Agency and the Army Corps of Engineers have proposed a new definition of "waters of the United States." The newly-proposed definition is intended to clarify the authority of the federal government under the Clean Water Act. Staff is reviewing the proposed rule and will coordinate with the District's association and industry partners to ensure that appropriate comments are submitted from the water and wastewater community. Staff will provide an update on any new developments.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

That the Board adopt an "oppose" position on the Safe and Affordable Drinking Water and Exide Cleanup Budget Trailer Bill; a "watch" position on AB 68 (Ting), AB 69 (Ting), and SB 13 (Wieckowski) and authorize staff to change the position to "seek amendments" should amendments need to protect the District's interests that relate to rate, charges and fees; a "watch" position on AB 134 (Bloom), AB 217 (Garcia), ACA 3 (Mathis/Garcia), SB 200 (Monning); a "support" position on AB 292 (Quirk), the Association of California Water Agencies/California Municipal Utilities Agencies' Safe Drinking Water Trust, SB 134 (Hertzberg), the San Diego County Water Authority's proposal related to military veterans and water/wastewater plant operator certification, and The Water Recycling Investment and Improvement Act (Napolitano); and a "support in concept" position on California Municipal Utilities Agencies/Eastern Municipal Water District's reintroduction of AB 2050.

LIST OF EXHIBITS:

- Exhibit "A" – IRWD Legislative Matrix
- Exhibit "B" – 2019 Legislative Update Report Links to Bill Texts
- Exhibit "C" – Text of San Diego County Water Authority's Proposal Related to Military Veterans and Water/Wastewater Plant Operator Certification
- Exhibit "D" – Text of "The Water Recycling Investment and Improvement Act"

EXHIBIT "A"
IRWD 2019 LEGISLATIVE MATRIX
Updated 02/01/2019

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 5</u> Gonzalez (D)	Independent Contractors		States the intent of the Legislature to codify the decision in the case of Dynamex Operations West, Inc. v. Superior Court of Los Angeles and clarify its application.	12/03/2018 - INTRODUCED.
<u>AB 11</u> Chiu (D)	Community Redevelopment Law		Authorizes a city or county or two or more cities acting jointly, to propose the formation of an affordable housing and infrastructure agency by adoption of a resolution of intention. Provides for a governing board of the agency. Requires the agency to submit an annual report, and final report of any audit undertaken to its governing body. Requires the governing board of an agency to designate an appropriate official to prepare a proposed redevelopment project plan.	01/17/2019 - To ASSEMBLY Committees on HOUSING AND COMMUNITY DEVELOPMENT and LOCAL GOVERNMENT.
<u>AB 40</u> Ting (D)	Zero-Emission Vehicles: Comprehensive Strategies		Requires the State Air Resources Board to develop a comprehensive strategy to ensure that the sales of new motor vehicles and new light-duty trucks in the state have transitioned fully to zero-emission vehicles by 2040.	01/24/2019 - To ASSEMBLY Committees on TRANSPORTATION and NATURAL RESOURCES.
<u>AB 59</u> Kalra (D)	Elections: Voting Access		Expresses the intent of the Legislature to make a polling place or vote center available on every college and university campus in the state.	12/03/2018 - INTRODUCED.
<u>AB 64</u> Fong (R)	State Project Audits		Expresses the intent of the Legislature to require an independent audit of all state projects whose estimated cost exceeds a given threshold.	12/03/2018 - INTRODUCED.
<u>AB 65</u> Petrie-Norris (D)	Coastal Protection: Climate Adaption		Requires specified things of the State Coastal Conservancy when it allocates any funding appropriated pursuant to the Global Warming Solutions Act, including that it prioritize projects that use natural infrastructure to help adapt to climate change. Requires the conservancy to provide information to the Office of Planning and Research on any projects funded to be considered for inclusion into the clearinghouse for climate adaption information.	01/17/2019 - To ASSEMBLY Committee on NATURAL RESOURCES.

IRWD 2019 LEGISLATIVE MATRIX
Updated 02/01/2019

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 68</u> Ting (D)	Land Use: Accessory Dwelling Units		Prohibits an ordinance from imposing requirements on minimum lot size, lot coverage, or floor area ratio. Prohibits an ordinance from establishing size requirements for accessory dwelling units that that do not permit at least an 800 square foot unit of at least 16 feet in height to be constructed. Provides that, if a local agency imposes an owner-occupancy restriction, the monitoring for compliance shall not be more frequent than annually and be based on specified published documents.	01/17/2019 - To ASSEMBLY Committees on HOUSING AND COMMUNITY DEVELOPMENT and LOCAL GOVERNMENT.
<u>AB 69</u> Ting (D)	Land Use: Accessory Dwelling Units		Authorizes the Department of Housing and Community Development to submit written findings to a local agency as to whether the local ordinance complies with state law, and to notify the Attorney General if the ordinance violates state law. Requires a local agency to amend its ordinance to comply with state law. Requires the Department to propose small home building standards governing accessory dwelling units and homes smaller than 800 square feet.	01/17/2019 - To ASSEMBLY Committees on HOUSING AND COMMUNITY DEVELOPMENT and LOCAL GOVERNMENT.
<u>AB 71</u> Melendez (R)	Independent Contractors and Employees		Requires a determination of whether a person is an employee or an independent contractor to be based on a specific multifactor test, including whether the person to whom the service is rendered has the right to control the manner and means of accomplishing the result desired.	01/17/2019 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.
<u>AB 129</u> Bloom (D)	Waste Management: Plastic Microfiber		Declares the intent of the Legislature to, among other things, enact legislation to recognize the emerging threat that microfibers pose to the environment and water quality and makes related findings and declarations.	12/04/2018 - INTRODUCED.
<u>AB 134</u> Bloom (D)	Safe, Clean, Affordable, and Accessible Drinking Water		States findings and declarations relating to the intent of the Legislature to adopt policies to insure that every Californian has the right to safe, clean, affordable, and accessible drinking water.	12/05/2018 - INTRODUCED.

IRWD 2019 LEGISLATIVE MATRIX
Updated 02/01/2019

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 170</u> Gonzalez (D)	Employment: Sexual Harassment: Liability		Requires a client employer to share with a labor contractor all civil legal responsibility and civil liability for harassment for all workers supplied by that labor contractor.	01/24/2019 - To ASSEMBLY Committees on LABOR AND EMPLOYMENT and JUDICIARY.
<u>AB 171</u> Gonzalez (D)	Employment: Sexual Harassment		Prohibits an employer from discharging or in any manner discriminating or retaliating against an employee because of the employee's status as a victim of sexual harassment, as defined by the California Fair Employment and Housing Act. Establishes a rebuttable presumption of unlawful retaliation if an employer takes specified actions within 90 days following the date that the victim provides notice to the employer or the employer has actual knowledge of the status.	01/24/2019 - To ASSEMBLY Committees on LABOR AND EMPLOYMENT and JUDICIARY.
<u>AB 196</u> Gonzalez (D)	Paid Family Leave		States the Legislature's intent to enact legislation that would expand the paid family leave program in order to provide a 100% wage replacement benefit for workers earning \$100,000 or less annually.	01/10/2019 - INTRODUCED.
<u>AB 201</u> Cervantes (D)	Political Reform Act of 1974: Campaign Disclosure		Declares the intent of the Legislature to enact legislation establishing disclosure requirements for campaign-related mass text messages that include the name or image of a candidate for elective office or refer to a ballot measure.	01/14/2019 - INTRODUCED.
<u>AB 202</u> Mathis (R)	Endangered Species: Conservation: Safe Harbor Program		Extends the operation of the California State Safe Harbor Agreement Program Act, which encourages landowners to manage their lands voluntarily, by means of state safe harbor agreements approved by the Department of Fish and Wildlife, to benefit endangered, threatened, or candidate species.	01/14/2019 - INTRODUCED.
<u>AB 217</u> Garcia E (D)	Safe and Affordable Drinking Water Fund		Establishes the Safe and Affordable Drinking Water Fund in the State Treasury and provides that moneys in the fund are available, upon appropriation by the Legislature, to the State Water Resources Control Board to provide a stable source of funding to secure access to safe drinking water for all Californians, while also ensuring the	01/16/2019 - INTRODUCED.

IRWD 2019 LEGISLATIVE MATRIX
Updated 02/01/2019

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			long-term sustainability of drinking water service and infrastructure.	
<u>AB 223</u> Stone (D)	California Safe Drinking Water Act: Microplastics		Requires the State Water Resources Control Board, to the extent possible, and where feasible and cost effective, to work with the State Department of Public Health in complying with requirements to adopt a standard methodology to be used in the testing of drinking water for microplastics and requirements for 4 years of testing and reporting of microplastics in drinking water.	01/16/2019 - INTRODUCED.
<u>AB 231</u> Mathis (R)	Environmental Quality Act: Exemption: Recycled Water		Exempts from the California Environmental Quality Act a project to construct or expand a recycled water pipeline for the purpose of mitigating drought conditions for which a state of emergency was proclaimed by the Governor if the project meets specified criteria.	01/17/2019 - INTRODUCED.
<u>AB 235</u> Mayes (R)	Electrical Corporations: Wildfire Catastrophe Fund Act		Creates the California Wildfire Catastrophe Fund Authority and it's board of directors. Authorizes electrical corporations and local publicly owned electric utilities to participate in the authority. Requires each utility to make an initial contribution and annual contributions to the authority as specified depending on size of the authority.	01/18/2019 - INTRODUCED.
<u>AB 249</u> Choi (R)	Public Employers: Employee Organizations		Prohibits a public employer from deterring or discouraging a public employee or an applicant to be a public employee from opting out of becoming or remaining a member of an employee organization. Prohibits a public employer from taking adverse action against a public employee or applicant to be a public employee who opts out of becoming or remaining a member of an employee organization.	01/22/2019 - INTRODUCED.
<u>AB 289</u> Fong (R)	Public Records Appeals: Ombudsman		Declares the intent of the Legislature to enact legislation that would establish an ombudsman within the California State Auditor's Office who would serve as the appeals body for all requests related to the California Public Records Act.	01/28/2019 - INTRODUCED.

IRWD 2019 LEGISLATIVE MATRIX
Updated 02/01/2019

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 292</u> Quirk (D)	Recycled Water: Raw Water and Groundwater Augmentation		Eliminates the definition of direct potable reuse and instead substitutes the term groundwater augmentation for indirect potable reuse for groundwater recharge in these definitions. Requires the State Water Resources Control Board to adopt uniform water recycling criteria for raw water augmentation.	01/28/2019 - INTRODUCED.
<u>AB 305</u> Nazarian (D)	Public Facilities: Water Quality: Rate Reduction Bonds		Extends indefinitely the authorization for a joint powers authority to issue rate reduction bonds to finance utility projects subject to certain requirements, and the requirement that the California Pollution Control Financing Authority submit an annual report to the Legislature.	01/29/2019 - INTRODUCED.
<u>AB 314</u> 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 labor relations laws. Repeals the provisions relating to release time in those acts. Requires these public employers to grant a reasonable number of employee representatives of the exclusive representative reasonable time off without loss of compensation or other benefits for specified activities.	01/30/2019 - INTRODUCED.
<u>AB 322</u> Gallagher (R)	Political Reform Act: Online Filing System		Requires a local government agency to post on its internet website a copy of any specified statement, report, or other document filed with that agency in paper format. Requires that the statement, report, or other document be made available for four years from the date of the election associated with the filing.	01/30/2019 - INTRODUCED.
<u>AB 336</u> Mathis (R)	Sustainable Groundwater Management		Makes nonsubstantive changes in a definition used in the Sustainable Groundwater Management Act.	01/31/2019 - INTRODUCED.
<u>ACA 3</u> Mathis (R)	Water: Minimum Funding Guarantee		Requires not less than a certain percent of specified state revenues to be set apart for the payment of principal and interest on bonds authorized pursuant to the Water Quality, Supply, and Infrastructure Improvement Act. Relates to water supply, delivery, and quality projects administered by the Department of Water Resources and	01/16/2019 - INTRODUCED.

IRWD 2019 LEGISLATIVE MATRIX
Updated 02/01/2019

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			water quality projects administered by the State Water Resources Control Board.	
<u>SB 1</u> Atkins (D)	Environmental, Public Health, and Workers Defense Act		Enacts the California Environmental, Public Health, and Workers Defense Act, which prohibits a state or local agency from amending or revising its rules to be less stringent than the federal baseline standards pertaining to environmental protection.	01/16/2019 - To SENATE Committees on ENVIRONMENTAL QUALITY, NATURAL RESOURCES AND WATER, and JUDICIARY.
<u>SB 13</u> Wieckowski (D)	Accessory Dwelling Units		Expresses the intent of the Legislature to enact legislation that would reduce impact fees and other existing barriers for homeowners seeking to create accessory dwelling units for the purpose of creating additional residential housing within their neighborhoods.	01/16/2019 - To SENATE Committee on RULES.
<u>SB 15</u> Portantino (D)	Redevelopment		States the intent of the Legislature to enact legislation relating to redevelopment.	01/16/2019 - To SENATE Committee on RULES.
<u>SB 19</u> Dodd (D)	Water Resources: Stream Gages		Requires the Department of Water Resources and the State Water Resources Control Board, upon an appropriation of funds by the Legislature, to develop a plan to deploy a network of stream gages that includes a determination of funding needs and opportunities for modernizing and reactivating existing gages and deploying new gages.	01/16/2019 - To SENATE Committee on NATURAL RESOURCES AND WATER.
<u>SB 45</u> Allen (D)	Wildfire, Drought, and Flood Protection Bond Act 2020		Enacts the Wildfire, Drought, and Flood Protection Bond Act of 2020, which, if approved by voters, authorizes the issuance of bonds to finance projects to restore fire damaged areas, reduce wildfire risk, create healthy forests and watersheds, reduce climate impacts on urban areas and vulnerable populations, protect water supply and water quality, protect rivers, lakes and streams, reduce flood risk, protect fish and wildlife from climate impacts, and protect coastal lands and resources.	01/16/2019 - To SENATE Committees on NATURAL RESOURCES AND WATER, ENVIRONMENTAL QUALITY and GOVERNANCE AND FINANCE.

IRWD 2019 LEGISLATIVE MATRIX
Updated 02/01/2019

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>SB 46</u> Jackson (D)	State Government: Emergency Services		Expands provisions authorizing a city to enter into an agreement to access the contact information of resident accountholders through the records of a public utility. Expands the types of public utilities that can enter into these agreements by defining public utility to include, among others, wireless telephony services.	01/16/2019 - To SENATE Committees on GOVERNMENTAL ORGANIZATION and HUMAN SERVICES.
<u>SB 62</u> Dodd (D)	Endangered Species: Accidental Take		Provides that 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 Endangered Species Act.	01/16/2019 - To SENATE Committee on NATURAL RESOURCES AND WATER.
<u>SB 130</u> Galgiani (D)	Wildfires: Siren Warning System		Provides that it is the intent of the Legislature to enact legislation that would authorize the installation of a siren warning system for wildfires in populated areas and communities in state responsibility areas.	01/24/2019 - To SENATE Committee on RULES.
<u>SB 133</u> Galgiani (D)	Wildfires: Detection		States the intent of the Legislature to enact legislation to create and fund a program for installing remote infrared cameras that can help in detecting wildfires.	01/24/2019 - To SENATE Committee on RULES.
<u>SB 134</u> Hertzberg (D)	Water Conservation: Water Loss Performance Standards		Prohibits the State water Resources Control Board from imposing liability for a violation of the performance standards for the volume of water losses except as part of the enforcement of an urban water use objective.	01/24/2019 - To SENATE Committee on NATURAL RESOURCES AND WATER.
<u>SB 143</u> Skinner (D)	Junk Dealers/Recyclers: Nonferrous Material: Payment		Authorizes a junk dealer or recycler to pay for nonferrous material by general use prepaid card in accordance with specified requirements.	01/31/2019 - To SENATE Committee on BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT.
<u>SB 166</u> Wiener (D)	Process Water Treatment Systems: Breweries and Wineries		Requires the State Water Resources Control Board, in consultation with the State Department of Public Health - Food and Drug Branch, to adopt regulations for microbiological, chemical, and physical water quality and treatment requirements for the onsite	01/28/2019 - INTRODUCED.

IRWD 2019 LEGISLATIVE MATRIX
Updated 02/01/2019

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			treatment and reuse of process water in breweries and wineries. Requires breweries and wineries to submit a report containing specified information and to terminate any process water treatment systems.	
<u>SB 167</u> Dodd (D)	Electrical Corporations: Wildfire Mitigation Plans		Requires specified protocols to include impacts on customers enrolled in the California Alternative Rates for Energy program receiving medical baseline allowances of electricity or gas, and who the electrical corporation has identified as critical care customers relying on life-support equipment.	01/28/2019 - INTRODUCED.
<u>SB 198</u> Bates (R)	CA Environmental Quality Act: Historical Resources		Makes nonsubstantive changes in provisions under the California Environmental Quality Act relating to historical resources.	01/31/2019 - INTRODUCED.
<u>SB 200</u> Monning (D)	Safe and Affordable Drinking Water Fund		Establishes the Safe and Affordable Drinking Water Fund in the State Treasury and provides that moneys in the fund are available, upon appropriation by the Legislature, to the State Water Resources Control Board to provide a stable source of funding to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure.	01/31/2019 - INTRODUCED.

Exhibit “B”

2019 Legislative Update Report:
Links to Bill & Regulatory Texts
(as of February 1, 2019)

Bill Number/Version Date	Link to Bill Text
Safe and Affordable Drinking Water Budget Trailer Bill	http://www.dof.ca.gov/Budget/Trailer_Bill_Language/documents/SafeandAffordableDrinkingWaterandExideCleanup.pdf
AB 68 (Ting), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB68
AB 69 (Ting), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB69
AB 134 (Bloom), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB134
AB 217 (Garcia), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB217
AB 292 (Quirk), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB292
ACA 3 (Mathis/Garcia), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200ACA3
SB 13 (Wieckowski), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB13
SB 134 (Hertzberg), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB134
SB 200 (Monning), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB200

EXHIBIT “C”
PROPOSED EQUIVALENCY STANDARD LANGUAGE

Amend Section 106876 of the Health and Safety Code, as follows:

106876. As used in this article, unless the context otherwise requires, the following definitions apply:

- (a) “Community water system” has the same meaning as defined in Section 116275.
- (b) “Local primacy agency” has the same meaning as defined in Section 116275.
- (c) “Nontransient noncommunity water system” has the same meaning as defined in Section 116275.
- (d) “Operates a water distribution system” means actions or decisions to control the quality or quantity of drinking water in a water distribution system and includes both of the following:
 - (1) Supervision of other persons operating a water distribution system.
 - (2) Any activity designated by the State Board, in its regulations to implement this article, as an activity that may only be performed by a person with a water distribution operator certificate.
- (e) “Operates a water treatment plant” means actions or decisions to control the performance of one or more drinking water treatment processes and includes both of the following:
 - (1) Supervision of other persons operating a water treatment plant.
 - (2) Any activity designated by the State Board, in its regulations to implement this article, as an activity that may only be performed by a person with a water treatment operator certificate.
- (f) “Wastewater certificate” has the same meaning as defined in Section 13625 of the Water Code.
- (g) “Wastewater treatment plant” has the same meaning as defined in Section 13625 of the Water Code.
- (h) “Water distribution operator certificate” means a certificate of competency issued by the State Board stating that a person has met the requirements to be certified to operate a water distribution system for a specified grade level.
- (i) “Water distribution system” has the same meaning as defined in Section 116275.
- (j) “Water recycling treatment plant” has the same meaning as defined in Section 13625 of the Water Code.

(k) “Water treatment operator certificate” means a certificate of competency issued by the State Board stating that a person has met the requirements to be certified to operate a water treatment plant for a specific classification and grade level.

(l) “Water treatment plant” has the same meaning as defined in Section 116275.

(m) “Water treatment process” means a process that improves the physical, chemical, biological, or radiological quality of water in order to render the water acceptable for use as drinking water and includes all of the following:

- (1) Aeration
- (2) Blending
- (3) Chemical addition
- (4) Contaminant removal
- (5) Conventional treatment
- (6) Demineralization
- (7) Disinfection
- (8) Filtration
- (9) Fluoridation
- (10) Ion exchange
- (11) pH adjustment
- (12) Pre- and post-treatment
- (13) Reverse osmosis

(n) “Advanced water treatment process” means a water or wastewater treatment process that includes any of the following:

- (1) Membrane filtration
- (2) Membrane desalination
- (3) Biological filtration
- (4) Adsorption or ion exchange
- (5) Finished water chemical stabilization
- (6) Iron and manganese removal
- (7) Advanced oxidation processes for pathogen or chemical control
- (8) Membrane bioreactor.
- (9) Other treatment processes as defined by the State Board

Add Section 106910.5 to the Health and Safety Code, as follows:

106910.5. The legislature finds and declares:

(a) Water and wastewater treatment and operations is a well-established industry with an aging workforce.

- (b) To encourage water operator advancement and cross-training and to attract skilled workers to the water and wastewater industry fields, California operator certification requirements should recognize a broad range of experience and qualifications which provide the needed skill sets, while ensuring high standards for water and wastewater operators.
- (c) Workers in the water and wastewater industry process water from a variety of sources to make it safe for drinking or to be returned to the environment.
- (d) When wastewater is reused for beneficial use, ensuring protection of public health is of the highest importance.
- (e) Operations of advanced water treatment facilities require similar skill sets for both direct production of domestic water supplies and treatment of wastewater. Operations of recycled water distribution systems and potable distribution systems require similar skill sets.
- (f) To attract employees with the necessary technical skills to the water and wastewater industries, the State Board should expand the allowable experience to qualify operators to obtain water and wastewater certification.

Add Section 106911 to the Health and Safety Code, as follows:

106911. (a) When applying for certification by the State Board as a water treatment operator, distribution system operator, or wastewater operator, operators of complex industrial facilities, including members of the military and military service veterans shall be credited with full equivalent experience and education for work and tasks performed.

(b) Experience credit includes work during service in the military, that is applicable to work performed by a certified operator in California. Applicable work may include, but is not limited to:

- (1) Operation of similar water treatment processes
- (2) Operation and management of SCADA systems and automation
- (3) Troubleshooting equipment failures
- (4) Management of water quality
- (5) Operation and maintenance of equipment such as of pumps, motors, compressors, chemical feed systems, valves, actuators, and meters
- (6) Calibration of on-line analyzers

(c) Education credit translated to the equivalent college semester unit and/or the continuing education units and/or education points will be given for military veterans who obtained and served in the following military occupational specialties (MOS):

- (1) United States Army MOS: 92W Water Treatment Specialist
- (2) United States Navy Rating: Utilitiesman
- (3) United States Marines MOS: 1171 Water Support Technician

- (4) United States Coast Guard Ratings: Damage Controlman, Machinery Technician, Marine Science Technician
- (5) United States Air Force Specialty Code: 3E4X1 – Water and Fuel Systems Maintenance

Add Section 106912 to the Health and Safety Code, as follows:

106912. For purposes of water treatment operator certification experience, a treatment plant using advanced water treatment processes, which treats water of wastewater origin for purposes of water reuse, shall be considered to provide equivalent experience to working at a water treatment plant at the levels indicated below:

- (a) A treatment plant which uses advanced treatment processes for non-potable reuse shall be considered at least equivalent to a T3 plant.
- (b) A treatment plant which uses advanced treatment processes for potable reuse through groundwater recharge, reservoir augmentation, or augmentation of raw water supplies shall be considered at least equivalent to a T4 plant.
- (c) A treatment plant which uses advanced treatment processes for potable reuse through augmentation of treated water supplies shall be considered equivalent to a T5 plant.

Add Section 106913 to the Health and Safety Code, as follows:

106913. For purposes of water distribution operator certification experience, operation of a recycled water distribution system shall be considered to provide equivalent experience to operating a potable distribution system.

Add Section 106914 to the Health and Safety Code, as follows:

106914. For any of the experience requirements for certification as a T3 or D3 operator, a treatment or distribution operator may substitute:

- (a) Day-to-day experience gained working with lead responsibility for water quality related projects or research.
- (b) Day-to-day experience in industrial facilities including military facilities with responsibility for operations of similar treatment process technologies.
- (c) Registration as a professional engineer in California in civil engineering or chemical engineering.

|~115H5127|

(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H. R. _____

To establish a grant program for the funding of water recycling and reuse projects, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mrs. NAPOLITANO introduced the following bill; which was referred to the Committee on _____

A BILL

To establish a grant program for the funding of water recycling and reuse projects, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Water Recycling In-
5 vestment and Improvement Act”.

1 **SEC. 2. COMPETITIVE GRANT PROGRAM FOR THE FUNDING**
2 **OF WATER RECYCLING AND REUSE**
3 **PROJECTS.**

4 (a) COMPETITIVE GRANT PROGRAM FOR THE FUND-
5 ING OF WATER RECYCLING AND REUSE PROJECTS.—Sec-
6 tion 1602(f) of the Reclamation Wastewater and Ground-
7 water Study and Facilities Act (title XVI of Public Law
8 102–575; 43 U.S.C. 390h et. seq.) is amended by striking
9 paragraphs (2) and (3) and inserting the following:

10 “(2) PRIORITY.—When funding projects under
11 paragraph (1), the Secretary shall give funding pri-
12 ority to projects that meet one or more of the fol-
13 lowing criteria:

14 “(A) Projects that are likely to provide a
15 more reliable water supply for States and local
16 governments.

17 “(B) Projects that are likely to increase
18 the water management flexibility and reduce
19 impacts on environmental resources from
20 projects operated by Federal and State agen-
21 cies.

22 “(C) Projects that are regional in nature.

23 “(D) Projects with multiple stakeholders.

24 “(E) Projects that provide multiple bene-
25 fits, including water supply reliability, eco-sys-

1 tem benefits, groundwater management and en-
2 hancements, and water quality improvements.”.

3 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
4 1602(g) of the Reclamation Wastewater and Groundwater
5 Study and Facilities Act (title XVI of Public Law 102–
6 575; 43 U.S.C. 390h et. seq.) is amended—

7 (1) by striking “\$50,000,000” and inserting
8 “\$500,000,000”; and

9 (2) by striking “if enacted appropriations legis-
10 lation designates funding to them by name,”.

11 (c) DURATION.—Section 4013 of the WIIN Act (43
12 U.S.C. 390b(2)) is amended—

13 (1) in paragraph (1), by striking “and”;

14 (2) in paragraph (2), by striking the period and
15 inserting “; and”; and

16 (3) by adding at the end the following:

17 “(3) section 4009(c).”.

18 (d) LIMITATION ON FUNDING.—Section 1631(d) of
19 the Reclamation Wastewater and Groundwater Study and
20 Facilities Act (43 U.S.C. 390h–13(d)) is amended by
21 striking “\$20,000,000 (October 1996 prices)” and insert-
22 ing “\$30,00,000 (January 2019 prices)”.