

AGENDA
IRVINE RANCH WATER DISTRICT
WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE
THURSDAY, JANUARY 7, 2016

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

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

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

COMMUNICATIONS

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

INFORMATION

- | | |
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| <ol style="list-style-type: none">5. <u>DROUGHT OUTREACH PROGRAM UPDATE – BEEMAN/WEGHORST</u>

Recommendation: Receive and file.6. <u>RECYCLED WATER CONVERSION PROJECTS UPDATE – TETTEMER/WEGHORST</u>

Recommendation: Receive and file. | |
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ACTION

7. COORDINATION OF COMPLIANCE WITH SUSTAINABLE
GROUNDWATER MANAGEMENT ACT – WEGHORST

Recommendation: That the Committee authorize staff to work with the Orange County Water District, the County of Orange, the City of La Habra and any other necessary agencies to develop a draft coordinated management agreement for complying with the Sustainable Groundwater Sustainability Act through the development and submittal of an Alternate Plan for the Coastal Plain of Orange County Groundwater Basin.

8. 2016 LEGISLATIVE UPDATE – COMPTON/COOK

Recommendation: That the Board adopt an “OPPOSE” position on SB 163 (Hertzberg, D-Van Nuys) related to Wastewater Treatment and Recycled Water, and authorize the District to submit a letter of concern on the bill as requested by Senator Hertzberg’s office.

OTHER BUSINESS

9. A. Directors’ Comments

B. Adjourn

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

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

January 7, 2016

Prepared by: B. Beeman

Submitted by: P. Weghorst *PAW*

Approved by: Paul Cook *Paul Cook*

WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

DROUGHT OUTREACH PROGRAM UPDATE

SUMMARY:

In response to the statewide drought as well as the Governor's mandate for IRWD to reduce potable water use by 16 percent by February 2016, staff continues to develop and implement a multi-pronged drought outreach plan. The purpose of this report is to update the Committee on these efforts.

BACKGROUND:

Color Your World Outreach Program:

The new "Color Your World with Drought Tolerant Landscaping" outreach program is now live throughout the IRWD service area on buses, in outdoor malls and in local cinemas. It is being actively promoted through the District website and social media. The program was also featured in the new Drought Survival Guide that was sent to single family homes in December.

RightScape Classes and Events Outreach:

Drought outreach efforts for December featured the promotion of new events and classes for 2016, including:

- January 13 - RightScape Winter Gardening Workshop on Preparing Your Landscape for Spring and Summer;
- January 16 - Lake Forest Home Depot Niagara Stealth Toilet and Rain Barrel Rebate Event plus Rainwater Harvesting Workshop;
- January 23 - Irvine Home Depot Niagara Stealth Toilet and Rain Barrel Rebate Event plus Rainwater Harvesting Workshop;
- February 3 - RightScape Plant Selection and Landscape Features Workshop;
- February 17 - RightScape Drip Irrigation Made Easy Workshop; and
- February 24 - RightScape Soil, Water and Plant Relationships Workshop.

The Home Depot rebate and workshop events were promoted via a postcard mailed to 16,500 single family residents who had not received previous toilet rebates and have recent bills that show over allocation usage of water. The Home Depot rebate events and rainwater harvesting workshops are being promoted via social media and receiving quite a bit of attention. The new workshops are also featured on www.RightScapeNow.com and the customer billing insert.

New RightScape Landscape Makeover Contest

A new RightScape Landscape Makeover Contest was announced in December. Contest participants must reduce their water use during the months of December through February 2016 compared with the same months in the prior year. Three winners will be chosen based on a combination of volumes of water saved and percentage reductions in water use. The contest was promoted in the customer billing insert, on social media and is featured on IRWD.com and RightScapeNow.com. Participants in the previous landscape makeover contest collectively saved more than nine million gallons of water.

El Niño Emergency Portal

A new El Niño Emergency Portal has been added to the IRWD.com website. Easily accessible from the home page Quick Link section, the new portal features reminders on ways to save water during the winter season as well as valuable emergency resources available throughout Orange County.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

None.

January 7, 2016
Prepared by: M. Tettermer
Submitted by: P. Weghorst *PW*
Approved by: Paul Cook

WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

RECYCLED WATER CONVERSION PROJECTS UPDATE

SUMMARY:

This report provides an update on IRWD's current and future recycled water conversion projects, an update on the North Irvine Lake Pipeline Project and an overview of recycled water use in new developments. An update on customer use of IRWD's Residential Recycled Water Fill Station is also provided.

BACKGROUND:

Recycled Water Conversions in 2015:

The ongoing drought and the state's requirement to reduce potable water consumption have prompted many IRWD customers to convert to the use of recycled water. A significant number of conversions were facilitated by staff in 2015 and there will be additional conversions in the near future. Collaborative conversions were made in 2015 with the Irvine Company, City of Irvine, the University of California, Irvine (UCI), Royalty Carpets Mills and a concrete and asphalt recycling center that will result in potable water savings of 302 acre-feet per year (AFY). Future projects will include both irrigation and industrial uses, and staff has reasonable expectations of realizing greater potable water savings in 2016. Table 1 depicts projects that were converted to recycled water in 2015.

Table 1
Recycled Water Conversions Completed in 2015

Customer	Site	Type of Usage	Potable Water Savings (AFY)
City of Irvine	San Diego Creek Slope #1	Irrigation	10
City of Irvine	Culver Boulevard Medians-South	Irrigation	4
City of Irvine	Culver Boulevard Medians – North	Irrigation	3
City of Irvine	Walnut & Mall	Irrigation	7
City of Irvine	Beech & Royce	Irrigation	2
Ewles Materials	Construction Circle	Dust Suppression	6
Irvine Company	Spectrum	Irrigation	2
Irvine Company	Lakeside	Irrigation	1
Irvine Company	Newport Gateway	Irrigation	11
UCI	Multiple Housing Sites	Irrigation	6
Royalty Carpet Mills	Red Hill Avenue	Industrial	250
Total			302

Royalty Carpet Mills:

The conversion of Royalty Carpet Mills has been completed. The recycled water demand for the site is approximately 250 AFY. Royalty Carpets will be IRWD's largest single site customer of recycled water. Construction of the on-site improvements began on November 11 and the required pipeline construction and installation of new chlorine destruction equipment were completed in December. No cross-connections were detected during the December 22 cross-connection test and IRWD flushed the recycled water system on December 28. The removal of the temporary potable water supply and connection of the recycled water supply will occur on January 7.

Recycled Water Conversions in 2016:

Staff has identified an initial set of recycled water conversions that will occur in 2016 as shown in Table 2. Many additional sites are currently being evaluated for potential conversion in 2016. These additional sites will involve irrigation and industrial uses of water at numerous sites for the City of Irvine, the City of Lake Forest, UCI, Various Home Owner Association (HOA) locations, the Irvine Company and Parker Aerospace. Three potentially significant projects are discussed below.

Table 2
Initial Recycled Water Conversions to be Complete in 2016

Customer	Site	Type of Usage	Potable Water Savings (AFY)
City of Irvine	Senior Center	Irrigation	3
Irvine Company	Rancho San Joaquin HOA	Irrigation	12
Irvine Company	Rancho San Joaquin HOA	Lake Make Up	7
UCI	Central Tower	Make Up	125
Total			147

UCI Central Plant:

Staff continues to work with UCI on an agreement for the conversion of the Central Plant Cooling Towers to recycled water based on the terms approved by the Committee in December. Staff recently met with the Metropolitan Water District of Southern California (MWD) to discuss the potential for developing a new Local Resources Program (LRP) agreement for the project to help offset capital costs associated with the project. MWD has indicated that all costs associated with the project may be eligible for LRP funding and has expressed an interest in pursuing the project. Staff will be working with UCI, MWDOC and MWD in taking the next steps toward applying for LRP funding for the project.

Carriage Hill HOA:

Staff is working with the Carriage Hill HOA in Lake Forest to find a financially viable option to convert its landscape irrigation to recycled water in 2016. Its recycled water demand would be approximately 7 AFY. Approximately 700 feet of pipeline is necessary with an estimated construction cost of \$220,000. IRWD's portion of these costs would be \$61,000. It is expected that MWD would contribute approximately \$7,000 to the project. The HOA's portion of the project costs would be approximately \$152,000. Staff will meet with a representative from the HOA to review the costs and discuss financial options for the project.

Parker Aerospace (Von Karman):

Staff has been working with Parker Aerospace to assess the viability of using recycled water at its Von Karman facility cooling towers and for landscape irrigation. Staff developed planning level cost estimates to convert the irrigation and cooling towers to recycled water under several scenarios to evaluate what would make financial sense for Parker Aerospace. Parker Aerospace considered the costs and benefits of using recycled water in its cooling towers and has elected to not pursue this particular use. Parker Aerospace and staff continue to review the costs and benefits of converting irrigated landscape areas to recycled water.

Irvine Lake Pipeline North Project:

The design of facilities to serve recycled water to the northern portion of the Irvine Lake Pipeline (ILP) is underway. The project includes over two miles of piping and a new 2.4 million gallon reservoir. The Irvine Community Development Company (ICDC) is coordinating the ILP North recycled water conversion project with the proposed Santiago Hills development. ICDC has agreed to combine the offsite pipeline work with ICDC's improvements under a reimbursement agreement. ICDC plans to advertise the improvements in the summer of 2016, and staff expects the pipeline work to take approximately 18 months to complete.

Staff is working on terms for an agreement with the Irvine Company which will address serving recycled water to approximately 500 acres of avocado orchards from the project. Staff anticipates bringing the terms for the agreement to the Committee in the coming months. Staff will be working with Municipal Water District of Orange County (MWDOC) and MWD to reassess the potential for developing a new LRP agreement with MWD to help offset some of the capital costs associated with the project.

New Development:

Staff is currently working on over 220 new development projects that will use recycled water. Since the beginning of the current fiscal year, IRWD has connected 78 new sites and added over 94 acres of landscape that is irrigated with recycled water. Staff is currently working on 19 commercial dual-plumbed buildings that will use recycled water for cooling tower make-up water and/or toilet and urinal flushing. Notable among the commercial dual-plumbed projects are Broadcom's new campus and the Hyatt House Hotel, both of which are currently under construction.

Recycled Water Fill Station:

Staff is tracking activity at the District's Residential Recycled Water Fill Station. Following is an overview of activity at the Fill Station from when it opened on August 17, 2015 through December 27, 2015:

- Number of residents that have applied to obtain recycled water: 199
- Number of residents that have received recycled water: 100
- Number of times residents have received recycled water: 805
- Amount of recycled water received to date: 53,850 gallons
- Average number of visits per day: 6.1
- Average amount of recycled water received per day: 405 gallons

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

None.

January 7, 2016

Submitted by: P. Weghorst *PW*

Approved by: Paul Cook *PC*

WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

COORDINATION OF COMPLIANCE WITH SUSTAINABLE GROUNDWATER MANAGEMENT ACT

SUMMARY:

The Sustainable Groundwater Management Act (SGMA) requires the formation of a Groundwater Sustainability Agency (GSA) and the development of a Groundwater Sustainability Plan (Sustainability Plan) for each high and medium priority groundwater basin in the State of California. As an alternative to developing a Sustainability Plan, a basin may be entirely covered by an Alternate Plan. The SGMA allows Orange County Water District (OCWD), IRWD, the County of Orange and the City of La Habra (Agencies) to be responsible for the management of separate areas of the Coastal Plain of Orange County Groundwater Basin (Coastal Plain Basin) which has been identified as a medium priority basin. Each agency is separately exploring options to comply with SGMA including forming independent GSAs with separate Sustainability Plans and cooperating in the development of an Alternate Plan for the entire Coastal Plain Basin. Staff has considered the merits of the Alternate Plan approach and recommends that the Committee authorize staff to work with OCWD, the County of Orange and the City of La Habra to develop a coordinated management agreement for complying with SGMA through the development and submittal of an Alternate Plan for the Coastal Plain Basin.

BACKGROUND:

In September 2014, Governor Brown signed three bills into law which comprise SGMA. This package of bills created a framework for sustainable and local groundwater management of the state's groundwater resources. SGMA requires the formation of a GSA and the development of a Sustainability Plan for each groundwater basin that is designated by the State as high and medium priority. SGMA does not provide for establishing rights and priorities to the use and storage of groundwater. In October 2015, Governor Brown signed into law two groundwater bills that streamlined adjudication processes for establishing rights and priorities to the use and storage of groundwater and one clean-up bill for SGMA.

OCWD is one of 15 agencies that are identified in SGMA as being the exclusive groundwater management agency within their respective statutory boundaries. OCWD and the other statutorily designated agencies will have to comply with SGMA by either submitting an Alternate Plan, which covers the entire basin, or opting to become a GSA. These agencies cannot exercise any authorities granted in SGMA in a manner inconsistent with any prohibitions or limitations in each agency's principal act. These provisions prohibit OCWD from curtailing groundwater pumping within its boundaries and from managing the groundwater resources outside of its district boundaries. IRWD and OCWD worked together with the Legislature and the Administration to get these provisions incorporated in SGMA.

The OCWD boundary only comprises a portion of the Coastal Plain Basin as shown on Exhibit "A". SGMA allows OCWD, IRWD, the County of Orange and the City of La Habra to be

responsible for the management of separate areas of the Coastal Plain Basin which has been identified as a medium priority basin.

Following is an overview of the Sustainability and Alternate Plan requirements that can be submitted consistent with SGMA. Also provided are an overview and recommendations for the development of a coordinated Alternate Plan for the management of the Coastal Plain Basin.

Sustainability Plans:

In high-priority and medium-priority basins, GSAs are required to develop and implement a Sustainability Plan that considers the interests of all beneficial uses and users of groundwater. A Sustainability Plan must include:

- Description of the basin;
- Measurable objectives;
- Interim milestones to achieve the sustainability goals of SGMA;
- Description of how objectives will be met within a 50-year planning and implementation horizon;
- Overview of monitoring sites and protocols;
- Consideration of county or city General Plans;
- Components related to monitoring and management of groundwater levels, groundwater quality and subsidence; and
- Consideration of surface flows that directly affect groundwater levels or quality or are impacted by groundwater extractions.

Alternate Plan for Coastal Plain Basin:

As an alternative to developing a Sustainability Plan, a local agency or groups of agencies in a basin may choose to submit for review and approval, by the California Department of Water Resources (DWR), an Alternate Plan that satisfies the objectives of the SGMA. An Alternate Plan may be an "AB-3030" Groundwater Management Plan prepared pursuant to Part 2.75 of the Water Code, an adjudication action, or an analysis of the basin prepared by a California-licensed Professional Engineer or Geologist that demonstrates that the basin has operated within its sustainable yield for a period of at least 10 years. Alternate plans must be submitted to DWR for review by January 1, 2017, and every five years thereafter. DWR is in the process of developing regulations defining the requirements of an Alternate Plan.

OCWD, IRWD, the County of Orange and the City of La Habra are separately exploring options to comply with SGMA, including opting to become independent GSAs or jointly submitting a coordinated Alternate Plan. DWR has informed OCWD that for an Alternate Plan to be accepted, it must cover the entire Coastal Plain Basin as depicted in Exhibit "A". The development and submittal of an Alternate Plan would require coordination of each agency.

Retaining Autonomy:

The submittal of an Alternate Plan for the Coastal Plain Basin would allow OCWD, IRWD, the County of Orange and the City of La Habra to retain full autonomy in managing groundwater in each agency's respective areas. OCWD as well as the other agencies would not have the right to manage groundwater outside their respective boundaries. In addition, the submittal of an Alternate Plan would not infringe on the ability of any of the agencies to form a GSA and submit a Sustainability Plan for their respective areas at any time in the future. It would be the goal of the parties that an Alternate Plan that is submitted and approved by DWR would not be nullified by any of the agencies forming a GSA and subsequently submitting a Sustainability Plan. In such cases, the Alternate Plan would simply cover a reduced area.

La Habra Basin Boundary Change:

The City of La Habra is currently pursuing a jurisdictional change of the Coastal Plain Basin to create a separate La Habra Groundwater Basin. If La Habra is successful in securing the boundary change, then the City would not need to participate in the development and submittal of an Alternate Plan. If the City is not successful, then it would need to participate in the development and submittal of an Alternate Plan for the Coastal Plain Basin to ensure that the entire basin is covered by the plan. The City is currently considering such participation.

IRWD Participation in Alternate Plan:

Staff has considered the merits of participating in the development and submittal of an Alternate Plan for the Coastal Plain Basin. Under such a plan, IRWD would manage the groundwater resources of the Coastal Plain Basin outside of the OCWD boundary and inside IRWD's service area. Participation in an Alternate Plan would require fewer resources than the development of a Sustainability Plan. Through Alternate Plan participation, IRWD would retain its ability to form a GSA and submit a Sustainability Plan at any time in the future.

Staff recommends that the Committee authorize staff to work with OCWD, the County of Orange, the City of La Habra and any other necessary agencies to develop a draft coordinated management agreement for complying with SGMA through the development and submittal of an Alternate Plan for the Coastal Plain Basin. Once complete, staff will return to the Committee to seek input on a draft agreement.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

That the Committee authorize staff to work with the Orange County Water District, the County of Orange, the City of La Habra and any other necessary agencies to develop a draft coordinated management agreement for complying with SGMA through the development and submittal of an Alternate Plan for the Coastal Plain of Orange County Groundwater Basin.

LIST OF EXHIBITS:

Exhibit "A" – Map of Coastal Plain of Orange County Groundwater Basin

LOS ANGELES
COUNTY

SAN BERNARDINO
COUNTY

RIVERSIDE
COUNTY

ORANGE
COUNTY

- DWR GW Basin 8-1 Bulletin 118
– Coastal Plain of Orange County
(Original)
- DWR GW Basin 8-1 Bulletin 118
– Area Outside of OCWD
- Irvine Ranch Water District

- OCWD Service Boundary
- County Boundary

**DWR Bulletin 118, Basin 8-1,
Coastal Plain of Orange County Groundwater Basin**



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January 7, 2016

Prepared and

Submitted by C. Compton 

Approved by: Paul Cook 

WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

2016 LEGISLATIVE UPDATE

SUMMARY:

This report provides an update on the 2015-2016 legislative session and IRWD priorities. As legislation develops, staff will provide updates and recommendations to the Water Resources Policy and Communications Committee and the Board, as appropriate. Staff recommends that the Board consider the following actions/positions:

- *SB 163 (Hertzberg, D-Van Nuys) – Wastewater Treatment: Recycled Water: “OPPOSE”* and authorize the District to submit a letter of concern on SB 163 as requested by Senator Hertzberg’s Office.

BACKGROUND:

The 2015-16 Legislature reconvened on January 4, 2016, for the second year of the two-year session. As with the second year of any session, pending legislative business left over from 2015 will be taken up quickly in order to meet looming legislative deadlines. The bills remaining at the close of the 2015 legislative year will need to meet the January 15 policy committee deadline if they are still in their house of origin. Other upcoming legislative deadlines of note are:

- January 10 – Last day for the Governor to submit a budget proposal to the Legislature
- January 22 – Last day to submit bill requests to the Office of Legislative Counsel
- January 31 – Last day for bills introduced in 2015 to be passed out of their house of origin
- February 19 – Last day for bills to be introduced

A copy of the Legislative Matrix is attached as Exhibit “A”.

State Budget Update:

November State Revenue Numbers Released:

Given the political implications that State revenues and the State’s fiscal outlook can have on local government, staff continues to monitor the State’s revenue and budget situation. On December 10, 2015, State Controller Betty Yee released her monthly report on the State’s finances. She announced that the State took in \$7.2 billion in revenue during the month of November. This amount was \$39.8 million lower than budgeted. The discrepancy between the budget and actual amount was due to the fact that a \$300 million payment the State expected in November had been received three months early. The payment was a settlement between the California Public Utilities Commission and the Pacific Gas & Electric Co. for the 2010 San Bruno explosion.

Despite November's revenue numbers, for the first five months of Fiscal Year 2015-16 total General Fund revenues were still ahead of budget estimates. Fiscal year revenues from July through November came in at \$37.1 billion, which is \$502.9 million or 1.4 percent higher than expected.

According to Controller Yee's report,

"The State ended the month of November with \$12.2 billion in outstanding loans — \$752.5 million, or 5.8 percent, less than expected. For the first year in 15 years, the [S]tate is covering month-to-month shortfalls exclusively through internal borrowing from special funds rather than external loans, such as revenue anticipation notes. The improved fiscal condition of the General Fund, the source of most [S]tate spending, has saved the state tens of millions of dollars in interest costs."

In November 2015, the Legislative Analyst Office (LAO) issued "*The 2016-17 Budget: California's Fiscal Outlook*." The outlook forecasts that Fiscal Year 2015-2016 revenues will exceed budget estimates by \$3.5 billion, the majority of which will be deposited into the Proposition 2 Rainy Day Fund. The LAO also forecasted that Fiscal Year 2016-2017 revenues would remain strong, and assuming no new budget commitments are made, the State could end the 2016-2017 Fiscal Year with reserves of \$11.5 billion. Despite this positive outlook, the LAO cautioned the Legislature that:

"The more new budget commitments are made in 2016–17, however, the more likely it is that the [S]tate would face difficult choices—such as spending cuts and tax increases—later. As such, the Legislature faces the fundamental trade-off between the benefits of new commitments now versus fewer difficult budget decisions later. A sizable reserve is the key to making it through the next economic downturn with minimal disruption to public programs."

As a result of the LAO's forecast and the recent months of higher than anticipated revenues, there will undoubtedly be some legislative pressure to increase spending. Governor Jerry Brown is scheduled to release his annual budget on January 10, 2015. He will likely caution the Legislature to exercise fiscal restraint with the Fiscal Year 2016-17 budget as he has done over the last several years.

2016 Ballot Initiatives:

As of the writing of this report, eight statewide ballot measures have qualified for a 2016 ballot and 117 proposed ballot initiatives have been submitted to the Attorney General's Office for placement on the ballot. Of the 116 measures submitted 17 have failed to qualify for the ballot, 73 have been cleared for circulation, and 27 are pending title and summary by the Attorney General's Office.

Of the eight statewide ballot measures qualified for a 2016 ballot, one statewide ballot measure, which would allow the Legislature to suspend a member upon a two-thirds vote and would authorize that the salary and benefits of any suspended member be forfeited, has qualified for the June ballot. Three statewide ballot measures have qualified and four have become eligible for

the November ballot. The three qualified measures deal with single-use plastic bags, English language education, and use of State fees on hospitals for the purpose of obtaining federal Medi-Cal matching funds. The four eligible proposals deal with State prescription drug purchases; adult films; a \$9 billion school bond; and a proposal to require statewide voter approval before any revenue bonds can be issued or sold by the State for projects that are financed, owned, operated, or managed by the state or any joint agency created by or including the state, if the bond amount exceeds \$2 billion.

Of the measures still trying to qualify for the 2016 ballot, there are several that related to water or water infrastructure. These include proposals to:

- Impose a five-cent on each ounce of bottled water containing any surface, underground, or municipal water collected in California for water infrastructure projects;
- Enact a new water bond entitled “The Water Supply Reliability and Drought Protection Act of 2016” (Versions 1-8);
- Enact “The Water Priorities Public Interest and Public Trust Constitutional Amendment and the New Surface Water and Groundwater Storage Facilities Bond Act of 2016,” which would redistribute bond funds from high speed rail and Proposition 1’s storage funds to the State Water Storage and Groundwater Storage Facilities Authority for the development of new water storage and groundwater storage facilities in California; and
- Enact “The California Water Conservation, Flood Control and Stormwater Management Act of 2016,” which is discussed in more detail below.

While the majority of the non-qualified proposals will not qualify for the November ballot, even if a handful of them qualify the November 2016 ballot could be very full. If 20 or more initiatives qualify, it would be the most initiatives California has had on the ballot since March 2000.

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

Since staff’s April 27 presentation to the Board on the *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano* and the Board’s discussion regarding the need for legislative clarification on tiered water rates, staff has been working with the District’s industry and association partners on seeking clarification. The California League of Cities, the California Association of Counties and the Association of California Water Agencies (ACWA) have continued work to develop a constitutional amendment to address tiered water rate structures, stormwater funding, and voluntary low-income rate subsidization. “The California Water Conservation, Flood Control and Stormwater Management Act of 2016,” also known as the Article X proposal, was submitted by this coalition to the Attorney General’s Office on December 14, 2015. A copy of the submitted proposal is attached as Exhibit “B”.

As submitted, the proposal would create an alternative funding mechanism, separate and apart from Proposition 218 and Proposition 26, through which water and sewer services rates, fees and

charges could be developed. The proposal is designed to allow local agencies to levy fees for flood control and stormwater management without going to the voters for approval. Additionally, the proposal authorizes low-income rates and attempts to provide greater flexibility for tiered water rate structures. Staff has engaged with ACWA regarding the tiered water rate provisions and the need for amendments to the proposal consistent with IRWD's legislative priorities to "engage in discussions surrounding water and wastewater infrastructure financing including engaging in discussions related to Proposition 218 reforms to protect IRWD's interests" and to protect "the District's ability to use its allocation-based tiered rate structures to respond to the drought and water supply shortages." Staff will provide the Committee with an update on these discussions.

In addition to the Article X proposal submitted to the Attorney General's Office, many of the discussions staff has engaged in regarding tiered water rate reforms and Proposition 218 have included discussions with various Proposition 218 attorneys engaged in water rate challenges. These attorneys along with others have suggested several procedural reforms, which are aimed at bringing more certainty to the legal process for challenging water rates, providing clarity to the amount of exposure an agency is open to, and seeking to limit costs for parties involved in rate challenges. Staff will discuss the suggested procedural reforms with the Committee and possible next steps that could be taken to engage stakeholders regarding these suggested changes.

IRWD 2016 State Legislative Priorities:

Public Goods Charge for Water:

As has been previously reported, Senator Fran Pavley (D-Calabasas) gutted and amended SB 20 on August 26, 2015, to begin a policy conversation on a public goods charge for water. As amended, the bill does not contain a funding mechanism but would create the California Water Resiliency Investment Fund. Amendments to SB 20 that would seek to establish a public goods charge for water are expected to be released in early January. Staff has continued to engage with IRWD's industry and association partners to oppose a public goods charge for water consistent with the Board-adopted policy principle. Staff will provide an update on any new developments, including any proposed amendments released prior to the meeting.

State Water Resources Control Board Emergency Regulations:

On December 21, 2015, the State Water Resources Control Board (SWRCB) released a "Proposed Regulatory Framework for Extended Emergency Regulation for Urban Water Conservation." A copy of the proposed framework is attached as Exhibit "C".

The proposed framework recognizes that at the time the SWRCB adopted the current emergency regulations a number of urban water suppliers had put forth refinements to the conservation tiers to reflect factors such as climate, growth, use of indirect potable reuse, and demand hardening. SWRCB staff were directed to work with stakeholders to further develop and consider those factors in any update to the emergency regulations. In the proposed framework, SWRCB staff has put forth their recommendations for modifications to the emergency regulations. The recommendations include adoption of a climate adjustment, growth adjustment, and a credit for drought resilient sources of supply. SWRCB staff did not recommend any credit for

groundwater supplies, demand hardening, or a regional compliance approach. The proposed framework invited public comment on SWRCB staff recommendations by January 6, 2016.

Since the release of the proposed framework, staff has continued conversations with SWRCB staff regarding the emergency regulations and plans on submitting a comment letter prior to the January 6 deadline. Staff will provide the Committee with an update on its discussion with the SWRCB.

SB 163 (Hertzberg, D-Van Nuys) — Wastewater Treatment: Recycled Water:

On September 3, 2015, Senator Bob Hertzberg (D, Van Nuys) amended SB 163, which had previously dealt with elections, in order to propose a 100 percent ban on ocean discharge of treated wastewater. Specifically, the bill would:

- Declare that the discharge of treated wastewater from ocean outfalls, except in compliance with the bill's provisions, is a waste and unreasonable use of water in light of the cost-effective opportunities to recycle this water for further beneficial use;
- Require by January 1, 2026, a wastewater treatment facility discharging through an ocean outfall to achieve at least 50 percent reuse of the facility's actual annual flow, defined as the annual average flow of treated wastewater discharging through a facility's ocean outfall as determined by the SWRCB using monitoring data available for calendar years 2009 to 2014;
- Require by January 1, 2036, a wastewater treatment facility discharging through an ocean outfall to achieve at least 100 percent reuse of the facility's actual annual flow for beneficial purposes;
- Prohibit the discharge of treated wastewater from ocean outfalls after January 1, 2036, unless it is a backup discharge which may only occur during periods of reduced demand for reclaimed water (e.g. during a period of wet weather);
- Require a holder of a NPDES permit authorizing the discharge of wastewater through an ocean outfall to submit a plan on or before July 1, 2020, outlining how it will comply with the discharge prohibition;
- Allow an NPDES permit holder to seek a partial exemption from the discharge prohibition from the SWRCB; and
- Prohibit the NPDES permit holder who is granted a partial exemption from obtaining state grants or loans unless the state grant or loan is solely for complying with the discharge prohibition.

A copy of SB 163 is attached as Exhibit "D".

Senator Hertzberg has requested that parties concerned about SB 163 submit letters outlining their concerns to his office. Given that SB 163, if enacted as currently drafted, would affect IRWD's ability to discharge brine and treated wastewater from its plants when necessary, staff recommends that the Board adopt an "Oppose" position on SB 163 and authorize the District to submit a letter of concern on SB 163.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

That the Board adopt an "OPPOSE" position on SB 163 (Hertzberg, D-Van Nuys) related to Wastewater Treatment and Recycled Water, and authorize the District to submit a letter of concern on the bill as requested by Senator Hertzberg's office.

LIST OF EXHIBITS:

Exhibit "A" – IRWD Legislative Matrix

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

Exhibit "C" – SWRCB "Proposed Regulatory Framework for Extended Emergency Regulation for Urban Water Conservation"

Exhibit "D" – SB 163 (Hertzberg), as amended

EXHIBIT A
IRWD 2016 LEGISLATIVE MATRIX
Updated: 1/4/2016

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 12</u> Cooley (D)	State Government: Administrative Regulations: Review		Requires each state agency after a noticed public hearing, to review the agency's regulations, identify any regulations that are duplicative, overlapping, inconsistent, or out of date, to revise those identified regulations, and report to the Legislature and Governor.	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<u>AB 14</u> Waldron (R)	Unmanned Aircraft Systems: Task Force		Creates the Unmanned Aircraft Systems Task Force to research, develop, and formulate a comprehensive policy for unmanned aircraft systems. Requires the task force to submit a policy draft and suggested legislation pertaining to unmanned aircraft systems.	04/13/2015 - In ASSEMBLY Committee on TRANSPORTATION: Failed passage.;04/13/2015 - In ASSEMBLY Committee on TRANSPORTATION: Reconsideration granted.
<u>AB 21</u> Perea (D)	Global Warming Solutions Act of 2006: Scoping Plan		Requires the State Air Resources Board in preparing its scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas reduction, to consult with specified State agencies regarding matters involving energy efficiency and the facilitation of the electrification of the transportation sector.	09/18/2015 - In SENATE. Ordered to Inactive File due to inaction prior to Fall Recess.
<u>AB 23</u> Patterson (R)	Global Warming Solutions Act of 2006: Compliance		Exempts categories of persons or entities that did not have a compliance obligation under a market-based compliance mechanism from being subject to that market-based compliance mechanism.	03/23/2015 - In ASSEMBLY Committee on NATURAL RESOURCES: Failed passage.;03/23/2015 - In ASSEMBLY Committee on NATURAL RESOURCES: Reconsideration granted.
<u>AB 33</u> Quirk (D)	Electrical Corporations: Procurement Plans		Requires the Public Utilities Commission to determine what role large scale energy storage could play as part of the state's overall strategy for procuring a diverse portfolio of resources and to consider specified factors in making that determination.	09/08/2015 - In SENATE. Read second time. To third reading.;09/08/2015 - Re-referred to SENATE Committee on RULES.
<u>AB 45</u> Mullin (D)	Household Hazardous Waste		Requires each jurisdiction providing for the residential collection and disposal of solid waste to increase the collection and diversion	05/20/2015 - In ASSEMBLY Committee on APPROPRIATIONS: To

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Updated: 1/4/2016

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			of household hazardous waste in its service area over the baseline. Provides the increase is to be determined in accordance with Department of Resources Recycling and Recovery regulations. Authorizes the adoption of a model ordinance for a comprehensive program for the collection of waste. Requires an annual report to the Department on progress in achieving compliance.	Suspense File.
AB 56 Quirk (D)	Unmanned Aircraft Systems		Prohibits law enforcement agencies from using unmanned aircraft systems, obtaining an unmanned aircraft system from another public agency by contract, loan, or other arrangement, or using information obtained from an unmanned aircraft system used by another public agency, except as provided. Provides for the protection of data gathered through the use of such systems. Prohibits a person from arming such a system with a weapon. Provides for civil actions.	09/08/2015 - In SENATE. Read second time. To third reading.;09/08/2015 - In SENATE. From third reading. To Inactive File.
AB 78 Mathis (R)	Groundwater Basins		Makes technical nonsubstantive changes to existing law that requires the Department of Water Resources to categorize each basin or subbasin as high-, medium-, low-, or very low priority and to establish ground water the initial priority for each basin.	01/05/2015 - INTRODUCED.
AB 156 Perea (D)	Global Warming Solutions Act: Disadvantaged Communities		Requires the State Air Resources Board, pursuant to the Global Warming Solutions Act of 2006, to post on its Internet Web site a specified report on the projects funded to benefit disadvantaged communities. Requires the Board to establish and accomplish a comprehensive technical assistance program, upon appropriation from the Greenhouse Gas Reduction Fund, for eligible applicants assisting defined eligible communities. Requires an allocation to the Board for the program.	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
AB 259 Dababneh (D)	Personal Information Privacy		Requires an agency, if the agency was the source of the breach and the breach compromised a person's social security number, driver's license number, or California identification card number, to offer to provide the person with identity theft prevention and mitigation services at no cost for not less than 12 months.	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 291</u> Medina (D)	Environmental Quality Act: Local Agencies: Water		Authorizes a local agency, for certain water projects, to file a specified notice with the county clerk of the county in which the local agency's principal office is located, along with any required payment to the Department of Fish and Wildlife, and with the Office of Planning and Research and to transmit a copy of the notice to the county clerk of the counties in which the project is located. Requires the notice and the copies of the notice to be available to for public inspection. Relates to challenges.	06/10/2015 - From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.;06/10/2015 - In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.
<u>AB 307</u> Mathis (R)	Graywater: Groundwater Recharge		States the intent of the Legislature to enact legislation to explicitly permit the usage of residential, commercial, and industrial graywater for the recharge of a groundwater basin or aquifer.	02/12/2015 - INTRODUCED.
<u>AB 308</u> Mathis (R)	Graywater: Agricultural Use		States the intent of the Legislature to enact legislation to explicitly permit incorporated and unincorporated communities to sell graywater for agricultural purposes and agriculture to use graywater for agricultural purposes.	02/12/2015 - INTRODUCED.
<u>AB 311</u> Gallagher (R)	Environmental Quality: Water Quality and Supply		Requires the public agency, in certifying the environmental impact report and in granting approvals for specified water storage projects funded, in whole or in part, by Proposition 1, to comply with specified procedures. Requires the Judicial Council to adopt a rule of court to establish procedures applicable to actions or proceedings seeking judicial review of an agency's action in certifying the environmental impact report and in granting project approval. Relates to court staying of the projects.	04/29/2015 - From ASSEMBLY Committee on NATURAL RESOURCES without further action pursuant to JR 62(a).
<u>AB 335</u> Patterson (R)	Air Quality: Minor Violations		Requires the State Air Resources Board and air pollution control and air quality management districts to adopt regulations classifying minor violations. Requires a representative of those agencies to issue a notice to comply. Requires the State Air Resources Board to report to the Legislature regarding implementation of these provisions. Exempts such districts from these provisions if the districts have a	05/19/2015 - From ASSEMBLY Committee on NATURAL RESOURCES without further action pursuant to JR 62(a).

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			similar program in effect as of a specified date.	
<u>AB 356</u> Williams (D)	Oil and Gas: Groundwater Monitoring		Authorizes the State Oil and Gas Supervisor to require a well operator to implement a monitoring program for below ground oil production tanks and facilities, and disposal and injection wells. Requires the annual review of underground injection or disposal projects that use Class II wells. Requires the submission of a related groundwater monitoring plan. Requires submission of certain data for the State's geotracker database. Provides procedures for an aquifer exemption. Relates to plan modification.	06/11/2015 - In ASSEMBLY. Reconsideration granted.;06/11/2015 - In ASSEMBLY. From third reading. To Inactive File.
<u>AB 452</u> Bigelow (R)	Water Rights Fund: Groundwater Regulation		Amends existing law that establishes groundwater reporting requirements for a person extracting groundwater in an area within a basin that is not within the management area of a groundwater sustainability agency or that is a probationary basin. Prohibits water rights fees from being available for expenditure by the Water Resources Control Board for the purposes of Board enforcement of the provisions of the Sustainable Groundwater Management Act and the groundwater reporting requirements.	04/28/2015 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.
<u>AB 453</u> Bigelow (R)	Groundwater Management		Authorizes, until a groundwater sustainability plan is adopted, a local agency that has adopted a groundwater management plan to impose fees on the extraction of groundwater from a groundwater basin to fund costs of groundwater management and to collect groundwater extraction information, as long as a groundwater management plan adopted before a specified date, is in effect.	12/10/2015 - Re-referred to SENATE Committee on RULES.
<u>AB 454</u> Bigelow (R)	Sustainable Groundwater Management		Relates to groundwater basins. Requires a high- or medium-priority basin that is not subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plan. Provides for the designation of basins as probationary basins.	04/14/2015 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.
<u>AB 455</u>	Groundwater Sustainability		Amends the California Environmental Quality Act. Requires the	04/14/2015 - In ASSEMBLY

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
Bigelow (R)	Plans		Judicial Council to adopt a rule of court to establish procedures applicable to actions or proceedings brought to attack, review, set aside, void, or annul the certification of an environmental impact report for certain projects covered by a groundwater sustainability plan. Prohibits the court from staying or enjoying the construction or operation of the project unless the court makes a certain finding.	Committee on WATER, PARKS AND WILDLIFE: Not heard.
AB 472 Harper (R)	Public Works: Prevailing Wage: Volunteers		Makes a nonsubstantive, technical change by deleting an obsolete provision in existing law that generally requires the payment of not less than the prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed by workers employed on public works projects, except work performed by a volunteer, a volunteer coordinator, or member of the State Conservation Corps, or a community conservation corps.	02/23/2015 - INTRODUCED.
AB 478 Harper (R)	Desalination		Makes a nonsubstantive change to the Cobey-Porter Saline Water Conversion Law that states the policy of this state that desalination projects developed by or for public water entities be given the same opportunities for state assistance and funding as other water supply and reliability projects, and that desalination be consistent with all applicable environmental protection policies in the state.	02/23/2015 - INTRODUCED.
AB 501 Levine (D)	Resources: Delta Research		Relates to the Sacramento-San Joaquin Delta Reform Act of 2009. Requires a person conducting State-funded Delta Research to take specified actions with regard to the sharing of the primary data, samples, physical collections, and other supporting materials created or gathered in the course of that research. Relates to ineligibility. Authorizes the Delta Independent Science Board to adopt guidelines. Suspends State funding for improper reporting. Provides research property rights remain with the researcher.	04/29/2015 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.
AB 537 Allen T (R)	Public Employees' Benefits		Prohibits a public agency, state employer, employee organization, or public employee from entering into a memorandum of understanding that provides postemployment health care benefits without a strategy for permanently prefunding members' postemployment healthcare	03/05/2015 - To ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			benefits.	
<u>AB 577</u> Bonilla (D)	Biomethane: Grant Program		Requires the development and implementation of a grant program to award grants for projects that produce biomethane, that build or develop collection and purification technology or infrastructure, or that upgrade or expand existing biomethane facilities. Authorizes moneys in the Greenhouse Gas Reduction Fund to be used to fund grants awarded under the program.	09/11/2015 - Re-referred to SENATE Committee on RULES.
<u>AB 585</u> Melendez (R)	Outdoor Water Efficiency: Personal Income Tax Credits	Support	Relates to the Outdoor Water Efficiency Act. Allows a credit, under the Personal Income Tax Law, for a specified percentage of the amount paid or incurred by a qualified taxpayer for water-efficiency improvements on qualified real property. Limits the cumulative amount of the credit. Requires a taxpayer to obtain and retain a improvements certification from a regional or local water agency, and to provide a copy to the Franchise Tax Board upon request.	08/27/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>AB 590</u> Dahle (R)	Greenhouse Gas Reduction Fund		Provides that moneys in the Greenhouse Gas Reduction Fund account may be made available for expenditure by the State Energy Resources Conservation and Development Commission for maintaining the current level of biomass power generation or geothermal energy generation in the State and revitalizing currently idle facilities in strategically located regions. Establishes requirements for an applicant to receive available funding for a facility's eligible electrical generation.	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<u>AB 603</u> Salas (D)	Income Taxes: Every Drop Counts Tax Credit	Support	Allows a credit under the Personal Income Tax and the Corporation Tax laws to a taxpayer participating in a lawn replacement rebate program.	05/28/2015 - In ASSEMBLY. Joint Rule 62(a) suspended.;05/28/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>AB 615</u> Rendon (D)	Office of Sustainable Water Solutions: Assistance		Amends existing law that establishes the Office of Sustainable Water Solutions to promote permanent and sustainable drinking	06/18/2015 - To SENATE Committee on ENVIRONMENTAL QUALITY.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			water and wastewater treatment solutions to ensure the effective and efficient provision of safe, clean, affordable, and reliable drinking water and wastewater treatment services and authorizes the office to provide technical assistance to disadvantaged communities and small drinking water systems and wastewater systems. Specifies the technical assistance that may be provided.	
<u>AB 639</u> Dahle (R)	Water Quality: Membership of Regional Boards		Makes nonsubstantive changes to provisions of existing law which requires the State Water Resources Control Board and the regional water quality control boards to prescribe waste discharge requirements in accordance with the federal national pollutant discharge elimination system permit program established by the federal Clean Water Act and the Porter-Cologne Water Quality Control Act.	02/24/2015 - INTRODUCED.
<u>AB 647</u> Eggman (D)	Beneficial Use: Storing of Water Underground		Declares that the diversion of water to underground storage constitutes a beneficial use of water if the water so stored is thereafter applied to the beneficial purposes for which the appropriation for storage was made, or if the water is so stored consistent with a sustainable groundwater management plan, statutory authority to conduct groundwater recharge, or a judicial decree and is for specified purposes. Requires applying for a permit or petition for a change. Requires including specified conditions.	06/30/2015 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's amendments.;06/30/2015 - In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.
<u>AB 723</u> Rendon (D)	Rental Property: Plumbing Fixtures: Replacement		Requires the lease or rental agreement of a single-family residential real property or any portion of a multifamily residential real property or commercial real property that is entered into, renewed, or amended, be accompanied by a disclosure stating the property owner's responsibility to replace all noncompliant plumbing fixtures with water-conserving plumbing fixtures.	07/16/2015 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 725</u> Wagner (R)	Water Quality: Recycled Water: Storm-Induced Overflow	Sponsor	Requires the State Water Resources Control Board to adopt a policy to address the potential for a storm-induced overflow from an impoundment in which recycled water is stored for subsequent	03/26/2015 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.;03/26/2015 - From

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			beneficial use or aesthetic purposes.	ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;03/26/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
<u>AB 935</u> Salas (D)	Water Projects		Requires, upon appropriation by the Legislature, the Department of Water Resources to provide funding for certain projects, provided that certain conditions are met.	09/10/2015 - In SENATE. From third reading. To Inactive File.
<u>AB 936</u> Salas (D)	Groundwater Monitoring		Amends existing law which provides that certain entities with authority to assume groundwater monitoring functions with regard to a basin or subbasin for which the Department of Water Resources has assumed those functions are not eligible for a water grant or loan awarded or administered by the state. Authorizes an exemption for the eligibility restriction if the entity submits specified documentation that provides that there are special circumstances justifying noncompliance.	05/28/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>AB 937</u> Salas (D)	Groundwater Plan/Assistance: Disadvantaged Communities		Requires the Department of Water Resources to provide technical assistance to disadvantaged communities so that they may participate in groundwater planning, including planning for regional groundwater banking, with any county or other local agency.	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<u>AB 938</u> Salas (D)	Groundwater: Basin Reprioritization		Imposes the requirement to establish a groundwater sustainability agency on a local agency or combination of local agencies overlying a groundwater basin.	05/07/2015 - To SENATE Committee on NATURAL RESOURCES AND WATER.
<u>AB 954</u> Mathis (R)	Water and Wastewater Loan and Grant Pilot Program		Creates the Water and Wastewater Loan and Grant Program. Require the State Water Resources Control Board to establish a pilot program to provide low-interest loans and grants to local agencies for grants to eligible individual homeowners for purposes relating to drinking water and wastewater treatment. Creates a related fund for	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			use under the program. Transfers a specified amount of funds from the General Fund to the fund.	
<u>AB 957</u> Mathis (R)	Water Quality, Supply, Infrastructure Improvement		Relates to grants under the Water Quality, Supply, and Infrastructure Improvement Act of 2014 for water supply reliability improvement to include in that improvement criterion whether the project is proposed by a community that is dependent on groundwater from a basin in overdraft, and would include in the public health benefits criterion whether the project is proposed by a community that has extended, or is in the process of extending, its water service deliveries to specified groundwater entities.	04/28/2015 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.
<u>AB 977</u> Mayes (R)	State Water Pollution Control Revolving Fund		Amends existing law that requires loans under the State Water Pollution Control Revolving Fund to meet specified criteria, including requiring full amortization not later than a specified number of years after project completion. Requires full amortization not later than another specified number of years after project completion.	03/26/2015 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS with author's amendments.;03/26/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<u>AB 1019</u> Garcia E (D)	Metal Theft and Related Recycling Crimes		Requires the Department of Justice to establish a Metal Theft Task Force Program designed to enhance the capacity of the department to serve as the lead law enforcement agency in the investigation and prosecution of illegal recycling operations, and metal theft and related recycling crimes. Authorizes the department to enter into partnerships with local law enforcement agencies.	05/28/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>AB 1030</u> Ridley-Thomas S (D)	Global Warming Solutions Act of 2006: Greenhouse Gas		Amends existing law that relates to the Greenhouse Gas Reduction Fund. Requires priority be given to projects involving hiring that support the targeted training and hiring of workers from disadvantaged communities for career-track jobs.	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<u>AB 1068</u>	California Environmental		Authorizes each Member of the Legislature to nominate one project	03/19/2015 - To ASSEMBLY

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
Allen T (R)	Quality Act: Priority Projects		within his or her respective district each year, and the Governor to designate those projects as priority projects if the projects meet specified requirements. Requires the Governor to provide a notice of the designation to the appropriate lead agency and to the Office of Planning and Research. Requires an environmental impact report for each project. Authorizes tiering from previously prepared reports. Relates to court stays of projects.	Committees on NATURAL RESOURCES and JUDICIARY.
AB 1128 Jones-Sawyer (D)	Water Conservation		Makes nonsubstantive changes to existing law that declares the intent of the Legislature to, among other things, promote urban water conservation standards that are consistent with the California Urban Water Conservation Council's adopted best management practices and specified requirements for demand management.	02/27/2015 - INTRODUCED.
AB 1139 Campos (D)	Personal Income Tax: Credit: Turf Removal		Allows a taxpayer, under the Personal Income Tax Law, a credit for participation in a lawn replacement program.	03/26/2015 - To ASSEMBLY Committee on REVENUE AND TAXATION.;03/26/2015 - From ASSEMBLY Committee on REVENUE AND TAXATION with author's amendments.;03/26/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on REVENUE AND TAXATION.
AB 1144 Rendon (D)	Renewables Portfolio Standard Program: Credits		Provides that renewable energy credits may be used to meet certain portfolio content requirements if the credits are earned by electricity that is generated by an entity that would be excluded from the definition of an electrical corporation by operation of the exclusions for entities employing landfill or digester gas technology that meets certain requirements, including that the electricity is used at a wastewater treatment facility. Prohibits certain marketing claims.	08/17/2015 - From SENATE Committee on APPROPRIATIONS with author's amendments.;08/17/2015 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 1201 Salas (D)	Delta: Predation by Nonnative Species	Support	Requires the State Department of Fish and Wildlife to develop a science-based plan that addresses predation by nonnative species	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			upon species of fish listed pursuant to the State Endangered Species Act that reside all or a portion of their lives in the Sacramento-San Joaquin Delta and that considers predation reduction for all Chinook salmon and other native species not listed pursuant to the Act. Provides for input from the scientific community, water users and fishing communities.	committee.
<u>AB 1242</u> Gray (D)	Water Quality and Storage		Provides provisions of law requiring a specified increase in statewide water storage capacity, and updating water strategies and implementation plans. Requires the Water Resources Control Board, in formulating policy for water quality control and adopting or approving a water quality control plan for the Sacramento-San Joaquin Delta, to take into consideration any applicable groundwater sustainability plan or alternative and available information on impacts of groundwater use and beneficial uses of water.	09/02/2015 - In SENATE. Read second time. To third reading.;09/02/2015 - Re-referred to SENATE Committee on RULES.
<u>AB 1243</u> Gray (D)	Groundwater Recharge: Grants		Establishes the Groundwater Recharge Grant Fund. Provides that moneys in the fund are available to the State Water Resources Control Board to provide grants to local governments and water districts for groundwater recharge infrastructure projects.	04/14/2015 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.
<u>AB 1315</u> Alejo (D)	Public Contracts Water Pollution Prevention Plans		Prohibits a public entity, charter city, or charter county from delegating to a contractor the development of a plan used to prevent or reduce water pollution or runoff on a public works contract. Provides exceptions. Prohibits those same entities from requiring a contractor on a public works contract that includes compliance with a plan to assume responsibility for the completeness and accuracy of a plan developed by that entity.	05/28/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>AB 1325</u> Salas (D)	Delta Smelt		Enacts the Delta Smelt Preservation and Restoration Act of 2016. Requires the development of a delta smelt hatchery program to preserve and restore the delta smelt. Requires entering into mitigation banking agreements with banking partners of the Department of Fish and Wildlife for the purpose of providing take	04/28/2015 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Failed passage.;04/28/2015 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE:

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			authorizations to those partners and to obtain funding from banking agreements. Appropriates an unspecified amount of money from an unspecified source to implement these provisions.	Reconsideration granted.
<u>AB 1362</u> Gordon (D)	Local Government Assessments Fees and Charges		Defines stormwater for purposes of the Proposition 218 Omnibus Implementation Act to mean any system of public improvements or service intended to provide for the quality, conservation, control, or conveyance of waters that land on or drain across the natural or man-made landscape.	03/23/2015 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<u>AB 1454</u> Wagner (R)	Water Quality: Trash: Single-Use Carryout Bags		Suspends the operation of certain amendments to water quality control plans relating to the total maximum daily load for trash unless and until specified provisions inoperative due to a pending referendum election become effective. Requires the State Water Resources Control Board to revisit and revise the water quality control plans to address impaired water quality due to trash if the law pending referendum is defeated.	04/23/2015 - Re-referred to ASSEMBLY Committee on RULES.
<u>AB 1463</u> Gatto (D)	Onsite Treated Water		Requires the State Water Resources Control Board, in consultation with the Department of Public Health, the Building Standards Commission, and stakeholders, to establish water quality standards and distribution, monitoring, and reporting requirements for onsite water recycling systems prior to authorizing the use of onsite treated water in internal plumbing of residential and commercial buildings. Requires onsite treated water to be considered the same as recycled water that is produced on site.	09/04/2015 - From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.;09/04/2015 - In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.
<u>SB 7</u> Wolk (D)	Housing: Water Meters: Multi-unit Structures		Requires a landlord to make submeter disclosures to a tenant prior to executing a rental agreement. Relates to tenant billing procedures and requirements. Authorizes building standards that require the installation of water submeters in multiunit residential buildings. Provides structure exemptions. Relates to landlord requirements. Relates to the use of meters or submeters in new mixed-use residential and commercial structures as a condition for service.	09/08/2015 - In ASSEMBLY. Read third time. Failed to pass ASSEMBLY.;09/08/2015 - In ASSEMBLY. Motion to reconsider.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			Requires licensed contractors do the installation.	
SB 20 Pavley (D)	State Water Resiliency Investment Act		Creates the State Water Resiliency Investment Fund. Provides that moneys in the Fund are available for the purpose of providing a more dependable water supply in the State. Creates various accounts within the Fund for prescribed purposes.	08/26/2015 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;08/26/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
SB 32 Pavley (D)	Global Warning Solutions Act of 2006		Requires the State Air Resources Board to approve a specified statewide greenhouse gas emission limits that are the equivalent to a specified percentage below the 1990 level to be achieved by 2030. Revises current provisions of existing law regarding the implementation of the next update of a greenhouse gas scoping plan under existing law. Requires reports regarding reaching these limits.	09/10/2015 - Re-referred to ASSEMBLY Committee on NATURAL RESOURCES.;09/10/2015 - From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.;09/10/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
SB 47 Hill (D)	Environmental Health: Synthetic Turf		Requires the Office of Environmental Health Hazard Assessment, in consultation with the Department of Resources Recycling and Recovery, the State Department of Public Health, and the Department of Toxic Substances Control, to prepare and provide to the Legislature and post on the office's Internet Web site a study analyzing synthetic turf, for potential adverse health impacts. Provides the information to be included in the study. Authorizes grant to crumb rubber businesses to find alternative markets.	05/28/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
SB 113 Galgiani (D)	Disaster Preparedness and Flood Prevention Bond Act		Specifies that the Disaster Preparedness and Flood Prevention Bond Act of 2006 funds provided by the act are only available for appropriation until a specified date and at that time the amount of indebtedness authorized by the act is reduced by the amount of funds that have not been appropriated. Makes available a specified amount	07/02/2015 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's amendments.;07/02/2015 - In SENATE. Read second time and amended. Re-

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Updated: 1/4/2016

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			of funding for the upgrade of the levee system of a specified reclamation district to provide urban level of flood protection.	referred to Committee on NATURAL RESOURCES AND WATER.
SB 122 Jackson (D)	Environmental Quality Act: Record of Proceedings		Amends the Environmental Quality Act. Relates to a database for the collection, storage, retrieval, and dissemination of environmental documents, notices of exemption, notices of preparation, notices of determination, and notices of completion provided to the office that shall be available online to the public through the internet. Provides for the phase-in of electronic documents. Requires the lead agency to submit to the State Clearinghouse a sufficient number of environmental documents for review.	08/27/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Not heard.
SB 127 Vidak (R)	Water Quality, Supply, and Infrastructure Improvement		Relates to the Water Quality, Supply, and Infrastructure Improvement Act of 2014. Requires the public agency, in certifying the environmental impact report and in granting approvals for projects funded, in whole or in part, by Proposition 1, including the concurrent preparation of the record of proceedings and the certification of the record of proceeding within 5 days of the filing of a specified notice, to comply with specified procedures.	02/05/2015 - To SENATE Committees on ENVIRONMENTAL QUALITY and JUDICIARY.
SB 143 Stone (R)	Diamond Valley Reservoir: Recreational Use	Oppose	Amends existing law that prohibits recreational use in which there is bodily contact with water, in a reservoir in which water is stored for domestic use.	02/05/2015 - To SENATE Committee on ENVIRONMENTAL QUALITY.
SB 163 Hertzberg (D)	Wastewater Treatment: Recycled Water		Declares the discharge of treated wastewater from ocean outfalls is a waste and unreasonable use of water in light of certain conditions. Requires such facility to achieve a specified percentage of reuse of the actual annual flow for beneficial purposes. Prohibits such discharge except as backup discharge. Provides procedures for related exemption requests. Requires a prescribed plan to meet these provisions.	09/08/2015 - Re-referred to ASSEMBLY Committee on RULES.
SB 173 Nielsen (R)	Groundwater: De Minimis Extractors		Amends existing law that generally excepts a de minimis extractor from the requirement that a person who extracts groundwater from a	03/24/2015 - In SENATE Committee on NATURAL RESOURCES AND

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			probational basin or extracts groundwater on or after July 1, 2017, in an area within a basin that is not within the management area of a groundwater sustainability agency and where the county does not assume responsibility to be the groundwater sustainability agency has to file a report of groundwater extraction. Defines a de minimis extractor.	WATER: Failed passage.;03/24/2015 - In SENATE Committee on NATURAL RESOURCES AND WATER: Reconsideration granted.
SB 179 Berryhill (R)	Secondhand Goods: Junk Dealers		Makes nonsubstantive changes to existing law that prohibits a junk dealer or recycler from possessing a reasonably recognizable, disassembled, or inoperative fire hydrant or fire department connection, a manhole cover or lid, or a backflow device, that was owned by an agency, without a written certification on the agency's letterhead that the agency either has sold the material described or is offering the material for sale.	02/19/2015 - To SENATE Committee on RULES.
SB 223 Galgiani (D)	Division of Boating and Waterways: Oversight Committee		Requires the Division of Boating and Waterways to establish an advisory and oversight committee to evaluate and monitor the activities of the Division relating to the management and control or eradication of invasive aquatic plants. Provides the expertise of members of the committee. Requires the committee to meet a specified amount of times per year and to communicate any findings or recommendations to the Division.	08/27/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
SB 228 Cannella (R)	Groundwater Storage: Beneficial Use		Declares that the recharging of a groundwater basin by a local groundwater management agency or a local groundwater sustainability agency for the purposes of repelling saline intrusion and recovering basin groundwater levels constitutes a beneficial use of water if the recharge is consistent with the local agency's groundwater management plan or groundwater sustainability plan.	02/26/2015 - To SENATE Committee on NATURAL RESOURCES AND WATER.
SB 248 Pavley (D)	Oil and Gas		Provides for an inspection program for all activities regulated pursuant to provisions concerning drilling, operation, maintenance, and abandonment of oil and gas wells and certain tanks and facilities. Requires inspections to be reported and posted, and the recording of	08/27/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Not heard.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			information in a well history, including fluid injection, chemical composition, and waste disposal injection. Provides for shutdown. Requires updating related regulations. Requires notification and clearance of chemical injection.	
<u>SB 258</u> Bates (R)	Local Government		States the intent of the Legislature to enact legislation that would protect the right of the public to participate in open deliberations of the legislative bodies of local agencies by clarifying the appropriate use of special meetings.	02/26/2015 - To SENATE Committee on RULES.
<u>SB 286</u> Hertzberg (D)	Electricity: Direct Transactions		Requires the Public Utilities Commission to adopt and implement a schedule that implements a specified phase-in period for expanding direct transactions for individual retail nonresidential end-use customers over a maximum time period, raising the allowable limit of kilowatthours that can be supplied by other electrical corporation's distribution service territory to that corporation's share of the gigawatthours. Requires such customers to be responsible for their share of the costs of specified programs.	08/27/2015 - In ASSEMBLY. Joint Rule 62(a) suspended.
<u>SB 317</u> De Leon (D)	Safe Neighborhood Parks, Rivers, and Coastal Protection		Enacts the Safe Neighborhood Parks, Rivers, and Coastal Protection Bond Act of 2016, which, if adopted by the voters, would authorize the issuance of bonds in a specified amount pursuant to the State General Obligation Bond Law to finance a safe neighborhood parks, rivers, and coastal protection program.	09/11/2015 - In SENATE. To Inactive File.
<u>SB 360</u> Cannella (R)	Biomethane		Authorizes the Public Utilities Commission to consider providing the option to all corporations to engage in competitive bidding and direct investment in ratepayer financed biomethane collection equipment.	03/05/2015 - To SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.
<u>SB 454</u> Allen (D)	Water Quality: Oil and Gas: Exempted Aquifer		Relates to water quality, oil and gas wells and exempt aquifers. Prohibits the Division of Oil, Gas, and Geothermal Resources from submitting a proposal for an aquifer exemption to the United States Environmental Protection Agency unless the Division and the State Water Resources Control Board concur in writing that the aquifer	06/08/2015 - In SENATE. From third reading. To Inactive File.

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Updated: 1/4/2016

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			meets specified conditions.	
<u>SB 471</u> Pavley (D)	Water, Energy, Reduction of Greenhouse Gas Emissions		Includes reduction of greenhouse emissions associated with water treatment among the investments that are eligible for funding from the Greenhouse Gas Reduction Fund. Requires the State Water Resources Control Board to establish a grant and loan program for water projects that result in the net reduction of water-related greenhouse gas emissions.	08/27/2015 - In ASSEMBLY. Joint Rule 62(a) suspended.;08/27/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>SB 487</u> Nielsen (R)	Sustainable Groundwater Management Act: Exemptions		Relates to the California Environmental Act (CEQA). Exempts from the requirements of CEQA the formation of a groundwater sustainability agency, the amendment of a groundwater sustainability plan or coordinated groundwater sustainability plan, and the implementation of those plans, except to the extent that the implementation requires the construction or installation of a new facility.	03/12/2015 - To SENATE Committee on ENVIRONMENTAL QUALITY.
<u>SB 551</u> <u>Wolk (D)</u>	State Water Policy: Water and Energy Efficiency	Seek Amendments	Declares the policy of the state that water use and water treatment shall operate in a manner that is as energy efficient as is feasible and energy use and generation shall operate in a manner that is as water efficient as is feasible. Requires all relevant state agencies to consider this state policy when revising, or establishing policies, regulations, and grant criteria when pertinent to these uses of water and energy.	08/27/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>SB 552</u> <u>Wolk (D)</u>	Public Water Systems: Disadvantaged Communities		Requires the State Water Resources Control Board to hold at least one initial public meeting prior to ordering the consolidate or extension of public water system service and to obtain the consent of any domestic well owner. Provides any affected resident and domestic well owner within the service area who does not consent is ineligible for any future water-related grant funding. Requires the Board to compensate certain water systems. Prohibits a charge increase for certain customers.	07/09/2015 - Re-referred to ASSEMBLY Committee on RULES.
<u>SB 553</u>	Water Conservation		Requires the Department of General Services to identify each public	05/28/2015 - In SENATE Committee on

IRWD 2016 LEGISLATIVE MATRIX
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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>Wolk (D)</u>			property in the department's state property inventory where it is feasible for water consumption to be reduced and water efficiencies to be achieved through implementation of the relevant recommendations made in the model water efficient landscape ordinance and would require the department to implement the relevant recommendation where feasible.	APPROPRIATIONS: Held in committee.
<u>SB 554</u> <u>Wolk (D)</u>	Water Commission Disqualifying Financial Interest		Removes a member of the California Water Commission from office if after trial a court finds that the commission member has knowingly participated in any commission decision in which the member has a disqualifying financial interest in the decision.	04/21/2015 - In SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS: Not heard.
<u>SB 556</u> <u>De Leon (D)</u>	Victims of Crime: Indemnification: Applications		Relates to indemnification of victims of crime. Defines the time of processing applications. Requires the Victim Compensation and Government Claims Board to post on its Internet Web site its progress and current average time of processing applications, the number of applications approved and denied, and incomplete applications received. Relates to the period of time, including all calendar days, that begins when the board first receives an application and ends when a check is mailed to an eligible victim.	09/10/2015 - In ASSEMBLY. To Inactive File.
<u>SB 568</u> <u>Fuller (R)</u>	Groundwater Management		Relates to the Sustainable Groundwater Management Act. Authorizes the State Water Resources Control Board to designate a basin as a probationary basin if the state board makes a certain determination and authorizes the state board to develop an interim plan for the probationary basin.	03/12/2015 - To SENATE Committee on RULES.
<u>SB 615</u> <u>Berryhill (R)</u>	Waste Discharge: Waivers: Managed Wetlands		Relates to waste discharge requirements, waivers and managed wetlands. Requires each regional board to prescribe waste discharge requirements that implement relevant water quality control plans. Provides for waivers. Amends monitoring of wetlands unless results of downstream monitoring demonstrate a violation of water quality discharge standards.	04/29/2015 - In SENATE Committee on ENVIRONMENTAL QUALITY: Not heard.

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Updated: 1/4/2016

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>SB 625</u> <u>Galgiani (D)</u>	Water Management: Synthetic Plastic Microbeads		Prohibits the selling, or offering for promotional purposes a person care product containing synthetic plastic microbeads. Exempts from this prohibition the sale or promotional offer of a product containing a specified amount of such microbeads. Makes a violator liable for a civil penalty for each violation. Authorizes the penalty to be recovered in a civil action brought by the Attorney General. Prohibits any local ordinance, resolution, or rule relating to the sale of such microbeads.	04/22/2015 - Re-referred to SENATE Committees on ENVIRONMENTAL QUALITY and JUDICIARY.
<u>SB 687</u> <u>Allen (D)</u>	Renewable Gas Standard		Requires the State Air Resources Board to adopt a carbon-based renewable gas standard that requires all gas sellers to provide specified percentages of renewable gas meeting certain deliverability requirements, to retail end-use customers for use in the state that increases over specified compliance periods, and to issue an analysis of the lifecycle emissions of greenhouse gases and reductions for different biogas types and end uses. Requires a renewable gas assessment.	05/28/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<u>SB 768</u> <u>Wieckowski (D)</u>	Water-Conserving Plumbing Fixtures		Makes technical, nonsubstantive changes to existing law that requires the replacement of plumbing fixtures that are not water conserving in residential and commercial real property built and available for use on or before a specified date.	03/19/2015 - To SENATE Committee on RULES.
<u>SB 772</u> <u>Stone (R)</u>	Bay Delta Conservation Plan: Judicial Review		States the intent of the Legislature to enact legislation establishing judicial review procedures for the Bay Delta Conservation Plan.	03/19/2015 - To SENATE Committee on RULES.



1100 K Street
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95814

Telephone
916.327.7500
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November 20, 2015

VIA PERSONAL DELIVERY

Ashley Johansson, Initiative Coordinator
Office of the Attorney General
1300 I Street, 17th Floor, P.O. Box 9442 5 5
Sacramento, CA 95 814

RECEIVED

DEC 14 2015

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Re: Request for Title and Summary for Proposed Initiative

Dear Ms. Johansson:

Pursuant to Article II, Section 10(d) of the California Constitution, we submit the attached proposed Initiative, entitled the "The California Water Conservation, Flood Control and Stormwater Management Act of 2016", to your office and request that your office prepare a title and summary. Included with this submission is the required proponent affidavit pursuant to sections 9001 and 9608 of the California Elections Code, along with a check for \$200.00.

All inquiries or correspondence relative to this initiative should be directed to Lance H. Olson and Richard Miadich at Olson, Hagel & Fishburn, LLP, 555 Capitol Mall, Suite 1415, Sacramento, CA 95 814, (916) 442-2952.

Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Matthew Cate".

Matthew Cate
Executive Director, California State Association of Counties

November 20, 2015

VIA PERSONAL DELIVERY

Ashley Johansson, Initiative Coordinator
Office of the Attorney General
1300 I Street, 17th Floor, P.O. Box 944255

Sacramento, CA 95814

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Thank you for your assistance.

Sincerely



Timothy Quinn

Executive Director, Association of California Water Agencies

November 20, 2015

VIA PERSONAL DELIVERY

Ashley Johansson, Initiative Coordinator
Office of the Attorney General
1300 I Street, 17th Floor, P.O. Box 944255

Sacramento, CA 95814

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Thank you for your assistance.

Sincerely

A handwritten signature in cursive script, appearing to read "Christopher McKenzie".

Christopher McKenzie

Executive Director, League of California Cities

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

SECTION 1. Title

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

SECTION 2. Findings, Declarations and Purposes

- A. California's historic drought and the likelihood that climate change will increase the severity of droughts and heavy floods mean California must provide local communities with the tools to further encourage conservation and discourage excessive use of water; to effectively manage and increase water supplies; to capture, clean and eliminate pollution from local water sources; and to better protect people and property from the dangers of floods.
- B. Effective local management of water supplies includes authorizing local agencies to design rates to encourage water conservation and discourage excessive use of water.
- C. Local agencies should also invest in infrastructure to capture and clean water polluted by toxic chemicals and trash; recycle and reuse rainwater and stormwater runoff; and to prevent toxic stormwater and urban runoff from contaminating sources of drinking water, including rivers, lakes, streams, and groundwater, and polluting beaches, coastal waters, and wetlands.
- D. California must also improve local flood control by better capturing and managing storm and flood waters and upgrading storm drains, sewer and drainage systems to protect properties from floods and increase local supplies of water available for public use.
- E. Existing state laws governing the funding of local water supplies, clean water, water conservation and resource management, and floodwater protection were not developed with California's current water realities in mind.
- F. An alternative method for funding critical local water supplies, water quality, water conservation and resource management, and flood protection projects is needed.
- G. This measure establishes an alternative funding method that authorizes local agencies to:

- i. Set rates for customers to encourage water conservation, prevent waste, and discourage excessive use of water.
- ii. Levy fees and charges, subject to ratepayer protest, for flood control and for management of stormwater to protect coastal waters, rivers, lakes, streams, groundwater and other sources of drinking water from contamination.
- iii. Use fees and charges to reduce water, and sewer fees and charges for low-income customers.

H. Any local agency that utilizes this alternative funding method for water service and sewer service should be required to adhere to strict accountability, transparency and ratepayer protections. This includes:

- i. Providing local ratepayers with a description of the need for the proposed fee or charge and the projects and purposes projected to be funded by any proposed fee or charge in advance of any public hearing or consideration of the fee or charge;
- ii. Posting the description of the proposal on the agency's Internet website with all applicable exhibits;
- iii. Providing local ratepayers a notice of the date and time of the public hearing the local agency will hold on the proposed fee and charges;
- iv. If written protests against the fee or charge are presented by a majority of persons to whom the local agency sent the notice about the proposal then the local agency shall not impose, increase or extend the fee or charge;
- v. All money must be spent for the local purpose for which the fee or charge was imposed and cannot be taken by state government;
- vi. Revenues derived from the fee or charge shall not exceed the reasonable cost to the local agency of providing the water or sewer service or be used for any purpose other than that for which it was imposed;
- vii. The manner in which the costs are allocated to a fee payor shall bear a fair or reasonable relationship to the fee payor's burden on or benefits received from the water service or sewer service;
- viii. The initiative power of voters may be used to repeal or reduce the fee or charge in the future with the filing of a petition calling for an election on the question;
- ix. Independent annual audits shall be made available to the public showing how all funds are spent.

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

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

SEC. 8 Water and Sewer Service

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

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

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

(b) Definitions. As used in this section:

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

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

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

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

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

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

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

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

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

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

(1) Allocate the cost of water service or sewer service through a rate structure reasonably designed to encourage water conservation and resource management in furtherance of the policy established in section 2;

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

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

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

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

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

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

(5) The local agency shall conduct a public hearing upon the proposed fee or charge not less than 45 days after mailing the notice required by paragraph (1). At the public hearing, the local agency shall consider all oral and written protests against the fee or charge. If written protests against the fee or charge are presented by a majority of persons to whom the local agency sent the notice required by paragraph (1), then the local agency shall not impose, increase or extend the fee or charge. One written protest per service address shall be counted in calculating a majority protest pursuant to this paragraph.

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

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

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

SECTION 4. Severability

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

SECTION 5. Conflicting Measures

It is the intent of the people that in the event that this measure and another measure relating to the establishment of an alternative method of imposing, increasing, or extending fees or charges to fund water service or sewer service appear on the same statewide election ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure, and if approved by the voters, this measure shall take effect notwithstanding.

SECTION 6. Liberal Construction

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

**Proposed Regulatory Framework for
Extended Emergency Regulation for Urban Water Conservation**

Background:

On April 1, 2015, Governor Brown issued the fourth in a series of executive orders on actions necessary to address California's drought. On May 5, 2015, the State Water Resources Control Board (State Water Board) adopted an Emergency Regulation to address specific provisions of the April 1 Executive Order, including a mandatory 25 percent statewide reduction in potable urban water use between June 2015 and February 2016. To reach the statewide 25 percent reduction mandate, the Emergency Regulation assigns each urban water supplier a conservation tier that ranges between 4 and 36 percent based residential per capita water use for the months of July – September 2014.

At the time the State Water Board adopted the current Emergency Regulation some urban water suppliers had proposed further refinement to the conservation tiers to reflect a range of factors that contribute to water use. State Water Board Resolution No. 2015-0032 directed staff to work with stakeholders to further develop and consider these factors, including but not limited to temperature, growth, use of drought resilient supplies, and others for adjustment to the Emergency Regulation should it need to be extended into 2016.

On November 13, 2015, Governor Brown issued Executive Order B-36-15 (EO B-36-15) calling for an extension of urban water use restrictions until October 31, 2016, should drought conditions persist through January 2016. Between August and November 2015 State Water Board staff convened a small group of individuals representing a variety of water interests to further explore potential modification of the Emergency Regulation. The State Water Board also held a public workshop on December 7, 2015, to solicit input on elements of the existing Emergency Regulation, if any, that should be modified. The stakeholder process and workshop led to development of several proposals for modification of the Emergency Regulation, which are discussed below, along with staff recommendations.

Staff recommendations are based on the criteria that modifications to the Emergency Regulation be transparent, intelligible, equitable, reasonable, provide sufficient water savings statewide, and be feasible to implement and enforce. As directed by the Governor in EO B-36-15, this proposal would extend until October 31, 2016 restrictions to achieve a statewide reduction in urban potable water usage.

Climate adjustment:

Stakeholder Proposal: Water suppliers in warmer climates would be granted a reduced conservation standard based on their service area evapotranspiration (ET) relative to statewide average ET. The adjustments would be calculated by multiplying the deviation from average ET by the water supplier's conservation standard and would range from a 0-15 percentage point decrease to suppliers existing conservation requirement. As proposed, no supplier would have their standard increased.

Staff Recommendation: Incorporate a climate adjustment in the Emergency Regulation that reduces the conservation requirement by up to 4 percentage points for water suppliers located in

the warmest regions of the State. The climate adjustment would be based on each urban water supplier's approximate service area ET for the months of July through September as compared to statewide average ET for the same months. The adjustment would range from a 2-4 percentage point decrease in an urban water supplier's conservation requirement depending on service area ET as follows:

Deviation from Average ET	Reduction in Conservation Standard
>20%	4%
10 to 20%	3%
5 to <10%	2%

Default service area ET will be based on the California Irrigation Management Information System (CIMIS) [Mapped ET Zone](#) for which the supplier's service area has the greatest overlap. Each Urban Water Supplier will have the opportunity to refine its service area ET using specific data from CIMIS stations within its service area, provided each station used has a continuous period of record of at least 5 years.

Staff estimates that this adjustment will result in 1.4 percentage point reduction in statewide water savings from that currently required.

Example Calculation of Climate Adjustment

Original Conservation Requirement	32%	
Statewide Average ET Jul-Sep	6.13	inches
Service Area Average ET Jul-Sep (Zone 17)	8.4	inches
Service Area % Deviation from Average ET = $(8.4-6.13)/6.13$	0.37 or 37%	
Climate Adjustment	-4%	
Adjusted Conservation Requirement	28%	

Growth adjustment:

Stakeholder Proposal: Each urban water supplier's 2013 baseline water use would be increased to account for growth in new service connections since 2013. The volume of water per connection in 2013 would be calculated (based on total use divided by number of connections) and multiplied by the number of connections added since 2013. This volume of water could be added to the 2013 baseline to account for new growth, resulting in a decrease to the supplier's conservation volume requirement but not its conservation standard.

Staff Recommendation: Provide a mechanism to adjust urban water supplier conservation standards to account for water efficient growth since 2013. The adjustment will be equal to the ratio of the additional volume of water used since 2013 to the baseline water use for 2013, multiplied by the water supplier's conservation standard. The volume of water added due to growth will be calculated as the sum of:

1. Number of new residential connections since 2013 multiplied by 165 gallons (55 gallons per person per day multiplied by three people) multiplied by 270 days.
2. Area of new residential landscaped area (square feet) served by connections since 2013 multiplied by 55% of total service area ET (inches) for the months of February through October multiplied by a conversion factor of 0.623 (converting inches to gallons).
3. Number of new commercial, industrial, and institutional (CII) connections since 2013 multiplied by the average commercial industrial, and institutional water use per connection during February through October 2015.

Staff estimates that this adjustment will result in about a one percentage point reduction in statewide water savings compared to the current requirements, assuming that growth has increased by 4% since 2013 for every urban water supplier.

Example Calculation of Growth Adjustment

# of new residential connections since 2013	4,000	
Residential landscaped area served by connections since 2013	10,000,000	sq. feet
Total ET February through October	44	inches
Volume of water attributable to new residential connections = [4000*165*270] + [10,000,000 * 44 *0.55*0.623]	328,966,000	gallons
# of new commercial, industrial, and institutional connections since 2013	700	
Average use per CII connection Feb-Oct 2015	900,000	gallons
Volume of water attributable to new CII connections = 700 * 900,000	630,000,000	gallons
Total volume of water attributable to growth since 2013	958,966,000	gallons
Baseline 2013 total water production Feb-Oct	16,000,000,000	gallons
Gallons of water attributable to growth	958,966,000	gallons
Percentage change in potable water production due to growth	6%	
Original Conservation Requirement	36%	
Adjusted Conservation Requirement = .36 * [1-0.06]	34%	

Drought Resilient Sources of Supply Credit:

Stakeholder Proposal Suppliers would receive a credit for desalinated seawater or indirect potable re-use (IPR) water. The credit would come in the form of a one-to-one reduction from the calculated amount of water that needs to be saved under the Emergency Regulation. A supplier could deduct all water derived from desalination or IPR from their total savings requirement. San

Diego County Water Authority proposes a similar credit for Colorado River water received through long-term transfers of conserved water. No supplier would be allowed to have an effective conservation rate below 8%.

Staff Recommendation: Provide a one-tier (four percentage point) reduction to the conservation standard of urban water suppliers using new drought resilient water supplies. The credit would apply to urban water suppliers that certify, and provide documentation upon request, that at least 4 percent of its potable supply is comprised of indirect potable reuse of coastal wastewater (the creation and use of which does not injure another legal user of water or the environment) or desalinated seawater developed since 2013. Staff does not recommend extending this credit to Colorado River water received through long-term transfer of conserved water.

Staff estimates that this credit will result in about a 0.6 percentage point decrease in statewide water savings.

Non-potable Recycled Water Use Credit:

Stakeholder Proposal: This proposal would apply to suppliers that meet a large portion of irrigation demand with non-potable recycled water. These suppliers would be able to reduce their 2016 monthly potable water production by the ratio of non-potable recycled water use to total potable water production multiplied by their total water production and their conservation. Reducing 2016 total potable water production would have the effect of reducing the required volume of water saved.

Staff Recommendation: Staff does not recommend providing additional credit for non-potable recycled water use. Under the current Emergency Regulation, non-potable recycled water is not counted in total potable water production. Suppliers' conservation standards are based on residential use of potable water, and while suppliers have been generally expected to target outdoor irrigation as a means of achieving savings, high use of recycled water should not, by itself, prevent a supplier from meeting those standards with reductions from residential and non-residential customers. These suppliers have already realized the benefit of providing recycled water by not having that water counted as part of their total production and not having to reduce use of that water. Urban water suppliers that cannot meet their conservation standard due to a disproportionate share of recycled water use may pursue relief through the existing alternate compliance process on case by case basis.

Groundwater Credits:

Stakeholder Proposal: This set of proposals would provide credit for "sustainable" groundwater management and groundwater augmentation. Suppliers would provide verification that the groundwater supply is formally certified to meet certain eligibility requirements and then would be eligible to deduct certain groundwater use from their total potable production. In effect, the use of eligible groundwater would be counted the same as conserved water. There are four proposed credit scenarios: 1) Groundwater Banking; (2) Conjunctive Use; (3) "Sustainable" Groundwater Management; and (4) Adjudicated Basins. The proposals include requirements that would govern the use of the credits under each scenario.

Staff Recommendation: Staff does not recommend providing credits for groundwater use or management since the effect of such credits are not well-defined and are generally inconsistent with goal of conserving the state's remaining surface and groundwater supplies during the drought. While groundwater augmentation with surface water is a critical element of drought resilience, it is materially different than creation of new drought-resilient sources of supply, such as through indirect potable reuse of wastewater or seawater desalination. Using seawater and wastewater that, for example, would otherwise have been discharged to the ocean to create supply adds to existing surface and groundwater supplies, whereas groundwater augmentation uses water that was already part of existing freshwater resources. Moreover, the proposed groundwater management credits do not adequately demonstrate how other users of a groundwater basin, whether adjudicated or not, would be impacted from pumping by the supplier receiving a credit. Suppliers whose basins are replenished with imported water would place additional strain on those supplies by using more water under a credit system. Suppliers whose basins fill without imports may impact others by increasing pumping under a credit system. Even self-sufficient, adjudicated basins are not guaranteed to maintain all uses during an extended severe drought, where the next opportunity for recharge is unknown. Additionally, there is no credible estimate of how much credit would accrue for groundwater management and how that credit would impact statewide savings. Credit for sustainable groundwater management may be appropriate for a permanent regulation, and certainly will be addressed by the Sustainable Groundwater Management Act as that legislation is implemented, but it is not adequately transparent, intelligible, implementable, or reasonable for an Emergency Regulation of limited duration, the chief aim of which is to preserve existing surface and groundwater supplies through conservation while extreme drought conditions persist.

Regional Compliance Approach:

Stakeholder Proposal: This proposal would allow suppliers to jointly comply with their aggregated conservation standards as a single entity. Regions would be allowed to form, on a voluntary basis, based on the criteria for forming a SBx7-7 regional alliance, per Water Code Section 10608.28. A lead agency for the region would report the Regional Conservation Standard monthly to the State Water Board on behalf of the region. Each urban retail water supplier would also continue to report their individual monthly water use data. If a group as whole did not meet its regional conservation target, the suppliers would revert back to their individual requirements.

Staff Recommendation: Staff does not recommend providing an option for regional compliance because it will impede timely compliance and enforcement action by the Board and has the potential to reduce individual water supplier accountability. While a regional approach could help water suppliers provide a consistent message about a regional target to their customers, residents and businesses need to conserve differing amounts to achieve a supplier's reduction target, so the benefits of this approach are not well substantiated. There is no reason that suppliers (and their regional or wholesale partners) cannot develop consistent messaging under the current Emergency Regulation, such as limits on outdoor watering, nor does the current emergency regulation inhibit regionally-grouped suppliers or wholesalers from working together on messaging to encourage conservation. In addition, there are multiple drawbacks to the proposed regional approach. First, it would impede the Board's enforcement and compliance efforts, by disallowing the Board from using its enforcement tools to timely address the shortcomings of an individual supplier if that supplier's region was meeting its target. In the case where a region dropped out of compliance late

in the 270 day life of the regulation, the Board would have little time to institute corrective actions for the individual suppliers. Second, it could encourage regional agencies to focus efforts on additional conservation savings in high-performing communities rather than on steps to change the conservation behaviors of poorer performing communities in order to meet the regional target. Finally, the regional approach would undermine the direct accountability for water supply managers established through the existing regulation. Staff encourages suppliers to work together on messaging and outreach, but believes the drawbacks of a regional approach outweigh any potential benefits.

Elimination of Commercial Agriculture Exclusion:

Stakeholder Proposal: The current Emergency Regulation allows water supplied for commercial agricultural use to be excluded from total potable production, if certain conditions are met. The proposal is to eliminate the exclusion or to change the definition of what constitutes commercial agricultural use to prevent exclusion of water attributable to noncommercial agricultural use or non-agricultural use that may be excluded improperly.

Staff Recommendation: **Staff recommends modifying the Commercial Agriculture Exclusion to require certification that customers whose water use is subtracted under the exclusion produce a minimum of \$1,000 per year in revenue from agricultural sales and are not subtracting water used on ornamental landscapes.** This change would limit use of the exclusion for properties with minimal agricultural sales or mixed commercial agricultural and ornamental landscape use. The \$1,000 threshold is consistent with the US Department of Agriculture's definition of a farm.¹

Staff estimates the existing agricultural exclusion has resulted in about an 11,000 acre feet reduction in conserved water since June 2015. Modifying the commercial agriculture exclusion as proposed could result in a slight increase of conserved water.

Exemption for regions without drought conditions and no exports/imports:

Stakeholder Proposal: This proposal would allow isolated hydrogeological regions that do not have drought conditions and do not import or export water to be excluded from the conservation standard element of the Emergency Regulation. Suppliers would apply to the State Water Board for an exemption from the conservation standard and provide verification that water resources in these regions are not available to benefit other regions.

Staff Recommendation: **Staff does not recommend exempting or relaxing conservation requirements for isolated hydrogeologic regions.** The current Emergency Regulation contains a reserved four percent tier for suppliers that can demonstrate multiple years of supply and no use of imported water and groundwater. Staff continues to believe the four percent tier is adequate and appropriate for an extended Emergency Regulation given the uncertainty of the state's surface and groundwater suppliers during the drought.

Revisions for suppliers with significant seasonal or transient populations:

¹ See <http://www.ers.usda.gov/topics/farm-economy/farm-household-well-being/glossary.aspx>, accessed December 11, 2015.

Stakeholder Proposal: The Emergency Regulation assigned conservation tiers based on R-GPCD during the months of July, August, and September 2014. The proposal is to re-assign tiers based on 12 months of R-GPCD data, because some areas, mainly the desert regions, have the highest population during the winter months.

Staff Recommendation: **Staff does not recommend changing the process for assigning conservation tiers to account for year round residential per capita water use because it would reduce the regulation's current emphasis on saving water where outdoor use is highest.** In addition, this proposal would in effect provide allowances for properties that are unoccupied for part of the year but irrigated year-round. However, staff proposes to update each water suppliers R-GPCD values using the most up to date July-September 2014 data that had been provided as of January 1, 2016. Water suppliers have also been encouraged and allowed to correct any inaccurate data and provide modified population information to account for monthly changes in population.

A Cap on Credits and Adjustments:

Staff recommends that all credits and adjustments be capped to allow up to a maximum of a four percentage point decrease to any individual water supplier's conservation standard (tier).

Staff Recommendations on Other Elements of an Extended Emergency Regulation:

Staff recommends maintaining other elements of the current Emergency Regulation in the extended Emergency Regulation. These elements include the alternate compliance approach, the statewide prohibited end-uses, the monthly reporting requirements for urban water suppliers, and the conservation and reporting requirements for small suppliers. Staff proposes that small suppliers again be required to report after six months of conservation under a readopted emergency regulation.

Staff also recommends, based on feedback from both suppliers and the general public, adding a prohibition against homeowners' associations interfering with certain conservation actions of their association members in violation of existing law.

Next Steps:

- Comments are due on this proposed regulatory framework by January 6, 2016
- A draft Emergency Regulation will be released for public comment in mid-January 2016
- State Water Board consideration of an extended emergency regulation is anticipated in early February 2016.

Input Requested: The State Water Board is interested in receiving feedback on this proposed regulatory framework. Please submit comments with the subject line: "Comments on Proposed Regulatory Framework" by email to: Kathy Frevert at Kathy.Frevert@waterboards.ca.gov by **January 6, 2016.**

EXHIBIT "D"

AMENDED IN ASSEMBLY SEPTEMBER 3, 2015

AMENDED IN SENATE JUNE 2, 2015

SENATE BILL

No. 163

Introduced by Senator Hertzberg

February 4, 2015

~~An act to add Section 3000.5 to the Elections Code, relating to elections. An act to add Section 13557.5 to the Water Code, relating to water.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 163, as amended, Hertzberg. ~~Elections: vote by mail ballot. Wastewater treatment: recycled water.~~

The California Constitution requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable and that the waste or unreasonable use or unreasonable method of use of water be prevented. Existing law declares that the use of potable domestic water for certain nonpotable uses is a waste or an unreasonable use of water if recycled water is available, as determined by the State Water Resources Control Board, and other requirements are met.

Under existing law, the state board and the 9 California regional water quality control boards prescribe waste discharge requirements in accordance with the federal national pollutant discharge elimination system (NPDES) permit program established by the federal Clean Water Act and the Porter-Cologne Water Quality Control Act.

This bill would declare that the discharge of treated wastewater from ocean outfalls, except in compliance with the bill's provisions, is a waste and unreasonable use of water in light of the cost-effective opportunities to recycle this water for further beneficial use. This bill,

on or before January 1, 2026, would require a wastewater treatment facility discharging through an ocean outfall to achieve at least 50% reuse of the facility's actual annual flow, as defined, for beneficial purposes. This bill, on and after January 1, 2036, would prohibit the discharge of treated wastewater through ocean outfalls, except as backup discharge, as defined, and would require a wastewater treatment facility to achieve 100% reuse of the facility's actual annual flow for beneficial purposes. This bill, on and after January 1, 2022, would authorize a NPDES permit holder subject to these requirements to petition the state board for a partial exemption to the above-described requirements. This bill would require the state board to determine, after notice and opportunity for comment, whether the petition demonstrates that the NPDES permit holder cannot comply with these reuse requirements and would provide that an exemption from these reuse requirements is valid for a period of no more than 5 years, at which point the NPDES permit holder is required to reapply for an exemption or comply with these reuse requirements. This bill would prohibit a NPDES permit holder subject to these provisions from being eligible for state grants or loans if they receive a partial exemption to these reuse requirements, unless the state grant or loan is solely for the purpose of achieving compliance with these reuse requirements.

This bill would require a holder of a NPDES permit authorizing the discharge of wastewater through an ocean outfall as of January 1, 2016, to submit, on or before July 1, 2020, a prescribed plan to meet these provisions, directly or by contract, to the executive director of the state board and would require the plan to be updated on or before January 1, 2024. This bill, on or before January 1, 2017, and by January 1 every 5 years thereafter, would require the holder of a NPDES permit authorizing the discharge of wastewater through an ocean outfall to submit a report to the executive director of the state board summarizing the actions accomplished to date and the actions remaining and proposed to meet the requirements of these provisions. This bill would require the state board to submit a report to the Governor and the Legislature on the implementation of these provisions on or before July 1, 2021, and by July 1 every 5 years thereafter.

~~Existing law requires the vote by mail ballot to be available to any registered voter and requires an application for a vote by mail voter's ballot to be made in writing to the elections official having jurisdiction over the election between certain days before the election.~~

~~This bill would establish, until January 1, 2019, a vote-by-mail pilot program in the County of Los Angeles for statewide elections. The bill would require, as part of the pilot program, that the county elections official issue a vote-by-mail ballot to each registered voter for a qualifying election. The bill would also require the elections official, among other things, to engage in voter education efforts to increase voter awareness of the pilot program and to report on the voter turnout for qualifying elections to the Secretary of State and the Legislature on or before December 31, 2018.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions:~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes-no.~~

The people of the State of California do enact as follows:

- 1 SECTION 1. *The Legislature finds and declares all of the*
- 2 *following:*
- 3 (a) *Severe drought conditions have persisted for the last three*
- 4 *years in California, and 2013 was the state's driest calendar year*
- 5 *on record.*
- 6 (b) *California's water supplies have dipped to alarmingly low*
- 7 *levels indicated by the very limited snowpack in the Sierra Nevada*
- 8 *Mountains, declining water levels in the state's largest water*
- 9 *reservoirs, reduced surface water flows in major river systems,*
- 10 *and historically low groundwater levels. These water supplies*
- 11 *continue to be severely depleted despite a limited amount of winter*
- 12 *precipitation in 2014.*
- 13 (c) *The duration of the drought is unknown, but based on the*
- 14 *projected impact of climate change on California's snowpack,*
- 15 *extremely dry conditions will likely continue beyond this year and*
- 16 *occur more regularly in the future.*
- 17 (d) *Continuous severe drought conditions present urgent*
- 18 *challenges across the state, including, but not limited to, water*
- 19 *shortages in communities and for agricultural production,*

1 increased risk of wildfires, degraded habitat for fish and wildlife,
2 and threat of saltwater contamination in large fresh water supplies.

3 (e) Water reuse is one of the most efficient and cost-effective
4 ways to improve the drought resilience of California communities.

5 (f) The State Water Resources Control Board has established
6 goals of recycling 1,500,000 acre-feet of wastewater by 2020 and
7 2,500,000 acre-feet of wastewater by 2030. However, California
8 is not on track to meet the board's goals.

9 (g) The discharge of treated wastewater from ocean outfalls
10 constitutes waste and unreasonable use of water within the
11 meaning of Section 2 of Article X of the California Constitution,
12 in light of the opportunities to recycle this water for further
13 beneficial use.

14 (h) By prohibiting ocean discharges from wastewater treatment
15 plants, California could dramatically accelerate the adoption of
16 water recycling and thus increase water supply available for
17 beneficial use.

18 (i) Water recycling can reduce California's dependence on
19 diversions from surface rivers and streams that are subject to
20 variable climate and regulatory conditions.

21 (j) In addition to water supply benefits, requiring water recycling
22 for further beneficial use eliminates ocean wastewater discharges,
23 decreasing pollutant loadings to ocean waters and improving
24 coastal water quality, thereby benefitting the aquatic environment
25 and local economies that depend on those coastal resources.

26 SEC. 2. Section 13557.5 is added to the Water Code, to read:

27 13557.5. (a) The Legislature hereby finds and declares that
28 the discharge of treated wastewater from ocean outfalls, except
29 in compliance with the provisions of this section, is a waste and
30 unreasonable use of water within the meaning of Section 2 of
31 Article X of the California Constitution in light of the cost-effective
32 opportunities to recycle this water for further beneficial use,
33 including both potable and nonpotable uses.

34 (b) On or before January 1, 2026, each wastewater treatment
35 facility that discharges through an ocean outfall shall achieve at
36 least 50 percent reuse of the facility's actual annual flow for
37 beneficial purposes.

38 (c) On and after January 1, 2036:

39 (1) A wastewater treatment facility shall not discharge treated
40 wastewater through ocean outfalls, except as a backup discharge.

1 *A backup discharge may occur only during periods of reduced*
2 *demand for reclaimed water in the reuse system, such as a period*
3 *of wet weather.*

4 *(2) Each wastewater treatment facility shall achieve 100 percent*
5 *reuse of the facility's actual annual flow for further beneficial use.*

6 *(d) (1) A holder of a NPDES permit authorizing the discharge*
7 *of wastewater through an ocean outfall as of January 1, 2016,*
8 *shall submit, on or before July 1, 2020, a plan to meet the*
9 *requirements of this section, directly or by contract, to the executive*
10 *director of the state board that contains all of the following:*

11 *(A) An identification of all land acquisition and facilities*
12 *necessary to provide for treatment, transport, and reuse of treated*
13 *wastewater.*

14 *(B) An analysis of the costs to meet the requirements of this*
15 *section.*

16 *(C) A financing plan for meeting the requirements of this section,*
17 *including identifying any actions necessary to implement the*
18 *financing plan, such as bond issuance or other borrowing,*
19 *assessments, rate increases, fees, charges, or other financing*
20 *mechanisms.*

21 *(D) A detailed schedule for the completion of all necessary*
22 *actions.*

23 *(E) Supporting data and other documentation accompanying*
24 *the plan.*

25 *(2) On or before January 1, 2024, the plan described in*
26 *paragraph (1) shall be updated and submitted to the executive*
27 *director of the state board by the permit holder to include any*
28 *refinements or changes in the costs, actions, or financing necessary*
29 *to achieve full recycling of all wastewater and thereby eliminate*
30 *the ocean outfall discharge in accordance with this section or a*
31 *written statement that the plan is current and accurate.*

32 *(e) On or before January 1, 2017, and by January 1 every five*
33 *years thereafter, the holder of a NPDES permit authorizing the*
34 *discharge of wastewater through an ocean outfall shall submit to*
35 *the executive director of the state board a report summarizing the*
36 *actions accomplished to date and the actions remaining and*
37 *proposed to meet the requirements of this section. The report shall*
38 *include progress toward meeting the deadlines set forth in*
39 *subdivisions (b) to (d), inclusive, and specifically include the*
40 *detailed schedule for, and status of, the following:*

- 1 (1) *Evaluation of reuse and disposal options.*
- 2 (2) *Preparation of preliminary design reports.*
- 3 (3) *Preparation and submission of permit applications.*
- 4 (4) *Construction initiation.*
- 5 (5) *Construction progress milestones.*
- 6 (6) *Construction completion.*
- 7 (7) *Initiation of operation.*
- 8 (8) *Continuing operation and maintenance.*

9 (f) (1) *On or before July 1, 2021, and by July 1 every five years*
10 *thereafter, the state board shall submit a report to the Governor*
11 *and the Legislature on the implementation of this section. The*
12 *report shall summarize the progress up to date, including the*
13 *increased amount of reclaimed water provided and potable water*
14 *offsets achieved, and shall identify any obstacles to continued*
15 *progress, including all instances of substantial noncompliance.*

16 (2) *A report to be submitted pursuant to paragraph (1) shall be*
17 *submitted in compliance with Section 9795 of the Government*
18 *Code.*

19 (g) (1) *On and after January 1, 2022, a NPDES permitholder*
20 *subject to the requirements of this section, may petition the state*
21 *board for a partial exemption to the requirements of this section.*
22 *The petition shall include the information required in subdivisions*
23 *(d) and (e), and shall demonstrate that the NPDES permitholder*
24 *cannot comply with the requirements of this section for one of the*
25 *following reasons:*

26 (A) *The state board has failed to adopt regulations that approve*
27 *the indirect potable reuse of wastewater.*

28 (B) *Upgrading the wastewater treatment plant to achieve*
29 *recycled water standards produces recycled water that costs more*
30 *than twice the cost per-acre foot as compared with other new*
31 *surface and groundwater supplies.*

32 (C) *The wastewater treatment plant has achieved water quality*
33 *standards for recycled water, but there is not sufficient demand*
34 *for this water within the region.*

35 (2) *The state board shall determine, after notice and opportunity*
36 *for comment, whether the petition demonstrates that the NPDES*
37 *permitholder cannot comply with the requirements of this section*
38 *pursuant to paragraph (1). If the state board approves the partial*
39 *exemption to the requirements of this section, that exemption shall*
40 *be valid for a period of no more than five years, at which point*

1 *the NPDES permitholder shall reapply for an exemption or comply*
2 *with the requirements of this section.*

3 *(3) A NPDES permitholder subject to the requirements of this*
4 *section shall not be eligible for state grants or loans if they receive*
5 *a partial exemption to the requirements of this section pursuant*
6 *to this subdivision, unless the state grant or loan is solely for the*
7 *purpose of achieving compliance with the requirements of this*
8 *section.*

9 *(h) As used in this section:*

10 *(1) "Actual annual flow" means the annual average flow of*
11 *treated wastewater discharging through a facility's ocean outfall*
12 *as determined by the state board using monitoring data available*
13 *for calendar years 2009 to 2014, inclusive.*

14 *(2) "Backup discharge" means a surface water discharge that*
15 *occurs as part of a functioning reuse system that has been*
16 *permitted in accordance with the rules of the state board and that*
17 *provides reclaimed water for irrigation or public access areas,*
18 *residential properties, edible food crops, sea water barrier*
19 *injection to protect groundwater resources, groundwater*
20 *replenishment, industrial cooling, or other acceptable reuse*
21 *purposes. "Backup discharge" may also include releases to the*
22 *ocean on an emergency basis, as approved by a regional board,*
23 *for a duration not to exceed 90 days and only in the quantities as*
24 *are necessary in the event of a storm or other cause that impedes*
25 *groundwater replenishment.*

26 ~~SECTION 1. Section 3000.5 is added to the Elections Code;~~
27 ~~to read:~~

28 ~~3000.5. (a) A vote by mail pilot program shall be established~~
29 ~~in the County of Los Angeles for any statewide election held~~
30 ~~between January 1, 2017, and December 31, 2018, inclusive.~~

31 ~~(b) Notwithstanding Section 3001, the elections official for the~~
32 ~~County of Los Angeles, in conjunction with the Secretary of State,~~
33 ~~shall issue a vote by mail ballot to each registered voter in that~~
34 ~~county for any statewide election held during the period specified~~
35 ~~in subdivision (a).~~

36 ~~(c) Notwithstanding any other law, each of the following shall~~
37 ~~apply to the vote by mail pilot program with respect to a statewide~~
38 ~~election held during the period specified in subdivision (a):~~

1 (1) The elections official is authorized to mail the vote by mail
2 ballots together with other election materials issued by the county
3 to reduce overall mailing expenses.

4 (2) The elections official shall consider reducing or consolidating
5 precincts in anticipation of a reduction in the number of voters
6 who vote at precinct polling places, subject to the requirements of
7 Sections 12223 and 12241.

8 (3) The elections official is deemed to comply with the
9 requirements of Section 14102 if the number of official ballots
10 provided to each precinct is not less than 50 percent of registered
11 voters in the precinct.

12 (4) The elections official shall engage in voter education efforts
13 to increase voter awareness of the vote by mail pilot program. As
14 part of the voter education efforts, voters shall be encouraged, if
15 they intend to vote at a polling place, to bring their vote by mail
16 ballot to the polling place to streamline their voting process.

17 (5) In addition to any other reporting requirements required by
18 law, the elections official shall report on the voter turnout for the
19 County of Los Angeles for any qualifying statewide election
20 described in subdivision (a) to the Secretary of State and to the
21 Legislature, in the manner provided by Section 9795 of the
22 Government Code, on or before December 31, 2018.

23 (d) This section shall remain in effect only until January 1, 2019;
24 and as of that date is repealed, unless a later enacted statute, that
25 is enacted before January 1, 2019, deletes or extends that date.

26 SEC. 2. If the Commission on State Mandates determines that
27 this act contains costs mandated by the state, reimbursement to
28 local agencies and school districts for those costs shall be made
29 pursuant to Part 7 (commencing with Section 17500) of Division
30 4 of Title 2 of the Government Code.