AGENDA IRVINE RANCH WATER DISTRICT WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE MEETING THURSDAY, FEBRUARY 2, 2023

This meeting will be held in-person at the District's headquarters located at 15600 Sand Canyon Avenue, Irvine, California. The meeting will also be broadcasted via Webex for those wanting to observe the meeting virtually.

To observe this meeting virtually, please join online using the link and information below:

Via Webex:

https://irwd.webex.com/irwd/j.php?MTID=m9a7514631115fa80b6822c9d4cbd5b37

Meeting Number (Access Code): 2492 267 Meeting password: 4959BntcPgF74K3

As courtesy to the other participants, please mute your phone when you are not speaking.

PLEASE NOTE: Participants joining the meeting will be placed into the Webex lobby when the Committee enters closed session. Participants who remain in the "lobby" will automatically be returned to the open session of the Committee once the closed session has concluded. Participants who join the meeting while the Committee is in closed session will receive a notice that the meeting has been locked. They will be able to join the meeting once the closed session has concluded.

CALL TO ORDER	1:30 p.m.		
<u>ATTENDANCE</u>	Member: John With Alternate Member: I	hlin	
ALSO PRESENT	Paul Cook Wendy Chambers Fiona Sanchez Christine Compton Mark Tettemer John Fabris	Paul Weghorst Cheryl Clary Jim Colston Kellie Welch Amy McNulty Michael Van Dyke	

PUBLIC COMMENT NOTICE

If you wish to address the Committee on any item, please submit a request to speak via the "chat" feature available when joining the meeting virtually. Remarks are limited to three minutes per speaker on each subject. Public comments are limited to three minutes per speaker on each subject. You may also submit a public comment in advance of the meeting by emailing comments@irwd.com before 5:00 p.m. on February 1, 2023.

Water Resources Policy and Communications Committee Meeting February 2, 2023
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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; and determine which items may be approved without discussion.

INFORMATION

4. <u>ADVANCED METERING INFRASTRUCTURE FEASIBILITY STUDY AND</u> BUSINESS PLAN – MCNULTY / SANCHEZ / WEGHORST

Recommendation: Receive and file.

5. 2022 DIGITAL COMMUNICATIONS OUTREACH – FABRIS / COMPTON

Recommendation: Receive and file.

ACTION

6. LEGISLATIVE AND REGULATORY UPDATE – COMPTON

Recommendation: That the Board The Board adopt a "SUPPORT, AS PROPOSED TO BE AMENDED" position on SB 23 (Caballero).

OTHER BUSINESS

- 7. Directors' Comments
- 8. 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 electronically via the Webex meeting noted. Upon request, the District will provide for written agenda materials in appropriate alternative formats, and reasonable disability-related modification or accommodation to enable individuals with disabilities to participate in and provide comments at public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, or alternative format requested at least two days before the meeting. Requests should be emailed to comments@irwd.com. Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

February 2, 2023

Prepared by: A. McNulty

Submitted by: F. Sanchez / P. Weghorst Approved by: Paul A. Cook

WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

ADVANCED METERING INFRASTRUCTURE FEASIBILITY STUDY AND <u>BUSINESS PLAN</u>

SUMMARY:

Advanced Metering Infrastructure (AMI) integrates smart meters, communications networks, and data management platforms into a system that produces more frequent and accurate water usage data. AMI can facilitate improved billing, leak detection, and better overall water management. In 2022, staff formed an interdisciplinary team to evaluate AMI products, service providers, and potential benefits of implementing AMI at IRWD. Consistent with IRWD's long-standing commitment to water efficiency and proactive leak detection, the team determined the need to develop a Feasibility Study and Business Plan for implementing AMI at IRWD. At the Committee meeting, staff will present a summary of staff's evaluation of AMI along with describing the next steps in the process which includes retaining a consultant to prepare the AMI Feasibility Study and Business Plan for IRWD.

BACKGROUND:

AMI systems integrate smart meters, two-way communication networks, and data management platforms. The technology allows for frequent collection of water usage data that is then utilized to improve customer billing, leak detection, and overall water resource management. AMI automates functions that would otherwise have to be handled manually or that are not possible without smart meters. Other benefits of the technology include the ability to remotely measure water use, start or stop service, detect meter tampering, and communicate usage with customers through online dashboards and custom alerts.

2010 AMI Evaluation and Current Uses:

In 2010 IRWD evaluated AMI technology and made the decision to not deploy the technology at that time, given high implementation costs, numerous complexities, and the evolving nature of the technology. Since 2010, staff has employed various devices to provide high-frequency meter reads on a temporary basis for a small and targeted segment of customers. These devices have become an important tool for providing customer assistance and water efficiency program evaluations.

IRWD currently utilizes a "Flume" device to provide data needed for program evaluations and helping customers troubleshoot high water use. Staff has also tested other technologies, ranging from simple data loggers to cellular- and photography-based devices. These technologies have helped staff identify customer side leaks, wasteful water uses, and malfunctioning meters. None of these devices provide the full functionality of an AMI system. Since 2010 AMI technology has improved substantially, and it has been successfully implemented at many water utilities, prompting IRWD to re-evaluate AMI based on the current stat of the industry.

Water Resources Policy and Communications Committee: Advanced Metering Infrastructure Feasibility Study and Business Plan February 2, 2023
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Current AMI Evaluation:

Since February 2022, an interdisciplinary team of staff has been working to re-evaluate the implementation of AMI technology at IRWD. The team reviewed a total of nine AMI service providers, conducted numerous reference checks, and participated in AMI-related committees to learn from other water agencies' experience with AMI. The team's work provided a thorough understanding of the various types of existing AMI systems and components. Given this understanding, the team identified the need for professional assistance in preparing a Feasibility Study for implementing AMI at IRWD and in preparing a corresponding Business Plan. The work to be provided by the consultant would include a robust cost-benefit analysis and would address implementation strategies.

Feasibility Study and Business Plan:

On January 13, 2023, staff issued a Request for Proposals (RFP) for the preparation of an AMI Feasibility Study and Business Plan. The Feasibility Study will identify long-term needs for development of an AMI program, include a cost-benefit and return on investment analysis of various implementation scenarios and will assess the impacts of AMI on IRWD processes, personnel, and technology. The Business Plan will integrate the needs assessment, cost-benefit analysis, impacts assessment, and will make recommendations as well as justifications for implementing AMI at IRWD. The Business Plan will also identify the extent to which IRWD might be able to leverage grant funding and/or infrastructure owned by other entities. The findings of the Feasibility Study and Business Plan will be integrated with other District efforts related to water loss control, distribution system monitoring and meter management.

Staff expects to issue a Notice of Award (NOA) to a consultant by the end of February 2023. A Professional Services Agreement with the selected consultant is expected to be executed within staff authority. Attached as Exhibit "A" is a presentation on the scope of work for the consultant's preparation of an AMI related Feasibility Study and Business Plan. The consultant's work is expected to be complete within six months of the NOA.

FISCAL IMPACTS:

Prior to executing a Professional Services Agreement for a consultant to prepare the AMI related Feasibility Study and Business Plan, staff will request Board approval of a corresponding addition to the Fiscal Year 2022/23 capital budget.

ENVIRONMENTAL COMPLIANCE:

The preparation of an AMI related Feasibility Study and Business Plan is not a project as defined in the California Environmental Quality Act as authorized under the California Code of Regulations, Title 14, Chapter 3 and Section 15378.

RECOMMENDATION:

Receive and file.

Water Resources Policy and Communications Committee: Advanced Metering Infrastructure Feasibility Study and Business Plan February 2, 2023
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LIST OF EXHIBITS:

Exhibit "A" – Presentation on Scope of Work for the Preparation of AMI Feasibility Study and Business Plan

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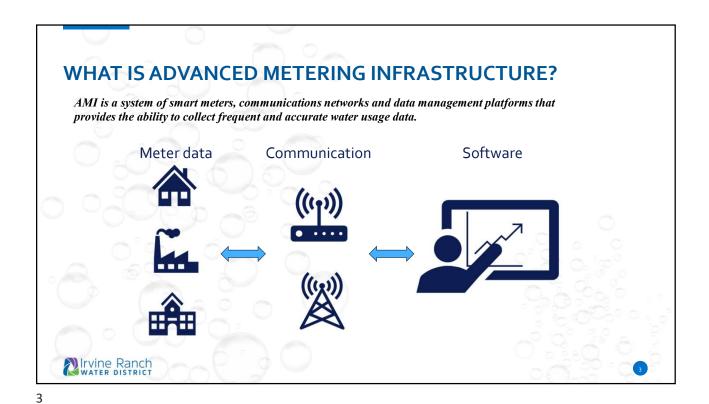


AGENDA

- Advanced metering infrastructure
- Benefits of AMI
- Interdisciplinary team
- Request for proposals
- Schedule and Next steps







SYSTEM INTEGRATION Distribution Operations Ad Hoc Analyses Customer Portal Revenue Geographic System Meter Data Mgt. System Meter Customer Work Order Information Mgt. System System Meter Reading Database Meter Mgt. Mgt. System System SCADA Data collector, MIU &meter condition & alarms AMI System Maintenance Endpoint Maintenance Figure 2.20. Example IT architecture for AMI and Meter Data Management System (MDMS) Irvine Ranch



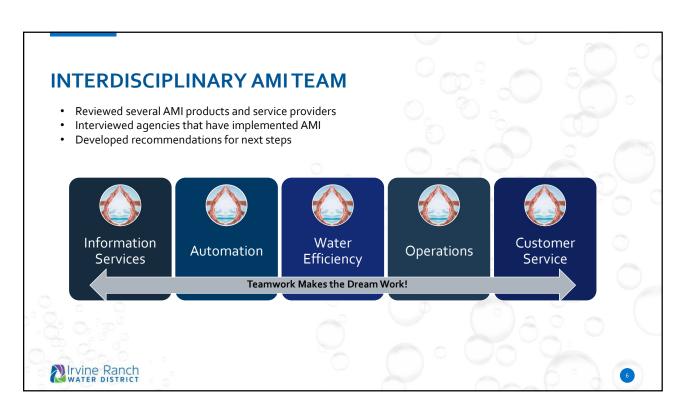


BENEFITS

- Improved billing
- Leak detection
- Water resource management
- Remotely start/stop service
- Detect meter tampering
- Communicate usage with customer
- Operational benefits



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REQUEST FOR PROPOSALS



FEASIBILITY STUDY / NEEDS ASSESSMENT

- Equipment and systems
- Short- and long-term
- Integration with existing applications
- Ancillary technologies



BUSINESS CASE

- Cost-benefit analysis
- Identify funding sources
- Implementation scenarios



IMPACT ASSESSMENT

- Operations
- Customers
- Personnel
- Data management
- **Business processes**
- **Policies**



IMPLEMENTATION ROADMAP

- Recommendation
- Next steps



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SCHEDULE AND NEXT STEPS

- AMI Feasibility Study and Business Plan
 - Proposals due February 6
 - Award and agreement execution end of February
 - Project timeline ~3-6 months
- Potential subsequent phases
 - Procurement ~2023/24
 - Implementation ~2024 begin







February 2, 2023

Prepared by: J. Fabris
Submitted by: C. Compton
Approved by: Paul A. Cook

WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

2022 DIGITAL COMMUNICATIONS OUTREACH

SUMMARY:

Social distancing during the first two years of the COVID-19 pandemic underscored the value of digital communications as a means of educating the community, drawing customers to virtual events, and reaching the public with IRWD's outreach messages and water efficiency asks. In 2022, as life began to return to normal, a confluence of challenges arose. Specifically, staff tackled the questions of:

- 1) How does IRWD keep the attention of customers in an increasingly busy digital sphere?
- 2) How does the District inspire water efficiency from an audience that suffering from COVID and drought-inspired crisis fatigue has tuned out top-down calls to action?

Using a variety of digital communications platforms and tools, including the use of captivating and humorous messaging, IRWD was able to break through the drought messaging malaise. In 2022, the District reached more customers with its messages, generating an all-time-high of 8.6 million impressions on social media and more than 700,000 emails opened in response to water efficiency campaigns and outreach. At the Committee meeting, staff will recap the 2022 campaigns and present key metrics of the 2022 effort.

BACKGROUND:

In 2022, recognizing that more and more customers get information digitally, IRWD refocused a number of its public outreach and communications strategies to better utilize digital outreach to reach a larger number of customers. This resulted in an increased use of video, implementing strategic social media campaigns, and building landing pages on IRWD.com to serve as informational platforms that support the messaging included in posts. Email campaigns were fine-tuned and better targeted to maximize open rates. Humor was leveraged to make campaign messages pop and to grab the attend of customers who were experiencing crisis fatigue.

Pivoting As Drought Comes to Forefront:

The first half of 2022 focused mostly on education. Outreach included promotion of water efficiency webinars and the production of the first two nine-minute episodes of The Shed Show, a fast-paced video series that highlights the beauty of water-efficient and California native landscape and teaches customers how to transform their yards. Launched with 11-week paid social-media campaigns, they are available on demand at IRWD.com/ShedShow and used as teaching tools at virtual and in-person events.

Water Resources Policy and Communications Committee: Advanced Metering Infrastructure Feasibility Study and Business Plan February 2, 2023
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Midyear, when statewide water restrictions were implemented, staff changed the outreach strategy to address the drought more directly and prioritize delivery of drought messaging to customers as broadly and frequently as possible. While there were a number of 2022 IRWD efforts using this approach, IRWD's July #HowDoYouDrought Campaign and the third episode of The Shed Show epitomized this approach.

The #HowDoYouDrought Campaign used humor to establish a dynamic dialogue with customers about saving water. It included a sweepstakes and interactive questions that yielded record-breaking impressions and engagement for IRWD over a 4-week period. In social media parlance, an *impression* occurs when a user sees the content. The more impressions, the more the message is being delivered to customers. The impressions yield by IRWD's campaigns are shown in Table 1 below.

	Event, Campaign, Program	Impressions	Total Cost (Production + Media)	Cost per Impression
Jan	Garden Design workshop	38,512	\$0	\$0.00
Feb	Naturally Beautiful Yard workshop	281,688	\$15,187	\$0.05
Mar-May	Shed Show 1: Pollinator Garden	1,443,781	\$175,998	\$0.12
Mar	Fix-A-Leak Sweepstakes	47,808	\$0	\$0.00
Mar	Don't Spring a Leak workshop	202,276	\$11,080	\$0.05
Mar	Smart controller rebate	9,738	\$0	\$0.00
Mar	Rachio workshop	50,612	\$0	\$0.00
May	Smarter Sprinkler System workshop	159,002	\$15,555	\$0.10
Jul-Aug	How Do You Drought campaign	3,200,000	\$151,950	\$0.05
Jul	Commercial watering. IRWD can help!	1,580	\$0	\$0.00
Aug-Nov	Shed Show 2: Small Space	1,884,446	\$142,121	\$0.08
Oct	Better Yards by Design expo	289,605	\$19,905	\$0.07
Oct	Plant Like a Local webinar	51,079	\$0	\$0.00
Nov-Jan	Shed Show 3: Watering Tips*	1,414,993	\$242,392	\$0.17
Jan-Dec	Communications tours, etc.	257,477	\$0	\$0.00
	TOTAL	9,332,597	\$774,187	\$0.08

Table 1: 2022 Digital Communications Campaigns & Impressions

In August, a third episode of the Shed Show was released and retooled as a collection of six one-minute videos targeting key audiences through social media and digital television. These segments focused on a topic designed to create quick water savings: irrigation tips.

2022 Digital Outreach Data:

In 2022, IRWD garnered 9.3 million impressions from its digital communications outreach. The total cost of the 2022 outreach, including production and media-marketing costs, was \$774,187, which averaged a cost of 8 cents per impression.

Water Resources Policy and Communications Committee: Advanced Metering Infrastructure Feasibility Study and Business Plan February 2, 2023
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Water Efficiency Impact of 2022 Digital Outreach:

While it is impossible to point to one single cause for customers becoming more water efficient as IRWD increased it efforts to encourage customers to save water during 2022, the data shows there is a correlation between the midyear adjustment in the District's digital communications strategy and increased water savings. These communications, along with the District's other efforts, resulted in a water savings compared to 2020 as listed in Table 2.

Table 2: Residential gallons per capita per day

<i>aere</i> 2. 10	es tere retter	gamons	per capita per aa
	2020	2022	Change
Jan	59	60	1.84%
Feb	59	63	7.08%
Mar	56	58	3.37%
Apr	61	63	3.19%
May	67	65	-3.55%
Jun	76	68	-10.55%
Jul	84	69	-17.84%
Aug	82	70	-13.77%
Sep	83	69	-16.17%
Oct	75	66	-11.48%
Nov	71	60	-15.38%
Dec	66	58	-12.18%

Because staff greatly adjusted the outreach strategy to address the drought more directly and to prioritize delivery of drought messaging to customers as broadly and frequently as possible, halfway through 2022 one can see the double-digit decline in the residential gallons-per-capita-per-day usage in June through December, as evidence that the digital communications strategy had an impact.

	2020	2022	CHANGE vs. 2020 BASELINE
JAN	59	60	1.84%
FEB	59	63	7.08%
MAR	56	58	3.37%
APR	61	63	3.19%
MAY	67	65	-3.55%
JUN	76	68	-10.55%
JUL	84	69	-17.84%
AUG	82	70	-13.77%
SEP	83	69	-16.17%
ОСТ	75	66	-11.48%

Water Resources Policy and Communications Committee: Advanced Metering Infrastructure Feasibility Study and Business Plan February 2, 2023 Page 4

NOV	71	60	-15.38%
DEC	66	58	-12.18%

Next Steps:

Staff is developing a strategic communications plan for water-efficiency outreach in 2023, focusing on encouraging turf replacement and outdoor efficiency. Digital messaging will continue to be a key aspect of that outreach. Staff will return to the Committee once this plan has been fully developed.

At the Committee meeting, staff will recap the 2022 campaigns and present key metrics of the 2022 effort. A copy of the presentation is attached as Exhibit "A".

FISCAL IMPACTS:

None.

Water Resources Policy and Communications Committee: Advanced Metering Infrastructure Feasibility Study and Business Plan February 2, 2023 Page 5

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Review and file.

LIST OF EXHIBITS:

Exhibit "A" – Draft 2022 Digital Communications Summary Presentation

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EXHIBIT "A"



2022: A BANNER YEAR FOR DIGITAL OUTREACH

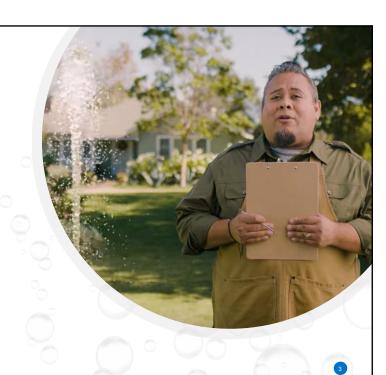
- COVID-19 underscored the value of digital communications
- We leveraged that in 2022
- · Result was record-breaking
 - · Unprecedented use of video messaging
 - Unsurpassed numbers on social media
 - Optimal use of website landing pages for campaigns
 - Integrated email blasts to drive customers to these sites





AGENDA

- Recap of the year's key projects and campaigns
 - Video
 - · Social media
 - · Webpages and eblasts
- · A look at the data
- Sneak peek at 2023

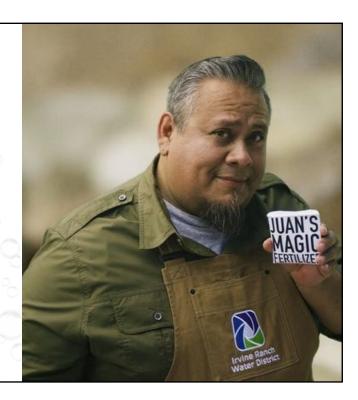




3

THE SHED SHOW

- Conceived to reinvent our water-efficiency workshops
 - · Beauty of water-efficient landscape
 - Engaging content for virtual and in-person events
 - On-demand educational content, with links to resources
 - · Long shelf-life
 - Shed and props for live events
- The distribution and format evolved in response to changing dynamics
 - Topic and format adapted as drought response





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A-2

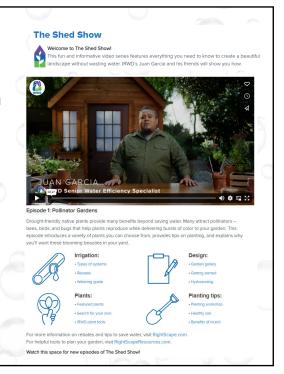
THE SHED SHOW

- Episode 1: Pollinator Garden
- Episode 2: Small Space Transformation



Irvine Ranch Water District

- Fast-paced and fun
- 9-minute mini-movie
- IRWD.com landing page with resources to help customers transform their yard
- Promoted via social media: 15-second videos and colorful still images



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THE SHED SHOW, CONT.

- Episode 3: Watering Tips for a Gorgeous Yard
 - A 7-minute complete show
 - Delivered in 1-minute mini videos directly to customers
 - Delivered primarily via connected TV, plus Facebook, Instagram, YouTube





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A-3

THE SHED SHOW RESULTS TO DATE

Ep. 1. Pollinators Feb. 28-May 13

- 1.4 million impressions
- 12¢ per impression
- 275 video completions
- \$72 per video completion

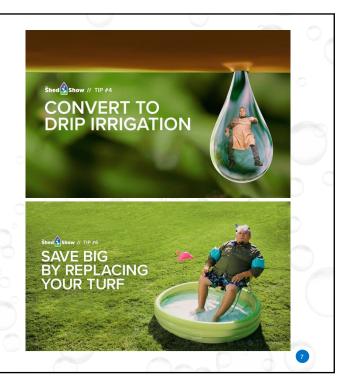
Ep. 2 Small Space Aug. 29-Nov. 14

- 1.9 million impressions
- 8¢ per impression
- 111 video completions
- \$180 per video completion

Ep. 3 Watering Tips Nov. 21-Jan. 22

- 1.4 million impressions
- 17¢ per impression
- 397,385 video completions
- 7¢ per video completion





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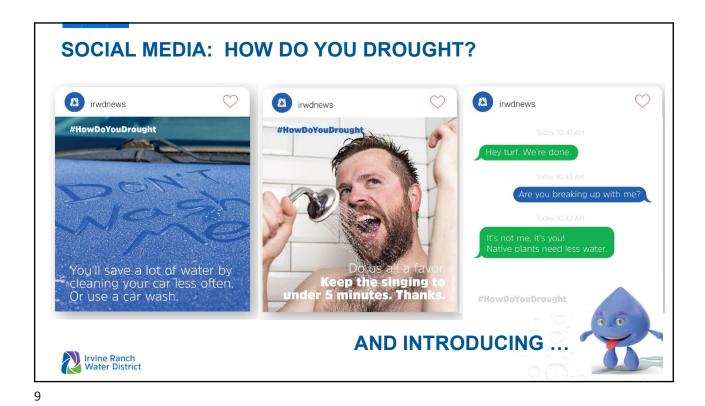
OTHER VIDEO SUCCESSES

- GIF workshop promotions
 - Naturally Beautiful Yard
 - · Don't Spring a Leak
 - · Smarter Sprinkler
- · Biosolids virtual tour
- Interactive RW video adventure
 - State and national award-winning virtual education tool developed with Discovery Cube









HOW DO YOU DROUGHT?

- · Record impressions, engagement
 - 3.2 million impressions
 - 5¢ per impression
 - 19,030 likes and comments
 - 187 shares
- A paid media campaign, but much of the engagement was organic
- Broke through messaging malaise with humor





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EVENT PROMOTIONS

- Naturally Beautiful Yard workshop
- Don't Spring a Leak workshop
- Smarter Sprinkler workshop
- Better Yards By Design expo

Most amplified with website landing pages and/or eblasts

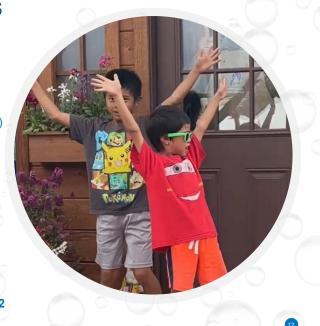




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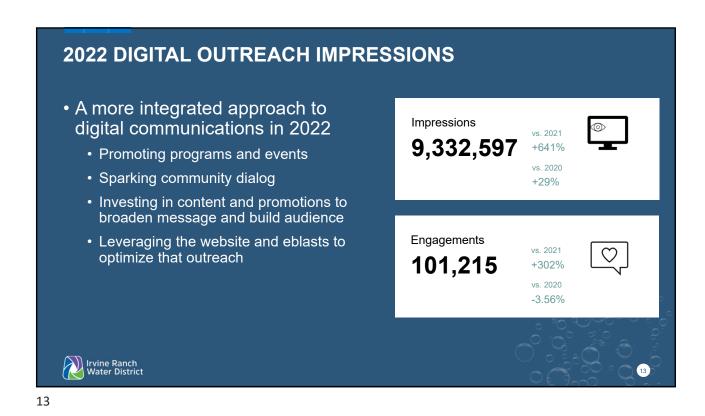
EVENT PROMOTION METRICS

- Better Yards by Design
 - Social media impressions: 237,221
 - Email opens: 52,384Attendance: 670
 - Design voucher registrations: 118
 - Design vouchers issued: 85 (72% follow-through)
- Naturally Beautiful Yard
 - Social media impressions: 148,009
 - Email opens: 133,679Attendance: 184
- Don't Spring a Leak
 - Social media impressions: 141,888
 - Email opens: 60,388
 - Attendance: 124
- Smarter Sprinkler workshop
 - Social media impressions: 159,002
 - Irvine Ranch Attendance: 53
 Water District



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IMPRESSIONS ARE UP, WATER USE IS DOWN **Impressions** Residential gallons per capita per day 9,332,597 CHANGE vs. 2020 7,597,351 2020 BASELINE 2022 JAN 59 60 FEB 59 63 7.08% MAR 56 58 3.37% Shed Show 1: Feb. 28-May 13 APR 61 63 3.19% MAY 67 65 -3.55% -10.55% JUN June 10: Level 2 drought emergency regulations take effect 76 68 JUL 84 -17.84% 69 How Do You Drought? July 18-Aug. 14 AUG 82 70 -13.77% 1,258,997 -16.17% SEP 83 Shed Show 2: August 29-Nov. 11 ОСТ -11.48% Better Yards By Design promotion: Oct. 3-22 NOV 71 Shed Show 3: Nov. 21-Jan. 22 2020 2022 DEC 66 -12.18% Irvine Ranch Water District

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COMING SOON IN 2023!

- Developing a strategic plan
 - Focus on lawn replacement and outdoor efficiency
 - Position water-efficient landscaping as the modern, trendsetting choice
 - Create buzz to reach larger audience.
 - Explore opportunities with Millennials and Gen Z
- Continue to integrate digital messaging
- More vertical video for best results
- First to launch:

Wastey is back!

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February 2, 2023 Prepared and

submitted by: C. Compton
Approved by: Paul A. Cook

WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

LEGISLATIVE AND REGULATORY UPDATE

SUMMARY:

This report provides an update on the 2023-2024 legislative session, regulatory issues, 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 the Board consider the following action / position:

• SB 23 (Caballero) – Water Supply and Flood Risk Reduction Project Expedited Permitting: "SUPPORT, AS PROPOSED TO BE AMENDED."

BACKGROUND:

January 20, 2023 was the last day for bill requests to be submitted to the Office of Legislative Counsel. The bill introduction deadline this year is February 17, 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 Legislative Matrix is provided as Exhibit "A". Links to the bills discussed below are included within each discussion unless a separate exhibit is noted.

State Budget Update:

Governor's 2023-24 State Budget Proposal:

Governor Newsom unveiled his Fiscal Year 2023-2024 (FY 2023-24) state budget proposal on January 10. For FY 2023-24, the Governor's Budget proposes \$223.6 billion in total General Fund expenditures, projects \$211.1 billion in total General Fund revenues, and proposes to transfer \$911 million from the General Fund to the Budget Stabilization Account / Rainy Day Fund, bringing the Rainy Day Fund total to \$22.4 billion. Another \$900 million is proposed for the Safety Net Reserve.

The Governor's Budget also assumes a projected \$22.5 billion deficit. It proposes to close the projected shortfall with \$7.4 billion in funding delays, \$5.7 billion in reductions / pullbacks, \$4.3 billion in fund shifts, \$3.9 billion in trigger reductions, and \$1.2 billion in limited revenue generation and borrowing – without drawing from the state's reserves. The Governor has noted that there is a plausible risk of recession and stated that if revenue projections drop, his May Revise could call for tapping reserves.

Of specific interest to IRWD, the Governor's Budget provides \$27 million for the Dam Safety Fund in FY 2023-24 and reduces the allocation for water recycling funding promised in FY 2023-24 by \$40 million. This \$40 million reduction leaves recycled funding at \$270 million,

No. 6 Leg Reg Update.docx

Water Resources Policy and Communications Committee: Legislative and Regulatory Update February 2, 2023
Page 2

which is comprised of \$170 million for potable reuse and the final \$100 million of the \$300 million appropriation from Fiscal Years 2021-2024.

Also of note, the Governor's Budget proposes maintaining \$48 billion, or 89 percent, of the \$54 billion over five years that was previously budgeted for climate change spending, and proposes to maintain \$8.6 billion, or 98 percent, of the \$8.7 billion that was previously budgeted over multiple years to fund drought response and water resilience. The Governor's Budget includes \$194 billion in General Fund funding reductions across various programs relating to drought response and water resilience, that, if not otherwise delayed, will be restored if there are sufficient General Fund revenues in January 2024.

Commitment to Explore a Climate Bond:

Through his budget, the Governor also committed to continuing to pursue available federal funding to offset the reduction of funding for climate-related programs and committed the Administration to engaging the Legislature to explore a resiliency bond. Staff will work with the District's Sacramento advocates and associations to continue to advocate for additional funding for water infrastructure, be it through the State Budget or a general obligation bond.

2023 State Legislative Update:

<u>SB 23 (Caballero, D-Salinas) – Water Supply and Flood Risk Reduction Project Expedited</u> Permitting:

This year, the Association of California Water Agencies (ACWA) is sponsoring SB 23, authored by Senator Anna Caballero (D-Salinas). SB 23 would improve and streamline the regulatory permitting process for water supply and flood risk reduction projects. On January 20, ACWA's State Legislative Committee approved the legislative language that is intended to be amended into SB 23, which Senator Caballero introduced on December 5, 2022. The approved language is attached as Exhibit "B".

As proposed to be amended, SB 23 will propose to improve and streamline regulatory permitting for water supply projects and flood risk reduction projects, as defined in the legislation, by:

- Reforming the process by which an application for a Section 401 Water Quality Certification is deemed complete;
- Requiring the review and approval of Section 401 Water Quality Certifications and Lake and Streambed Alteration Agreements to be completed within 180 days of submittal of a complete permit application;
- Avoiding duplicative planning efforts by allowing certain watershed management plans that are already developed and implemented to be used for mitigation required through Section 401 Water Quality Certifications; and
- Allowing project applicants to voluntarily contribute resources to state permitting agencies to provide agencies with additional resources to meet the permitting deadlines established in the bill.

Water Resources Policy and Communications Committee: Legislative and Regulatory Update February 2, 2023
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The Newsom Administration's "California Water Supply Strategy: Adapting to a Hotter, Drier Future," in addition to outlining targets for recycling, desalination, storage, efficiency, and other water management strategies, commits the Administration to working with the Legislature and stakeholders to pursue a more expeditious process for completing, reviewing and finalizing Water Code proceedings for critical water infrastructure projects to build drought and flood resilience. SB 23 offers solutions for improving and streamlining the regulatory permitting process for water supply projects and flood risk reduction projects.

Staff recommends the Board adopt a "support, as proposed to be amended" position on SB 23.

Other State Legislation of Interest to IRWD:

Staff will update the Committee on discussions with legislative staff over potential legislation to be introduced in 2023 that would address the following:

- Leases in the context of the disposition of land under the Surplus Land Act;
- Modernizing the California Water Plan;
- Water and sewer rates; and
- Developer impact and connection fees.

2023 State Regulatory Update:

The following is a list of some of the 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 reports are released for public review and comment, staff will engage, as appropriate. The pending regulations, administrative actions and reports actively being tracked include the:

- Executive and regulatory actions related to the drought;
- CARB's Proposed Advanced Clean Fleets Regulation;
- California Endangered Species Act Listing for the Southern California Steelhead;
- California Natural Resources Agency (CNRA) 30 x 30 California Implementation;
- CNRA's Water Resilience Portfolio Implementation and Resiliency 2.0 Implementation;
- DWR's 2023 California Water Plan Update;
- DWR and the State Board's implementation of the "Making Water Conservation a California Way of Life" legislation:
 - O DWR and the State Board's Indoor Water Use Study and Indoor Water Use Standard Recommendations;
 - o DWR's Outdoor Water Use Recommendations; and
 - o DWR's Work Group on CII performance measures;
- State Board's development of a "Cross Connection Policy Handbook;"
- State Board's Direct Potable Reuse Regulations;

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- State Board's implementation of the Lead and Copper Rule;
- State Board's <u>Safe and Affordable Funding for Equity and Resilience (SAFER) Drinking Water Program;</u>
- State Board's development of a maximum contaminant levels for per- and polyfluoroalkyl substances (PFAS);
- State Board's Proposed Vapor Intrusion Assessment Amendment to Resolution 92-49;
- The Governor's Office of Planning and Research (OPR)'s <u>Integrated Climate Adaptation</u> and Resiliency Program (ICARP) Grant Programs; and
- South Coast AQMD's Cumulative Impacts from Air Toxics for CEQA Projects.

2023 Federal Legislative and Regulatory Update:

Kern Fan Groundwater Storage Project Outreach:

IRWD's federal advocacy efforts in 2023 continue to largely focus on seeking federal funding for the Kern Fan Groundwater Storage Project and advocating for an increased funding authorization for the federal Water Storage Program. Staff will provide an update on those efforts.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

The Board adopt a "SUPPORT, AS PROPOSED TO BE AMENDED" position on SB 23 (Caballero).

LIST OF EXHIBITS:

Exhibit "A" – IRWD Legislative Matrix

Exhibit "B" – ACWA Permit Streamlining Proposal Draft Bill Language

EXHIBIT "A" IRWD 2023 LEGISLATIVE MATRIX Updated 01/24/2023

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 9 Muratsuchi (D)	California Global Warming Solutions Act of 2006		Requires the State Air Resources Board to ensure that statewide greenhouse gas emissions are reduced to at least 55% below the 1990 level by no later than December 31, 2030.	12/05/2022 - INTRODUCED.
AB 12 Haney (D)	Tenancy: Security Deposits		Prohibits a landlord from demanding or receiving security for a rental agreement for residential property in an amount or value in excess of an amount equal to one month's rent, regardless of whether the residential property is unfurnished or furnished, in addition to any rent for the first month paid on or before initial occupancy.	12/05/2022 - INTRODUCED.
AB 30 Ward (D)	Atmospheric Rivers: Research, Mitigation, and Climate	SUPPORT	Requires the Department of Water Resources to research, develop, and implement new observations, prediction models, novel forecasting methods, and tailored decision support systems to improve predictions of atmospheric rivers and their impacts on water supply, flooding, post-wildfire debris flows, and environmental conditions.	12/05/2022 - INTRODUCED.
AB 34 Valencia (D)	Elections: Independent Redistricting Commissions		States the intent of the Legislature to enact legislation to establish an independent redistricting commission in the County of Orange.	12/05/2022 - INTRODUCED.
AB 37 Bonta M (D)	Political Reform Act of 1974: Campaign Funds: Security		Authorizes a candidate or elected officer to use campaign funds to pay or reimburse the state for the reasonable costs of installing and monitoring a home or office electronic security system, and for the reasonable costs of providing personal security to a candidate, elected officer, or the immediate family and staff of a candidate or elected officer, if those costs are reasonably related to the candidate or elected officer's status as a candidate or elected officer.	12/05/2022 - INTRODUCED.
AB 39 Grayson (D)	Digital Financial Asset Market: Regulatory Oversight		Makes legislative findings and declarations relating to state oversight of the digital financial asset market.	12/05/2022 - INTRODUCED.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 43 Holden (D)	Greenhouse Gas Emissions: Building Materials: Credits		Expresses the intent of the Legislature to enact future legislation establishing a Low Carbon Product Standard to facilitate a credit trading platform for building materials. The bill would express the further intent of the Legislature to enact future legislation to require that the LCPS establish a compliance system.	12/05/2022 - INTRODUCED.
AB 45 Boerner Horvath (D)	Coastal Resources: Development Permits: Blue Carbon		Authorizes the Coastal Commission to authorize blue carbon demonstration projects in order to demonstrate and quantify the carbon sequestration potential of these projects to help inform the state's natural and working lands and climate resilience strategies. The bill would, among other things, authorize the commission to require an applicant with a project that impacts coastal wetland, subtidal, intertidal, or marine habitats or ecosystems to build or contribute to a blue carbon demonstration project.	12/05/2022 - INTRODUCED.
AB 57 Kalra (D)	California Pocket Forest Initiative		Establishes the California Pocket Forest Initiative in the Department of Forestry and Fire Protection and would authorize the department to coordinate implementation of the initiative in conjunction with the Urban Forestry Act of 1978. Upon an appropriation by the Legislature, the bill would authorize the department to provide grants to cities, counties, districts, nonprofit organizations, and public schools to establish pocket forests on public lands, as provided.	12/06/2022 - INTRODUCED.
AB 62 Mathis (R)	Statewide Water Storage: Expansion		Establishes a statewide goal to increase above- and below-ground water storage capacity by a total of 3,700,000 acre-feet by the year 2030 and a total of 4,000,000 acre-feet by the year 2040. The bill would require the State Water Resources Control Board, in consultation with the Department of Water Resources, to design and implement measures to increase statewide water storage to achieve the statewide goal.	12/06/2022 - INTRODUCED.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 64 Mathis (R)	Fish and Wildlife: Beaver		States the intent of the Legislature to enact subsequent legislation that would improve beaver management and conservation across the state.	12/06/2022 - INTRODUCED.
AB 66 Mathis (R)	Natural Resources Agency: Water Storage Projects		Requires the Natural Resources Agency, and each department, board, conservancy, and commission within the agency, to approve the necessary permits for specified projects within 180 days from receiving a permit application, and would deem those permits approved if approval does not occur within this time period.	12/06/2022 - INTRODUCED.
AB 70 Rodriguez (D)	Emergency Response: Trauma Kits		Applies the requirement to place at least 6 trauma kits on the premises to certain structures that are constructed prior to January 1, 2023, and subject to subsequent modifications, renovations, or tenant improvements.	12/12/2022 - INTRODUCED.
AB 78 Ward (D)	Grand Juries		Requires the fee for grand jurors to be equal to 70% of the county median daily income for each day's attendance. Requires the list of grand jurors to contain the person's gender, age, race or ethnicity, and residential ZIP Code or supervisorial district of the respective counties. Requires a separate list to be published in a newspaper containing each person's name and the name of the judge who selected the jurors.	12/15/2022 - INTRODUCED.
AB 83 Lee (D)	Political Reform Act of 1974: Contributions		Expands the prohibition against foreign campaign contributions to include contributions, expenditures, or independent expenditures made by a foreign-influenced business entity, as defined, in connection with an election or ballot measure.	12/16/2022 - INTRODUCED.
AB 99 Connolly (D)	State Highways: Vegetation Management: Herbicides		Requires the Department of Transportation to develop and adopt a policy to discontinue roadside spraying of herbicides and synthetic pesticides in each county where the board of supervisors has adopted a resolution that opposes the spraying of herbicides and synthetic pesticides, except where no alternative vegetation management practice is feasible or during a state of emergency	01/09/2023 - INTRODUCED.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			relating to wildfire if the spraying is solely for purposes of preventing, combating, or mitigating the risk of wildfire.	
AB 225 Grayson (D)	Real Property: Environmental Hazards Booklet		Expresses the intent of the Legislature that when the booklet developed by the Department of Real Estate concerning common environmental hazards is next updated, as existing resources permit or as private resources are made available, it be updated to include 3 new sections on wildfires, climate change, and sea level rise. Requires the State Department of Public Health to seek the advice and assistance of departments within the Natural Resources Agency in the writing of the booklet.	01/11/2023 - INTRODUCED.
AB 227 Sanchez (R)	State Employment: Social Media Platforms		Prohibits a person from installing an application for a social media platform on a state-owned or state-issued electronic device if specified conditions are met, including that the social media company that owns the application is domiciled in, has its principal place of business in, has its headquarters in, or is organized under the laws of, a country of concern.	01/11/2023 - INTRODUCED.
AB 234 Bauer-Kahan (D)	Microparticles		Expresses the intent of the Legislature to enact subsequent legislation that would prohibit the sale in the State of rinse-off cosmetics, detergents, waxes, and polishes that contain intentionally added synthetic polymer microparticles, including products identified in the synthetic polymer microparticle Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) restrictions adopted by the European Union (EU).	01/12/2023 - INTRODUCED.
AB 241 Reyes (D)	Air Resources		Relates to air resources.	01/13/2023 - INTRODUCED.
AB 246 Papan (D)	Menstrual Products: PFAS		States the intent of the Legislature to enact legislation to eliminate perfluoroalkyl and polyfluoroalkyl substances (PFAS) from menstrual products.	01/17/2023 - INTRODUCED.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 249 Holden (D)	Water: Schoolsites: Lead Testing: Conservation		Requires a community water system that serves a schoolsite with a building constructed before January 1, 2010, to test for lead in the potable water system of the schoolsite before January 1, 2027. Requires the community water system to report its findings to the applicable school or local educational agency.	01/18/2023 - INTRODUCED.
AB 251 Ward (D)	California Transportation Commission: Vehicle Weight		Requires the California Transportation Commission (CTC) to convene a task force to study the relationship between vehicle weight and injuries to vulnerable road users, such as pedestrians and cyclists, and to study the costs and benefits of imposing a passenger vehicle weight fee. Requires the CTC, by no later than January 1, 2026, to prepare and submit a report to the Legislature.	01/18/2023 - INTRODUCED.
AB 257 Hoover (R)	Encampments: Penalties		Prohibits a person from sitting, lying, sleeping, or storing, using, maintaining, or placing personal property in any street, sidewalk, or other public property within 500 feet of a school, daycare center, park, or library. The bill makes a violation of the prohibition an infraction or a misdemeanor. The bill also makes willfully resisting, delaying, or obstructing a peace officer, public officer, or public employee in the discharge or attempt to discharge any duty to enforce the prohibition a misdemeanor.	01/19/2023 - INTRODUCED.
AB 262 Holden (D)	Children's Camps: Regulation		Requires the Department of Social Services to establish and lead a stakeholder workgroup to gather information and provide recommendations to the Legislature regarding development of subsequent legislation for children's camps. Defines a children's camp for these purposes as a program that offers daytime or overnight experiences administered by adults, provides social, cultural, educational, recreational, or artistic programming to more than 5 children between 3 and 17 years of age.	01/19/2023 - INTRODUCED.
AB 270 Lee (D)	Public Campaign Financing		Declares the intent of the Legislature to enact legislation that would provide for public financing for election campaigns in this state.	01/23/2023 - INTRODUCED.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 277 Rodriguez (D)	Extreme Weather Forecast and Threat Intelligence Center		Requires the Office of Emergency Services and the Department of Water Resources to jointly establish and lead the Extreme Weather Forecast and Threat Intelligence Integration Center for the purpose of collecting, assessing, and analyzing extreme weather data and atmospheric conditions. Requires that the center be composed of representatives from specified organizations and would authorize the office and the department to invite other organizations to designate additional representatives.	01/23/2023 - INTRODUCED.
ACA 1 Aguiar-Curry (D)	Local Government Financing: Affordable Housing		Creates an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city or county.	12/05/2022 - INTRODUCED.
ACA 2 Alanis (R)	Public Resources: Water and Wildfire Resiliency Act		Establishes the Water and Wildfire Resiliency Fund within the State Treasury, and would require the Treasurer to annually transfer an amount equal to 3% of all state revenues that may be appropriated as described from the General Fund to the Water and Wildfire Resiliency Fund. Requires the moneys in the fund to be appropriated by the Legislature and requires that 50% of the moneys in the fund be used for water projects, and that the other 50% of the moneys in the fund be used for forest maintenance.	12/05/2022 - INTRODUCED.
SB 3 Dodd (D)	Discontinuation of Residential Water Service	WATCH	Expands the scope of the Water Shutoff Protection Act by requiring that it instead applies to a community water system, defined to have the same meaning as existing law. Requires a community water system that supplies water to 200 service connections or fewer to comply with the act's provisions on and after August 1, 2024.	01/18/2023 - To SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
SB 7 Blakespear (D)	Homelessness		States the intent of the Legislature to enact legislation regarding homelessness and the regional housing needs allocation.	01/18/2023 - To SENATE Committee on RULES.
SB 12 Stern (D)	Global Warming Solutions Act of 2006: Emissions Limit		Requires the State Air Resources Board to ensure that statewide greenhouse gas emissions are reduced to at least 55% below the 1990 level by no later than December 31, 2030.	01/18/2023 - To SENATE Committee on ENVIRONMENTAL QUALITY.
SB 20 Rubio (D)	Joint Powers Agreements: Regional Housing Needs		Authorizes 2 or more cities, by entering into a joint powers agreement pursuant to the Joint Exercise of Powers Act, to create a regional housing trust for the purposes of funding housing to assist the homeless population and persons and families of extremely low, very low, and low income within their jurisdictions.	01/18/2023 - To SENATE Committees on GOVERNANCE AND FINANCE and HOUSING.
SB 23 Caballero (D)	Water Supply and Flood Risk Reduction Projects		Expresses the intent of the Legislature to enact subsequent legislation to expedite the regulatory permitting process for water supply and flood risk reduction projects, as provided.	01/18/2023 - To SENATE Committee on RULES.
SB 29 Glazer (D)	Political Reform Act of 1974: Education Program		Relates to the Political Reform Act of 1974. Authorizes the Fair Political Practices Commission to establish and administer a political reform education program as an alternative to an administrative proceeding. Establishes eligibility requirements for the political reform education program, including that the person has little or no experience with the act and that the violation resulted in minimal or no public harm.	01/18/2023 - To SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS.
SB 31 Jones (R)	Encampments: Sensitive Areas: Penalties		Prohibits a person from sitting, lying, sleeping, or storing, using, maintaining, or placing personal property upon any street, sidewalk, or other public right-of-way within 1000 feet of a sensitive area. Specifies that a violation of this prohibition is a public nuisance that can be abated and prevented. The bill would also provide that a violation of the prohibition may be charged as a misdemeanor or an infraction, at the discretion of the prosecutor.	01/18/2023 - To SENATE Committee on PUBLIC SAFETY.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
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SB 34 Umberg (D)	Surplus Land Disposal: Violations: Orange County	WATCH	Requires the County of Orange, or any city located within Orange County, if notified by the Department of Housing and Community Development that its planned sale of surplus land is in violation of existing law, to cure or correct the alleged violation within 60 days. Prohibits an Orange County jurisdiction that has not cured or corrected any alleged violation from disposing of the parcel until the department determines that it has complied with existing law.	01/18/2023 - To SENATE Committee on GOVERNANCE AND FINANCE.
SB 37 Caballero (D)	Tenancy		Makes findings and declarations relating to senior housing and would state the intent of the Legislature to subsequently amend this bill to include provisions than would enact meaningful tenancy reform to ensure that aging adults can remain safely housed.	01/18/2023 - To SENATE Committee on RULES.
<u>SB 38</u> Laird (D)	Battery Storage Facilities: Safety Systems		States the intent of the Legislature to enact future legislation to address the need for better safety systems at battery storage facilities.	01/18/2023 - To SENATE Committee on RULES.
SB 48 Becker (D)	Building Performance Standards		Provides that it is the intent of the Legislature to enact subsequent legislation to create building performance standards for improvements in energy efficiency and reductions in the emissions of greenhouse gases in large buildings, including measures to ensure that making the necessary investments to improve these buildings will improve equity and avoid displacement or increased energy burdens, especially in disadvantaged communities.	01/18/2023 - To SENATE Committee on RULES.
SB 55 Umberg (D)	Vehicles: Catalytic Converters		Prohibits a dealer or retailer from selling a new motor vehicle equipped with a catalytic converter unless the catalytic converter has been engraved or etched with the vehicle identification number of the vehicle to which it is attached.	01/18/2023 - To SENATE Committees on TRANSPORTATION and PUBLIC SAFETY.
SB 57 Gonzalez (D)	Utilities: Extreme Weather Events		States the intent of the Legislature to enact future legislation to prohibit shutting off utility service during extreme weather events.	01/18/2023 - To SENATE Committee on RULES.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
SB 66 Hurtado (D)	Water: Predictive Models and Data Collection		States the intent of the Legislature to ensure that reliable predictive models and data collection systems are used to properly forecast and allocate surface water.	01/18/2023 - To SENATE Committee on RULES.
SB 68 McGuire (D)	Local Government		States the intent of the Legislature to enact legislation relating to local government.	01/18/2023 - To SENATE Committee on RULES.
SB 69 Cortese (D)	Environmental Quality Act: Proceedings: Limitations		Requires a public agency to provide both the notice of determination or notice of exemption under the California Environmental Quality Act (CEQA) and any subsequent amended, corrected, or revised notice, as specified, in response to a written request for the notice, regardless of the delivery method.	01/18/2023 - To SENATE Committees on ENVIRONMENTAL QUALITY and JUDICIARY.
<u>SB 74</u> Dodd (D)	State Employment: Social Media Platforms		Prohibits applications for social media platforms from being downloaded or installed on state-owned or state-issued devices if specified conditions are met, including that an entity of concern or a country of concern directly or indirectly owns, directly or indirectly controls, or holds 10 percent or more of the voting shares of the social media company that owns the application.	01/18/2023 - To SENATE Committee on RULES.
SB 79 Nguyen (R)	Coastal Resources: Preservation		Provides that it is the intent of the Legislature to enact subsequent legislation that would establish policy addressing coastal preservation.	01/12/2023 - INTRODUCED.
SB 83 Wiener (D)	Public Utilities: Postentitlement Phase Permit		States the intent of the Legislature to enact subsequent legislation to require public utility companies to provide comments on postentitlement phase permit applications and connect new construction to the electrical grid within specified timeframes.	01/13/2023 - INTRODUCED.
SB 84 Gonzalez (D)	Clean Transportation Program		States the intent of the Legislature to enact future legislation related to the Clean Transportation Program.	01/13/2023 - INTRODUCED.
SB 95 Roth (D)	Commercial Transactions		Revises provisions of the Commercial Code generally in accordance with the revisions to Articles 1, 2, 2A, 3, 4A, 5, 7, 8,	01/18/2023 - INTRODUCED.

IRWD 2023 LEGISLATIVE MATRIX Updated 01/24/2023

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			and 9 of, the addition of Article 12 to, and the addition of specified general provisions and definitions, transitional provisions, and effective date provisions to, the Uniform Commercial Code, as proposed in the 2022 Amendments to the Uniform Commercial Code by the National Conference of Commissioners on Uniform State Laws.	
SB 224 Hurtado (D)	Agricultural Land: Foreign Ownership and Interests		Prohibits a foreign government from purchasing, acquiring, leasing, or holding an interest, as defined, in agricultural land within the State of California. Exempts land held by foreign governments before January 1, 2024, from that prohibition.	01/19/2023 - INTRODUCED.
SB 227 Durazo (D)	Unemployment: Excluded Workers Program		Establishes, until January 1, 2027, the Excluded Workers Program, to be administered by the Employment Development Department upon appropriation by the Legislature, for the purpose of providing income assistance to excluded workers who are ineligible for the existing state or federal benefits administered by the department and who are unemployed.	01/19/2023 - INTRODUCED.
SB 229 Umberg (D)	Surplus Land: Disposal of Property: Violations		Requires a local agency that has received a notification of violation from the Department of Housing and Community Development to hold an open and public session to review and consider the substance of the notice of violation. Requires the local agency's governing body to provide prescribed notice no later than 14 days before the public session. Prohibits the local agency's governing body from taking final action to ratify or approve the proposed disposal until a public session is held as required.	01/23/2023 - INTRODUCED.
SB 231 Hurtado (D)	Drought Modeling		States the intent of the Legislature to enact subsequent legislation to require the Department of Water Resources to modify its predictive models as necessary to account for California's persistent drought.	01/23/2023 - INTRODUCED.

EXHIBIT "B"

<u>Draft Bill Language: Permit Streamlining Proposal</u> Association of California Water Agencies

Section 1.

Section XXXX is added to the Fish and Game Code, to read: XXXX.

- (a) For purposes of this section, the following definitions apply:
- (1) "Flood Risk Reduction Project" means a project or plan subject to department jurisdiction under Fish and Game Code Division 2, Chapter 6 (sections 1600-1616) that is proposed by a public agency or a public utility, to construct, alter, retrofit, maintain, manage, or improve a facility, channel, levee, or flood control modification, in which flood risk reduction or sea level rise protection is an objective of the project.
- (2) "Notification" means the documents described in subparagraphs (A) to (E), inclusive, of paragraph (1) of subdivision (a) of Section 1602.
- (3) "Project proponent" means a public agency or public utility that proposes a water supply project or flood risk reduction project.
- (4) "Water Supply Project" means a project or plan subject to department jurisdiction under Fish and Game Code Division 2, Chapter 6 (sections 1600-1616) that is proposed by a public agency or a public utility, to construct, alter, retrofit, maintain, manage, or improve a groundwater recharge, desalination, recycled water, water conveyance, surface water storage, stormwater capture, or water treatment facility.
- (b) Notwithstanding any other law, if the department determines that a water supply project or a flood risk reduction project will substantially adversely affect an existing fish and wildlife resource and the project proponent completes the actions described in subdivision (c)(1) and (2) of this section, then the department shall, within 180 days of receipt of a notification from the project proponent, issue the final agreement that includes any reasonable measures mutually agreed to by the project proponent and the department pursuant to subdivision (a) of Section 1603. If the department and the project proponent are not able to reach a final agreement on all measures, then the project proponent may proceed in accordance with a final agreement issued by an arbitration panel pursuant to subdivision (b) of Section 1603, including reasonable measures necessary to protect the existing fish and wildlife resources substantially adversely affected by the water supply project or flood risk reduction project.
- (c) Subdivision (b) applies after the project proponent does both of the following:
- (1) Submits a complete notification for the project.
- (2) Completes and submits completed environmental documentation to the department for the activity in the notification, required under Division 13 (commencing with Section 21000) of the Public Resources Code.
- (d) If the department and the project proponent mutually agree to an extension

of the date by which the department shall provide a final agreement, the date mutually agreed upon shall apply and the 180-day time period specified in subdivision (b) does not apply.

SEC. 2.

Section XXXX is added to the Water Code Division 7, Chapter 5.5 (sections 13370 to 13389), to read:

XXXX.

- (a) For purposes of this section, the following definitions apply:
- (1) "Flood Risk Reduction Project" means a project or plan proposed by a public agency or a public utility, to construct, alter, retrofit, maintain, manage, or improve a facility, channel, levee, or flood control modification, in which flood risk reduction or sea level rise protection is an objective of the project.
- (2) "Project certification" means water quality certification required by and issued under Sections 13376, 13160, and 13260.
- (3) "Project proponent" means a public agency or public utility that proposes a water supply project or flood risk reduction project.
- (4) "Water board" means either the state board or the regional board, as applicable, that issues a project certification.
- (5) "Water Supply Projects" means a project or plan proposed by a public agency or a public utility, to construct, alter, retrofit, maintain, manage, or improve a groundwater recharge desalination, recycled water, water conveyance, surface water storage, stormwater capture, or water treatment facility.
- (b) If the project proponent desires to proceed with an application for project certification for a water supply project or flood risk reduction project pursuant to this section XXXX, then the project proponent shall request a pre-application consultation with the appropriate water board before filing its application for project certification for a water supply project or flood risk reduction project.
- (1) The project proponent shall initiate pre-application consultation at least 60 days prior to the filing of the application for project certification and meetings pursuant to the consultation shall occur no less frequently than once every 60 days thereafter until the project is fully certified.
- (2) The 60-day pre-application period established by this subsection (b) may run concurrently with any other pre-application or post-application consultation period that project proponent enters into as required by law with any other regulatory agency with jurisdiction.
- (3) Nothing in this section XXXX shall require applicants to request or engage in pre-application consultation not otherwise required by law for any project certification.
- (c) Notwithstanding any other law, the water board shall issue project certification within 180 days after a project proponent does all of the following:
- (1) Requests pre-application consultation pursuant to subsection (b).
- (2) Files a complete application for project certification.
- (3) If required for the project, files a complete application or petition under

Water Code chapter 2 (sections 1250 to 1276) for all water rights approvals or amendments necessary to implement the project.

- (4) Completes and submits completed environmental documentation to the water board for the project certification required under Division 13 (commencing with Section 21000) of the Public Resources Code.
- (d) The following procedures and requirements shall govern the water board's determination of whether an application is complete for purposes of subdivision (c).
- (1) (A) The water board shall notify the project proponent in writing whether the submittal is complete not later than 30 days after the submittal of an application or petition under paragraph (1) or (2) of subdivision (c). If the submittal is determined to be incomplete, the water board shall provide the project proponent with a written notification that includes a full list of specific items that were complete and that were incomplete, and indicates the manner in which incomplete items can be made complete, including a list and thorough description of the specific information needed to complete the application or petition. The list shall be limited to those items actually required by the water board under applicable law. After the water board issues the list, the water board shall not request or require the project proponent to provide any new or additional information that was not specifically identified in the initial list of items found to be incomplete. No list shall include an extension or waiver of any of the time periods prescribed by this section.
- (B) If the water board does not provide the project proponent with a written notification that includes a list of specific items that are complete and incomplete within 30 days after receipt of the initial application or petition, the application or petition shall be deemed complete.
- (2) If the water board provides the written notification required by paragraph (1) determining that the application or petition is incomplete, the project proponent shall act within 45 days after receipt of the notification to submit supplemental materials in order to complete the application or petition or to appeal the determination, in whole or in part, pursuant to paragraph (4).
- (3) (A) Upon receipt of any supplemental materials from the project proponent, the water board shall, within 30 days after receipt of the notification, determine the completeness of the application or petition as supplemented with the supplemental material, and whether to issue the notification of complete application required by this section. In making this determination, the water board is limited to determining whether the application or petition as supplemented includes the information specified in the water board's prior notification of incompleteness.
- (B) If the supplemented application or petition is again determined not to be complete, the water board shall provide the project proponent with a written notification specifying those parts of the supplemented application or petition that are still incomplete and indicate the manner in which they can be made complete, including a full list and thorough description of the specific information needed to complete the application or petition.
- (C) If the water board determines that the application or petition as supplemented is still incomplete and provides the written notification of

incompleteness required by this paragraph, the project proponent shall act within 30 days of receipt of that notification to submit additional supplemental materials in order to complete the application or petition, or to appeal the notification of incompleteness, in whole or in part, pursuant to paragraph (4).

- (D) If the water board does not, within 30 days of receipt of application materials from applicant, provide the project proponent with a written notification specifying those parts of the supplemented application or petition that are still incomplete and indicating the manner in which they can be made complete, the application or petition as supplemented shall be deemed complete for purposes of this section.
- (E) If the project proponent elects to supplement a previously supplemented application or petition, the deadlines and obligations set forth in this paragraph shall also apply to any supplemented application or petition.
- (F) The water board may, in the course of processing the application, request the project proponent to clarify, correct, or otherwise supplement the information required for the application under subparagraph (A) of paragraph (1) of subdivision (d), so long as such information is reasonably related to and a logical outgrowth of the information and materials designated by the water board as necessary to complete an application for project certification. A request for information under this subparagraph (3)(F) shall not affect the deadlines under this subdivision (d) or subdivision (c).
- (4) The project proponent may petition the state board to reconsider its own determination of application completeness, or may appeal to the state board any regional board's determination of application completeness made under subparagraphs (1) or (3) of subdivision (d). Project proponent may petition for reconsideration or appeal a determination of completeness, either in whole or in part, and the appropriate water board shall act on the petition for reconsideration or appeal not later than 60 calendar days after receipt of the appeal in accordance with subdivision (c) of Section 65943 of the Government Code. Within 30 days of the timely issuance by the state board of its final written determination of completeness, the project proponent may challenge the determination of completeness in court.
- (e) This section does not supersede or otherwise amend any deadlines set forth by or in the Federal Water Pollution Control Act (33 U.S.C. Sec. 1251 et seq.).
- (f) Except as expressly set forth in subparagraph (4) of subdivision (d) with respect to a petition to reconsider or appeal of a determination of application completeness, this section XXXX does not amend the procedures or any deadlines for administrative or judicial appeal of a project certification as set forth under state or federal law.

SEC. 3.

Codified Findings and Declarations:

Section XXXX is added to the Water Code.

Section XXXX. The Legislature finds and declares all of the following:

- (a) On April 2, 2019, the state board adopted the *Procedures for Discharge of Dredged or Fill Material to Waters of the State* ("Procedures") which requires that any Habitat Conservation Plan approved by the United States Fish and Wildlife Service pursuant to the federal Endangered Species Act (16 U.S.C. Sec. 1539) before December 31, 2020, and any Natural Communities Conservation Plan approved by the California Department of Fish and Wildlife pursuant to the Natural Communities Conservation Planning Act before December 31, 2020, shall be used by the water boards in issuing project certifications, so long as the plan includes biological goals for aquatic resources.
- (b) The Procedures further require that the water boards shall use such approved plans as Watershed Management Plans under the Procedures unless the state board or regional board determines that the approved Habitat Conservation Plan or the Natural Communities Conservation Plan does not substantially meet the definition of a Watershed Plan (set forth in the Procedures) for aquatic resources.
- (c) To expedite water supply projects and flood risk reduction projects to better address climate change impacts while protecting the environment, the Legislature finds that for purposes of issuing project certifications in compliance with the Procedures, as they may be amended from time to time, the water boards shall expand their reliance on approved Habitat Conservation Plans, Natural Community Conservation Plans, and other Habitat Management Plans for provision of avoidance, minimization and compensatory mitigation for project certifications, so long as those plans are approved by other state and federal agencies with jurisdiction and address biological goals for aquatic resources.

Section XXXX is added to Division 7, Chapter 5.5 (sections 13370 to 13389) of the Water Code, to read: XXXX.

- (a) For purposes of this section, the following definitions apply:
- (1) "Flood Risk Reduction Project" means a project or plan proposed by a public agency or a public utility, to construct, alter, retrofit, maintain, manage, or improve a facility, channel, levee, or flood control modification, in which flood risk reduction or sea level rise protection is an objective of the project.
- (2) "Habitat Conservation Plan" means any plan approved by the United States Fish and Wildlife Service pursuant to the federal Endangered Species Act (16 U.S.C. Sec. 1539).
- (3) "Natural Communities Conservation Plan" means any plan approved by the California Department of Fish and Wildlife pursuant to Division 3, Chapter 10 (sections 2800-2835) of the Fish and Game Code.
- (4) "Habitat Management Plan" means any habitat conservation plan, natural communities conservation plan, habitat management plan or other plan agreement or permit approved by or entered into by the California Department of Fish and Wildlife in connection with the authorization of take of an endangered, threatened or candidate species pursuant to Division 3, Chapter 1.5, Article 3, Section 2081.

- (5) "Project certification" means water quality certification required by and issued under Sections 13376, 13160, and 13260.
- (6) "Project proponent" means a public agency or public utility that proposes a water supply project or flood risk reduction project.
- (7) "Procedures" means the *Procedures for Discharge of Dredged or Fill Material to Waters of the State* (State Water Resources Control Board, April 2, 2019) as they may be amended from time to time.
- (8) "Water board" means either the state board or the regional board, as applicable, that issues a project certification.
- (9) "Water Supply Projects" means a project or plan proposed by a public agency or a public utility, to construct, alter, retrofit, maintain, manage, or improve a groundwater recharge desalination, recycled water, water conveyance, surface water storage, stormwater capture, or water treatment facility.
- (10) "Watershed Plan" means a document or set of documents, developed in consultation with relevant stakeholders, a specific goal of which is aquatic resource restoration, establishment, enhancement or preservation within a watershed, which addresses aquatic resource conditions in the watershed, addresses multiple stakeholder interests and land uses, includes information about identification of priority sites for aquatic resource restoration and protection, includes implementation measures to attain aquatic resource protection goals for the watershed, and is used by a water board in determining appropriate terms and conditions, including avoidance, minimization and compensatory mitigation conditions, to be included a project certifications.
- (b)(1) Unless the water board issuing a project certification determines in writing as set forth in subparagraph (3) of this subdivision (b) that an approved plan does not substantially meet the definition of a Watershed Plan, the water board shall use the following approved plans as Watershed Plans for purposes of implementing the Procedures in issuing project certifications:
 - (i) Habitat Conservation Plans that include biological goals for aquatic resources;
 - (ii) Natural Communities Conservation Plans that include biological goals for aquatic resources; and
 - (iii) Habitat Management Plans that include biological goals for aquatic resources.
- (2)(A) Unless the water board issuing a project certification determines in writing as set forth in subparagraph 3 of this subdivision (b) that a plan does not substantially meet the definition of a Watershed Plan, the water board shall accept, as terms of the project certification, avoidance, minimization, and compensatory mitigation for impacts to waters of the state (as defined in Water Code Section 13050(e)) provided through compliance with any approved Habitat Conservation Plan, Natural Community Conservation Plan, or Habitat Management Plan, so long as the public entity administering the Habitat Conservation Plan, Natural Community Conservation Plan, or Habitat Management Plan identifies, tracks, and publicly reports the impacts to waters of the state and the manner in which they are addressed by such avoidance, minimization and compensatory mitigation.

- (B) The water board shall not impose in any project certification terms and conditions mandating avoidance, minimization, or compensatory mitigation for impacts to waters of the state in addition to that provided pursuant to subparagraph (2)(A) of this subdivision (b).
- (3) For the water boards to make a determination that an approved Habitat Conservation Plan, Natural Communities Conservation Plan, or Habitat Management Plan that includes biological goals for aquatic resources does not substantially meet the definition of a Watershed Plan for purposes of issuing a project certification, the water board shall:
- (A) make that proposed written determination, supported by specific written findings of insufficiency, available for public review and comment for at least thirty (30) days prior to the adoption of the determination of insufficiency; and
- (B) provide written responses to public comments received on the determination of insufficiency prior to making a decision on the determination.
- (c) By January 1, 2025, the state board shall review and adopt general water quality certifications for all general nationwide permits issued by the United States Army Corps of Engineers under Section 404 of the Water Pollution Control Act (33 U.S.C. Section 1344) for discharge of dredge and fill material in connection with water supply projects and flood risk reduction projects. In adopting general water quality certifications for such United States Army Corps of Engineers nationwide general section 404 permits, the state board shall to the full extent authorized by section 21083.7 of the Public Resources Code rely upon environmental review completed by the Army Corps of Engineers under the federal National Environmental Policy Act (42 U.S.C. Title 42 Sections 4321 through 4370) for compliance with its duties under the requirements of Division 13 (commencing with Section 21000) of the Public Resources Code).
- (d) Beginning on January 1, 2025, and annually thereafter, the water boards shall prepare, provide public notice of, and make available for public review, a report regarding, at a minimum:
- (1) the water supply projects and flood risk reduction projects for which project certifications have been issued;
- (2) the water supply projects and flood risk reduction projects for which project certifications have been issued in reliance upon avoidance, minimization and compensatory mitigation created and provided through an approved Habitat Conservation Plan, Natural Communities Conservation Plan, or Habitat Mitigation Plan;
- (3) any approved Habitat Conservation Plan, Natural Communities Conservation Plan, or Habitat Mitigation Plan found by the water board to be insufficient as a Watershed Management Plan and the reasons for such determination of insufficiency; and
- (4) the general water quality certifications adopted by the state board for general nationwide permits issued by the United States Army Corps of Engineers under Section 404 of the Water Pollution Control Act (33 U.S.C.

Sec. 1344) to authorize discharges of dredge and fill material in connection with water supply projects and flood risk reduction projects.

SEC. 4.

Section XXXX is added to Division 7, Chapter 5.5 (sections 13370 to 13389) of the Water Code, to read: XXXX.

- (a) For purposes of this section, the following definitions apply:
- (1) "Flood Risk Reduction Project" means a project or plan proposed by a public agency or a public utility, to construct, alter, retrofit, maintain, manage, or improve a facility, channel, levee, or flood control modification, in which flood risk reduction or sea level rise protection is an objective of the project.
- (2) Project certification" means water quality certification required by and issued under Sections 13376, 13160, and 13260.
- (3) "Project Proponent" means a public agency or public utility that proposes a water supply project or flood risk reduction project.
- (4) "State agency" means any agency, board, or commission, including the state board or the regional boards, with the power to issue a permit that would authorize a water supply project or authorize a flood risk reduction project.
- (5) "Water Supply Projects" for the purpose of this section means a project or plan proposed by a public agency or a public utility, to construct, alter, retrofit, maintain, manage, or improve a groundwater recharge, desalination, recycled water, water conveyance, surface water storage, stormwater capture, or water treatment facility.
- (b) A state agency may do any of the following:
- (1) Enter into an agreement with a project proponent to recover costs for actions authorized by this section to expedite the review of environmental documents prepared pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code, and review, processing and issuance of project certifications, and other authorizations, permits, and approvals for water supply projects and flood risk reduction projects, with the goal of completing permit review and approval in an expeditious manner.
- (2) Hire or compensate staff or contract for services needed to achieve the goal described in paragraph (1).
- (3) Work collaboratively with project proponents and other agencies with jurisdiction over the water supply project or flood risk reduction project to implement an integrated regulatory approach in authorizing such projects, similar to efforts implemented by the state permitting agencies for projects funded by the San Francisco Bay Area Measure AA, the San Francisco Bay Clean Water, Pollution Prevention and Habitat Restoration Program.
- (c)(1) This section does not limit or expand the authority or discretion of a state

agency with regard to conducting review of environmental documents under Division 13 (commencing with Section 21000) of the Public Resources Code, processing or issuing a project certification or other permit, approval or authorization, or imposing conditions in conjunction with the issuance of a project certification or other permit, approval or authorization.

- (2) This section does not affect the project proponent's ability to phase the permitting or construction of a water supply project or flood risk reduction project.
- (d) The Federal Energy Regulatory Commission, the United States Army Corps of Engineers, the United States Fish and Wildlife Service, the National Marine Fisheries Service, and the United States Environmental Protection Agency may, and are encouraged to, participate in implementing the integrated regulatory approach authorized by this section.



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