

AGENDA
IRVINE RANCH WATER DISTRICT
WATER RESOURCES POLICY AND COMMUNICATIONS
COMMITTEE MEETING
MONDAY, NOVEMBER 2, 2026

This meeting will be held in-person at the District's headquarters located at 15600 Sand Canyon Avenue, Irvine, California in the Committee Room. 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=md9006da782b66a7631e35142e296c1d2>

Meeting Number (Access Code): 2484 495 8756

Meeting Password: gbRjJJBk353

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 3:30 p.m.

<u>ATTENDANCE</u>	Committee Chair: Steve LaMar	_____
	Committee Member: Cindy Miller	_____

<u>ALSO PRESENT</u>	Paul Cook	_____	Paul Weghorst	_____
	Wendy Chambers	_____	Kevin Burton	_____
	Christine Compton	_____	Fiona Nye	_____
	John Fabris	_____	Jim Colston	_____
	Louis Bronstein	_____	Amy McNulty	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
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	_____	_____	_____	_____

PUBLIC COMMENT NOTICE

If you wish to address the Committee orally on any item, you may attend the meeting in person and submit a "speaker slip" to the Committee Chair. Forms are provided at the front of the Committee Room. Public comments are limited to three minutes per speaker on each subject. If you wish to submit written comments to the Committee, please submit your public comment in advance of the meeting by emailing comments@irwd.com before 10:30 a.m. on Monday, November 2, 2026, and your remarks will be added to the record at the meeting.

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. REVISING WATER BUDGETING AND SEWER RATE SETTING
METHODOLOGIES – ZANETTI / MROCZEK / SMITHSON / NYE /
WEGHORST

Recommendation: Receive and file.

ACTION

5. IRWD POLICY POSITION PAPER REVIEW AND UPDATES – COMPTON

Recommendation: That the Board approve the updated IRWD Water Resources Funding Policy Position Paper.

6. PROFESSIONAL SERVICES AGREEMENT TO UPDATE LAND USE
CLASSIFICATION DATA – MROCZEK / MCNULTY / NYE / WEGHORST

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with Eagle Aerial Solutions in the amount of \$252,102 to update IRWD's Land Use Classification Data.

7. REVIEW OF 2026 ADVOCACY ACTIVITIES AND 2027 LEGISLATIVE
AND REGULATORY ISSUES PLANNING – COMPTON

Recommendation: That the Board provide input on the proposed 2027 regional, state, and federal legislative issues of interest to IRWD, and receive and file the proposed "Initial 2027 Legislative and Regulatory Resource Allocation Plan" and the "Legislative / Regulatory Issues and Activities of High Concern to IRWD in 2027."

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 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.

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November 2, 2026

Prepared by: E. Zanetti / M. Mroczek

Submitted by: C. Smithson / F. Nye /
P. Weghorst

Approved by: Paul A. Cook 

WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

REVISING WATER BUDGETING AND SEWER RATE SETTING METHODOLOGIES

SUMMARY:

Periodically, the District reviews and revises its water budgeting and customer rate setting methodologies. Based on recent review, staff is recommending revisions that are intended to improve alignment with customer needs, more accurate data, and the cost of providing service. A detailed description of the proposed revisions is provided below.

BACKGROUND:

Since 1990, IRWD has used a budget-based rate structure to recover its variable cost of water. Under this approach, IRWD's residential customers receive a customized water budget comprised of two components. The indoor component of the water budget is based on the number of residents in each household and the outdoor component is based on the size of the customer's irrigated area and evapotranspiration data (ET). The District periodically reviews its water budgeting and rate setting methodologies to ensure they reflect current conditions, incorporate the best available data, and promote charges aligned with cost of service.

As a result of a recent review of IRWD's water budgeting and rate setting methodologies, staff is proposing four changes. The changes are designed to promote greater consistency with customer water needs, incorporate more accurate and representative data, and align sewer charges with the cost of providing service. The proposed changes are described below and presented in detail in staff's presentation that is provided as Exhibit "A".

1. Use of Spatial CIMIS Data:

The District currently uses daily ET data from three weather stations in IRWD's service area to calculate outdoor water budgets. Each station represents an ET zone and customers are assigned to a zone based on their location. The use of only three zones introduces discontinuities in the application of ET throughout IRWD's climate diverse service area. To increase the accuracy in the use of ET data, staff recommends adopting the use of spatial data from the California Irrigation Management Information System (CIMIS). Spatial CIMIS data provides geographically distributed ET estimates in numerous smaller ET zones that better reflect diverse climate conditions throughout the District's service area.

2. Adjusting Multifamily Condominium Outdoor Budgets:

Currently, master-metered multifamily condominium properties (where a single meter serves multiple dwelling units) receive a default outdoor water budget based on 435 square feet of irrigated landscape area per dwelling unit. Using landscape data from the IRWD Meter-to-Parcel

project, staff determined that this default does not accurately reflect the outdoor water needs of these properties. Staff recommends reducing the default irrigated landscape area from 435 to zero square feet per dwelling unit. Properties with verified landscaping will continue to receive an outdoor water budget based on their actual irrigated landscape area.

3. Revising Single-Family Residential Indoor Budgets:

The current indoor water budget for single-family residential customers assumes four people per household, a default originally established using census data. Staff conducted an analysis of the most recent census data in IRWD's service area, which indicates that average household occupancy is closer to three people. Staff recommends reducing the default from four to three people per household while implementing a streamlined process for customers to request adjustments based on actual occupancy.

4. Updating Sewer Rate Setting Methodology:

The District's current residential sewer rates are based on winter water consumption as an estimate of wastewater discharge with charges established using three consumption blocks. This approach may not accurately reflect indoor water use for all customers. For commercial, industrial, and institutional (CII) customers the current rate structure includes a fixed charge that does not account for differences in service capacity. This results in potentially disproportionate charges among customers. Staff recommends developing a revised sewer rate structure for both residential and CII customers that better aligns charges with the cost of providing service. The proposed approach would establish fixed charges based on service capacity and variable charges based on estimated sewer usage. Collection and treatment costs would be considered separately.

Implementation Schedule and Next Steps:

Implementation of these proposed changes would occur in two phases. The adoption of Spatial CIMIS data and multifamily condominium outdoor water budget adjustments would be included in the Proposition 218 rate setting process beginning in April 2027, with implementation in July 2027. The second phase of revising the single-family residential indoor water budget and sewer rate setting methodologies would occur in the rate setting process for Fiscal Year (FY) 2028-29.

The proposed changes are anticipated to be incorporated into the District's biennial budget and rate-setting process beginning in January 2027. When IRWD undertakes its customary budget and rate-setting process, the financial impacts of the proposed changes will be quantified and included, in accordance with the two-phase implementation plan as described above.

FISCAL IMPACTS:

There is no immediate fiscal impact associated with this item, as no rate changes are being proposed for adoption at this time. The recommended changes are planned for implementation through the FY 2027-28 and FY 2028-29 rate-setting processes.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit “A” – Draft Water Budgeting and Sewer Rate Setting Methodology Updates Presentation

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Exhibit "A"



WATER BUDGET & SEWER BILLING RECOMMENDATIONS

WATER RESOURCES & POLICY COMMITTEE MEETING

NOVEMBER 2, 2026

DRAFT

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AGENDA

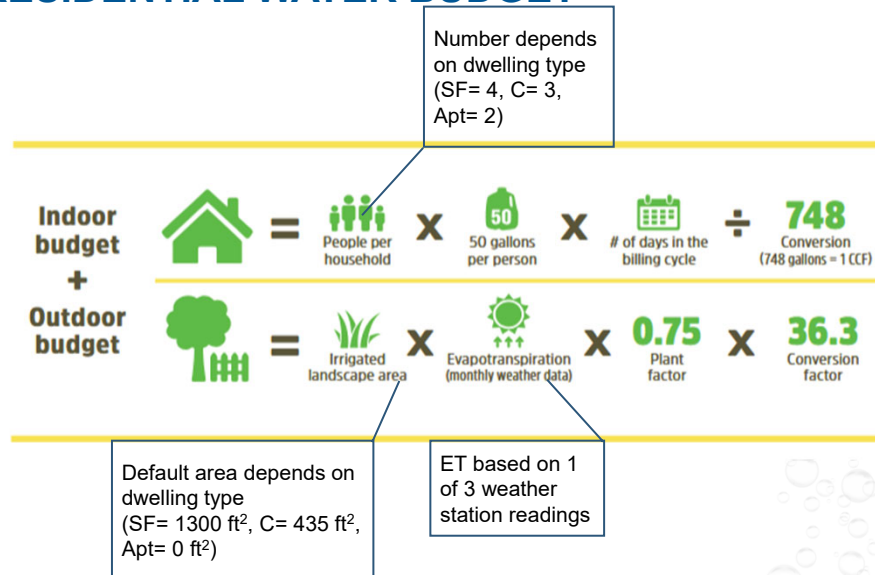
- IRWD Residential Water Budget
- Background and Purpose of the Evaluation
- Proposed Changes
- Expected Results
- Proposed Schedule
- Next Steps



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IRWD RESIDENTIAL WATER BUDGET



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BACKGROUND AND PURPOSE OF THE EVALUATION

Background:

- Budgets first implemented in 1990, defaults relied on:
 - Census data (number of residents)
 - Development trends (outdoor irrigation area)
- Periodic review of the budgets for changes in:
 - Plumbing codes / fixture flow rates
 - Landscape changes
 - Availability of new data



Purpose:

- To improve our billing methodology so customer charges more accurately reflect actual conditions and are applied in a fair and cost of service-based manner.



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PROPOSED CHANGES



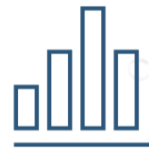
1. ET data source



2. Default landscape area for Multi-Family Condo residences



3. Default number of residents for Single-Family households



4. Sewer rate structure methodology



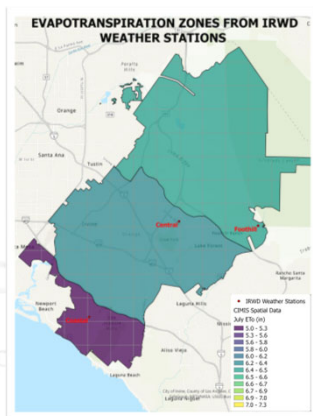
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1. ET DATA SOURCE

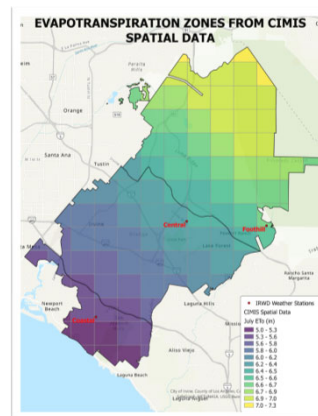
Issue

- 3 weather stations for 181 mi²
- Boundaries may be too broad



Recommendation

- Utilize Spatial CIMIS as an ET data source



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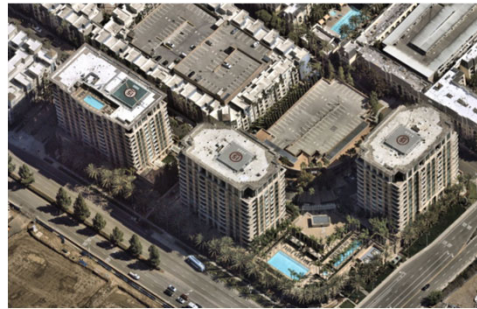
2. MULTI-FAMILY CONDO DEFAULT LANDSCAPE

Issue

- Default 435 ft² per dwelling unit
- Majority do not have landscape
- Creates artificially high budgets
 - ~0.5 to 2 CCF per month

Recommendation

- Adjust default to 0 ft² per dwelling unit
- Apply landscape variances where needed



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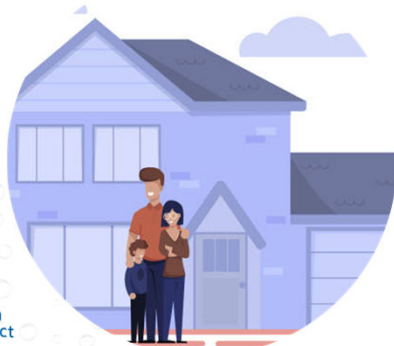
3. DEFAULT RESIDENTS PER SINGLE FAMILY HOUSEHOLD

Issue

- Census data and water use analysis indicate that current default of 4 people for single-family leads to over-allocation

Recommendation

- Change default residents to 3
 - ~2 CCF difference
- No changes to defaults for apartments (2) or condos (3)
- Streamline variance process for additional people
- Future linkage to sewer billing



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4. SEWER RATE STRUCTURE METHODOLOGY

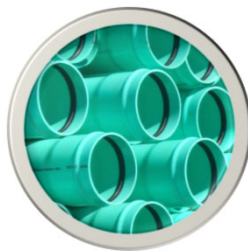
Current Sewer Rate Structure

Residential

- Based on winter consumption as a proxy for wastewater discharge
- Three consumption blocks determine the sewer charge

Commercial, Industrial & Institutional (CII)

- Fixed charge plus a usage-based charge for consumption above 10 CCF
- Fixed component does not vary with meter capacity



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4. SEWER RATE STRUCTURE METHODOLOGY

Limitations of the Current Methodology

Residential

- Winter water consumption may not accurately reflect indoor water use or wastewater discharge
- Current three-block rate is not directly linked to the household size

CII

- Fixed charge does not reflect differences in service capacity
- Large-meter, low-usage customers may contribute less toward capacity-related costs

Goal: Better align sewer charges with the cost of providing service and promote equity.



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4. SEWER RATE STRUCTURE METHODOLOGY

Proposed Sewer Rate Structure*

Fixed Charge

- Residential: based on dwelling units
- CII: based on meter size as a measure of service capacity

Variable Charge

- Residential: based on household occupancy
- CII: based on applicable sewer usage

Collection and treatment costs are evaluated separately.

* Involve consultants at NewGen in review and analysis of specific recommendations



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EXPECTED RESULTS: WATER BILLS

- Recalculated bills using the 4 proposed changes:
 - Using FY25-26 billing data
 - Only looked at bills within budget
- Results do not reflect behavioral response from customers to reduce usage.
 - Due to public outreach and/or high bills

Average Change in Bill per Month

Customer Type	Charge Difference
Single-Family	\$ 1.70
Condo	\$ 0.06
Multi-Family Condo ¹	\$ 0.48
Apartment ¹	No Change
CII	No Change
Landscape ²	\$ 26.78

¹ Multi-family and Apartments charges normalized per unit

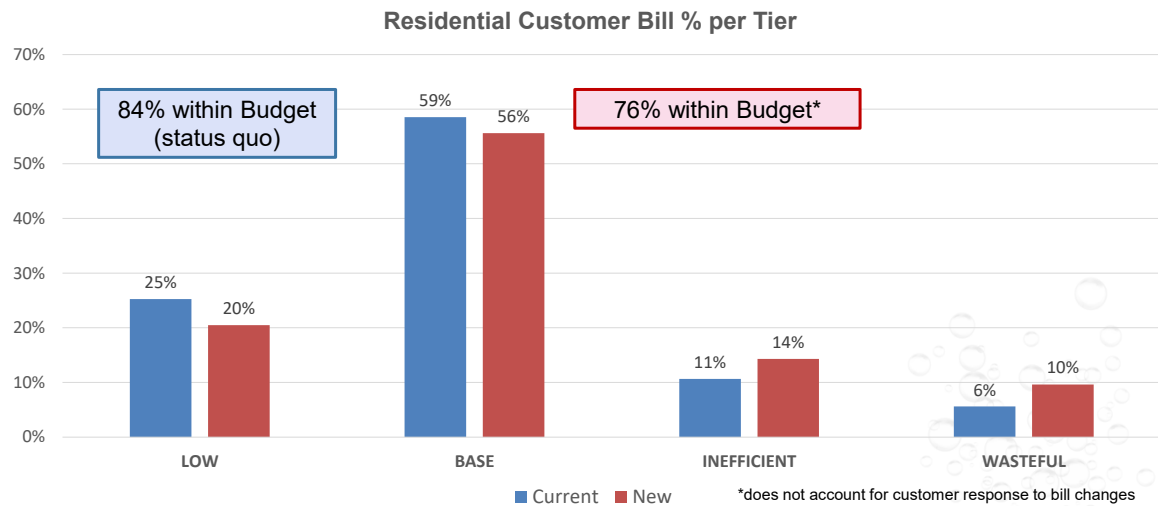
² Landscape irrigation customer charges normalized per acre



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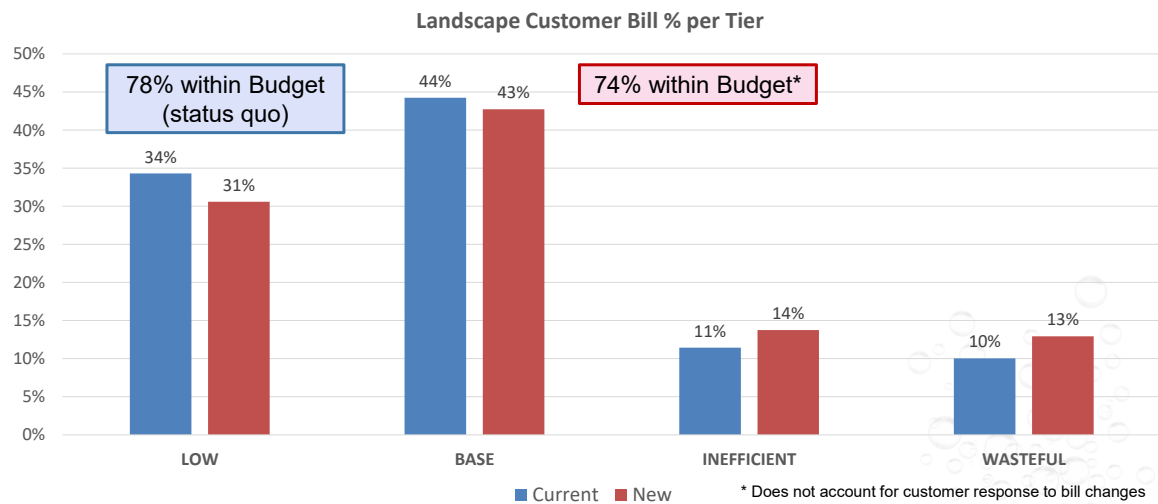
RESIDENTIAL CUSTOMERS



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LANDSCAPE CUSTOMERS



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EXPECTED RESULTS: RESIDENTIAL SEWER CHARGES

FY25/26 Rates

Block	Average Winter Usage per Dwelling Unit	Current Residential Rates
Block 1	<= 5 CCF	\$ 28.80
Block 2	6-10 CCF	\$ 37.00
Block 3	> 10 CCF	\$ 43.45

Summary

- Block 1 Apartments: decrease
- Block 1 Single-family and condos: increase
- Block 2 & 3 Single-family and condos: decrease

Proposed Residential Rate

Residential Type	Number of Residents	Fixed Cost per Dwelling Unit	Variable per Person	Total Monthly Charge
Apartment	2	\$ 17.15	\$ 5.47	\$ 28.09
Condominium	3	\$ 17.15	\$ 5.47	\$ 33.56
Single-family Home	3	\$ 17.15	\$ 5.47	\$ 33.56

Proposed charges combine a fixed amount per dwelling unit with a variable amount based on default number of residents.



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EXPECTED RESULTS: CII SEWER CHARGES

FY25/26 Rates

Type of Charge	Current Basis	Rate
Fixed Service Charge	Base (Up to 10 CCF)	\$ 43.45
Variable Charge	Per CCF Above 10 CCF	\$ 3.94

Summary

Majority of CII customers sewer charges decrease

Proposed CII Rate

Meter Type	Customers	Fixed Charges (Based on Meter Size)	Variable Charges	Current Monthly Average	Proposed Monthly Average	Difference
D-5/8	311	\$17.15	\$2.73	\$ 43.45	\$ 36.26	-\$ 7.19
D-3/4	171	\$17.15	\$2.73	\$ 43.45	\$ 30.53	-\$ 12.92
D-1	777	\$17.15	\$2.73	\$ 43.45	\$ 41.72	-\$ 1.73
D-1-1/2	972	\$41.16	\$2.73	\$ 98.61	\$ 106.68	\$ 8.07
D-2	2056	\$54.88	\$2.73	\$ 177.41	\$ 175.00	-\$ 2.41
T-2	302	\$85.75	\$2.73	\$ 224.69	\$ 238.63	\$ 13.94
T-3	146	\$222.95	\$2.73	\$ 843.27	\$ 804.44	-\$ 38.83
T-4	99	\$428.75	\$2.73	\$ 1,812.51	\$ 1,681.82	-\$ 130.69
T-6	10	\$857.50	\$2.73	\$ 3,420.03	\$ 3,224.41	-\$ 195.62

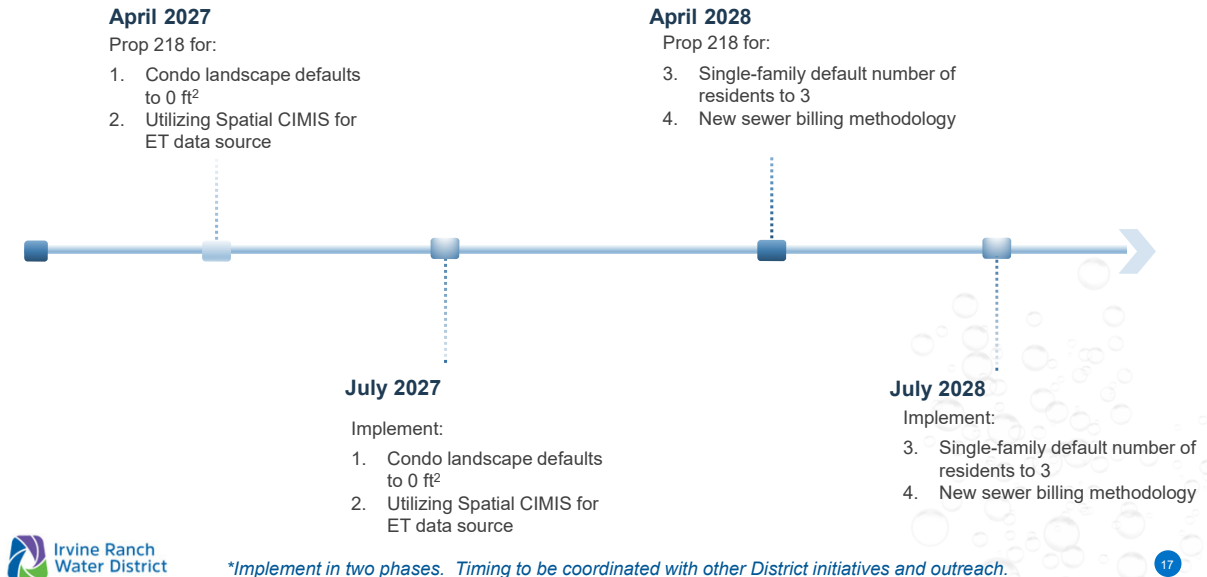
Proposed charges vary by meter capacity and sewer usage. Values shown are average monthly charges by meter type; individual customer impacts will vary.



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PROPOSED SCHEDULE*



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NEXT STEPS

- Implement feedback from WRP
 - Present to Board in December / January
- Rate study
- Rate recommendation to Board March / April 2027
 - Including modifications to water budgets and sewer billing
 - Review with F&P Committee prior to Board

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November 2, 2026
Prepared and
submitted by: C. Compton
Approved by: Paul A. Cook 

WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

IRWD POLICY POSITION PAPER REVIEW AND UPDATES

SUMMARY:

The IRWD policy position papers are reviewed periodically to determine if the positions are still valid, need to be revised or if new papers should be written on different issues. Staff is in the regular process of reviewing the nearly 30 policy position papers adopted by the Board.

Recently, staff reviewed the IRWD Policy Position Paper on Water Resources Funding with the Board. Staff is returning to the Committee with edits to reflect the Board's discussion on that paper. Staff recommends that the Board adopt the proposed updated Water Resources Funding Policy Position Paper.

BACKGROUND:

In 2004, IRWD began producing policy "white papers" on topics of particular interest to the District. Because of IRWD's standing in the water industry, the opinion of the District is regularly solicited on issues of vital interest to the industry and the community. In order to keep these Position Papers current and usable for explaining the District's policy position, staff occasionally recommends that the Board review the Papers and, when appropriate, incorporate revisions.

Water Resource Funding Policy Position Paper:

In 2020, when discussions about a climate resilience bond began to surface, the Board adopted a Policy Position Paper on water resource funding. The Paper covered the District's approach to a climate resilience bond and aided in the District's advocacy on the creation of the Proposition 4 bond.

The water community was disappointed with the amount of water infrastructure funding contained in Proposition 4, despite water being a key component of its title. Over the past two years, many in the water community have been discussing the need for a water bond or more ongoing State water infrastructure funding. Those conversations have increased, and many would like the new Governor to take on that issue.

Recently, staff reviewed the District's Water Resources Funding Policy Position Paper and recommended revisions to it. The revisions remove the reference to the climate bond and broaden the Paper's discussion to include both water bonds and water infrastructure funding. The Board asked for further revisions when it considered it at its October 12, 2026 meeting. Staff has added those changes, which are reflected in the first two sub-bullets within Principle 6 and in Principle 8. Staff recommends that the Board adopt the revised paper.

A draft of the proposed revised IRWD's Water Resources Funding Policy Position Paper is attached as Exhibit "A".

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

None.

RECOMMENDATION:

That the Board approve the updated IRWD Water Resources Funding Policy Position Paper.

LIST OF EXHIBITS:

Exhibit "A" – Updated IRWD Water Resources Funding Policy Position Paper

IRWD WATER RESOURCES FUNDING POLICY PRINCIPLES

DRAFT PROPOSED REVISIONS – September 2026

ISSUE SUMMARY:

As a state and federal leader in water resources public policy and governance, IRWD has worked to promote policy initiatives that allow the District, along with other water purveyors in California, to enhance the quality and reliability of water supplies throughout the state. As a means of providing input into the discussions surrounding water resources funding and to guide the District’s advocacy efforts related to California infrastructure funding, the following policy principles have been adopted by the IRWD Board of Directors.

POLICY PRINCIPLES:

Any water bond or infrastructure funding measure adopted by the Legislature or put before California voters that includes water infrastructure funding should be guided by the following principles:

- 1) The State has a role in financing water infrastructure. The State should play a role in the financing of water infrastructure that is of demonstrated statewide significance and/or benefit.
- 2) Bond titles should reflect the type(s) of infrastructure the bond primarily funds. A statewide bond that includes “water” in its title should include substantial funding for water infrastructure. If substantial funding for water is not included, the title should not include “water.” Funding for flood control, watershed health, and species/habitat restoration and conservation should be included in water bonds if those projects relate to, protect, or enhance water supplies, quality or infrastructure.
- 3) Bond and infrastructure financing measures must be fiscally responsible. Proposed water bonds and water infrastructure funding measures should be fiscally responsible and politically viable.
- 4) Transparency and accountability should be built into all bond and infrastructure financing measures. Statewide bond measures and other water infrastructure financing measures should include specific programmatic funding allocations as opposed to allocations for general categories of infrastructure. Inclusion of programmatic funding allocations provides a spending plan that creates transparency and accountability.
- 5) Distribution of funds should be equitable, balanced, and reasonable. Water bond and water infrastructure funding measures must strengthen water supply reliability and water quality for all Californians. Funding should be distributed to beneficial projects throughout the entire State in an equitable, balanced, and reasonable manner.

- 6) Water bonds and infrastructure financing should support the development of safer, more secure, and more resilient water supplies for the entire state. To support a safe and secure water supply, the State should allocate funding to programs which will increase water resilience across the state. Because each community has different water supplies and infrastructure needs, in order to build resilience across the state, a bond or infrastructure financing measures should provide funding for a diverse set of water resources programs.

State funding should:

- Support water supply reliability enhancement through the funding of water recycling projects, provided those projects respect water rights, and do not negatively impact water quality or reliability for downstream users;
 - Support water supply reliability enhancement through the funding of water quality (e.g., treatment / removal of PFAS and other contaminants of emerging concern (CECs)), water use efficiency and groundwater recharge, water banking, conjunctive use, protection and quality improvement projects;
 - Provide funding for sustainable safe drinking water solutions and water affordability across the state;
 - Fund new and enhanced regional conveyance facilities that better integrate surface and groundwater storage; and
 - Fund local dam safety improvements at high-risk dams associated with water supplies.
- 7) Funded project must demonstrate cost effectiveness and benefit. Proposed water bond and water infrastructure financing measures should include specific criteria which must be met before a project obtains funding. The specific criteria should include cost-effectiveness, a project proponent’s ability to implement the project, specific timelines for project implementation, and a high level of measurable benefit.
- 8) State funding should be leveraged to the maximum extent possible. State funding should be leveraged to the maximum extent possible utilizing local or federal matching funds. Projects funded with a higher percentage of non-state funds should be given priority. Additionally, funds should be allocated in the most cost-effective manner possible. Innovative funding mechanisms such as collaborative delivery and public-private partnerships should be encouraged to the greatest extent practicable.
- 9) Administrative costs should be minimized. The administration of water funding should be handled within existing state resources to minimize administration cost.
- 10) A statewide user fee should not be imposed. A “user fee” or “beneficiary pays” program should never be a statewide program and should not be included in a water bond or water infrastructure financing measure. If such a fee is necessary, it should only be regionally administered, collected, and distributed. Any such fee should be equitably and proportionally based on the project benefits derived by those who are subject to the fee, and “beneficiary” must be clearly defined to ensure a clear legal nexus between financial responsibility and benefits.

November 2, 2026
Prepared by: M. Mroczek / A. McNulty
Submitted by: F. Nye / P. Weghorst
Approved by: Paul A. Cook

WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

PROFESSIONAL SERVICES AGREEMENT TO UPDATE LAND USE CLASSIFICATION DATA

SUMMARY:

The Conservation as a Way of Life Legislation enacted in 2018, requires urban water suppliers to comply with and report on agency-specific water budget targets known as the “Water Use Objective”. Accurate measurement of irrigable areas is an integral part of calculating the outdoor water use component of the objective. Currently, IRWD uses aerial imagery combined with 2022 Land Use Classification (LUC) data to develop accurate measurements of irrigable area for IRWD’s service area. IRWD’s LUC data needs to be updated to include irrigable areas for new developments that have occurred since the last update. Staff recommends that the Board authorize the General Manager to execute a Professional Services Agreement in the amount of \$252,102 with Eagle Aerial Solutions to update IRWD’s LUC data.

BACKGROUND:

IRWD’s Water Use Objective includes various components, including a residential indoor standard, residential and non-residential outdoor standards, water loss standards, variances and a bonus credit for potable reuse. Making accurate measurements of irrigable areas is critical to calculating the outdoor water use component of the objective. IRWD received approval from the Department of Water Resources (DWR) to use its own irrigable area measurement data and methodology after successfully demonstrating that it was superior to the data provided by DWR.

Irrigable Area Methodology:

IRWD’s methodology for determining irrigable areas builds on the District’s existing Meter to Parcel project which created polygons of the boundaries of irrigated landscape areas and linked them with the corresponding customer water meter and parcel assessor numbers. For calculating the residential outdoor portion of the Urban Water Use Objective, the IRWD landscape area data is intersected with aerial imagery combined with the LUC data categories defined by DWR. This method results in accurate landscape measurements and distinguishes between potable and recycled water supply sources that have different water budget calculations.

Updating of Land Use Classification Data:

The most recent LUC data that IRWD uses was acquired in 2022 from Eagle Aerial Solutions and consultants at NV5. This information needs to be updated. Eagle Aerial is uniquely qualified as a sole source vendor to provide IRWD with updated LUC data. Eagle Aerial and NV5 conducted a state-wide analysis for DWR and developed the algorithms to classify land use cover based on DWR standards. Other firms offer remote sensing analysis services but currently cannot provide LUC data that is aligned with DWR’s landscape classification methodology.

Staff requested that Eagle Aerial prepare a scope of work to develop updated LUC data for IRWD. The firm's scope of work is provided as Exhibit "A". Eagle Aerial, with NV5 as a sub-consultant, would provide the updated LUC data and an optional analysis of changes to the landscape and data differences with the 2022 data set for a total cost of \$252,102. To ensure IRWD's LUC data aligns with DWR's methodology and algorithms, staff recommends entering into a Professional Services Agreement with Eagle Aerial to provide updated LUC data consistent with previous methodologies.

FISCAL IMPACTS:

The proposed total cost for Eagle Aerial Solutions to update IRWD's LUC data in the amount of \$252,102 is included in the adopted FY 2026-27 Operating Budget and funded by over-allocation revenues.

ENVIRONMENTAL COMPLIANCE:

The preparation of Land Use Classification Data 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:

That the Board authorize the General Manager to execute a Professional Services Agreement with Eagle Aerial Solutions in the amount of \$252,102 to update IRWD's Land Use Classification Data.

LIST OF EXHIBITS:

Exhibit "A" – Eagle Aerial Solutions Scope of Work



2026 Irvine Ranch Water District (IRWD) LUCD Update

10/16/2026

Scope of Work

Our team will generate an updated Land Use Cover Dataset (LUCD) and related data based on 2026 aerial imagery. NV5 Geospatial will be a subcontractor to Eagle Aerial Solutions on this project.

Area of Interest (AOI)

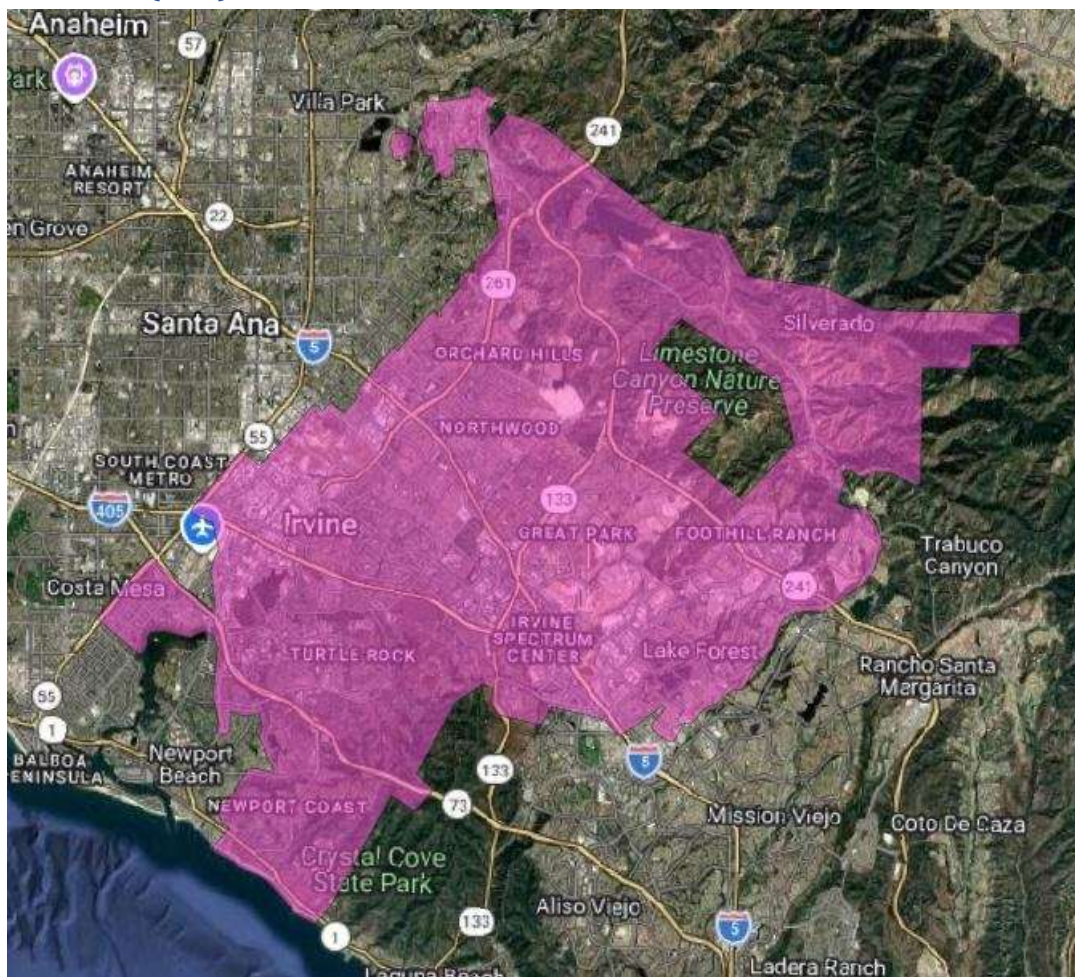


Figure 1: Area to be classified is shown in pink on the map above.

Deliverables

Geospatial Data Deliveries:

1. LUCD across the entire AOI (polygonal dataset)



- a. *Note: Draft deliveries representing subsets of the Area of Interest will be submitted for client feedback. Final dataset will cover the entire Area of Interest.*
2. Validation points used for accuracy assessment (point dataset)
 - a. *Note: A version of these will be included with each draft delivery and with the final delivery.*
3. Pilot area comparison of 2022 LUCD vs 2026 LUCD (polygonal dataset)
4. Geospatial metadata

*Format: Geospatial data will be delivered as feature classes within an ESRI geodatabase. Geospatial metadata will be embedded within these feature classes. Unless otherwise specified, the coordinate system that will be used will be **EPSG 2230 – NAD83 – California Zone 6 (ftUS)**.*

Other deliverables:

1. Report – to include information on both the LUCD and the pilot area comparison geospatial datasets
2. Confusion matrices - Confusion matrices will be provided as report tables summarizing Level 2 class-level accuracies, classification errors, and overall accuracy metrics for each delivery dataset.

Format: Unless otherwise specified, the report will be delivered in Adobe PDF format.

LUCD Classification Scheme

The dataset produced will create a land use classification dataset (LUCD) that has the following specifications for the project area.

LUCD Canopy Priority Classification System		
Level 1	Level 2	Irrigation Status
1. Impervious	Impervious	Not Irrigable
2. Pools	Swimming pools/manmade water features	Irrigated
3. Irrigated	3.1 Turf grass	Irrigated
	3.2 Canopy	
	3.3 Vegetated cover	
	3.4 Bare Earth	
4. Irrigable not irrigated	4.1 Turf grass	Irrigable not irrigated
	4.2 Canopy	
	4.3 Vegetated cover	
	4.4 Bare Earth	
5. Non irrigated pervious	Pervious areas undeveloped for the purposes of irrigation and not captured in undeveloped lands and industrial lands category (6)	Not Irrigable
6. Undeveloped lands and industrial lands	Industrial lands not developed for the purpose of irrigation and undeveloped lands	Not Irrigable
7. Horse Corrals	Horse Corrals	Irrigated
8. Open Water	Open water (e.g. rivers/ponds)	Not Irrigable
9. Artificial Turf	Artificial Turf	Not Irrigable
10. Agricultural Land	Agricultural Land (1 acre of agriculture within a single parcel or 1 acre of contiguous agriculture across 2 or more parcels)	Irrigated



The LUCD classification scheme matches the definitions developed for the California Department of Water Resources (DWR) Program. Due to the use of aerial imagery as an input source, the classification system is a “canopy priority”. Each class has a unique irrigation status associated:

- Not Irrigable: areas that have no irrigation
- Irrigated: areas that are presumed to be irrigated at the time the imagery was collected
- Irrigable not irrigated: areas that show high potential of being irrigated at one time, but are presumed to not be currently irrigated, based on the imagery used to conduct the analysis

The Minimum Mapping Unit (MMU) used for capturing features and accuracy assessment from the imagery is 64 square feet.

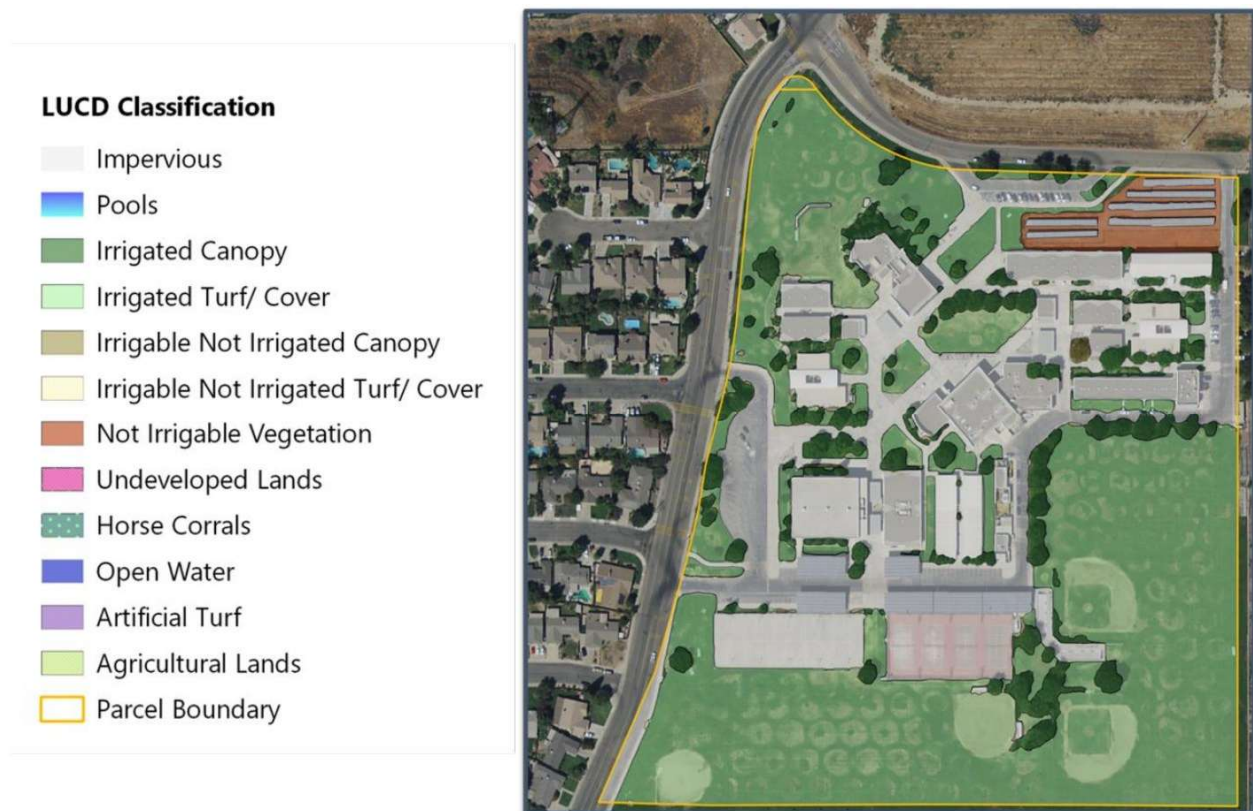


Figure 2. Example of the LUCD classification over an institutional parcel.

Areas in Which LUCD will be Created

A LUCD dataset will be created across the entire project AOI. Polygons in the Res_Parcel IRWD source dataset which fall outside the project AOI will be clipped to the AOI. No data will be created for areas outside of the project AOI.

Note on Irrigable Irrigated vs Irrigable Not-Irrigated Classifications in Residential Areas

For areas that fall within the polygonal area outlined in the Res_Parcel IRWD source dataset (more information in the Source Data section below), the following rule related to the categorization of areas as irrigated versus irrigable will be applied:

Any canopy or vegetated cover which would be categorized as irrigable in residential areas as per the rules set forth as part of the CADWR CII LAM project will be recategorized as irrigated for this 2026 IRWD LUCD update project. This rule was applied to the 2022 dataset.



LUCD classification in all areas inside the AOI but outside of the polygonal coverage of the Res_Parcels_IRWD data layer will follow the same rules used in the CADWR CII LAM project.

Pilot Area Comparison between 2022 and 2026 LUCD

The pilot area shall be determined in collaboration with IRWD to identify a region of interest that will provide valuable insights regarding irrigation trends through change analysis. The pilot region will be up to 3 square miles in area. The objective of the comparison will be to quantify land cover and irrigation status changes occurring between 2022 and 2026. To minimize noise in the change analysis, co-registration of the 2022 source imagery and land cover classification to the 2026 imagery will be performed. Once the 2026 LUCD classification has been generated, a post-classification change assessment will be conducted. This process will also include an analysis to identify illogical changes as well as changes below the MMU. The analysis will produce a polygon-based change dataset highlighting areas where land cover or irrigation status has changed during the time period. Deliverables will include the change polygon geodatabase, change matrix and concise technical report information summarizing key findings such as to/from land cover transition statistics, percent change between irrigation status classes, and summaries of change by land use type.

It is assumed that the source imagery datasets are of comparable quality and suitable for change detection. Although imagery co-registration will reduce positional discrepancies, some false-positive changes may persist due to shadow effects, tree and structure lean due to viewing-angle differences, seasonal variation, and other image artifacts that are not fully corrected through the imagery registration process.

Client Feedback and Interim Deliveries

The AOI will be broken up into 8 blocks. For each block, we will generate and validate a draft LUCD dataset. These will be delivered to IRWD along with: a copy of the validation points used for the accuracy assessment of the block and the associated confusion matrix.

It is expected that we will receive feedback from the IRWD within 2 weeks of delivery of block-level data. This will help ensure the project schedule can be adhered to.

Pilot area 2022-2026 comparison will be delivered to IRWD all at once.

Quality Control and Accuracy Assessment for LUCD

The team conducts detailed quality control and accuracy assessments to ensure the datasets we provide meet rigid accuracy standards. We use an object-based analysis where a single object is evaluated by skilled photo interpreters as to whether it was correctly or incorrectly classified. This assessment methodology identifies the accuracy and therefore reliability of the dataset.

We will map the classification dataset to an overall accuracy of 95%. To ensure this accuracy level is met, an assessment will be performed for each delivery block through independent interpretation of check points distributed throughout the service areas. Checkpoint distribution will be stratified by Level 2 LUCD classes (defined in the classification table) and geography. Photo interpreters will independently classify each checkpoint with the outline of the classified product, but with no information of the mapped class. Each classified point will be interpreted and evaluated to an appropriate classification of both land cover and land use within the context of the overall line work associated with the mapped classification. A confusion matrix will be developed to assess accuracies for each class and overall accuracy across classes. Product accuracy will meet or exceed 95%, with individual per-class accuracies at 80% or better at a 95% confidence interval.

Our goal is a first-time right delivery. This reduces unintended costs on the client's and contractor's sides and avoids unintended datasets delays and iterations. An example of the level of detail provided in the LUCD classification mapping is demonstrated in Figure 2. Example of the LUCD classification over an institutional parcel.



Source Data

The following data is required for the team to begin this work.

1. Area of Interest: Provided to NV5 by IRWD via email on 6/25/26.
Shapefile Name: **irwd_boundaries_luc_updated** (was delivered in a zipped file named 'AOI_Parcels_IRWD.zip')
Total AOI: **138.29 square miles**
This boundary is the same boundary that was used on the IRWD 2022 LUCD update and has been independently confirmed by client.
2. Delineated Residential Areas: this geospatial dataset outlines areas within the Area of Interest that are to be classified as Residential. All other areas within the Area of Interest will be considered CII or will be delineated as mask areas. Provided to NV5 by IRWD via email on 6/25/26.
Shapefile Name: **Res_Parcels_IRWD** (was delivered in a zipped file named 'AOI_Parcels_IRWD.zip')
3. 2026 4 band Ortho rectified including the NIR band imagery @ 3" with (+/- 1' horizontal accuracy) resolution will be provided by IRWD and delivered via an electronic download link.

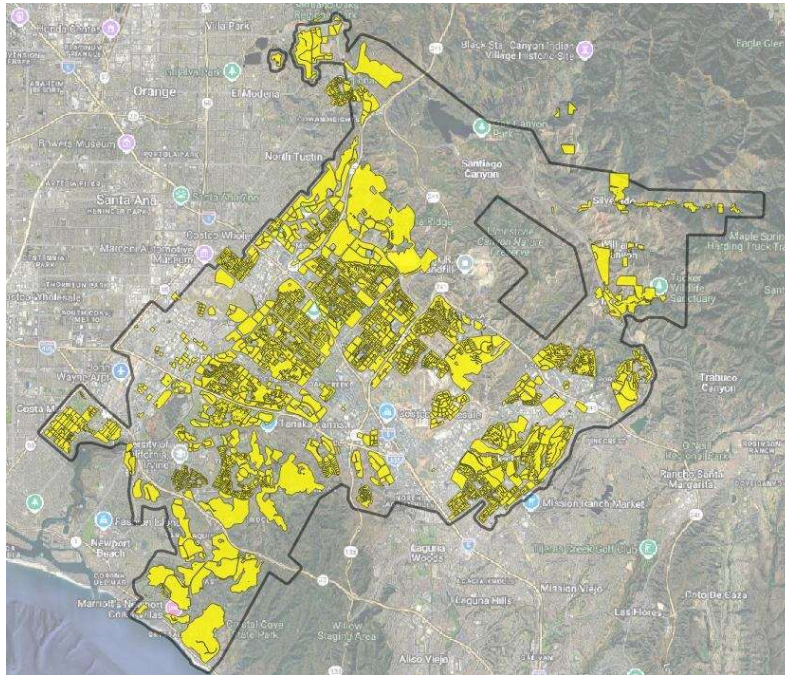


Figure 3. Extent of the Res_Parcels_IRWD layer (yellow) and the project AOI (black outline).

Source Data Status:

Item#	Item Name	Received by NV5?	Outstanding Errors?	Notes
1	Area of Interest	Y	N	-
2	Imagery	N	-	-
3	Layer Delineating Residential Areas	Y	N	-

The Eagle Aerial account manager (Matt Schaeffer) will work closely with the NV5 project manager (Elizabeth Rogers) to ensure that all relevant information is made available at the onset of the project.



Delivery Timeline and Pricing

Period of performance is expected to be 9 months after the date of a fully executed agreement.

Full Scope as Described Above:

Months After Fully Executed Agreement	Percent of Total	Deliverable	Price
1	5.38	Kickoff	\$13,556
3	10.74	Draft LUCD – block 1	\$27,071
4	10.74	Draft LUCD – block 2	\$27,071
5	10.74	Draft LUCD – block 3	\$27,071
6	10.74	Draft LUCD – block 4	\$27,071
7	20.50	Draft LUCD – blocks 5 and 6	\$51,681
8	20.50	Draft LUCD – blocks 7 and 8	\$51,681
8	2.39	Pilot 2022 to 2026 LUCD comparison data	\$6,002
9	8.29	Final LUCD delivery	\$20,898
		Total	\$252,102

Scope without Pilot 2022 to 2026 LUCD comparison Data:

Months After Fully Executed Agreement	Percent of Total	Deliverable	Price
1	5.5	Kickoff	\$13,556
3	11	Draft LUCD – block 1	\$27,071
4	11	Draft LUCD – block 2	\$27,071
5	11	Draft LUCD – block 3	\$27,071
6	11	Draft LUCD – block 4	\$27,071
7	21	Draft LUCD – blocks 5 and 6	\$51,681
8	21	Draft LUCD – blocks 7 and 8	\$51,681
9	8.5	Final LUCD delivery	\$20,898
		Total	\$246,100

Scope Selected by IRWD:

FULL_____

Without Pilot 2022-2026: _____

November 2, 2026

Prepared and

submitted by: C. Compton

Approved by: Paul A. Cook



WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

REVIEW OF 2026 ADVOCACY ACTIVITIES AND 2027 LEGISLATIVE AND REGULATORY ISSUES PLANNING

SUMMARY:

This report provides a review of IRWD's 2026 legislative and regulatory priorities and advocacy activities. It also provides an overview of expected 2027 legislative and regulatory issues in Washington, D.C., Sacramento, and regionally. Also described are proposals that the District's associations and stakeholders are sponsoring. The report proposes an initial 2027 staff resource allocation plan for legislative and regulatory issues of importance to IRWD in the coming year. Staff recommends that the Board provide input on the proposed 2027 regional, state, and federal legislative issues of interest to IRWD, and receive and file the proposed "Initial 2027 Legislative and Regulatory Resource Allocation Plan" and the "Legislative / Regulatory Issues and Activities of High Concern to IRWD in 2027."

BACKGROUND:

2026 IRWD Priorities and Activities:

In November 2025, the Board reviewed an overview of expected 2026 legislative issues in Washington, D.C., and Sacramento, including proposals that the District's statewide associations were considering for introduction. At that time and after providing input, the Board received and filed the initial 2026 Legislative and Regulatory Resource Allocation Plan and the Legislative / Regulatory Issues and Activities of High Concern to IRWD in 2026. The document helped guide the District's governmental relations efforts this past year.

The 2026 priorities included actively engaging in the discussions related to the implementation of the creation of a statewide Low-Income Water and Wastewater Rate Assistance Program; seeking recognition of the importance of emergency water supplies; advocating for the removal of hindrances to recycled water projects, storage, and use; advocating for accelerated/continued state investment in dam safety; and engagement on a number of regulatory proposals. Over the past year, staff and IRWD's state legislative and regulatory advocates worked on each of these issues and other issues of importance to the District, including co-sponsoring AB 2739 (Soria), legislation related connections fees and new housing developments and obtains amendments to a number of other bills to mitigate impacts to IRWD.

The 2026 priorities at the federal level included federal funding for the South Valley Conveyance and Storage Project; seeking reauthorization and redefining of eligible groundwater storage projects under Bureau of Reclamation's Small Storage Grant Project; seeking creation of a federal dam safety program; seeking funding for the Santiago Dam Improvement Project; seeking additional funding for the Syphon Reservoir Improvement Project; and seeking movement on the District's proposed property exchanged with the U.S. Forest Service.

Expected 2027 Federal Legislative and Regulatory Issues:

While it is expected that in 2027 Congress and federal agencies will work on a number of issues of interest to the water and wastewater communities, during the first part of 2027 Washington, D.C. will likely be taken up by a transition of the congressional majority in the House of Representatives and possibly the Senate, and a focus on oversight of the executive branch. While congressional attention will be on oversight, staff and the District's federal advocates will continue to seek progress on the key issues of interest to IRWD.

Staff, joined by the District's federal advocates, will discuss the expected 2027 political environment and federal issues of interest to IRWD with the Committee. Among the federal issues staff will discuss with the Committee are:

- The possibility of a water package during the end of session and/or next year;
- Seeking reauthorization of and clarification of groundwater storage eligibility within the Bureau of Reclamation's Small Storage Grant Program; and
- Continued advocacy for the creation of a federal dam safety program, which focuses on funding infrastructure rehabilitation and improvement projects.

Expected 2027 Statewide Legislative and Regulatory Issues:

As is typical at the beginning of each legislative year, staff expects that the California Legislature and State regulatory agencies will take up a number of issues of interest to the water and wastewater communities in 2027. Staff, joined by the District's state advocates, will discuss the expected 2027 political environment and state issues of interest to IRWD with the Committee. Among the state issues staff will discuss with the Committee are:

- Low Income Water Rate Assistance proposals;
- Advanced Clean Fleets related legislation;
- Wildfire liability proposals;
- Permit and housing streamlining;
- Building Standards Commission's (BSC) implementation of SB 745 Drought-Resilient Buildings Regulations;
- Revisions to the State Water Resources Control Board's (State Board) Recycled Water Policy;
- Water infrastructure fundings, including funding for dam safety improvements;
- Other State Board and other State agency regulations; and
- Priorities identified by the incoming administration.

Expected 2027 Association Proposals:

IRWD's association and industry partners are in the process of completing their 2027 legislative planning. A summary of those planning efforts is provided below:

Association of California Water Agencies (ACWA):

ACWA held its 2027 legislative planning meeting on October 29, 2026. At the time of the writing of this report, ACWA is considering six legislative proposals related to capacity fee recovery; designation of water and wastewater vehicles as emergency vehicles; compensation of Public Utility District directors; compliance plans for "Making Water Conservation a California Way of Life;" tax exemptions for water efficiency and conservation rebates; and water rights permit extensions. ACWA staff is recommending that the association sponsored the proposals related to tax rebates and water rights permit extensions. Staff will provide the Committee with an oral update on the discussion at ACWA about these proposals.

Bioenergy Association of California (BAC):

BAC will hold its annual planning meeting on November 17, 2026. At the time of the writing of this report no specific proposals or topics have been released for consideration at the meeting. Staff will provide an update on any new information.

California Association of Sanitation Agencies (CASA):

CASA will hold its annual planning meeting on December 4, 2026. At the time of the writing of this report no specific proposals or topics have been released for consideration at the meeting. Staff will provide an update on any new information.

California Municipal Utilities Association (CMUA):

CMUA will hold its 2026 legislative and regulatory planning meeting on November 5, 2026. At the time of the writing of this report no specific proposals or topics have been released for consideration at the meeting. Staff will provide an update on any new information.

California Special Districts Association (CSDA):

CSDA held its 2026 legislative and regulatory planning meeting on October 22, 2026. CSDA considered 10 legislative proposals. This next year, CSDA will sponsor four bills. These include a concurrent resolution recognizing Special Districts Week; legislation seeking a sales tax exemption for digital prewritten software; legislation related to the use of artificial intelligence in the public sector; and legislation seeking an Advanced Clean Fleets exemption for vehicles that support emergency response or recovery. Staff will provide updates to the Committee and the Board, as appropriate, as these proposals move forward.

WateReuse California:

The WateReuse Association of California held its 2026 legislative and regulatory planning meeting on October 16, 2026. Next year, WateReuse will be focusing on recycled water funding, proposed modifications to the Recycled Water Policy at the State Board, and the proposed drought-resilient buildings regulations proposed by the Building Standards Commission. Staff will provide an update on any new information.

Possible 2027 IRWD Sponsored Legislation:

Staff will discuss with the Committee the concepts staff explored for IRWD-sponsored legislation in 2027. The potential concepts included, but were not limited to:

- Legislation related to Low Income Rate Assistance, as a follow up to AB 2739 (Soria);
- Legislation to modify “Making Conservation as a California Way of Life” so that the CII performance measures do not apply to recycled water irrigation, which are already accounted for in the Urban Water Use Objective;
- Legislation related to emergency water supplies;
- Legislation permitting stormwater in decorative bodies of water where recycled water is used for evaporative losses; and
- Legislation related to groundwater recharge.

Staff completed their due diligence related to each of these proposals, and recommends that the District seek reintroduction of AB 2739 (Soria), as amended to address State agency technical concerns, paired with a budget ask.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

That the Board provide input on the proposed 2027 regional, state, and federal legislative issues of interest to IRWD, and receive and file the proposed “Initial 2027 Legislative and Regulatory Resource Allocation Plan” and the “Legislative / Regulatory Issues and Activities of High Concern to IRWD in 2027.”

LIST OF EXHIBITS:

Exhibit “A” – Proposed Legislative / Regulatory Issues and Activities of High Concern to IRWD in 2027

Exhibit “B” – Proposed IRWD’s Initial 2027 Legislative and Regulatory Resource Allocation Plan

Exhibit “A”

LEGISLATIVE / REGULATORY ISSUES AND ACTIVITIES OF HIGH CONCERN TO IRWD IN 2027

As a state and federal leader in water resources public policy and governance, IRWD works to promote policy initiatives that allow the District, along with other water purveyors in California, to enhance the quality and reliability of water supplies throughout the state. While IRWD will engage in a number of legislative and regulatory issues of interest to the District, the following are specific issues and activities of high concern to IRWD in 2027:

2027 Federal Issues and Activities of High Concern:

- 1) Seek federal approval of a U.S. National Forest Service and IRWD property exchange for the portion of the Modjeska Reservoir that was constructed, via permit, on National Forest Service land;
- 2) Seek the reauthorization of, and redefining of eligible groundwater storage projects under, the Bureau of Reclamation’s Small Storage Grant Project;
- 3) Seek the creation of a federal dam safety program to provide federal funding to improve dam safety and modernization at reservoirs important to water supply;
- 4) Seek federal funding for IRWD dam safety projects, as opportunities become available;

2027 State Issues and Activities of High Concern:

- 1) Continue to engage in discussions regarding the creation of a statewide Low-Income Water and Wastewater Rate Assistance Program;
- 2) Advocate for accelerated/continued state investment in dam safety and the modernization of dams important to water supplies;
- 3) Advocate for the Department of Water Resources (DWR) to reestablish the State Dam Safety Program to make Prop. 4 funding awards;
- 4) Engaged in the conversations related to wildfire and public entity liability to protect water and wastewater providers’ ability to be made whole, if impacted by a fire or other public entity actions;
- 5) Protect IRWD’s various revenue sources, and method of setting rates and other charges, in order to ensure that the District can continue to provide high-quality services to its customers at low rates. Specifically, retain the District’s ability to use its water budget-based rate structure and ability to invest its replacement fund;
- 6) Seek modifications to the Cross-Connection Control Policy Handbook that would revise the DC protection requirements for users with fire protection systems to reduce the burden on public water systems;
- 7) Promote the expanded use of recycled water, and its acceptance as a resource, by advocating for the removal of hindrances to recycled water projects, storage, and use through the implantation of SB 31 (McNerney) and revisions to the State Water Resources Control Board’s Recycled Water Policy;
- 8) Engage with the Building Standards Commission on its implementation of SB 745, Drought-Resilient Buildings, and the associated changes to the Building Code proposed as a result of implementing that bill;

Legislative / Regulatory Issues and Activities of High Concern to IRWD in 2027
(continued)

- 9) Engage with the Department of Water Resources (DWR) on the studies and work group they are undertaking related to SB 1157 (Hertzberg) and the indoor water use standards set in that bill, and implementation of SB 72 (Caballero);
- 10) Advocate for appropriate exemptions for public fleets operated by water and wastewater providers, taking into account the technological limitations that may impact the delivery of essential public services during or after an emergency; and
- 11) Work with IRWD's associations to address inconsistent certification processes for operator certifications (i.e. treatment, distribution, and recycling).

2027 Regional Issues and Activities of High Concern:

- 1) Actively participate in discussions with the South Coast Air Quality Management District regarding proposed amendments to PAR 1110.4 and PAR 1113 and regulations that would impact the District; and
- 2) Work with the Regional Water Quality Control Board on adjusting storm-induced overflow protections and expand the use of recycled water in decorative lakes.

DRAFT

IRWD’s Initial 2027 Legislative and Regulatory Resource Allocation Plan

PLEASE NOTE: The proposed initial resource allocations are aimed at balancing the importance of an issue to IRWD, the projected level of District resources available to work on the issue, and the likelihood that the issue will be raised and the District will be able to shape the policy, legislative and regulatory discussions or outcomes related to the issue in 2027. The allocation of District resources may change over the course of the year, based on continued input from the Water Resources Policy and Communications Committee and the Board of Directors. The allocation categories are intended to reflect the following expected levels of resource use:

- Very High – IRWD’s resource allocation would be significant. Staff and IRWD’s legislative advocates would dedicate a larger portion of their overall advocacy efforts to the issues designated “Very High” and would actively seek to be a key stakeholder shaping the policy, legislative or regulatory discussions related to those issues.
- High – IRWD’s resource allocation would be considerable. Staff and IRWD’s legislative advocates would work to create strategic opportunities to shape the policy, legislative or regulatory discussions and outcomes related to issues designated “High.”
- Moderate – IRWD’s resource allocation would be modest. Staff and IRWD’s advocates would actively engage in association and industry conversations on issues designated “Moderate” but would expect to work largely through issue-specific coalitions on these issues. Staff and IRWD’s advocates would work to identify and capitalize on opportunities to shape narrow aspects of a policy, legislative or regulatory outcome related to such issues.
- Low – IRWD’s resource allocation would be low. Staff and IRWD’s advocates would track policy, legislative and regulatory discussions and outcomes related to issues designated “Low” and would continue to seek positive outcomes for the District through IRWD’s association and industry partners. Staff and IRWD’s advocates would work on such issues should resources be available. For issues that are currently not expected to be acted upon legislatively or regulatorily this next year and are given a “Low” initial allocation, staff will reevaluate the allocation when action appears likely and increase it, as appropriate.

DRAFT Expected 2027 Legislative and Regulatory Issues	Proposed Allocation of IRWD Resources
FEDERAL ISSUES	
U.S. Forest Service and IRWD Parcel Exchange – Seek federal approval of a U.S. National Forest Service and IRWD property exchange for the portion of the Modjeska Reservoir that was constructed, via permit, on National Forest Service land.	Very High
Small Storage Grant Program Reauthorization – Seek the reauthorization of, and redefining of eligible groundwater storage projects under, the Bureau of Reclamation’s Small Storage Grant Project.	High
Dam Safety Program – Advocate for federal investment in dam safety and the modernization of dams important to water supplies.	High
Dam Improvement Funding – Seek funding for IRWD dam safety projects, as opportunities become available.	High
Atmospheric River Research – Advocate for federal programs and funding for atmospheric river research aimed at improving reservoir operations.	Moderate
Low Income Water and Wastewater Rate Assistance Program – Continue to engage in discussion regarding the creation of a federal Low-Income Water Rate Assistance Program.	Moderate
NPDES Permit – Advocate for an NPDES term of 10 years, as compared to the current 5 years term.	Moderate
PFAS CERCLA Exemption – Advocate for exemptions from PFAS liability for passive receivers, like water and wastewater utilities and their contractors.	Moderate
PFAS – Advocate for a science-based and cost-based approach in the development of PFAS regulations	Moderate
Water Resource Development Act – Seek enactment of a WRDA bill every two years which is beneficial to IRWD and Orange County, and which includes authorizations for the water infrastructure programs and funding supported by IRWD.	Moderate
Bureau of Reclamation’s Title XVI, Water Reclamation and Reuse Program, Reauthorization – Advocate for the reauthorization of Title XVI and an increased funding authorization for the Water Reclamation and Reuse Program.	Low
Clean Water Act Definition of “Waters of the U.S.” – Advocate for changes in the definition of “Waters of the U.S.” that limits impact to IRWD and its facilities and includes an exemption for constructed treatment wetlands.	Low*
Colorado River – Monitor the long-term planning effort to protect the Colorado River system.	Low
Delta Conveyance Implementation – Advocate for a change in the operation of the Delta, consistent with the co-equal goals of ecosystem protection and water supply reliability; seek the federal actions necessary to implement a permanent solution in the Bay Delta.	Low
Lead and Copper Rule – Monitor implementation of the federal Lead and Copper Rule.	Low
Tax-Exempt Municipal Bonds – Maintain the current tax-exempt status of municipal bonds with the exception of restoring the tax-exempt status of local government advanced refundings. Oppose prohibitions on the use of tax-exempt bonds within WIFI or any similar program.	Low
Tax Parity for Water Efficiency Rebates – Advocate for tax parity between water and energy efficiency rebates.	Low

DRAFT Expected 2027 Legislative and Regulatory Issues	Proposed Allocation of IRWD Resources
<u>STATE ISSUES</u>	
Low Income Water and Wastewater Rate Assistance Program – Continue to engage in discussion regarding the creation of a statewide Low Income Water and Wastewater Rate Assistance Program.	Very High
Water Rates & District Revenues – Protect IRWD’s various revenue sources, and method of setting rates and other charges, in order to ensure that the District can continue to provide high quality services to its customers at low rates. Specifically, retain the District’s ability to use its water budget-based rate structure and ability to invest its replacement fund.	Very High
Cross Connection Policy Handbook – Seek modifications to the Cross-Connection Control Policy Handbook that would revise the DC protection requirements for users with fire protection systems to reduce the burden on public water systems.	High
Drought Resilient Buildings – Engage with the Building Standards Commission on its implementation of SB 745, Drought-Resilient Buildings, and the associated changes to the Building Code proposed as a result of implementing that bill.	High
Dam Safety Program – Advocate for accelerated/continued state investment in dam safety and the modernization of dams important to water supplies. Advocate for the Department of Water Resources (DWR) to reestablish the State Dam Safety Program to make Prop. 4 funding awards.	High
Indoor Water Use Studies – Engage with the Department of Water Resources (DWR) on the studies and work group they are undertaking related to SB 1157 (Hertzberg) and the indoor water use standards set in that bill.	High
Public Fleets – Engage in policy discussion concerning the zero emission public fleet regulations and advocate for appropriate exemptions for the public fleets of water and wastewater providers that consider the constraints of certain technologies on the provision of essential public services during or after an emergency.	High
Recycled Water – Promote the expanded use of recycled water, and its acceptance as a resource, by advocating for the removal of hindrances to recycled water projects, storage, and use. Seek to: <ul style="list-style-type: none"> • Appropriate updates to the State Board’s Recycled Water Policy. • Remove recycled water as a waste. • Promote a science-based, “fit for purpose” regulatory approach to recycled water. • Advocate for the expansion of potable water reuse in California. • Seek updates to Title 22, including relief of dual-plumbed inspection/testing requirements. • Seek funding to assist in converting potable use sites to recycled water. 	High
Operators Certifications – Address inconsistent certification processes for operator certifications (treatment, distribution, and recycling). Monitor for changes in certification requirements.	High
Wildfire and Public Entity Liability – Engaged in the conversations related to wildfire land public entity liability to protect water and wastewater providers’ ability to be made whole, if impacted by a fire or other public entity actions.	High
Air Toxics Regulations – Monitor developments and proposed changes to statewide and regional air toxics monitoring programs, including CARB’s Draft Air Toxics Roadmap and regional plans at the South Coast Air Quality Management District (SCAQMD). Engage with associations, industry coalitions, and other stakeholders to ensure regulatory guidance is informed by science-based data. Support reasonable air toxics and air quality programs that improve monitoring, protect public health, and provide regulatory predictability without excessive regulatory compliance burdens or costs.	Moderate
Atmospheric River Research – Advocate for state programs and funding for atmospheric river research aimed at improving reservoir operations.	Moderate

DRAFT Expected 2027 Legislative and Regulatory Issues	Proposed Allocation of IRWD Resources
Biosolids – Seek a broader spectrum of permissible uses of biosolids byproducts including a possible “healthy soils” designation. Engage on the State Board’s review of the General Order (WDR) for the use of biosolids on land.	Moderate
Brown Act – Monitor proposed changes to the Brown Act that could impact IRWD costs including new requirements for local agency.	Moderate
CalOSHA Regulations – Engage in discussions related to conceptual or proposed CalOSHA regulatory change	Moderate
CECs and PFAS – Engage with stakeholders, industry associations, and regulatory agencies on establishing better processes for identifying and regulating contaminants of emerging concern (CECs). Engage with stakeholders, industry associations, and regulatory agencies on microplastics and PFAS, and the regulatory actions proposed by state agencies including regulatory actions that would restrict land application or other uses of Class A and Class B biosolids due to PFAS.	Moderate
Climate Change Adaptation – Engage in policy discussions related to climate change adaptation within the water and wastewater sectors.	Moderate
Emergency Supplies – Seek recognition of the importance of emergency water supplies in water resiliency, pre-emergency designation of such supplies, and protection of their use during droughts or other water shortages.	Moderate*
Groundwater Clean-up – Support efforts to obtain State funding to clean up groundwater contamination in the Orange County Basin, and funding for basin replenishment.	Moderate
Groundwater Management & Water Banking – Engage productively in discussions of groundwater management in California to protect IRWD’s interests. Promote greater water banking opportunities to benefit IRWD banking programs.	Moderate
Groundwater Recharge Incentives – Work to develop state incentives for property owners to make their property available for groundwater recharge during “wet years” to enable California to capture water, which would otherwise be lost, for storage and beneficial use during drier years.	Moderate
Ocean Acidification and Ocean Discharges – Engage productively in discussions surrounding proposals to eliminate substantially change the regulations surrounding ocean discharges to protect the District’s interests while addressing ocean acidification.	Moderate
Proposition 218 Reforms – Engage in discussions surrounding the Proposition 218 reform efforts to protect IRWD’s interests. Communicate the District’s concern over any water rate legislation which is not consistent with the California Constitution, not voluntary in nature, or that does not provide sufficient clarity or flexibility to water agencies.	Moderate*
Public Records Act – Monitor proposed changes to the Public Records Act that could impact IRWD costs including new requirements for local agency websites, data production and reporting.	Moderate
Safe Drinking Water – Engage on the implementation of the Safe and Affordable for Equity and Resilience Program (SAFER) to ensure that the program is implemented in a way to effectively move communities to sustainable access to safe drinking water	Moderate
State Board – Engage with the State Board on policy, regulatory and permit issues of concern to IRWD.	Moderate
State Lead and Copper Rule Changes – Monitor developments and proposed revisions to State lead and copper rules, advocate for changes that effectively protect public health while limiting the annual testing burden on water agencies (e.g. seek modification to the proposed school and childcare facility testing schedule).	Moderate*

DRAFT Expected 2027 Legislative and Regulatory Issues	Proposed Allocation of IRWD Resources
Water Efficiency – Engage with the Legislature, State Board and Department of Water Resources (DWR) on legislation related to water efficiency, including proposals related to “Making Conservation a California Way of Life”.	Moderate
Water Plan – Engage with DWR on policy, regulatory and permits issues of concern to IRWD, including the implementation of SB 72.	Moderate
Tax Exemption for Water Efficiency Rebates – Advocate for a tax exemption for all water and efficiency rebates.	Moderate
Water Transfers and Markets – Engage with the California Department of Water Resources, in coordination with IRWD’s Water Banking partners, in advocating for expedited processes to facilitate water transfers/exchanges and streamlined water marketing.	Moderate
Water Quality – Engage productively in policy discussions related to changes in water quality and various discharge permits in order to protect the District’s interests while seeking a 10-term for permits, where appropriate.	Moderate
Bioenergy – Continue to advocate for the permissive and beneficial use of bioenergy and biosolid waste-to-energy programs and projects.	Low
Delta Conveyance Implementation – Advocate for a change in the operation of the Delta, consistent with the co-equal goals of ecosystem protection and water supply reliability. Seek the State actions necessary to implement a solution in the Bay Delta and oppose efforts to make implementation of a solution more difficult.	Low
Drought Response – Continue to advocate that the State’s drought response be based on a data-driven approach and consider the reliability of urban water supplier supply portfolios by using a water efficiency standards-based approach as eliminating mandatory percent reductions for those agencies whose total water demands are below the cumulative standards.	Low*
Energy – Advocate for policies that encourage energy reliability in Orange County, and energy efficiency or reductions in embedded energy in the water and wastewater sectors, including use of energy conservation funding within the water sector, and expanded availability of direct access programs, without an increase in cost to or mandates on local entities; seek incentives for energy self-reliance projects (i.e. storage, generation, efficiency).	Low
General Plan Updates – Engage in policy discussions related to general plan guidelines updates, specifically as it relates to the proposed additional of a water element.	Low
Homelessness – Within the larger discussions on addressing homeless, ensure that the impacts of homeless on water and wastewater agencies is recognized, and that agencies continue to retain adequate authority to secure their facilities.	Low*
Political Reform Act/FPPC Issues – Monitor for changes to the Political Reform Act and FPPC regulations that could impact IRWD.	Low
Property Tax Allocations – Protect existing property tax allocations to special districts.	Low
Proposition 218 Reforms – If Proposition 218 reforms are proposed, engage in discussions surrounding the reform efforts to protect IRWD’s interests. Communicate the District’s concern over any water rate legislation which is not consistent with the California Constitution, not voluntary in nature, or that does not provide sufficient clarity or flexibility to water agencies.	Low*
Public Contracting – Oppose efforts to impose greater liability on public agencies for work performed by its contractors. Oppose proposals that make public contracting for labor, service or public works projects more cumbersome including reductions in contract retentions or changing the criteria agencies may consider when awarding contracts.	Low

DRAFT Expected 2027 Legislative and Regulatory Issues	Proposed Allocation of IRWD Resources
Plumbing Code Updates – Seek clarification that Chapter 15 of the California Plumbing Code does not apply to recycled water irrigation sites. Work with the Building Standards Commission, Housing and Community Development Department, and Department of Water Resources on revisions to the California Plumbing Code during code revisions.	Low*
Real Estate Investments – Engage on regulatory or legislative proposals that may impact IRWD’s ability to maintain a high return of investment on its real estate investments.	Low*
Unfunded Pension Liability – Oppose legislation or regulations that would increase IRWD’s pension liability either by making local agencies responsible for the pension liabilities of other entities (e.g. joint powers authorities) or by failing to recognize the liability reduction benefits of Section 115 Trust and other pre-funding efforts. Seek state support for refinements in the GASB rules that limit recognition of the benefits Section 115 Trust.	Low
Video Recording Retention Periods – Advocate for greater flexibility for special districts related to the required retention period prescribed by law for video recordings.	Low
Water Tax – Consistent with the Board’s adopted policy on a statewide public goods charge, oppose a statewide tax on water for Low Income Rate Assistance or to fund resiliency efforts that are sent to the State.	Low*
Website – Engage productively in policy discussions related to local agency websites and requirements dictated by the State for those sites.	Low
<u>REGIONAL ISSUES</u>	
South Coast Air Quality Management District – Actively participate in discussions with the South Coast Air Quality Management District regarding proposed amendments to rules and regulations. Advocate for reasonable changes and updates to AQMD regulations, including but not limited to achieving the Clean Air Act attainment standards in the basin, implementing reasonable and cost-effective emission reduction measures, and support locally focused and funded emission reduction projects.	Very High
Santa Ana and San Diego Regional Water Quality Control Boards – Work with the Board on issues of concern to IRWD including adjusting storm-induced overflow protections and expand the use of recycled water in decorative lakes.	High
Recycled Water Use Site Inspection and Testing – Work with Orange County Health Care Agency on completion of the Orange County Guidelines which include the frequencies and methods for conducting recycled water use site visual inspections and periodic cross-connection tests.	Low

*Increase allocation of resources if warranted due to legislative or regulatory activity.