

WORKSHOP MEETING OF THE
BOARD OF DIRECTORS WITH MET DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Conference Room 101, Fountain Valley, California
July 5, 2023, 8:30 a.m.

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

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<https://zoom.us/j/8828665300>

Telephone Audio: (669) 900 9128 fees may apply

(877) 853 5247 Toll-free

Webinar ID: 882 866 5300#

AGENDA

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC PARTICIPATION/COMMENTS

At this time members of the public will be given an opportunity to address the Board concerning items within the subject matter jurisdiction of the Board. Members of the public may also address the Board about a particular Agenda item at the time it is considered by the Board and before action is taken.

The Board requests, but does not require, that members of the public who want to address the Board complete a voluntary "Request to be Heard" form available from the Board Secretary prior to the meeting.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize item(s), which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present or, if less than two-thirds of the Board members are present a unanimous vote.)

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

Pursuant to Government Code Section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on the District's Internet Web site, accessible at <http://www.mwdoc.com>.

NEXT RESOLUTION NO. 2142

PRESENTATION/DISCUSSION ITEMS

1. **PRESENTATION BY MWDOC STAFF ON MET'S CLIMATE ADAPTATION MASTER PLAN: RECAP OF THE JUNE 27 WORKSHOP**

Recommendation: Review and discuss the information presented.

2. LEGISLATIVE ACTIVITIES

- a. Federal Legislative Report (NRR)
- b. State Legislative Report (BBK)
- c. Legal and Regulatory Report (Ackerman)
- d. County Legislative Report (Whittingham)
- e. MWDOC Legislative Matrix
- f. Metropolitan Legislative Matrix

Recommendation: Review and discuss the information presented.

3. QUESTIONS OR INPUT ON MET ISSUES FROM THE MEMBER AGENCIES/MET DIRECTOR REPORTS REGARDING MET COMMITTEE PARTICIPATION

Recommendation: Receive input and discuss the information presented.

ACTION ITEMS

4. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) 2024-2026 BOARD OF DIRECTORS ELECTION – AUTHORIZATION TO VOTE

Recommendation: (1) Review and discuss the candidates running for the CSDA Board of Directors, Southern Network, Seat C; and (2) Authorize staff to cast the District's electronic ballot.

INFORMATION ITEMS

5. MET ITEMS CRITICAL TO ORANGE COUNTY (The following items are for informational purposes only – a write up on each item is included in the packet. Discussion is not necessary unless requested by a Director).

- a. MET's Finance and Rate Issues
- b. MET's Water Supply Condition Update
- c. Water Quality Update
- d. Colorado River Issues
- e. Delta Conveyance Activities and State Water Project Issues

Recommendation: Review and discuss the information presented.

6. METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

- a. Summary regarding June MET Board Meetings
- b. MET 4-Month Outlook on Upcoming Issues (not available)
- c. Review items of significance for MET Board and Committee Agendas

Recommendation: Review and discuss the information presented.

ADJOURNMENT

Note: Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Maribeth Goldsby, District Secretary, at (714) 963-3058, or writing to Municipal Water District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodations should make the request with adequate time before the meeting for the District to provide the requested accommodations.



DISCUSSION ITEM

July 5, 2023

TO: Board of Directors

FROM: Harvey De La Torre, Interim General Manager

Staff Contact: Melissa Baum-Haley

**SUBJECT: PRESENTATION BY MWDOC STAFF ON MET'S CLIMATE ADAPTATION
MASTER PLAN: RECAP OF THE JUNE 27 WORKSHOP**

STAFF RECOMMENDATION

Staff recommends the Board of Directors discuss and file this information.

REPORT

As a continuation in a series of presentations on the Climate Adaptation Master Plan for Water process (CAMP4W), MWDOC staff will provide an overview of the June 27 Board Workshop Discussion on Member Agency Alignment and Gap Analysis and initial discussions of CAMP4W Themes.

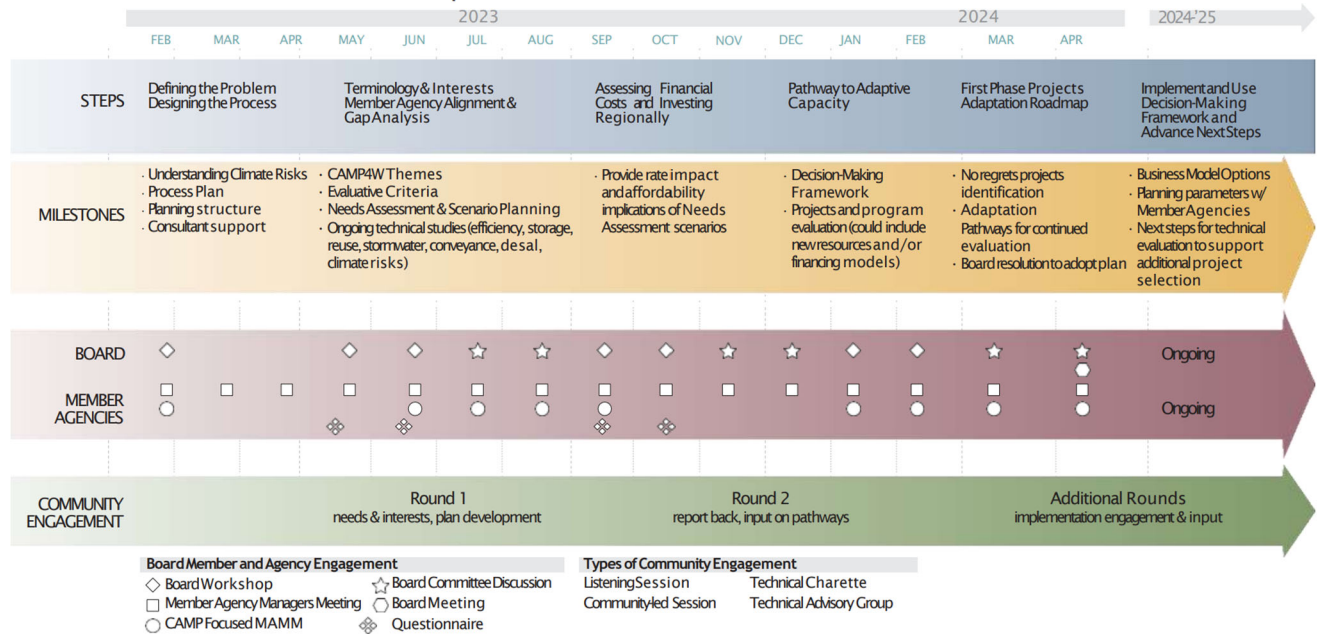
CAMP4W Process

Throughout the CAMP4W process, Metropolitan and its Member Agencies will identify potential pathways and investments needed to increase reliability and resilience. The evaluative criteria will help score, weight, and rank pathways to facilitate the objective analysis of alternatives. This process aims to understand tradeoffs and opportunities to provide multiple benefits. The development of evaluative criteria will be iterative and will be based on working understandings of priorities and CAMP4W Themes (previously guiding principles).

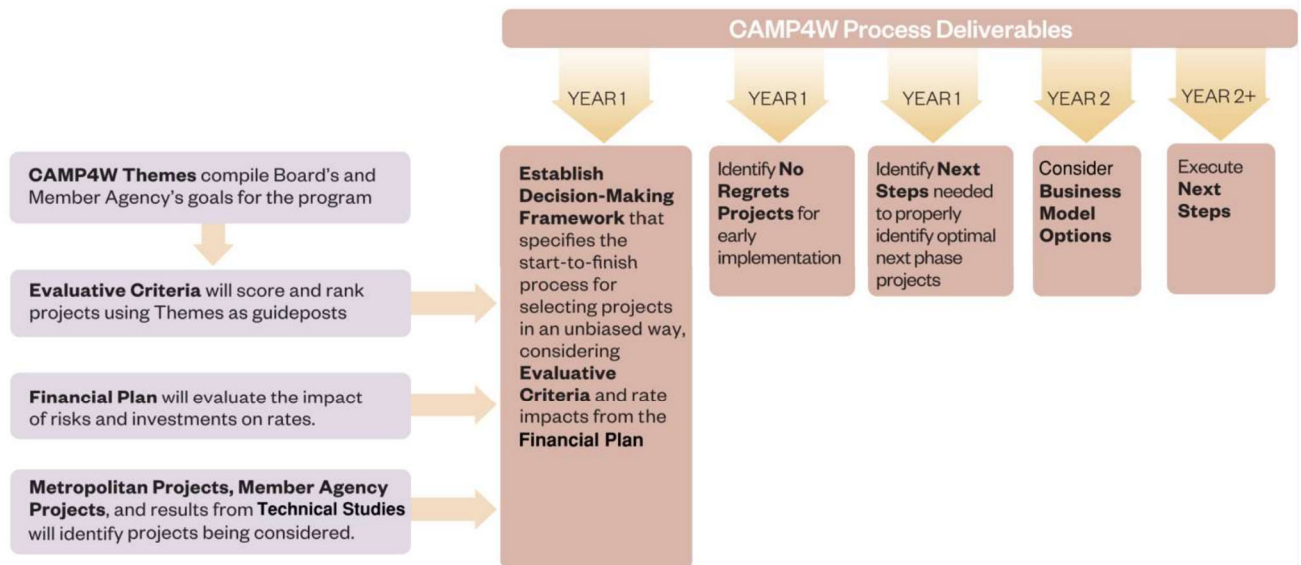
As presented at the June 27 Board Workshop, below is an updated timeframe and process framework:

Budgeted (Y/N): N/A	Budgeted amount: None	Core <u>X</u>	Choice <u> </u>
Action item amount: N/A	Line item:		
Fiscal Impact (explain if unbudgeted):			

Climate Adaptation Master Plan for Water: Timeline & Framework



CAMP4W Process Flow



CAMP4W Themes

The CAMP4W Themes are intended to integrate the Metropolitan Board and Member Agencies' preferences for what should be incorporated throughout the CAMP4W process. By refining this information into actionable statements, these guideposts will help guide the planning as next steps are executed, including the development of evaluative criteria to assess investments.

The CAMP4W Themes were developed based on discussions among the Board and Member Agencies regarding what concepts should be considered as the CAMP4W planning process progresses across reliability, resilience, financial sustainability, and affordability. The ideas captured during those discussions were compiled into thematic statements. An additional category, equity, was added following the discussions as it was identified as an important theme among participants.

The CAMP4W Themes will inform the development of the Evaluative Criteria so that the scoring of projects reflects these themes. They will also inform the Decision-Making Framework, and the establishment of next steps in the CAMP4W process.

Overarching Themes will span all categories and generally develop a path forward that prepares our region to mitigate, adapt and thrive in a changing climate. They should recognize that reliability and resiliency, as well as affordability and equity, varies across Member Agencies and create equity. They are also being used to develop a coordinated engagement strategy across Member Agencies and Metropolitan that builds relationships and trust in the communities served, provides meaningful information, and solicits input throughout the process.

The workshop included ad hoc small group discussions comprised of Metropolitan staff, Board Members, and general manager/agency representatives. During the brief small group discussions, each Board Member shared information on key facts about their agency and projected level of resilience on Metropolitan in 2045. Where time permitted, the ad hoc small groups discussed the Draft CAMP4W Themes and if they sufficiently describe the general direction for the CAMP4W planning process (CAMP4W Draft Themes are attached).

IRP Needs Assessment Integration into the CAMP4W Process

Phase 1 of the 2020 Integrated Water Resource Plan (IRP) was adopted by the Board in April 2022. It was developed in collaboration with Member Agencies utilizing area experts in climate change and water demand and public stakeholder involvement. The outcomes and findings are supported by a comprehensive scenario planning approach.

The IRP Needs Assessment is being utilized to define the range of water supply needs for potential climate change scenarios and as a tool for evaluating water supply and storage solutions.

The CAMP4W process will use the results and findings from Phase 1 as a basis for the identification of specific projects that can solve anticipated problems:

- Develop CAMP4W Themes and Evaluative Criteria
- Identify specific resource investments
- Develop a more fine-tuned cost analysis
- Iterative process to address affordability

The IRP Needs Assessment identified resource development needs with the following key finding: by 2045, the region would need to develop up to 650 TAF of new core supply (e.g. and conservation with no new storage, or up to 500 TAF of new core supply and conservation with 500 TAF of new storage. That amount of development eliminates the frequency and magnitude of shortages under conditions of strong demographic and economic growth and

rapid climate change in a world of increasing regulatory constraints. This range of development would increase reliability and manages those uncertainties.

While the IRP Needs Assessment quantified how much may be needed by category, to what extent and exactly how to achieve it are implementation decisions. The CAMP4W process should identify specific potential programs and implementation approaches to fill these needs. As the CAMP4W process will also be used to determine cost impact and affordability implications, the Metropolitan Business Model could be examined to address any identified affordability issues.

**Attachment: (1) June 27 Board Workshop Climate Adaptation Master Plan PowerPoint
(2) Draft CAMP4W Themes PowerPoint**



Board of Directors Workshop on Long-Term
Planning

Member Agency Alignment and Gap Analysis

Item 5a
June 27, 2023

Today's Agenda

Today's Agenda

1. Agenda Review; Workshop Objectives
2. Draft CAMP4W Timeline and Process Chart (20 min)
3. Alignment of Member Agency Needs and Planning
 - MA Questionnaire Feedback (5 min)
 - Member Agency Panel (25 min)
 - IRP Needs Assessment Review (15 min)
 - Board Discussion (30 min)
4. Ad Hoc Groups Report Back (10 min)
5. Next Steps (5 min)

Today's Agenda

Objectives

- Discuss the Draft CAMP4W Timeline and Framework integrating the Board's planning, policy and technical input, member agency manager involvement, and public engagement
- Utilize the IRP Needs Assessment to define the range of water supply needs for potential climate change scenarios and as a tool for evaluating water supply and storage solutions
- Increase alignment of member agencies through the Needs Assessment and the draft CAMP4W Themes

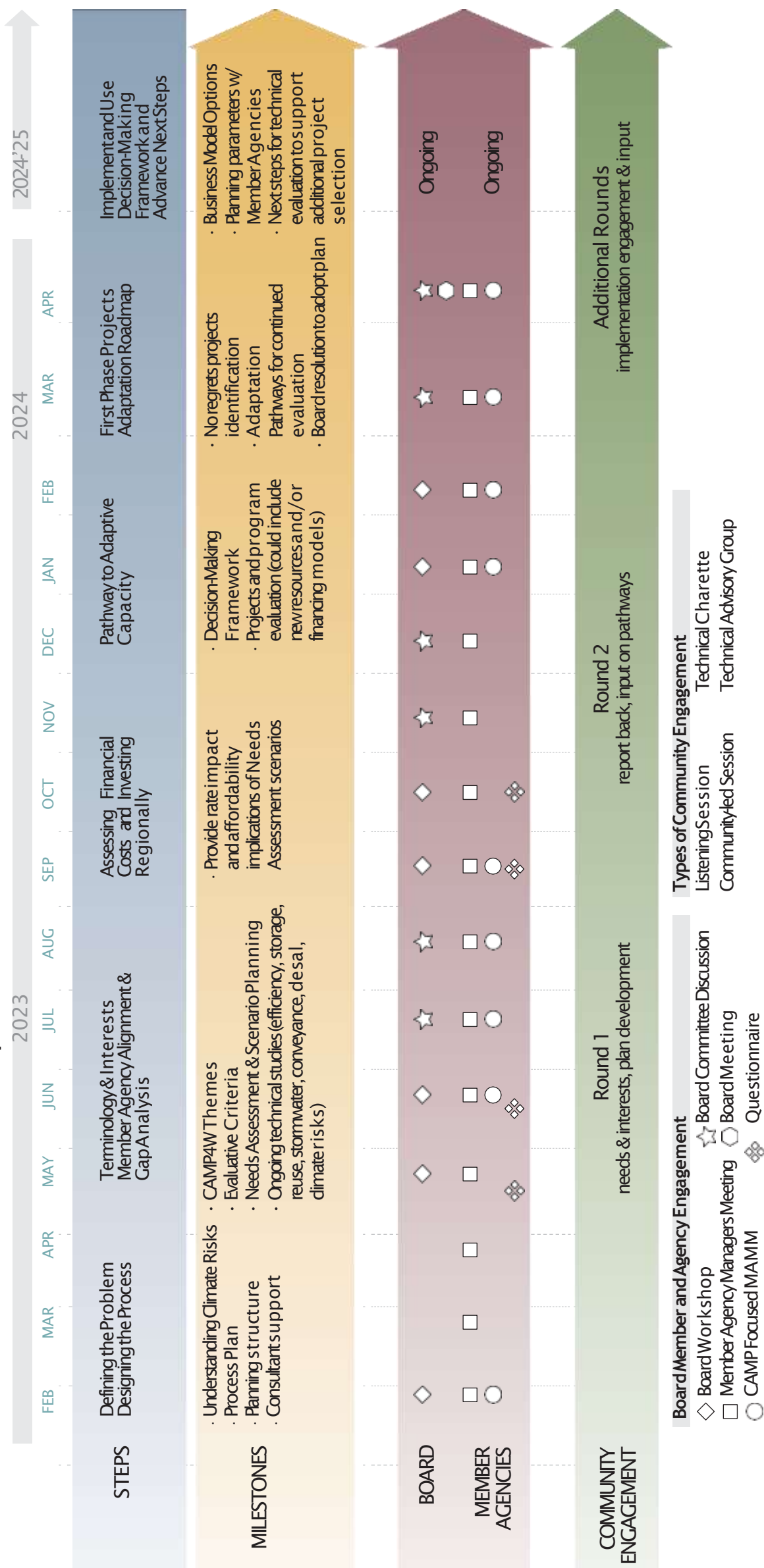
Draft CAMP4W Timeline and Process Chart

Potential Climate Adaptation Master Planning Process

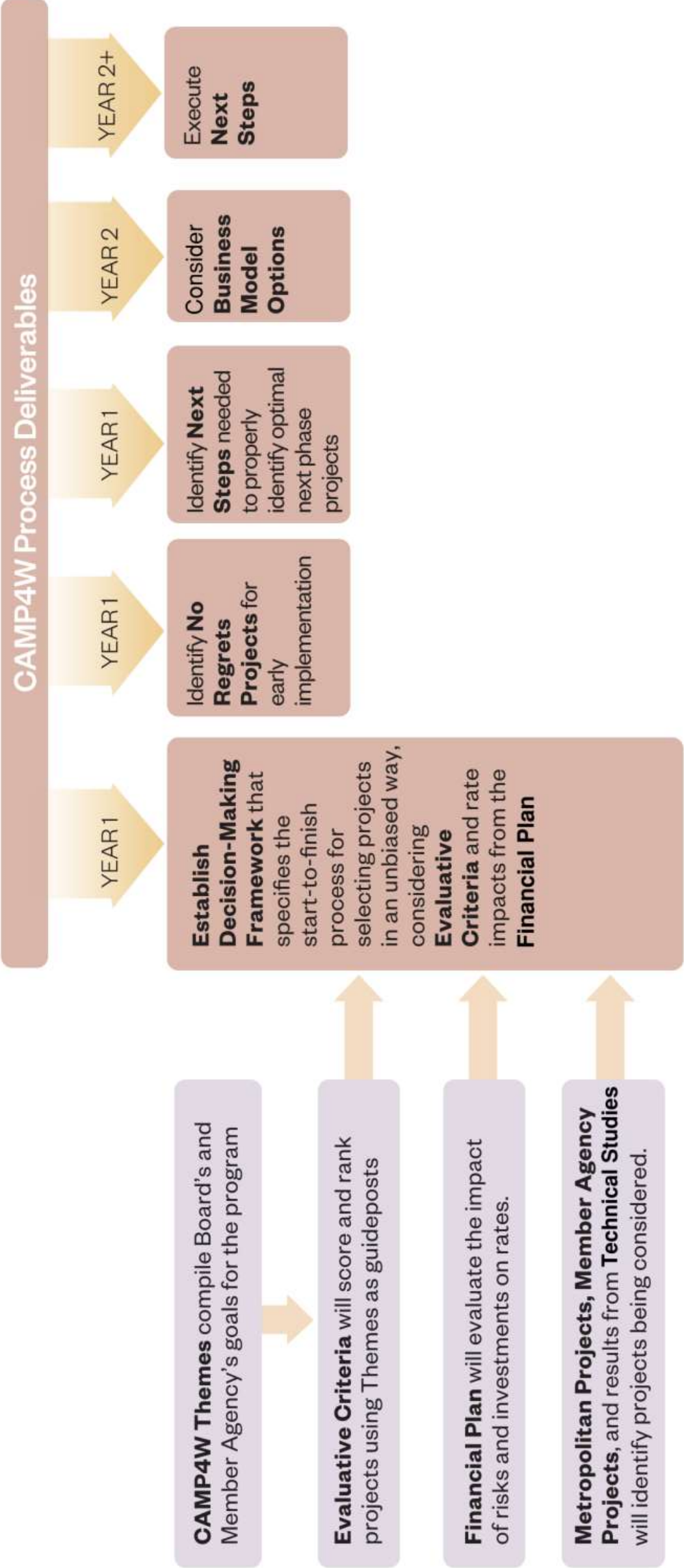


Member Agency and Public Engagement

Climate Adaptation Master Plan for Water: Timeline & Framework



CAMP4W Process Flow



Alignment of Member Agency Needs and Planning: MIA Questionnaire

Member Agency Alignment

Climate Planning: To assist in understanding how each agency is addressing climate change in its planning processes and identify additional resources, analyses and information that could feed into Metropolitan’s climate mitigation efforts and climate vulnerability assessment or vice versa.

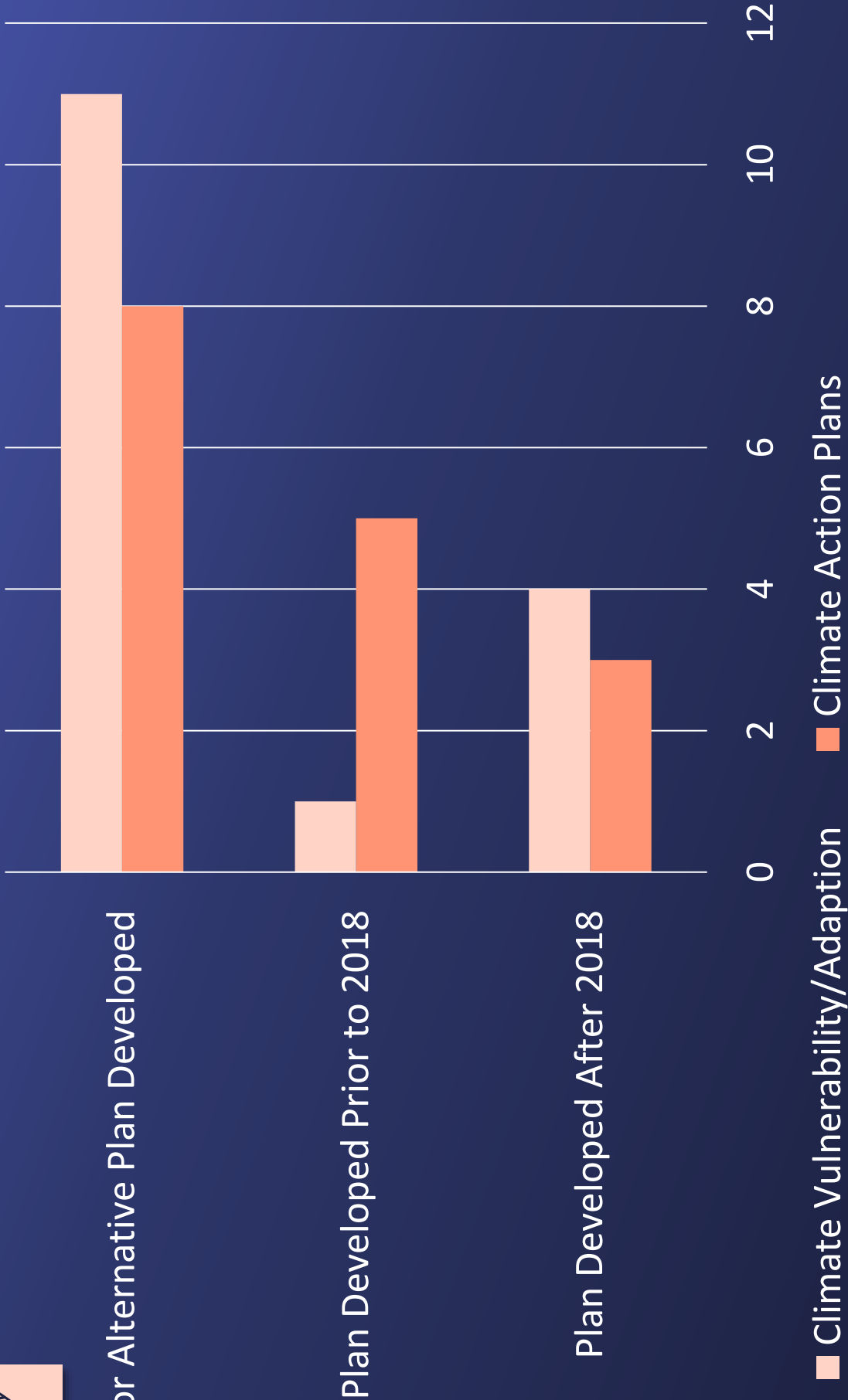
Water Resource Planning: To inform our current and future water supply gap analyses and development of evaluative criteria. These questions compliment ongoing annual surveys on each agency’s water supply sources and project planning.

Financial Planning: To help understand each Member Agency’s specific challenges related to financial planning and inform future conversations around the business model.

Question: Please describe your agency's progress or intentions to develop a Climate Adaptation Plan and/or Climate Vulnerability Assessment?

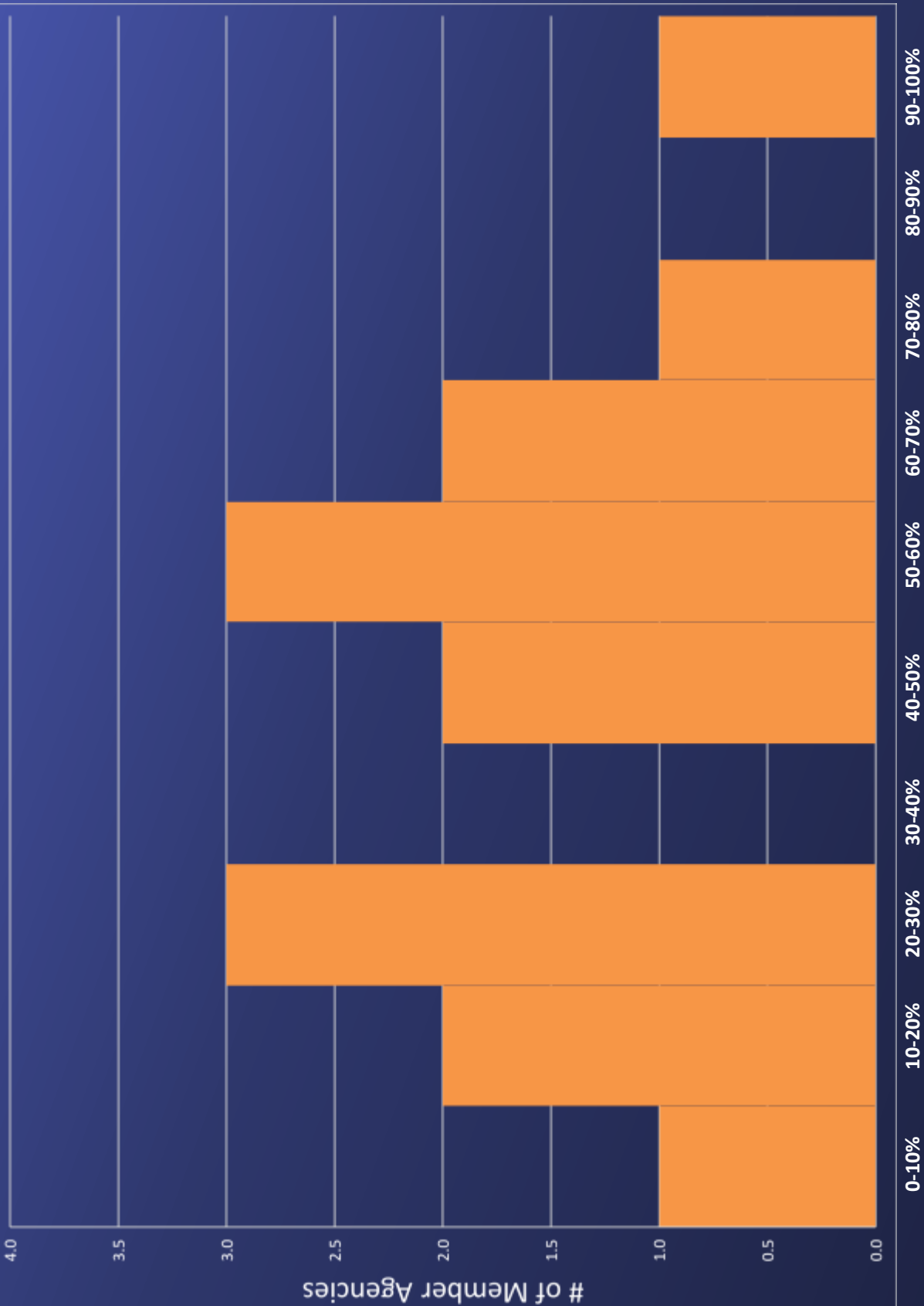
Member Agency Climate Planning Status

Member Agency Questionnaire #2



Question: *What level of reliability (i.e. meet 100% peak demand 100% of the time) do you anticipate needing from Metropolitan in the future?*

Projected Reliance on Metropolitan



Percent Reliance on Metropolitan in 2045

Question: How would you rank these potential financial constraints and/or concerns for your agency?

Member Agency Questionnaire #2

Financial Planning

1. Bonding and financial capacity
2. Needs of low-income customers
3. Ability to recover costs of infrastructure investments
4. Public and political will to raise rates
5. Ability to meet the scale of needed investment
6. Other financial concerns expressed:
 - Equity in Metropolitan financial model
 - Cost recovery for fixed and variable expenses
 - Political will to invest in large infrastructure projects
 - Availability of viable groundwater sources

Alignment of Member Agency Needs and Planning: Member Agency Panel

Member Agency Alignment

Member Agency Panel

- Henry Graumlich, Calleguas Municipal Water District
- Joe Mouawad, Eastern Municipal Water District
- Craig Parker, City of Anaheim
- Sunny Wang, City of Santa Monica

IRP Needs Assessment: An Analytical Foundation for the Climate Adaptation Master Plan for Water

I. What is the IRP Needs Assessment?

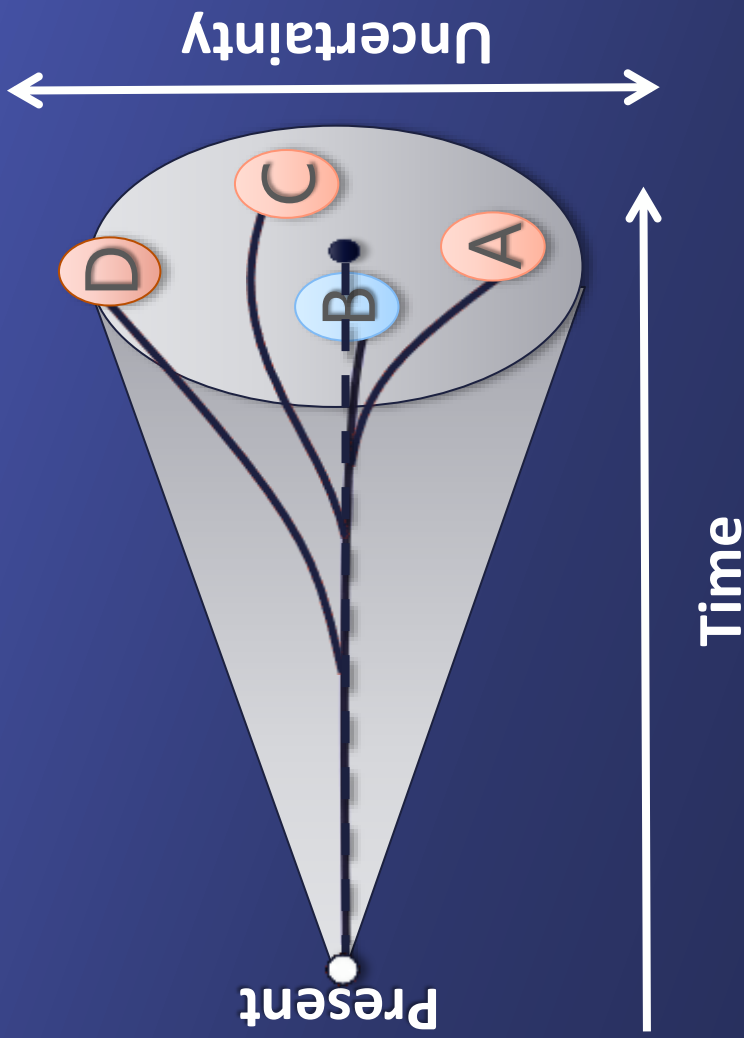
What is the IRP Needs Assessment?

- Phase I of the 2020 Integrated Water Resource Plan (IRP)
- Initiated in 2020 and adopted by the Board in April 2022
- Developed in collaboration with member agencies utilizing area experts in climate change and water demand and public stakeholder involvement
- Guided by the Integrated Resources Plan Special Committee of the Board
- Outcomes and findings supported by a comprehensive scenario planning approach

Informs Decision-Making in CAMP4W

Needs Assessment
Defining the problem

- In water resource planning, we want to plan comprehensively and implement adaptively
- **Comprehensive Planning** –Needs Assessment addressed limitations of fixed assumptions for an uncertain future with a scenario planning approach
- **Adaptive Implementation** –
Because the future is uncertain, we want to incorporate changing conditions and trends into the implementation decision-making process



*Climate Adaptation
Master Plan for Water*

Informs Decision-Making in CAMP4W



- The CAMP4W process will use the results and findings from Phase I as a basis for the identification of specific projects that can solve anticipated problems
 - Develop CAMP4W Themes and Evaluative Criteria
 - Identify specific resource investments
 - Develop a more fine-tuned cost analysis
 - Iterative process to address affordability

2. What were the Findings and How Can They Inform CAMIP4W

Four Planning Scenarios – Defining Potential Problems

Scenario A shows no unmanaged shortages under conditions of continued low demand growth and stable climate change.

Scenario B reveals implications of increased demands even without rapid climate change. Without new storage, 100 TAF of new core supply needed by 2045.

Scenario C underscores the impacts of rapid climate change even with minimal growth pressures on demands. Without new storage, 50 TAF of new core supply needed by 2045.

Scenario D warns of critical reliability challenges when faced with both demand growth and rapid climate change. Without new storage, 650 TAF of new core supply needed by 2045. No amount of new storage would eliminate net shortage.



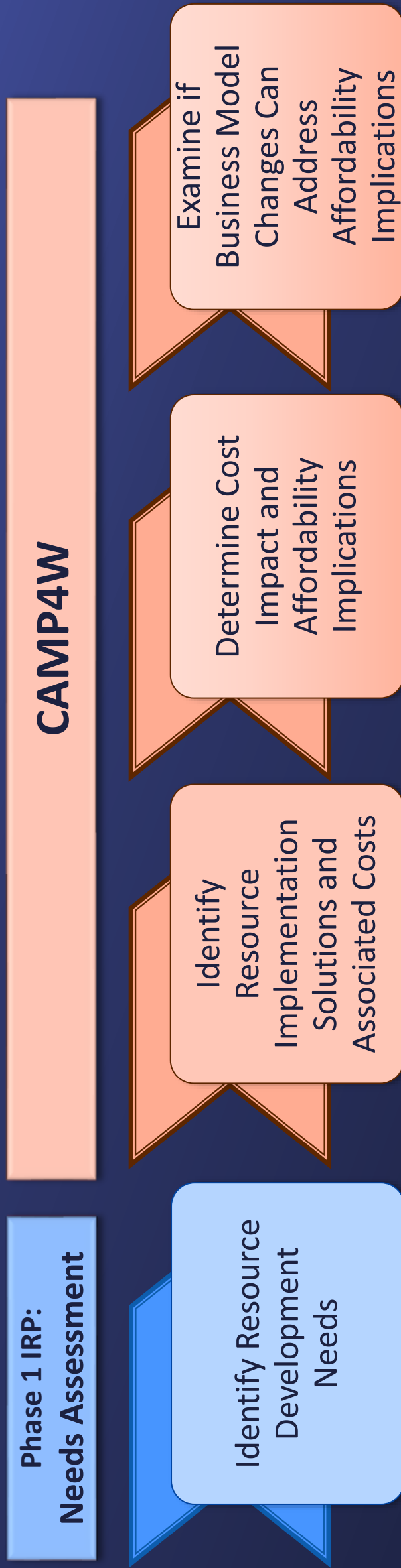
Needs Assessment Findings

- By 2045, the region would need to develop up to 650 TAF of new core supply and conservation with no new storage, or up to 500 TAF of new core supply and conservation with 500 TAF of new storage
- That amount of development eliminates the frequency and magnitude of shortages under conditions of strong demographic and economic growth and rapid climate change in a world of increasing regulatory constraints
- This range of development basically increases reliability and manages those uncertainties

Foundation for CAMP4W

- The Regional Needs Assessment identified resource development needs
- The CAMP4W process should identify specific potential programs and approaches to fill these needs
- The Needs Assessment quantified how much may be needed by category, but to what extent and exactly how to achieve it are implementation decisions
- An adaptive management strategy provides decision-making support for actual implementation

Continuum of Resource Planning



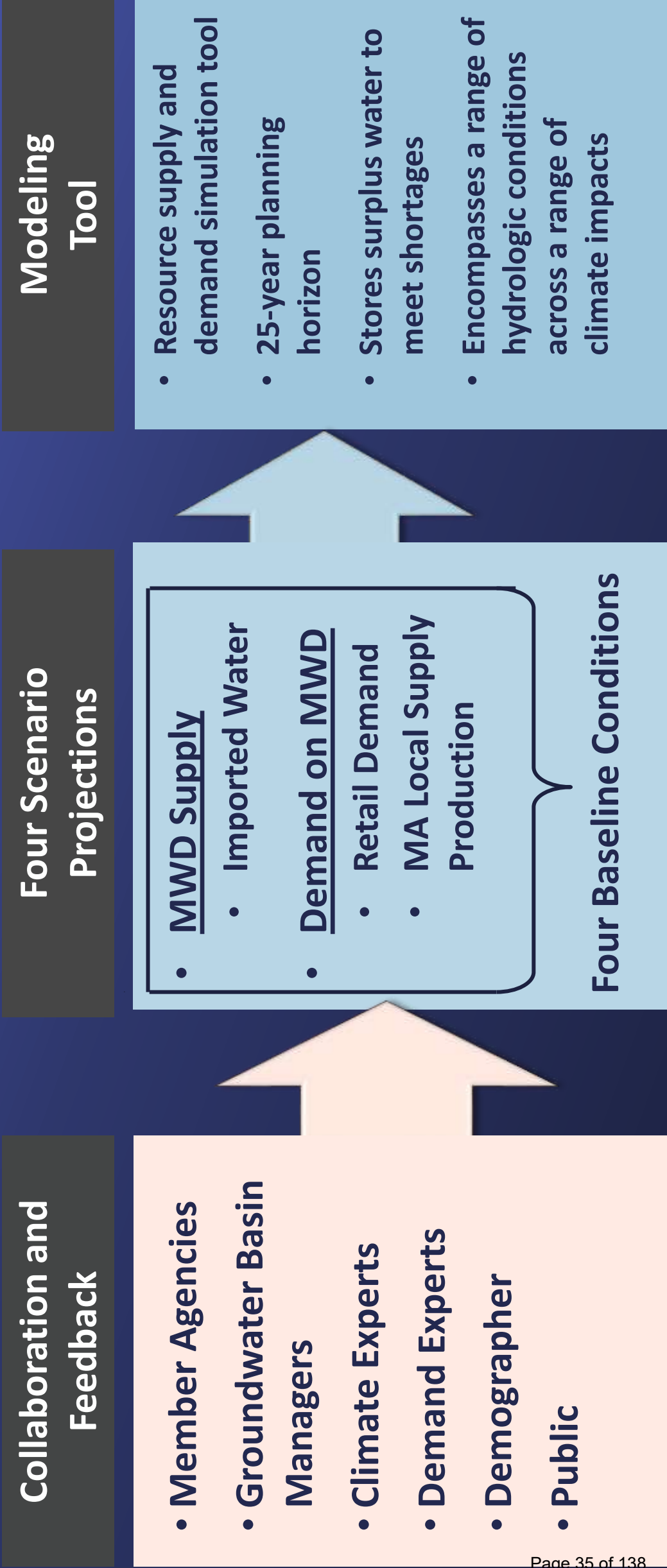
3. How the Needs Assessment Was Done

The 2020 IRP Scenario Planning Process

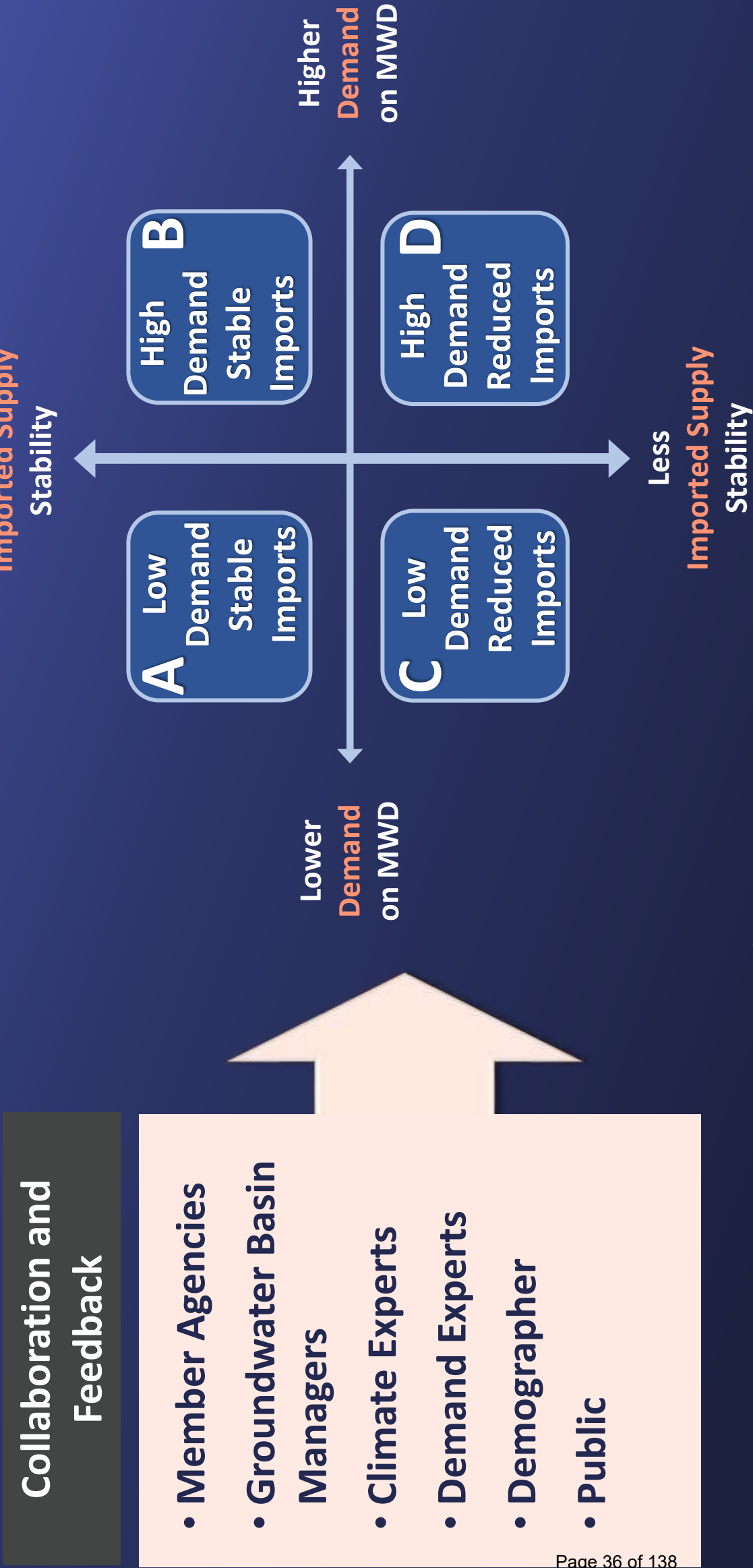
Why Did We Choose a Scenario Planning Approach?

- Scenarios broaden our view of uncertain conditions allowing us to develop a flexible long-term plan
- A disciplined method for imagining possible futures, examining more than hydrologic variability to reveal different challenges to reliability
- An approach to assess how policy options may work under future conditions and their tradeoffs

Key Assumptions – A Collaborative Open Process

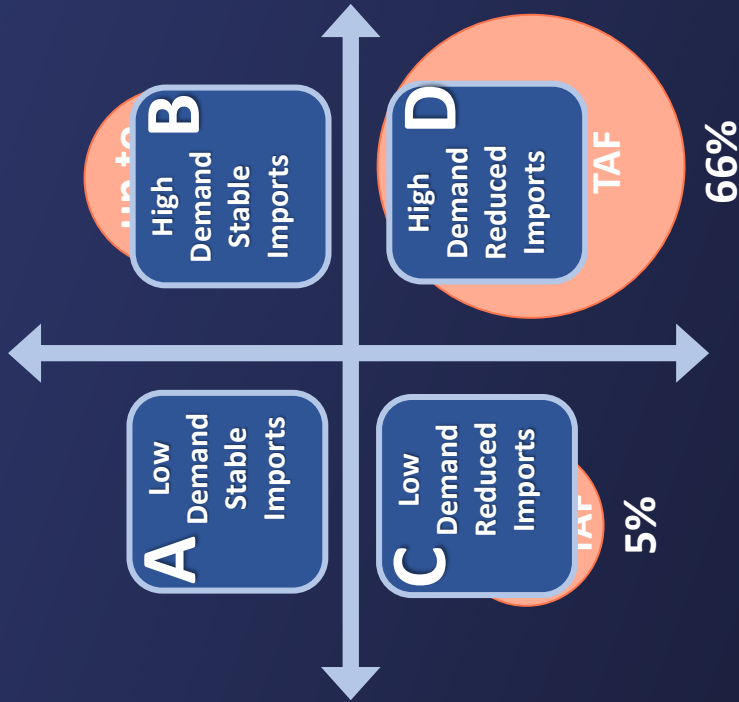


Collaborative Process – Far-Reaching Feedback

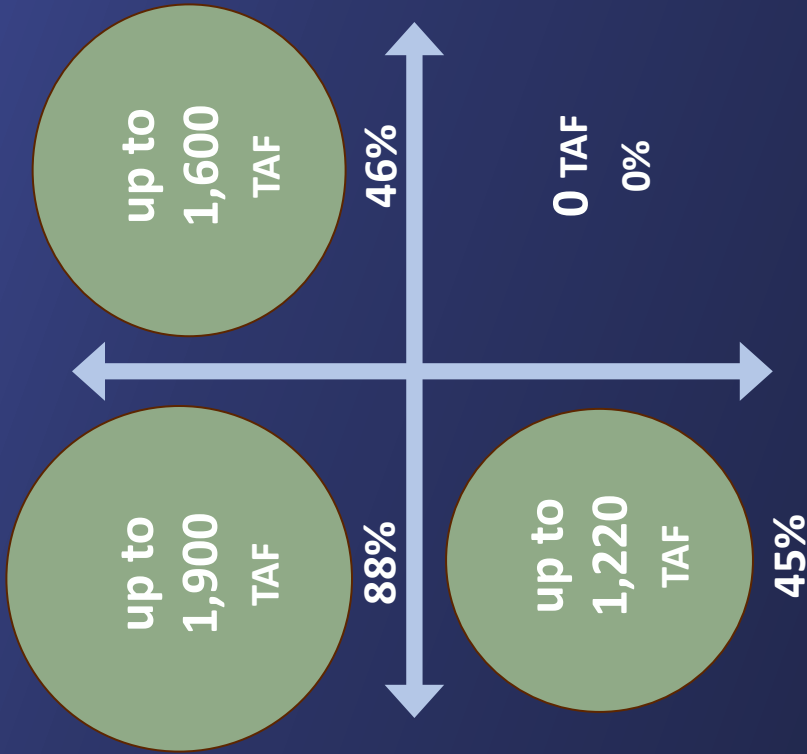


Quantification – Modeling Shortage and Surplus

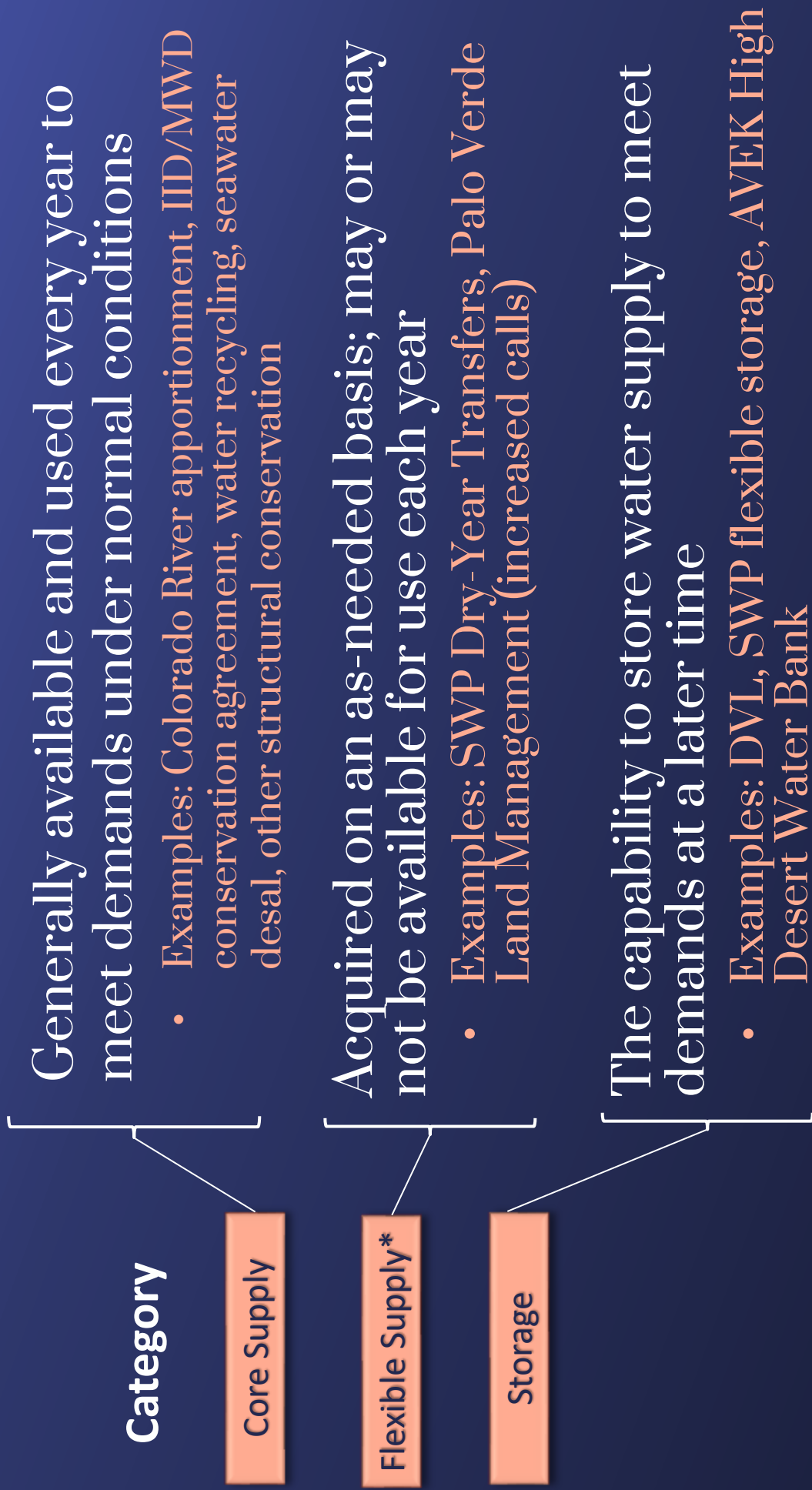
Maximum Magnitude (TAF) and Frequency (%) of a Net Shortage in (Forecast Year 2045)



Maximum Magnitude (TAF) and Frequency (%) of a Net Surplus in (Forecast Year 2045)



Portfolio Categories – High-Level Assessment of Needs

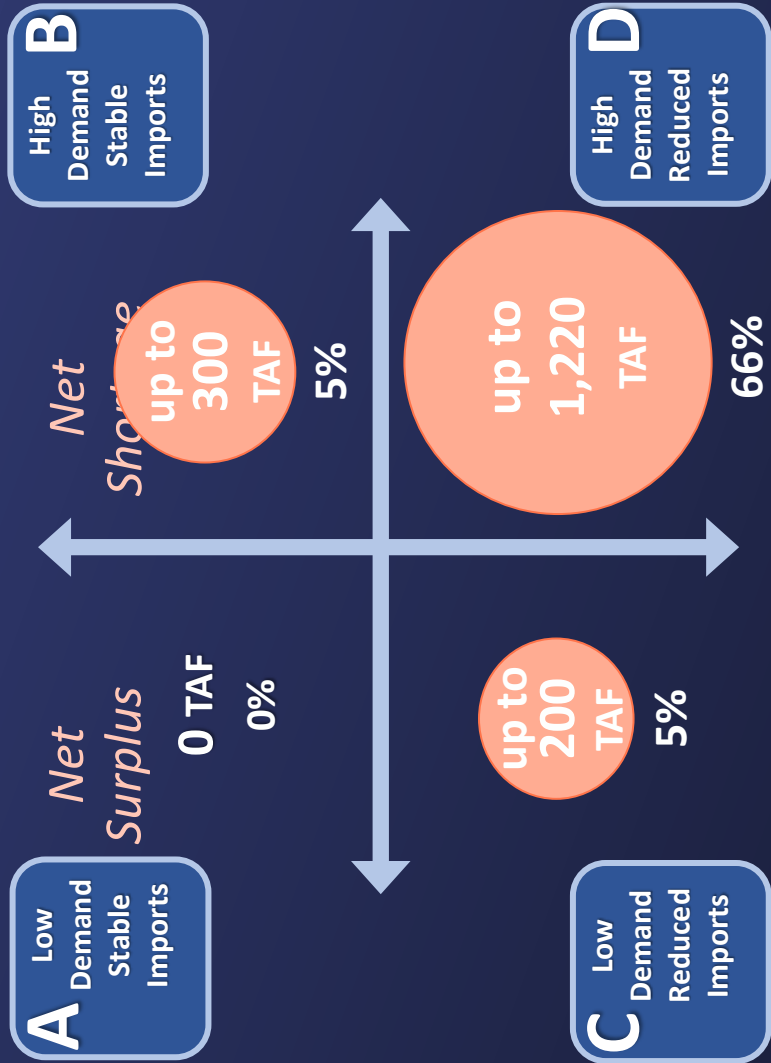


*Flex supply was capped at 100 TAF

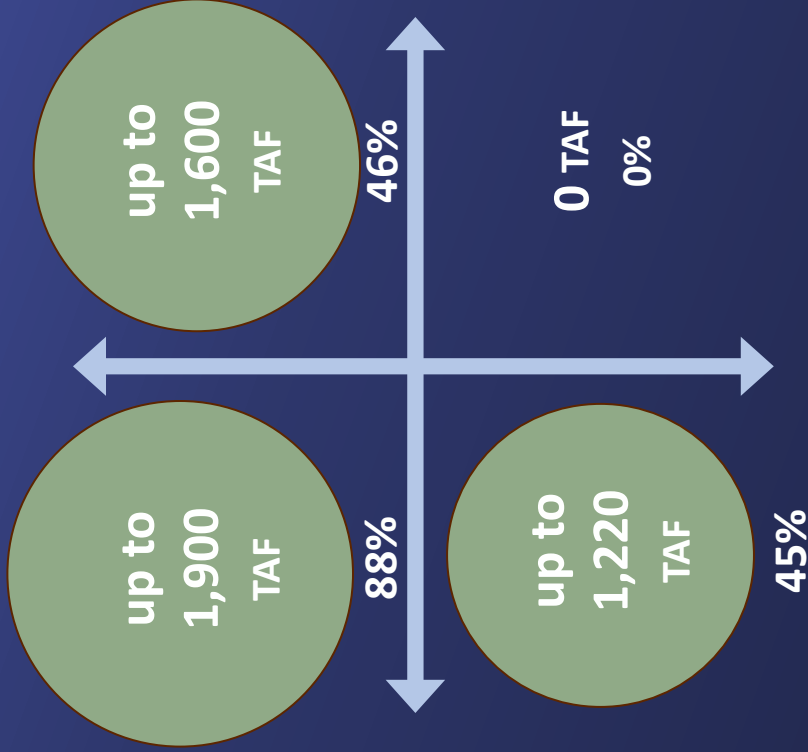
Scenario C Portfolio Category Results

Quantification - Effectiveness of Portfolio Categories

Maximum Magnitude (TAF) and Frequency (%) of a Net Shortage in (Forecast Year 2045)

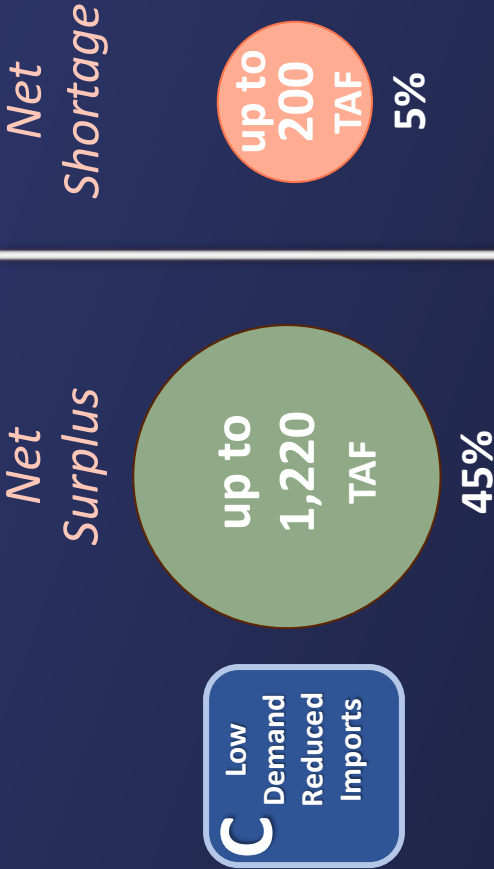


Maximum Magnitude (TAF) and Frequency (%) of a Net Surplus in (Forecast Year 2045)



Quantification - Effectiveness of Portfolio Categories

Reliability Assessment
Forecast Year 2045



Scenario C Portfolio Category Need - Combined
Forecast Year 2045

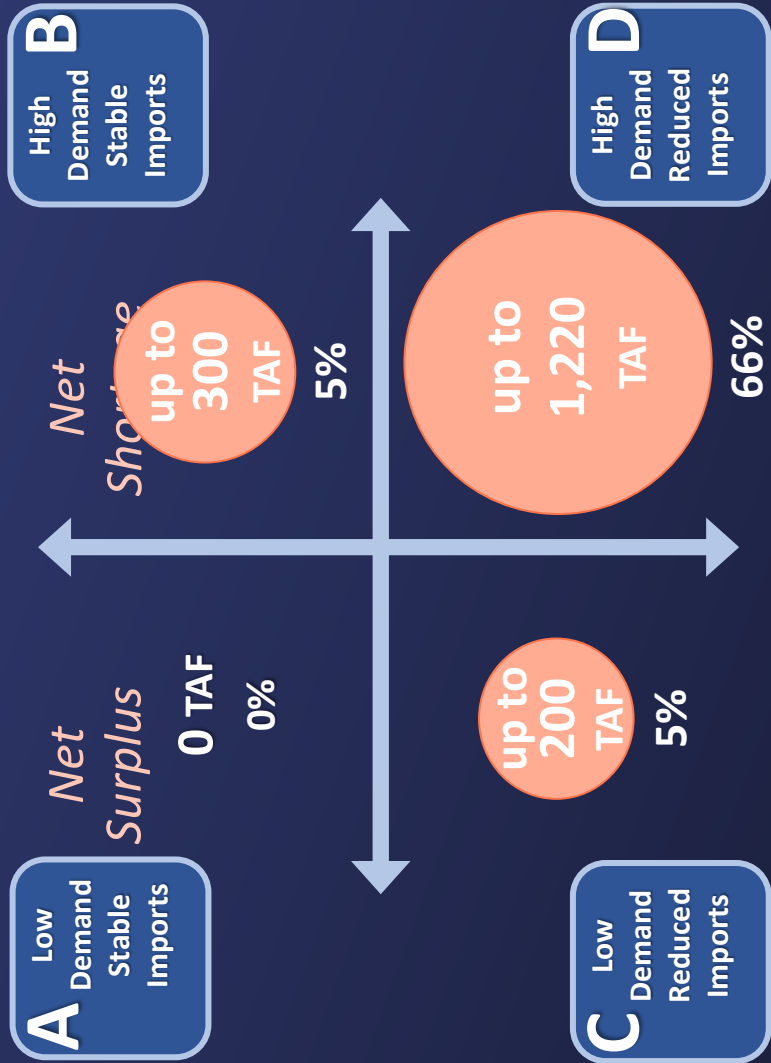
New Storage Capacity (TAF)	Core Supply Needed by 2045 (TAF)
0	50
100	15
250	15
500	15

No additional reduction in core supply if new storage capacity is above 100 TAF

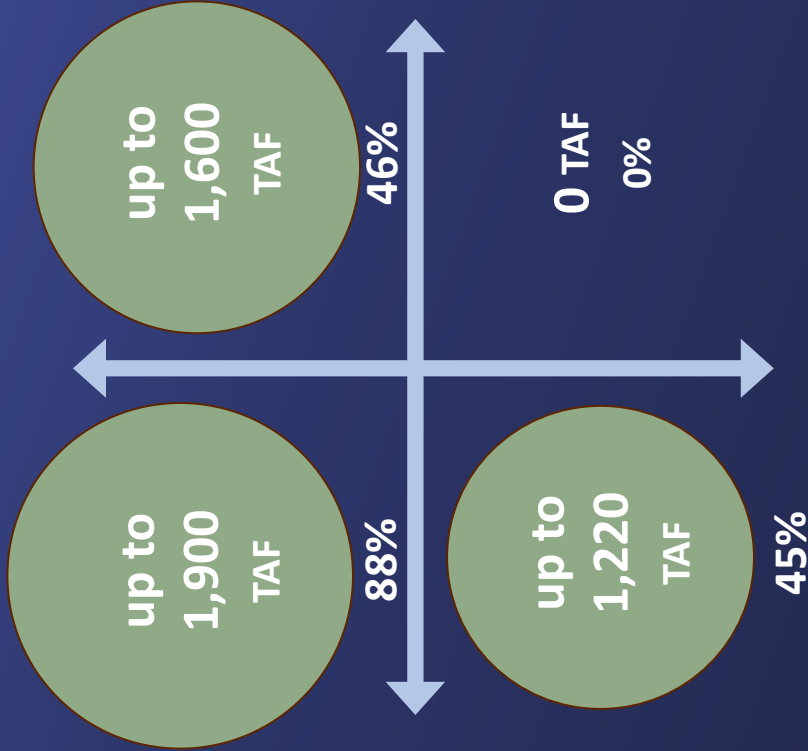
Scenario D Portfolio Category Results

Quantification - Effectiveness of Portfolio Categories

Maximum Magnitude (TAF) and Frequency (%) of a Net Shortage in (Forecast Year 2045)



Maximum Magnitude (TAF) and Frequency (%) of a Net Surplus in (Forecast Year 2045)



Quantification - Effectiveness of Portfolio Categories

Reliability Assessment
Forecast Year 2045



High Demand
Reduced Imports

Scenario D Portfolio Category Need - Combined
Forecast Year 2045

New Storage Capacity (TAF)	Core Supply Needed by 2045 (TAF)
0	650
100	600
250	550
500	500

Significant amount of core supply is needed in Scenario D as compared to Scenarios B and C

4. Summary

The Needs Assessment provides a strong analytical foundation for the CAMP4W Process

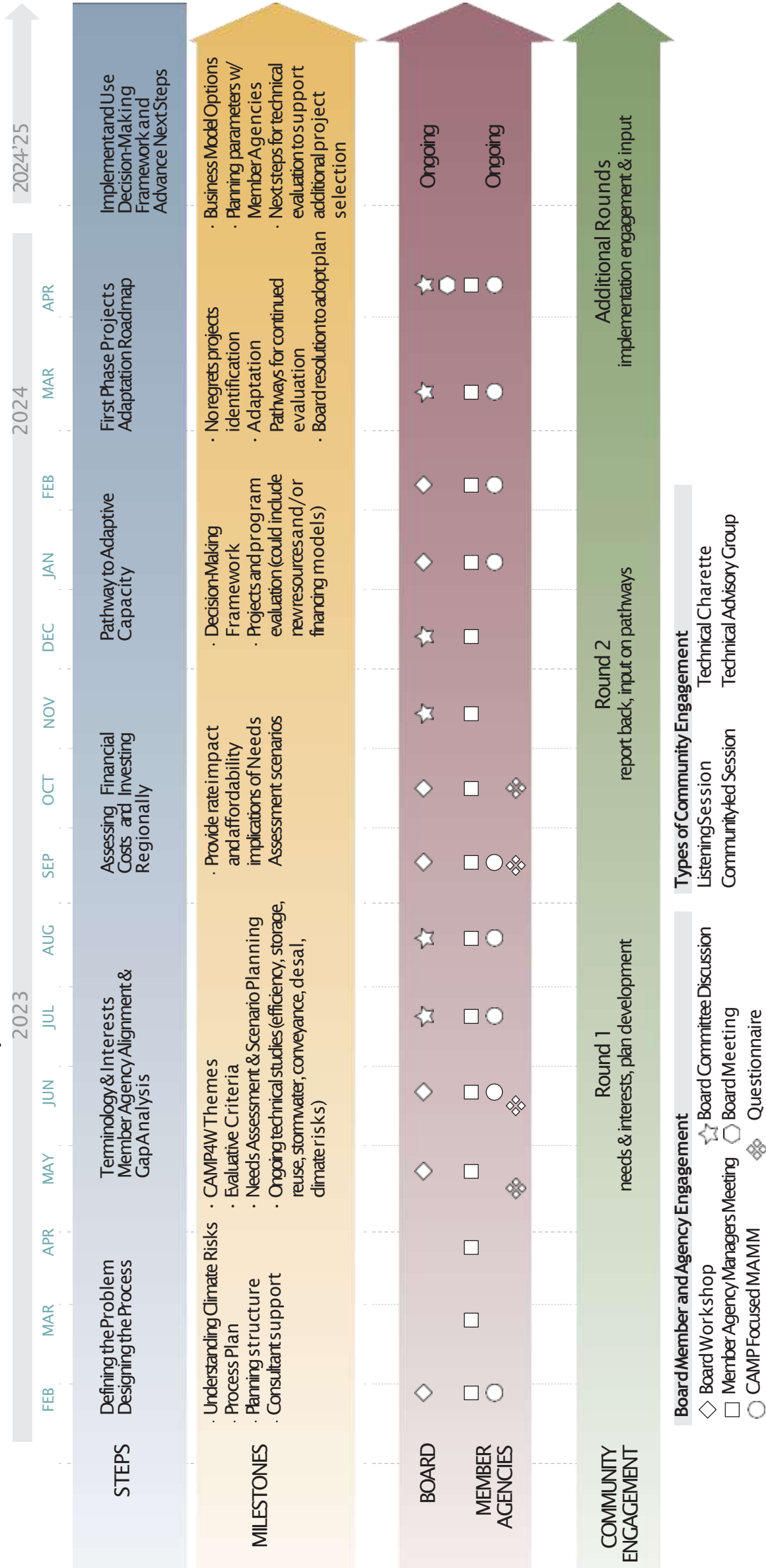
Summary

- The Needs Assessment offers insights into the increasing regional water reliability vulnerabilities from moderate to severe climate change
- The Needs Assessment identified solution sets of portfolio categories (core, flexible, and storage) that can meet reliability needs under each of the scenarios
- The CAMP4W process will evaluate and identify what specific projects, actions, and adaptive strategies to pursue to better ensure reliability, resilience, sustainability, and affordability
- Cost estimates for the specific projects and actions will be prepared in the CAMP4W process to evaluate impacts on rates and regional/local affordability issues
- Planning efforts will continue as an open and collaborative process

Ad Hoc Groups Report Back

Next Steps

Climate Adaptation Master Plan for Water: Timeline & Framework





Purpose of CAMP4W Themes

CAMP4W Themes were developed based on discussions among the Board and Member Agencies regarding what concepts should be considered as the CAMP4W planning process progresses across reliability, resilience, financial sustainability, and affordability. The ideas captured during those discussions were compiled into thematic statements that will serve as guideposts during the next steps. An additional category, equity, was added following the discussions as it was identified as an important theme among participants.

The CAMP4W Themes will inform the development of the Evaluative Criteria so that the scoring of projects reflects these themes. They will also inform the Decision-Making Framework, and the establishment of next steps in the CAMP4W process.

Introduction to CAMP4W Themes

Stronger together. Metropolitan is developing a long-term Climate Adaptation Master Plan for Water (CAMP4W) to prepare Metropolitan and its Member Agencies for an uncertain future by developing a reliable and resilient supply of water and network of facilities. Founded on financial sustainability and equitable affordability, the plan will guide the region with collaboration and interconnectivity through a "stronger together" approach.

The following presents the CAMP4W Themes. Though there is overlap, the themes are categorized as either overarching themes or themes most aligned with reliability, resilience, financial sustainability, affordability, or equity.

Overarching Themes

- ❖ Develop a path forward that prepares our region to mitigate, adapt and thrive in a changing climate
- ❖ Recognize that reliability and resiliency, as well as affordability and equity, varies across member agencies and we must work as a single region to create equity
- ❖ Develop a coordinated engagement strategy across Member Agencies and Metropolitan that builds relationships and trust in the communities we serve, provides meaningful information and solicits input throughout the process
- ❖ Develop a Decision-Making Framework that is adaptable to varying climate scenarios and human behaviors and achieves multiple benefits
- ❖ Create reliability and resilience by determining:
 - ❖ “Will-build” projects benefiting multiple planning scenarios (i.e., No Regrets projects)
 - ❖ “Can-build” projects to be built based on evaluation
 - ❖ “May-build” projects to be built on the conditional occurrence of “trigger” scenarios

Reliability

- ❖ Develop regional and collaborative solutions that address various climate scenarios and:
 - ❖ Provide multi-benefits across member agencies
 - ❖ Increase our water reserves
 - ❖ Diversify our portfolio
 - ❖ Establish system interconnectivity
- ❖ Identify projects that reduce our regional dependence on imported water and that address areas in our system that solely receive SWP water
- ❖ Prioritize water efficiency and water quality as critical aspects of reliability regardless of varying climate scenarios and establish measures for implementation

Resilience

- ❖ Identify infrastructure at risk of failure or vulnerable to climate impacts and establish a methodology to continuously re-evaluate gaps to manage risks and proactively identify risks
- ❖ Identify investments and partnership opportunities that facilitate collaboration among Metropolitan and Member Agencies
- ❖ Develop opportunities for integration across water supply, infrastructure, workforce, ecosystems, power supply, and other areas
- ❖ Create a cooperative approach to disaster response and recovery

Financial Sustainability

- ❖ Maintain sufficient reserves for liquidity and resilience to various climate scenarios impacting declining revenues and/or increasing costs or emergency conditions
- ❖ Develop a financial plan that assesses rate impacts of various adaptation pathways
- ❖ Evaluate mechanisms that facilitate shared resources among member agencies, reduce individual agency exposure, and support member agencies in completing projects
- ❖ Explore opportunities to increase non-rate revenues and credit worthiness across climate scenarios
- ❖ Develop a plan that includes managing risk exposure due to climate change to maintain credit worthiness for access to capital markets and debt financing

Affordability

- ❖ Consider each Member Agency's distinct financial profile based on their size, level of establishment (growing vs. established), rate capacity, reliance on Metropolitan's supplies, and their retail customer's capacity to pay
- ❖ Evaluate projects based on the whole life-cycle costs (capital plus operation and maintenance) to assess long-term economic feasibility and cumulative impacts on affordability
- ❖ Conduct regular evaluation on affordability factors to understand the discrepancy in affordability across member agencies
- ❖ Explore options in rates and program funding across climate scenarios to address access and affordability concerns for certain retail customer segments

Equity

- ❖ Support our member agencies in pursuing the Human Right to Water through affordability
- ❖ Explore institutional and legislative options to prioritize investments in disadvantaged communities
- ❖ Evaluate conservation and efficiency programs for disadvantaged communities (such as access to rebates, direct install, and other programs)
- ❖ Develop a prioritization process and evaluative criteria that allow us to plan for equitable reliability in water supply and water quality for all communities across all climate and water portfolio conditions



To: Board of Directors, *Municipal Water District of Orange County*

From: Natural Resource Results

RE: Monthly Board Report – June 2023

Appropriations

The House is moving forward with the fiscal year 2024 appropriations process, marking up a handful of bills and moving them through the committee process, including Department of Homeland Security and the Energy and Water bill which funds the Bureau of Reclamation. House Republican chose to cut spending below the levels agreed to in the debt limit deal, which puts them on a collision course with the Senate. Some items of note from the Energy and Water bill include the following:

- \$48.5 million for the CVPIA Restoration Fund (FY23 enacted = \$45.7 million)
- \$0 for the WaterSMART Aquatic Ecosystem Restoration Program (FY23 enacted = \$5 million)
- \$13.6 million for WaterSMART Grants (FY23 enacted = \$65 million)
- \$2.25 million for WaterSMART Cooperative Watershed Management (FY23 enacted = \$5 million)
- \$50 million for the Drought Contingency Plan (FY23 enacted = \$50 million)
- \$19.5 million for Salinity Control Title I (FY23 enacted = \$20.3 million)
- \$6 million for Salinity Control Title II (FY23 enacted = \$6 million)
- \$24 million for WaterSMART Drought Response (FY23 enacted = \$38 million)
- \$2 million for Salton Sea Research (FY23 enacted = \$2 million)
- \$19 million for Desal and Water Purification (FY23 enacted = \$17 million)
- \$134 million for the WIIN Act Storage Account (FY23 enacted = \$134 million)

The bill also includes the full text of Congressman Valadao's WATER for California Act, which has been discussed in previous reports but would mandate that the CVP and SWP be operated in accordance with the 2019 biological opinions.

Unfortunately, Congresswoman Kim's earmark request for WEROC's mobile EOC was not included in the Department of Homeland Security bill. There were not any water agencies that received funding for EOCs and the overwhelming majority of funding for EOCs went to states, counties, and local governments.

Feinstein Legislation

Senator Feinstein has introduced her comprehensive water bill, the STREAM Act (S. 2162) which was informally included in last month's report and is cosponsored by Senator Kelly (D-AZ) and Senator Sinema (D-AZ). Broadly speaking, the legislation authorizes funding for surface and groundwater storage, water recycling, desalination, and ecosystem restoration. Many California water agencies have endorsed the bill. Text of the bill and a section by section are included for reference.

She also introduced a bill to fund repairs of the three major canals in California – the Friant Kern Canal, the Delta Mendota Canal, and the California Aqueduct – to address the damage done by subsidence. The bill also authorizes additional funding for the San Joaquin River Restoration Program.

We anticipate that the Senate Energy and Natural Resources Committee will hold an oversight and legislative hearing focused on water in early July when Congress returns. Senator Feinstein's bills could be included in that hearing.

WOTUS

Following the Supreme Court decision in *Sackett v. EPA*, which significantly narrowed the scope of WOTUS, there has been significant uncertainty around what constitutes a jurisdictional water and what doesn't. The Army Corps of Engineers (Corps) has put a pause on jurisdictional determinations, throwing a massive wrench in the regulatory world. The Corps has not publicly released any guidance on how it will implement the Clean Water Act following the ruling but in a congressional hearing last week, Assistant Secretary of the Army for Civil Works, Mike Connor, stated that the Administration intends to finalize a new WOTUS rule based on the Sackett decision by September 1st.

Section-by-Section Analysis of “STREAM Act”

Draft, May 2023

- Section 1, Short Title; Table of Contents, indicates that this Act may be cited as the “Support To Rehydrate the Environment, Agriculture, and Municipalities Act” or the “STREAM Act”.
- Section 2, Definitions, includes important definitions of key terms, including:
 - Non-Federal storage project, which is any project in a Reclamation State that—
 - (A) involves the construction, expansion, or repair by an eligible entity of—
 - (i) a surface or groundwater storage project that is not federally owned;
 - (ii) a facility that is not federally owned conveying water to or from surface or groundwater storage; or
 - (iii) a natural water retention and release project; and
 - (B) provides a benefit in meeting any obligation under applicable Federal law (including regulations). Section 2(9).
 - Natural water retention and release projects, which use primarily natural processes and features, like wetlands, to allow increased utilization of existing storage facilities through aquifer recharge, floodplain retention, and altering the timing of runoff. Besides enhancing water supplies, these multi-benefit projects typically also promote ecosystem restoration and flood protection. Section 2(8).
 - Federal benefits. Section 2(8). As applied to storage, water recycling, and desalination projects, this term means
 - 1) public benefits provided directly by the project;
 - 2) fish and wildlife or water quality public benefits provided by the implementation of a watershed restoration plan approved together with the project, if there is an increased Federal commitment to pay for public benefits in the watershed as compared to such Federal commitments prior to the date of approval of the project; or
 - 3) water supply benefits identified pursuant to reclamation law.
 - Public benefits. Section 2(10). This term is defined to include:
 - 1) traditional non-reimbursable costs - fish/wildlife including refuges, flood control, recreation, water quality, etc.;
 - 2) drinking water supply for disadvantaged communities;
 - 3) emergency drinking water supply used in response to a gubernatorial disaster declaration; and
 - 4) energy benefits, including the value of associated greenhouse gas reductions and any reduction in energy costs for federal taxpayers.

Many of these key terms are further discussed below in the analysis of section 103, Storage and Conveyance Projects.

Title I, Infrastructure Development

- Section 101, Storage and Conveyance Projects
 - **This section authorizes funding for non-Federal storage projects. It uses the Title XVI precedent of non-reimbursable funding for water supply where the project provides multiple benefits including environmental benefits within the watershed.**
 - Section 101 is framed as an amendment to the provisions of section 4007 of the Water Infrastructure Improvements for the Nation Act (43 U.S.C. 390b note; Public Law 114-322).
 - Section 101 extends section 4007 as applied to State-led storage projects, but does not extend section 4007 as applied to Federally-owned storage projects.
 - Section 4007(b)(1) as amended would replace the term “State-led storage project” with “non-Federal storage project”, because tribes are eligible to seek funding for such projects.
 - Surface and groundwater storage, conveyance, and natural water retention and release projects are eligible per the definition of “non-Federal storage projects” in section 2(9).
 - Section 4007(b)(2) as amended would authorize construction of non-Federal storage projects other than natural water retention and release projects if
 - The eligible entity demonstrates that the project is feasible and provides a Federal benefit;
 - The eligible entity has sufficient funding to complete the project and is solvent; and
 - The Governor of the relevant State (or sponsoring Indian tribe for tribal projects) supports Federal funding of the project.
 - Section 4007(b)(3) would continue to require compliance with environmental laws for Federal participation in a non-Federal storage project.
 - Section 4007(b)(4) would continue to authorize the Secretary to rely on reports prepared by the non-Federal entity as long as the Secretary retained responsibility for making the determinations in paragraph 4007(b)(2).
 - Section 4007(b)(5) as amended would authorize natural water retention and release projects:
 - for projects costing less than \$10 million, the eligible entity must show that the project will help optimize the storage or delivery of water in a watershed in which a Bureau of Reclamation facility is located; and

- for projects costing over \$10 million, there must also be a credible estimate of the quantify of the storage benefit.
- Section 4007(b)(6) as amended would limit the Federal cost-share to \$250 million for non-Federal storage projects authorized by this section.
- Sections 4007(b)(7) and (8) as amended address the maximum Federal cost-share and reimbursability of Federal funding:
 - **The Federal cost-share shall not exceed 25 percent of the total cost of the project** (with the exception of natural water retention and release projects, which can have up to a 90% Federal cost-share).
 - **Any funding under the program for the value of public benefits shall be considered nonreimbursable.**
 - **Public benefits are defined in Section 2(10) as either**
 - 1) public benefits provided directly by the project; or**
 - 2) fish and wildlife or water quality public benefits provided by the implementation of a watershed restoration plan approved together with the project,** if there is an increased Federal commitment to pay for public benefits in the watershed as compared to such Federal commitments prior to the date of approval of the project.
 - **Water supply benefits are generally reimbursable, except that water supply benefits are nonreimbursable** up to the extent that the value of the water supply benefits is equal to the value of public benefits described above that are fish and wildlife or water quality benefits.
 - To give an example, this means that if a project sponsor is seeking \$100 million in federal funding for a \$400 million non-Federal storage project, the sponsor can get that \$100 million funding on a non-reimbursable basis if there is \$50 million in public benefits from either the project itself or other projects as part of a watershed restoration plan approved with the project, and then an equal \$50 million in water supply benefits from the project if the public benefits include at least \$50 million in fish and wildlife or water quality benefits. Some examples of fish and wildlife or water quality benefits from a watershed plan could include:
 - water leasing during a dry year, water sharing agreements, water banking, ongoing water conservation, and related activities if they provide fish and wildlife or water quality benefits;
 - environmental restoration projects; and
 - natural water retention and release projects.
- If nonreimbursable funding is less than 25 percent of the total cost of the eligible project, **the Secretary may provide reimbursable funds to an eligible entity for the value of any water supply benefits identified pursuant to reclamation law** (as described in section 2(6)(D)) up to the limit of 25 percent of the total project cost.

- Section 4007(b)(9) as amended would establish funding priority for a project that has 2 or more of the following: 1) substantial multiple benefits, 2) reductions in environmental impacts from water projects, 3) multi-state benefits, 4) collaborative development and support by multiple stakeholders; or 5) is located in a watershed where an integrated, comprehensive watershed management plan.
- Section 4007(e) as amended would authorize \$750 million total in funding from FY 2025 through FY 2029 for:

1) non-Federal storage projects, including natural water retention and release projects, authorized pursuant to the provisions of this section;

2) storage projects that are eligible for study funding under section 40902(a)(1) of the Infrastructure Investment and Jobs Act, if for such projects the funding under this section is provided in accordance with the provisions of section 40902(b) and (c) of the Infrastructure Investment and Jobs Act; and

3) storage projects that have received construction funding under section 40902(a)(2) of the Infrastructure Investment and Jobs Act, if for such projects the funding under this section is provided in accordance with the provisions of section 40902(b) and (c) of the Infrastructure Investment and Jobs Act.

Any carryover storage funding appropriated pursuant to section 4007 of the WIIN Act may be used for the three categories of projects described above.

Because the \$750 million authorization in this section would become the general source of storage funding provided through annual appropriations, we believe it is appropriate to allow this pot to be used for projects that are eligible for study funding under the Infrastructure Investment and Jobs Act. In addition, if projects are partly funded for construction under the Infrastructure Investment and Jobs Act, we believe it is appropriate to use this general pot of storage annual appropriations to provide funding to move these projects closer to the completion of construction that has already begun. Note that if any funding from this storage pot is used for projects authorized to receive funding under the Infrastructure Investment and Jobs Act, then the restrictions on which projects can receive funding and the cost-sharing and reimbursability rules from section 40902 of the Infrastructure Investment and Jobs Act would all apply to that funding.

Under the amended section 4007(e), Congress does not need to approve funding awards for specific projects through designating the project by name in an enacted appropriations bill. Reclamation can award funding to projects from available appropriations, after competitively evaluating grant applications from eligible projects.

- Subsection 101(b) of the STREAM Act is a conforming amendment which reflects the fact that the STREAM Act is amending and extending sections 4007, 4009(a) and 4009(c) of the WIIN Act, so they no longer expire in 2021.

- Subsection 101(c) amends section 40902(a)(2)(C)(i) of IIJA to make potentially eligible for construction funding under IIJA two projects whose feasibility studies were authorized by IIJA, the Verde Reservoirs Sediment Mitigation Project and the Tualatin River Basin Project. The projects will have to comply with the requirements of section 40902(a)(2) of IIJA to become eligible for construction funding under IIJA.
- Subsection 101(d) grandfathers Federal and non-Federal storage projects that receive construction funding under the \$1.15 billion in storage funding in IIJA so they do not need further authorization to complete construction. Absent this provision, partly built projects might have to stop in the middle of construction to get Congressional authorization when section 40902 of IIJA expires in 2026.
- Subsection 101(e) reauthorizes the CALFED legislation through fiscal year 2027.
- Section 102, Annual Report to Congress
 - **This section requires the Commissioner of Reclamation to submit an annual report to Congress transmitting feasibility reports on Federal storage projects, and non-Federal storage projects with a federal investment exceeding \$250 million, for Congress to consider whether to authorize the projects.**
 - The basic idea of this section is modeled on the Section 7001 report that the Army Corps of Engineers submits to Congress for WRDA projects.
- **This section is intended to expedite approval of projects requiring Congressional authorization, by facilitating a “Reclamation WRDA” package of projects approved by the House and Senate authorizing committees.** If Congress chooses, this “Reclamation WRDA” package could be added to the WRDA bill each Congress.
- Section 103, Competitive Grant Program for the Funding of Water Recycling Projects, reauthorizes and amends the Title XVI competitive grant program for water recycling projects established in 2016 pursuant to the WIIN Act (Subtitle J, Public Law 114-322).

There are three key differences from the competitive grant program for water recycling authorized in the WIIN Act:

- 1) **The authorization of appropriations has been increased to \$300 million over 5 years, as compared to the prior \$100 million over 5 years.** Subsection (g).
- 2) **Congress does not need to approve funding awards for specific projects through designating the project by name in an enacted appropriations bill.**
 - Reclamation can award funding to projects from available appropriations, after competitively evaluating grant applications from eligible projects.
- 3) The draft bill raises the maximum federal funding contribution for each Title XVI project to \$50 million from the current ceiling of \$20 million in 1996 prices.

Subsection (b)(1).

- The cap remains \$20 million in 1996 prices for projects that have received that amount as of December 31, 2021.
- The maximum federal cost-share remains at 25% (up to the new maximum federal contribution of \$50 million).
- Section 104, Desalination Project Development, reauthorizes and amends the competitive grant program for desalination projects established in 2016 pursuant to the WIIN Act.
 - There are three key differences from the competitive grant program for desalination authorized in the WIIN Act:
 - 1) **The authorization of appropriations has been increased to \$150 million over 5 years, as compared to the prior \$30 million over 5 years.** At least \$10 million is set aside for rural desalination projects. Subparagraph (F)(i).
 - 2) **Congress does not need to approve funding awards for specific projects through designating the project by name in an enacted appropriations bill.**
 - Reclamation can award funding to projects from available appropriations, after competitively evaluating grant applications from eligible projects.
 - 3) **The bill establishes priority criteria for which projects to fund.** Subsection (b).
 - Subparagraph (B)(ii) includes provisions from former Senator Udall and former Representative Torres Small's 2019 Western Water Security Act (S. 2718/HR 4891) on rural desalination projects.
 - Just as for non-federal storage projects and natural water retention and release projects, the following are required to obtain funding for desalination projects (subparagraph (C)):
 - 1) The Governor of the affected state supports federal funding of the project, and the project is included in a state-approved plan; and
 - 2) For construction funding, the state or local sponsor determines, and Reclamation concurs, that the project is feasible, and sufficient funding is available to complete it.
 - The definition of an eligible project:
 - Makes clear that public private partnerships are eligible for funding as long as a state or local government entity pays either for the construction of the project or the water provided by the project. Subparagraph (A)(i).
 - Also allows any "organization with water or power delivery authority" to apply for funding if that organization constructs, operates and maintains the project. Subparagraph (A)(i). This language comes from the definition of an "eligible

applicant” in section 9502 of the Secure Water Act.

- Section 105, Drinking Water Assistance for Disadvantaged Communities
 - **This section authorizes an additional \$100 million for the Bureau of Reclamation’s program to provide drinking water assistance to disadvantaged communities in section 50231 of the Inflation Reduction Act.**
 - The Secretary is encouraged to use at least a portion of the funds authorized by this section to incorporate into multiple benefit projects features or facilities to assist in providing domestic water supplies to disadvantaged communities. Subsection (b)(2).
- Section 106, Extraordinary Operation and Maintenance Work; Project Modification
 - This section amends the existing Aging Infrastructure Program (Public Law 111-11, Title IX, Subtitle G) to authorize projects to not only repair aging Bureau of Reclamation facilities, but to modify the facilities to achieve increased public benefits and other project benefits.
 - Congress appropriated \$3.2 billion for the Aging Infrastructure Program in the Infrastructure Investment and Jobs Act.
 - If we are spending this much money to retool Reclamation infrastructure for the needs of the 21st century, the Secretary should have the authority to modify the projects to achieve increased public benefits and other project benefits, where she believes it is appropriate to do so.
 - Paragraph (2) of the new subsection (e) establishes a few basic principles for any project modification:
 - It shall add no more than 25% of the project cost for projects costing over \$100 million, or no more than \$25 million for projects costing under \$100 million (projects exceeding these thresholds would need to be authorized by Congress);
 - At least 50% of the new benefits provided by the modification of the project must be public benefits (note that “new benefits” is a term defined in paragraph (1)); and
 - In order to undertake a project modification, the Secretary shall obtain the consent of:
 - The transferred works operating entity if the project involved is a transferred works; and
 - Any project beneficiary that would experience an adverse impact from the operation of the modified project (note that “adverse impact” is a term defined

in paragraph (1)).

- If the modified project creates a new project beneficiary, the Secretary cannot subsequently reoperate the project to increase the benefits to that new beneficiary without the consent of any project beneficiaries that would experience an adverse impact.
 - The costs of planning, design and environmental compliance of the modified project shall be allocated in accordance with Reclamation procedures, with the caveat that any project beneficiary who does not receive any increase in long-term average annual water deliveries as a result of the modification shall not be allocated any reimbursable portion of these costs.
- Paragraph (3) sets up a process for the Secretary to obtain consent for a modified project from project beneficiaries that would experience an adverse impact. If the necessary consent is not obtained within twelve months of the date consent is requested, the extraordinary maintenance of the project shall proceed without the modification, subject to one twelve-month extension to obtain required consents at the Secretary's discretion.
 - Paragraph (4) addresses the reallocation of costs based on project changes and increased public benefits. Public benefits shall be non-reimbursable, and the cost allocation of reimbursable costs to each project beneficiary shall reflect the changes in benefits that the project is providing to that beneficiary.
 - Paragraph (5) addresses incentives to participate in modified projects where public benefits are increased, but not water contractor benefits.
 - The water contractors will face strong disincentives to participate in these projects. Some contractors may see their benefits reduced. All contractors will have to accept significant delay in obtaining the benefits of the restoration of these projects. It will take significant time to modify the projects in a manner that the contractors can accept, and then to conduct environmental compliance on the proposed modification. The contractors will also have to accept modified project operations that give increased priority to public benefits.
 - To offset these disincentives for water contractors to participate in projects which increase just public benefits, the bill reduces the reimbursable costs for such modified projects by 15%. The result is that each project beneficiary will pay 85% of the reimbursable costs for the modified project that the beneficiary would otherwise have been allocated.
 - **This paragraph sets up a financial incentive for water contractors to support modified projects that solely increase environmental and other public benefits without increasing water diversions or other water supply benefits.** Without this financial incentive, I expect water contractors will generally oppose such

modification of the projects that they rely on for water deliveries.

- This paragraph is also consistent with the provision of some non-reimbursable benefits for water supply in the context of other authorizations for projects that provide both water supply and substantial public benefits in a watershed:
 - Title XVI provides 25% non-reimbursable benefits for projects providing water supply that have watershed benefits through the use of recycled water;
 - The large-scale water recycling program that Congress just authorized in the Infrastructure Investment and Jobs Act provides up to 75% non-reimbursable benefits for projects that likewise provide both water supply and watershed benefits through the use of recycled water;
 - Section 103 of this bill provides non-reimbursable benefits for non-Federal storage and conveyance projects to the extent that they provide increased public benefits in the watershed.
 - Given the inevitability of increasingly severe and lengthy droughts as the West's climate changes, it will be essential to provide incentives to collaborate on multi-benefit projects that bring agricultural, environmental, and urban interests together to address the very serious challenge of maintaining sufficiently reliable water supply for all. This proposed amendment to the Aging Infrastructure Program seeks to increase incentives for such necessary collaboration.
- Section 107, Use of Revenue to Improve Drought Resilience or Dam Safety
 - **Issue:** Pursuant to the Sale of Water for Miscellaneous Purposes Act of 1920 (43 USC 521), the Warren Act of 1911 (43 USC 525), and corresponding Bureau of Reclamation (BOR) policy, any revenue from the sale of surplus water must be deposited into the Reclamation Fund and credited to capital repayment of the associated project. Under existing law, revenue from the sale of water continues to flow to the Reclamation Fund even after water users completed capital repayment of their project. As a result, there is no longer any benefit to the contractor from sale of surplus water unless the contractor receives another federal loan on the project.
 - **Importance:** Across the West, drought is stressing many water systems and new constraints often lead to water scarcity even in normal years. This is being compounded by aging BOR facilities that require significant investment to ensure they can continue to operate in a safe and effective fashion, especially as dams and other facilities are forced to withstand more variable and severe precipitation event as a result of climate change. Congress has responded to these challenges over the years by authorizing the Safety of Dams (SOD), Extraordinary Maintenance (XM), and other programs that assist water users in upgrading and repairing existing infrastructure by allowing for extended repayment of costs through contracts that are distinct from the capital repayment

obligations for the original construction of BOR projects.

- Despite the fact that operational flexibility and conservation are growing increasingly important in water management, existing Reclamation law provides very little incentive for paid-out BOR contactors that either have occasional surplus water or could create surplus water through system upgrades to make the investments or undertake the lengthy marketing and contracting necessary to realize a sale. This is especially true for projects that are currently in need of improvements that will increase drought resiliency or dam safety or are repaying Reclamation for SOD or XM projects and can't use any incremental revenues to help cover payments.
- **Solution:** This section changes existing law to ensure that water users are able to apply revenues derived from the temporary sale of surplus water to infrastructure to improve drought resiliency or dam safety and for other existing BOR repayment obligations. This change to the treatment of revenue will incentivize water utilities to make water available to relieve water shortages in their region, improve project drought resiliency, improve dam safety, and accelerate repayment of existing obligations.

Title II, Improved Technology and Data

- Section 201, Reauthorization of the Transboundary Aquifer Assessment Program
 - This section reauthorizes the United States-Mexico Transboundary Aquifer Assessment Act (42 U.S.C. 1962 note; Public Law 109-448).
 - This section derives from former Senator Udall and former Representative Torres Small's 2019 Western Water Security Act (S. 2718/HR 4891).

Title III, Ecosystem Restoration and Protection

- Section 301, Ecosystem Restoration
 - This section makes limited amendments to the competitive grant program for habitat restoration projects established in section 40907 of the Infrastructure Investment and Jobs Act.
 - Subsection (a) adds definitions of two new terms, "Committee" and "Project". The term "Committee" describes the "Integrated Water Management Leadership Committee" described more fully in subsection (c).
 - Subsection (b) amends section 40907(c)(1) of the Infrastructure Investment and Jobs Act (Public Law 117-58) to direct that Interior:

“(B) may not provide a grant to carry out a habitat restoration project the purpose of which is to meet existing environmental mitigation or compliance obligations that are express requirements of a permit or order issued under Federal or State law, unless such

requirements expressly contemplate reliance on Federal funding in performance of the requirements.”

- Subsection (c) supplements the \$100 million provided to the competitive grant program for habitat restoration in the bipartisan infrastructure law with:
 - 1) An authorization of \$150 million total for the competitive grant program from fiscal year 2025 through fiscal year 2029; and
 - 2) An authorization of \$100 million total from fiscal year 2025 through fiscal year 2029 for other grants, contracts, and agreements to achieve the habitat restoration purposes of this section and consistent with its requirements, as authorized in this section.
 - 3) Among other purposes, this \$100 million could be used to ensure that when Sacramento Valley rice growers sell their water and idle their crops, some water is left behind and applied to bare fields in late summer and early fall to create shallow flooded habitat during a critical shorebird migration period. See subsection (f) of amended section 40907 of the amended Infrastructure Investment and Jobs Act.
- Subsection (c) also directs the Secretary to establish an Integrated Water Management Federal Leadership Committee which coordinates federal agency efforts to implement integrated water management projects, if requested to do so for a particular project by an eligible entity or qualified non-government organization partner.
- Finally, subsection (c) requires the Secretary to comply with applicable environmental laws in implementing this section.
- Section 302, Performance-based Restoration Authority
 - **Multiple large- and small-scale ecosystem restoration projects have been authorized or are required by law, yet implementation of these projects often stalls when federal agencies have competing priorities or don’t have the resources or technical experience to undertake them successfully.** This section expedites the implementation of certain types of habitat and ecosystem restoration projects by **authorizing the Secretary of the Interior (Secretary) to enter into performance-based financial arrangements for the delivery of ecological targets and outcomes by experienced non-federal entities.** This section does not create a new program, but instead allows the use of performance-based financial arrangements under the Secretary’s existing ecosystem and habitat restoration authorities. It is needed to both expedite completion of many restoration projects—including large, multi-year projects—and to clarify that performance-based financial mechanisms are an authorized use of federal funds for such projects. The section additionally furthers the goals of reducing costs to the federal government in undertaking such projects and increasing flexibility in the administration of funding for such projects, consistent with federal acquisition regulations.
 - In General. Subsection (b) authorizes the Secretary, in implementing existing authorities under Federal law related to habitat and ecosystem restoration, to—
 - (1) enter into performance-based contracts, grant agreements, and cooperative

agreements for habitat and ecosystem restoration, mitigation, and enhancement projects where ecological targets and outcomes are

- clearly defined,
- agreed upon in advance, and
- capable of being successfully achieved

(2) enter into performance-based contracts with eligible restoration providers experienced in financing and completing successful ecological habitat and restoration, mitigation, and enhancement activities.

(3) provide grant and award agreements for habitat and ecosystem restoration, mitigation, and enhancement projects as described in paragraph (1) and allow for the use of performance-based tools in such agreements.

(4) provide pass-through financing for funds granted or awarded to non-federal third parties utilizing performance-based contracts for projects authorized under paragraph (1).

(5) use performance-based financial mechanisms for multi-year projects.

- Guidelines. Subsection (c) directs the Secretary to—
 - (1) develop guidelines for using performance-based financing and to consult with experienced external organizations in developing such guidelines. Such consultation shall not constitute or require establishing a committee under the Federal Advisory Committee Act. Guidelines shall include guidance on
 - appropriate proposal and project evaluation criteria,
 - restoration provider eligibility criteria,
 - criteria for defining achievable ecological outcomes, and
 - determination of restoration provider financial assurances sufficient to ensure ecological outcomes will be successfully achieved.
- Identification of Eligible Projects. Subsection (d) directs the Secretary to identify opportunities for using performance-based financing for projects authorized in subsection (b)(1) and issue a request for proposals from eligible restoration providers to undertake such projects.
- Certification. Under subsection (e), the Secretary shall certify that work was completed in accordance with ecological requirements and outcomes previously agreed to.
- Technical Assistance. Subsection (f) authorizes the Secretary to provide technical assistance to restoration providers for studies, design, engineering, and permitting.
- Rule of Construction. Subsection (g) clarifies that nothing in the section authorizes the Secretary to waive any obligation of the Secretary or non-Federal parties under federal environmental law.
- Non-Federal Funding. Subsection (h) authorizes use of performance-based financing under the act for non-federal project cost shares, on the condition that the non-federal cost-share responsibility remains with the non-federal party.

- Cost Share. Subsection (i) clarifies that nothing in the section shall affect a cost-sharing requirement under Federal law that is applicable to a project carried out under the performance-based restoration authority established under subsection (a).
- Mitigation. Subsection (j) clarifies that nothing in this section shall authorize Federal funding to meet existing environmental mitigation or compliance obligations that are express requirements of a permit or order issued under Federal or State law, unless such requirements expressly contemplate reliance on Federal funding in performance of the requirements
- Report. Subsection (k) requires the Secretary to
 - (1) issue and submit to Congress a report describing results of, and impediments to, the use of performance-based financing within 3 years of the date of enactment, and
 - (2) address such impediments, if any—to the extent practicable—and to protect the public interest and investment in projects financed under the Act.

Title IV, Miscellaneous

- Section 401, Amendments to Drought Program Under the Reclamation States Emergency Drought Relief Act of 1991
 - Droughts have become more frequent than when the Reclamation States Emergency Drought Relief Act was enacted in 1991. As a result, some amendments appear appropriate to the Act to reflect the increased frequency of droughts.
 - The existing Act limits permanent facilities that it authorizes to groundwater wells.
 - Given the increased frequency of droughts, it seems more efficient to install a greater number of permanent facilities than to frequently install and remove temporary facilities.
 - Subsection (a) therefore provides authorization during a declared drought emergency for any permanent facilities or projects up to a federal investment of \$30 million that are supported by the relevant State (or tribe if the facility is on an Indian reservation).
 - The \$30 million threshold comes from the Infrastructure Investment and Jobs Act, which creates a precedent authorizing Interior to proceed with projects up to \$30 million without Congressional authorization of the specific projects (in that Act this precedent is applied to small storage projects).
 - Subsection (a) also requires that a well drilled to minimize losses and damages from drought conditions must either 1) align with applicable local, state, or regional groundwater sustainability goals; or 2) support drinking water supplies for a

disadvantaged community or Tribe.

- Subsection (a) further addresses the problem of drought shortfalls in environmental funding programs like the Central Valley Improvement Act that derive their funding from per acre fees in water delivered.
- Because their funding varies by the amount of water delivered, these programs provide substantially less environmental funding precisely when the funding is most needed, during droughts.
- Subsection (a) would authorize non-reimbursable funding to make up these shortfalls, without affecting the Secretary's legal obligations to the environment or existing authority to make up shortfalls in environmental funding in non-drought years.
- Subsection (b) amends the existing Act to clarify that it applies to drought emergencies declared for portions of States, and does not require drought emergencies to apply to an entire State.
- Subsection (b) also extends the Reclamation States Emergency Drought Relief Act authorization to 2031.
- Subsection (c) amends the Secure Water Act of 2009 to provide that an application for WaterSMART funding to drill a groundwater well for municipal supply to minimize losses and damages from drought conditions shall not increase the applicant's net water use beyond the period of any drought emergency, unless the groundwater well is for the purpose of supplying drinking water for a disadvantaged community or Tribe, or if the new groundwater use is partially offset by aquatic habitat enhancement during the drought period, or over the long-term, including a future drought period.
- Section 402, Environmental Compliance
 - This section requires the Act to be implemented consistent with applicable State law and Federal environmental law.
- Section 403, Effect
 - This section provides that nothing in this Act shall interfere with any obligation of a State under the Rio Grande Compact or any other interstate compact approved by Congress.

Section-by-Section Analysis of “STREAM Act”

Draft, May 2023

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 - (ii) a facility that is not federally owned conveying water to or from surface or groundwater storage; or
 - (iii) a natural water retention and release project; and
 - (B) provides a benefit in meeting any obligation under applicable Federal law (including regulations). Section 2(9).
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 - 1) public benefits provided directly by the project;
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 - 4) energy benefits, including the value of associated greenhouse gas reductions and any reduction in energy costs for federal taxpayers.

Many of these key terms are further discussed below in the analysis of section 103, Storage and Conveyance Projects.

Title I, Infrastructure Development

- Section 101, Storage and Conveyance Projects
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 - Section 101 extends section 4007 as applied to State-led storage projects, but does not extend section 4007 as applied to Federally-owned storage projects.
 - Section 4007(b)(1) as amended would replace the term “State-led storage project” with “non-Federal storage project”, because tribes are eligible to seek funding for such projects.
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 - Section 4007(b)(2) as amended would authorize construction of non-Federal storage projects other than natural water retention and release projects if
 - The eligible entity demonstrates that the project is feasible and provides a Federal benefit;
 - The eligible entity has sufficient funding to complete the project and is solvent; and
 - The Governor of the relevant State (or sponsoring Indian tribe for tribal projects) supports Federal funding of the project.
 - Section 4007(b)(3) would continue to require compliance with environmental laws for Federal participation in a non-Federal storage project.
 - Section 4007(b)(4) would continue to authorize the Secretary to rely on reports prepared by the non-Federal entity as long as the Secretary retained responsibility for making the determinations in paragraph 4007(b)(2).
 - Section 4007(b)(5) as amended would authorize natural water retention and release projects:
 - for projects costing less than \$10 million, the eligible entity must show that the project will help optimize the storage or delivery of water in a watershed in which a Bureau of Reclamation facility is located; and

- for projects costing over \$10 million, there must also be a credible estimate of the quantify of the storage benefit.
- Section 4007(b)(6) as amended would limit the Federal cost-share to \$250 million for non-Federal storage projects authorized by this section.
- Sections 4007(b)(7) and (8) as amended address the maximum Federal cost-share and reimbursability of Federal funding:
 - **The Federal cost-share shall not exceed 25 percent of the total cost of the project** (with the exception of natural water retention and release projects, which can have up to a 90% Federal cost-share).
 - **Any funding under the program for the value of public benefits shall be considered nonreimbursable.**
 - **Public benefits are defined in Section 2(10) as either**
 - 1) public benefits provided directly by the project; or**
 - 2) fish and wildlife or water quality public benefits provided by the implementation of a watershed restoration plan approved together with the project,** if there is an increased Federal commitment to pay for public benefits in the watershed as compared to such Federal commitments prior to the date of approval of the project.
 - **Water supply benefits are generally reimbursable, except that water supply benefits are nonreimbursable** up to the extent that the value of the water supply benefits is equal to the value of public benefits described above that are fish and wildlife or water quality benefits.
 - To give an example, this means that if a project sponsor is seeking \$100 million in federal funding for a \$400 million non-Federal storage project, the sponsor can get that \$100 million funding on a non-reimbursable basis if there is \$50 million in public benefits from either the project itself or other projects as part of a watershed restoration plan approved with the project, and then an equal \$50 million in water supply benefits from the project if the public benefits include at least \$50 million in fish and wildlife or water quality benefits. Some examples of fish and wildlife or water quality benefits from a watershed plan could include:
 - water leasing during a dry year, water sharing agreements, water banking, ongoing water conservation, and related activities if they provide fish and wildlife or water quality benefits;
 - environmental restoration projects; and
 - natural water retention and release projects.
- If nonreimbursable funding is less than 25 percent of the total cost of the eligible project, **the Secretary may provide reimbursable funds to an eligible entity for the value of any water supply benefits identified pursuant to reclamation law** (as described in section 2(6)(D)) up to the limit of 25 percent of the total project cost.

- Section 4007(b)(9) as amended would establish funding priority for a project that has 2 or more of the following: 1) substantial multiple benefits, 2) reductions in environmental impacts from water projects, 3) multi-state benefits, 4) collaborative development and support by multiple stakeholders; or 5) is located in a watershed where an integrated, comprehensive watershed management plan.
- Section 4007(e) as amended would authorize \$750 million total in funding from FY 2025 through FY 2029 for:

1) non-Federal storage projects, including natural water retention and release projects, authorized pursuant to the provisions of this section;

2) storage projects that are eligible for study funding under section 40902(a)(1) of the Infrastructure Investment and Jobs Act, if for such projects the funding under this section is provided in accordance with the provisions of section 40902(b) and (c) of the Infrastructure Investment and Jobs Act; and

3) storage projects that have received construction funding under section 40902(a)(2) of the Infrastructure Investment and Jobs Act, if for such projects the funding under this section is provided in accordance with the provisions of section 40902(b) and (c) of the Infrastructure Investment and Jobs Act.

Any carryover storage funding appropriated pursuant to section 4007 of the WIIN Act may be used for the three categories of projects described above.

Because the \$750 million authorization in this section would become the general source of storage funding provided through annual appropriations, we believe it is appropriate to allow this pot to be used for projects that are eligible for study funding under the Infrastructure Investment and Jobs Act. In addition, if projects are partly funded for construction under the Infrastructure Investment and Jobs Act, we believe it is appropriate to use this general pot of storage annual appropriations to provide funding to move these projects closer to the completion of construction that has already begun. Note that if any funding from this storage pot is used for projects authorized to receive funding under the Infrastructure Investment and Jobs Act, then the restrictions on which projects can receive funding and the cost-sharing and reimbursability rules from section 40902 of the Infrastructure Investment and Jobs Act would all apply to that funding.

Under the amended section 4007(e), Congress does not need to approve funding awards for specific projects through designating the project by name in an enacted appropriations bill. Reclamation can award funding to projects from available appropriations, after competitively evaluating grant applications from eligible projects.

- Subsection 101(b) of the STREAM Act is a conforming amendment which reflects the fact that the STREAM Act is amending and extending sections 4007, 4009(a) and 4009(c) of the WIIN Act, so they no longer expire in 2021.

- Subsection 101(c) amends section 40902(a)(2)(C)(i) of IIJA to make potentially eligible for construction funding under IIJA two projects whose feasibility studies were authorized by IIJA, the Verde Reservoirs Sediment Mitigation Project and the Tualatin River Basin Project. The projects will have to comply with the requirements of section 40902(a)(2) of IIJA to become eligible for construction funding under IIJA.
- Subsection 101(d) grandfathers Federal and non-Federal storage projects that receive construction funding under the \$1.15 billion in storage funding in IIJA so they do not need further authorization to complete construction. Absent this provision, partly built projects might have to stop in the middle of construction to get Congressional authorization when section 40902 of IIJA expires in 2026.
- Subsection 101(e) reauthorizes the CALFED legislation through fiscal year 2027.
- Section 102, Annual Report to Congress
 - **This section requires the Commissioner of Reclamation to submit an annual report to Congress transmitting feasibility reports on Federal storage projects, and non-Federal storage projects with a federal investment exceeding \$250 million, for Congress to consider whether to authorize the projects.**
 - The basic idea of this section is modeled on the Section 7001 report that the Army Corps of Engineers submits to Congress for WRDA projects.
- **This section is intended to expedite approval of projects requiring Congressional authorization, by facilitating a “Reclamation WRDA” package of projects approved by the House and Senate authorizing committees.** If Congress chooses, this “Reclamation WRDA” package could be added to the WRDA bill each Congress.
- Section 103, Competitive Grant Program for the Funding of Water Recycling Projects, reauthorizes and amends the Title XVI competitive grant program for water recycling projects established in 2016 pursuant to the WIIN Act (Subtitle J, Public Law 114-322).

There are three key differences from the competitive grant program for water recycling authorized in the WIIN Act:

- 1) **The authorization of appropriations has been increased to \$300 million over 5 years, as compared to the prior \$100 million over 5 years.** Subsection (g).
- 2) **Congress does not need to approve funding awards for specific projects through designating the project by name in an enacted appropriations bill.**
 - Reclamation can award funding to projects from available appropriations, after competitively evaluating grant applications from eligible projects.
- 3) The draft bill raises the maximum federal funding contribution for each Title XVI project to \$50 million from the current ceiling of \$20 million in 1996 prices.

Subsection (b)(1).

- The cap remains \$20 million in 1996 prices for projects that have received that amount as of December 31, 2021.
- The maximum federal cost-share remains at 25% (up to the new maximum federal contribution of \$50 million).
- Section 104, Desalination Project Development, reauthorizes and amends the competitive grant program for desalination projects established in 2016 pursuant to the WIIN Act.
 - There are three key differences from the competitive grant program for desalination authorized in the WIIN Act:
 - 1) The authorization of appropriations has been increased to \$150 million over 5 years, as compared to the prior \$30 million over 5 years.** At least \$10 million is set aside for rural desalination projects. Subparagraph (F)(i).
 - 2) Congress does not need to approve funding awards for specific projects through designating the project by name in an enacted appropriations bill.**
 - Reclamation can award funding to projects from available appropriations, after competitively evaluating grant applications from eligible projects.
 - 3) The bill establishes priority criteria for which projects to fund.** Subsection (b).
 - Subparagraph (B)(ii) includes provisions from former Senator Udall and former Representative Torres Small’s 2019 Western Water Security Act (S. 2718/HR 4891) on rural desalination projects.
 - Just as for non-federal storage projects and natural water retention and release projects, the following are required to obtain funding for desalination projects (subparagraph (C)):
 - 1) The Governor of the affected state supports federal funding of the project, and the project is included in a state-approved plan; and
 - 2) For construction funding, the state or local sponsor determines, and Reclamation concurs, that the project is feasible, and sufficient funding is available to complete it.
 - The definition of an eligible project:
 - Makes clear that public private partnerships are eligible for funding as long as a state or local government entity pays either for the construction of the project or the water provided by the project. Subparagraph (A)(i).
 - Also allows any “organization with water or power delivery authority” to apply for funding if that organization constructs, operates and maintains the project. Subparagraph (A)(i). This language comes from the definition of an “eligible

applicant” in section 9502 of the Secure Water Act.

- Section 105, Drinking Water Assistance for Disadvantaged Communities
 - **This section authorizes an additional \$100 million for the Bureau of Reclamation’s program to provide drinking water assistance to disadvantaged communities in section 50231 of the Inflation Reduction Act.**
 - The Secretary is encouraged to use at least a portion of the funds authorized by this section to incorporate into multiple benefit projects features or facilities to assist in providing domestic water supplies to disadvantaged communities. Subsection (b)(2).
- Section 106, Extraordinary Operation and Maintenance Work; Project Modification
 - This section amends the existing Aging Infrastructure Program (Public Law 111-11, Title IX, Subtitle G) to authorize projects to not only repair aging Bureau of Reclamation facilities, but to modify the facilities to achieve increased public benefits and other project benefits.
 - Congress appropriated \$3.2 billion for the Aging Infrastructure Program in the Infrastructure Investment and Jobs Act.
 - If we are spending this much money to retool Reclamation infrastructure for the needs of the 21st century, the Secretary should have the authority to modify the projects to achieve increased public benefits and other project benefits, where she believes it is appropriate to do so.
 - Paragraph (2) of the new subsection (e) establishes a few basic principles for any project modification:
 - It shall add no more than 25% of the project cost for projects costing over \$100 million, or no more than \$25 million for projects costing under \$100 million (projects exceeding these thresholds would need to be authorized by Congress);
 - At least 50% of the new benefits provided by the modification of the project must be public benefits (note that “new benefits” is a term defined in paragraph (1)); and
 - In order to undertake a project modification, the Secretary shall obtain the consent of:
 - The transferred works operating entity if the project involved is a transferred works; and
 - Any project beneficiary that would experience an adverse impact from the operation of the modified project (note that “adverse impact” is a term defined

in paragraph (1)).

- If the modified project creates a new project beneficiary, the Secretary cannot subsequently reoperate the project to increase the benefits to that new beneficiary without the consent of any project beneficiaries that would experience an adverse impact.
 - The costs of planning, design and environmental compliance of the modified project shall be allocated in accordance with Reclamation procedures, with the caveat that any project beneficiary who does not receive any increase in long-term average annual water deliveries as a result of the modification shall not be allocated any reimbursable portion of these costs.
- Paragraph (3) sets up a process for the Secretary to obtain consent for a modified project from project beneficiaries that would experience an adverse impact. If the necessary consent is not obtained within twelve months of the date consent is requested, the extraordinary maintenance of the project shall proceed without the modification, subject to one twelve-month extension to obtain required consents at the Secretary's discretion.
 - Paragraph (4) addresses the reallocation of costs based on project changes and increased public benefits. Public benefits shall be non-reimbursable, and the cost allocation of reimbursable costs to each project beneficiary shall reflect the changes in benefits that the project is providing to that beneficiary.
 - Paragraph (5) addresses incentives to participate in modified projects where public benefits are increased, but not water contractor benefits.
 - The water contractors will face strong disincentives to participate in these projects. Some contractors may see their benefits reduced. All contractors will have to accept significant delay in obtaining the benefits of the restoration of these projects. It will take significant time to modify the projects in a manner that the contractors can accept, and then to conduct environmental compliance on the proposed modification. The contractors will also have to accept modified project operations that give increased priority to public benefits.
 - To offset these disincentives for water contractors to participate in projects which increase just public benefits, the bill reduces the reimbursable costs for such modified projects by 15%. The result is that each project beneficiary will pay 85% of the reimbursable costs for the modified project that the beneficiary would otherwise have been allocated.
 - **This paragraph sets up a financial incentive for water contractors to support modified projects that solely increase environmental and other public benefits without increasing water diversions or other water supply benefits.** Without this financial incentive, I expect water contractors will generally oppose such

modification of the projects that they rely on for water deliveries.

- This paragraph is also consistent with the provision of some non-reimbursable benefits for water supply in the context of other authorizations for projects that provide both water supply and substantial public benefits in a watershed:
 - Title XVI provides 25% non-reimbursable benefits for projects providing water supply that have watershed benefits through the use of recycled water;
 - The large-scale water recycling program that Congress just authorized in the Infrastructure Investment and Jobs Act provides up to 75% non-reimbursable benefits for projects that likewise provide both water supply and watershed benefits through the use of recycled water;
 - Section 103 of this bill provides non-reimbursable benefits for non-Federal storage and conveyance projects to the extent that they provide increased public benefits in the watershed.
 - Given the inevitability of increasingly severe and lengthy droughts as the West's climate changes, it will be essential to provide incentives to collaborate on multi-benefit projects that bring agricultural, environmental, and urban interests together to address the very serious challenge of maintaining sufficiently reliable water supply for all. This proposed amendment to the Aging Infrastructure Program seeks to increase incentives for such necessary collaboration.
- Section 107, Use of Revenue to Improve Drought Resilience or Dam Safety
 - **Issue:** Pursuant to the Sale of Water for Miscellaneous Purposes Act of 1920 (43 USC 521), the Warren Act of 1911 (43 USC 525), and corresponding Bureau of Reclamation (BOR) policy, any revenue from the sale of surplus water must be deposited into the Reclamation Fund and credited to capital repayment of the associated project. Under existing law, revenue from the sale of water continues to flow to the Reclamation Fund even after water users completed capital repayment of their project. As a result, there is no longer any benefit to the contractor from sale of surplus water unless the contractor receives another federal loan on the project.
 - **Importance:** Across the West, drought is stressing many water systems and new constraints often lead to water scarcity even in normal years. This is being compounded by aging BOR facilities that require significant investment to ensure they can continue to operate in a safe and effective fashion, especially as dams and other facilities are forced to withstand more variable and severe precipitation event as a result of climate change. Congress has responded to these challenges over the years by authorizing the Safety of Dams (SOD), Extraordinary Maintenance (XM), and other programs that assist water users in upgrading and repairing existing infrastructure by allowing for extended repayment of costs through contracts that are distinct from the capital repayment

obligations for the original construction of BOR projects.

- Despite the fact that operational flexibility and conservation are growing increasingly important in water management, existing Reclamation law provides very little incentive for paid-out BOR contactors that either have occasional surplus water or could create surplus water through system upgrades to make the investments or undertake the lengthy marketing and contracting necessary to realize a sale. This is especially true for projects that are currently in need of improvements that will increase drought resiliency or dam safety or are repaying Reclamation for SOD or XM projects and can't use any incremental revenues to help cover payments.
- **Solution:** This section changes existing law to ensure that water users are able to apply revenues derived from the temporary sale of surplus water to infrastructure to improve drought resiliency or dam safety and for other existing BOR repayment obligations. This change to the treatment of revenue will incentivize water utilities to make water available to relieve water shortages in their region, improve project drought resiliency, improve dam safety, and accelerate repayment of existing obligations.

Title II, Improved Technology and Data

- Section 201, Reauthorization of the Transboundary Aquifer Assessment Program
 - This section reauthorizes the United States-Mexico Transboundary Aquifer Assessment Act (42 U.S.C. 1962 note; Public Law 109-448).
 - This section derives from former Senator Udall and former Representative Torres Small's 2019 Western Water Security Act (S. 2718/HR 4891).

Title III, Ecosystem Restoration and Protection

- Section 301, Ecosystem Restoration
 - This section makes limited amendments to the competitive grant program for habitat restoration projects established in section 40907 of the Infrastructure Investment and Jobs Act.
 - Subsection (a) adds definitions of two new terms, "Committee" and "Project". The term "Committee" describes the "Integrated Water Management Leadership Committee" described more fully in subsection (c).
 - Subsection (b) amends section 40907(c)(1) of the Infrastructure Investment and Jobs Act (Public Law 117-58) to direct that Interior:

“(B) may not provide a grant to carry out a habitat restoration project the purpose of which is to meet existing environmental mitigation or compliance obligations that are express requirements of a permit or order issued under Federal or State law, unless such

requirements expressly contemplate reliance on Federal funding in performance of the requirements.”

- Subsection (c) supplements the \$100 million provided to the competitive grant program for habitat restoration in the bipartisan infrastructure law with:
 - 1) An authorization of \$150 million total for the competitive grant program from fiscal year 2025 through fiscal year 2029; and
 - 2) An authorization of \$100 million total from fiscal year 2025 through fiscal year 2029 for other grants, contracts, and agreements to achieve the habitat restoration purposes of this section and consistent with its requirements, as authorized in this section.
 - 3) Among other purposes, this \$100 million could be used to ensure that when Sacramento Valley rice growers sell their water and idle their crops, some water is left behind and applied to bare fields in late summer and early fall to create shallow flooded habitat during a critical shorebird migration period. See subsection (f) of amended section 40907 of the amended Infrastructure Investment and Jobs Act.
- Subsection (c) also directs the Secretary to establish an Integrated Water Management Federal Leadership Committee which coordinates federal agency efforts to implement integrated water management projects, if requested to do so for a particular project by an eligible entity or qualified non-government organization partner.
- Finally, subsection (c) requires the Secretary to comply with applicable environmental laws in implementing this section.
- Section 302, Performance-based Restoration Authority
 - **Multiple large- and small-scale ecosystem restoration projects have been authorized or are required by law, yet implementation of these projects often stalls when federal agencies have competing priorities or don’t have the resources or technical experience to undertake them successfully.** This section expedites the implementation of certain types of habitat and ecosystem restoration projects by **authorizing the Secretary of the Interior (Secretary) to enter into performance-based financial arrangements for the delivery of ecological targets and outcomes by experienced non-federal entities.** This section does not create a new program, but instead allows the use of performance-based financial arrangements under the Secretary’s existing ecosystem and habitat restoration authorities. It is needed to both expedite completion of many restoration projects—including large, multi-year projects—and to clarify that performance-based financial mechanisms are an authorized use of federal funds for such projects. The section additionally furthers the goals of reducing costs to the federal government in undertaking such projects and increasing flexibility in the administration of funding for such projects, consistent with federal acquisition regulations.
 - In General. Subsection (b) authorizes the Secretary, in implementing existing authorities under Federal law related to habitat and ecosystem restoration, to—
 - (1) enter into performance-based contracts, grant agreements, and cooperative

agreements for habitat and ecosystem restoration, mitigation, and enhancement projects where ecological targets and outcomes are

- clearly defined,
- agreed upon in advance, and
- capable of being successfully achieved

(2) enter into performance-based contracts with eligible restoration providers experienced in financing and completing successful ecological habitat and restoration, mitigation, and enhancement activities.

(3) provide grant and award agreements for habitat and ecosystem restoration, mitigation, and enhancement projects as described in paragraph (1) and allow for the use of performance-based tools in such agreements.

(4) provide pass-through financing for funds granted or awarded to non-federal third parties utilizing performance-based contracts for projects authorized under paragraph (1).

(5) use performance-based financial mechanisms for multi-year projects.

- Guidelines. Subsection (c) directs the Secretary to—
 - (1) develop guidelines for using performance-based financing and to consult with experienced external organizations in developing such guidelines. Such consultation shall not constitute or require establishing a committee under the Federal Advisory Committee Act. Guidelines shall include guidance on
 - appropriate proposal and project evaluation criteria,
 - restoration provider eligibility criteria,
 - criteria for defining achievable ecological outcomes, and
 - determination of restoration provider financial assurances sufficient to ensure ecological outcomes will be successfully achieved.
- Identification of Eligible Projects. Subsection (d) directs the Secretary to identify opportunities for using performance-based financing for projects authorized in subsection (b)(1) and issue a request for proposals from eligible restoration providers to undertake such projects.
- Certification. Under subsection (e), the Secretary shall certify that work was completed in accordance with ecological requirements and outcomes previously agreed to.
- Technical Assistance. Subsection (f) authorizes the Secretary to provide technical assistance to restoration providers for studies, design, engineering, and permitting.
- Rule of Construction. Subsection (g) clarifies that nothing in the section authorizes the Secretary to waive any obligation of the Secretary or non-Federal parties under federal environmental law.
- Non-Federal Funding. Subsection (h) authorizes use of performance-based financing under the act for non-federal project cost shares, on the condition that the non-federal cost-share responsibility remains with the non-federal party.

- Cost Share. Subsection (i) clarifies that nothing in the section shall affect a cost-sharing requirement under Federal law that is applicable to a project carried out under the performance-based restoration authority established under subsection (a).
- Mitigation. Subsection (j) clarifies that nothing in this section shall authorize Federal funding to meet existing environmental mitigation or compliance obligations that are express requirements of a permit or order issued under Federal or State law, unless such requirements expressly contemplate reliance on Federal funding in performance of the requirements
- Report. Subsection (k) requires the Secretary to
 - (1) issue and submit to Congress a report describing results of, and impediments to, the use of performance-based financing within 3 years of the date of enactment, and
 - (2) address such impediments, if any—to the extent practicable—and to protect the public interest and investment in projects financed under the Act.

Title IV, Miscellaneous

- Section 401, Amendments to Drought Program Under the Reclamation States Emergency Drought Relief Act of 1991
 - Droughts have become more frequent than when the Reclamation States Emergency Drought Relief Act was enacted in 1991. As a result, some amendments appear appropriate to the Act to reflect the increased frequency of droughts.
 - The existing Act limits permanent facilities that it authorizes to groundwater wells.
 - Given the increased frequency of droughts, it seems more efficient to install a greater number of permanent facilities than to frequently install and remove temporary facilities.
 - Subsection (a) therefore provides authorization during a declared drought emergency for any permanent facilities or projects up to a federal investment of \$30 million that are supported by the relevant State (or tribe if the facility is on an Indian reservation).
 - The \$30 million threshold comes from the Infrastructure Investment and Jobs Act, which creates a precedent authorizing Interior to proceed with projects up to \$30 million without Congressional authorization of the specific projects (in that Act this precedent is applied to small storage projects).
 - Subsection (a) also requires that a well drilled to minimize losses and damages from drought conditions must either 1) align with applicable local, state, or regional groundwater sustainability goals; or 2) support drinking water supplies for a

disadvantaged community or Tribe.

- Subsection (a) further addresses the problem of drought shortfalls in environmental funding programs like the Central Valley Improvement Act that derive their funding from per acre fees in water delivered.
- Because their funding varies by the amount of water delivered, these programs provide substantially less environmental funding precisely when the funding is most needed, during droughts.
- Subsection (a) would authorize non-reimbursable funding to make up these shortfalls, without affecting the Secretary's legal obligations to the environment or existing authority to make up shortfalls in environmental funding in non-drought years.
- Subsection (b) amends the existing Act to clarify that it applies to drought emergencies declared for portions of States, and does not require drought emergencies to apply to an entire State.
- Subsection (b) also extends the Reclamation States Emergency Drought Relief Act authorization to 2031.
- Subsection (c) amends the Secure Water Act of 2009 to provide that an application for WaterSMART funding to drill a groundwater well for municipal supply to minimize losses and damages from drought conditions shall not increase the applicant's net water use beyond the period of any drought emergency, unless the groundwater well is for the purpose of supplying drinking water for a disadvantaged community or Tribe, or if the new groundwater use is partially offset by aquatic habitat enhancement during the drought period, or over the long-term, including a future drought period.
- Section 402, Environmental Compliance
 - This section requires the Act to be implemented consistent with applicable State law and Federal environmental law.
- Section 403, Effect
 - This section provides that nothing in this Act shall interfere with any obligation of a State under the Rio Grande Compact or any other interstate compact approved by Congress.



To:	MWDOC
From:	Syrus Devers, Best Best & Krieger
Date:	June 27th, 2023
Re:	State Legislative Report

Legislative Report

The last two weeks of June were big ones for both legislation and the budget. Here are the highlights.

The water rights bills:

AB 460 (Bauer-Kahan): This bill would give the SWRCB the power to issue restraining orders on par with a court's power to issue Temporary Restraining Orders. It is not over but opponents smell blood in the water. At the last moment the author pulled the bill from the June 27th hearing date in Senate Natural Resources and Water when it was apparent the bill lacked the necessary 6th vote to get out of committee. Holdouts on the Democrat side include Senators Padilla (San Diego), Hurtado (Central Valley), and Eggman (Stockton). The last scheduled hearing for the committee is July 10th. That is how long Bauer-Kahan has to negotiate for the needed vote, but that's a long time in the Legislature.

AB 1337 (Wicks): This bill overturns the court holding in the Curtailment Cases and allows SWRCB to enforce water rights against pre-1914 water right holders. Originally set for June 21st, the bill was pulled and reset for the final hearing date of July 10th. The bill has not been amended in the last month, but there is talk in the halls that this bill is enjoying broader support than its counterpart AB 460.

SB 389 (Allen): This bill would grant the SWRCB sweeping powers to demand information to support a water right claim. In order to get the bill off the Senate Floor after a tough first vote, Allen agreed to take the more punitive sections out of the bill, although written amendments have yet to be adopted.

According to stakeholders, Allen agreed to remove the section allowing for forfeiture of a water right for which there was insufficient proof, and eliminated placing the burden of proof on the holder of the right, which were the two most objectionable provisions of the bill. No hearing had been set at the time this report was prepared.

The Budget:

This report was prepared the day after a late-night deal on the State Budget was struck, so few details were available.

In 2022, California faced unprecedented budget surpluses which led the Governor and the Legislature to set aside the maximum possible savings, give Californians refunds, and spent record amounts on climate adaptation programs. The total budget spending plan in 2022 was \$308 billion. So how did our governor and legislators deal with a \$31.5 billion deficit? By rolling up their sleeves and...spending \$3 billion more than last year.

Sarcasm aside, there are some real numbers behind the budget total, but at first glance it can be a head scratcher. Compared to last year, the budget has to cover a \$31.5 billion deficit and the \$3 billion in additional spending, or about \$35 billion, give or take. Here is how it works:

- Lower revenues mean lower constitutionally required, non-discretionary spending. That is worth about \$4.8 billion (call it \$5B).
- Defer \$8 billion in planned spending from last year's budget. (This is where water programs can be impacted.)
- Borrow \$6 billion from special funds.
- Increase taxes on managed care plan providers for another \$8 billion.
- Make up the rest (\$8B) by counting on an automatic increase in the gas tax and a variety of other pots of money.

Just like that, the deficit is covered without tapping the reserve account. Is it budget sleight-of-hand that cannot be sustained? Yes, but it works for now. Who knows? The stock market seems bullish at the moment so maybe we just need to stay afloat long enough to catch some economic luck. If things do not go well, then we start tapping the reserves.

What happens to water related spending programs in the Budget?

It's too soon for an analysis. Water was barely mentioned in the press releases that accompanied the announcement of a budget deal. Funds were cut that included spending on water related programs, but we do not have details on precisely which programs within larger budget funds will be reduced. That kind of detail will be found in Budget Trailer Bills in the coming weeks.

We do know Governor Newsom dropped the Delta Conveyance from a list of major projects that he wanted to expedite with a streamlined permit process. While not exactly a budget item, it was a part of his package of Budget Trailer Bill proposals he released back in May.

Legal and Regulatory

July 5, 2023

1. **Tribal Water Rights:** Tribal water rights have been progressing through the legal system for many years. The 9th US Circuit had decided that tribes, in this case the Navajo Nation, had a right to water. The US Supreme Court (SCOTUS) last week determined that their rights were set forth in their 1868 Treaty with the United States. While acknowledging that Navajo Nation had an issue with water access, the solution was not for the Courts to resolve. They suggested that they seek a legislative fix from Congress. The Navajo Nation is the largest reservation in the US covering 17 million acres and impacting 300,000 tribal members. However, SCOTUS cited the basic premise that the courts do not make the law, but only interpret existing law. The proponents in this case were Arizona, the Department of Interior (US Government) and MWD. MWD and Interior pointed out that the Navajo Nation had been given certain rights in previous Colorado River negotiations and allocations.
2. **Moon Water:** If you intend to sign up for future trips to the Moon, take your micro-wave oven with you. The University of Central Florida has discovered a simple and cheap way of extracting water while on the moon. Put a cup of Moon dirt in your micro-wave oven. It is well established that water exists in lunar soil and more water is present in the shady side of the Moon. This technique delivered around 60% of available water from the sample in 30 minutes. They compared the process to reheating a pizza in your micro-wave which produces moisture. They acknowledge that this process would not be effective for soil samples with higher moisture content.
3. **Contact Lens and PFAS:** New research has revealed that all types of soft contact lens from the three major manufacturers contain PFAS. The level ranges from 100 to 20,000 parts per million. The average (44%) contains 4,000 parts per million. The report stated the “your eyes are one of the most sensitive parts of your body” and this should be a major concern for all. PFAS has been linked to various cancers and thyroid issues. Current health studies have cited proposed limits from .004 to 2,000 parts per trillion. Research has not shown possible harm to the eyes, but scientists are concerned. One Chinese study suggested that adults with high blood levels of PFAS could have ocular risks. One doctor quoted in the story suggested that those types of soft lenses not be used.
4. **Cheap Powder Cleans Water:** Stanford University is studying methods to produce clean water for the 2 billion folks in the world who do not have safe drinking water. Conventional treatment relies on chemicals and/or ultraviolet light. Both are more costly, take time and produces toxic byproducts. The Stanford mix is harmless metallic powder from aluminum oxide, sulfide, copper, and iron oxide. All of these are cheap and available. The process is fairly simple and destroys bacteria quickly with simple sun light. The powder is recyclable using a magnet. They suggest it is ideal for hikers as they only have to carry a bag of the powder and a magnet to purify water. They believe this process may also be used in larger commercial uses for water treatment.

5. **More PFAS Treatment:** It seems that each month, someone comes up with a new idea to treat PFAS. University of California, Riverside is using microbes to break down the PFAS critters. Thus far, the conventional methods have used chemical catalysts or reagents. UCR is using microbes which are organisms which may be a single cell or a colony of cells. The most common used in the testing are anaerobic bacteria. Their biggest success has been in treated of sludge including human waste. The reaction produces carbon and energy and causes the PFAS to degrade. The study is still early but signs are encouraging.
6. **Natural LA River?:** The LA River is 51 miles long and runs from the mountains to the sea. Its concrete lining started 85 years ago. The strong rains and flood conditions that we have been experiencing damaged many parts of California, but not the LA River. That is because it is the primary infrastructure of a flood management system for LA County. But some groups want to return the LA River to its original state 100 years ago. Slowing the River down does have benefits: better soil, recharge aquifers, richer habitat, and reduced fire risk to name a few. However, to accomplish that you would need to increase the floodplain footprint of the River from 3 to 7 times to allow for natural flooding and water movement. To accomplish this, much development would have to be removed since houses and other structures have been built right next to the River. In addition, projections for the future show more flood events which emphasizes the need to keep the River in concrete. One alternative that is being considered is returning a portion of the River in Long Beach from the ocean up about 10 miles. This area could be used for retention ponds and wetlands but retain the concrete portion for flood control.
7. **San Diego Divorce Cost:** Two north San Diego water districts want to leave the San Diego County Water Authority and join Eastern Municipal Water District. The main reason is to save money. San Diego has the highest water rates in the region due to business decisions made in the past. Their debt load is enormous. Their departure would increase the rates of remaining San Diego member agencies. The Authority claims the increase would be on average \$2.20 per month. The departing districts claim it would be about half that amount. Those districts may also have to pay an exist fee of about \$25 million over five years. LAFCO is presently considering the issue. The Authority is presently considering 14% rate increase for next year. The decision may be forthcoming in July.
8. **Snowpack Impact on Groundwater:** Groundwater measurements are extremely important in determining how much can be withdrawn under the new groundwater management law. Stanford University has developed a method to measure the situation more accurately. Every year and in particular this past year, the snowpack in the Sierras has enormous impact on the groundwater measurement. That snow weighs in the billions of tons. Researchers have known for some time that this causes sinking in the adjoining aquifers. Historically, overdrafts have been blamed for the subsidence, when in fact much has been caused by the snow mass. Data has shown that most of the elevation differences in 60% of the valley has been caused by the snow weight. This has caused an underestimate of the actual water levels. This study has used a satellite radar system, InSAR (interferometric synthetic aperture radar), which we have referenced in other reports. While this system is not perfect it has been taking measurements once a week for over 5 years and is much more accurate drilling wells in the valley and checking them yearly. This will give our water managers much better tools to manage groundwater issues. The new study also suggests that sinking may continue in the future even if we can control water levels through reduced overdrafts.

9. **More Groundwater Measurement:** The California Department of Water Resources is using a large magnet to determine how to handle flood events and find areas for recharge. A helicopter flying a few hundred feet above the terrain is carrying a giant magnet which looks trapezoidal. The signals are sent down up to 1500 below ground. The time for a response signal tells the operator whether the underground is sand or clay. Discovering and analyzing underground aquifers can expand our ability to store water below ground. Sand areas are good for recharge while clay areas are good for retention underground.
10. **Groundwater Changes Earths Axis:** The rotational pole of the Earth on average can change several feet each year. Researchers have discovered that water movement can impact this change. Pumping water from the ground and moving it somewhere else has moved the Earths axis about 2 inches per year over a 17-year study. Among climate related events, groundwater movement has a larger influence. Although, as mentioned is it small compared to the normal changes. While this is not likely to change seasons, it could impact climate. The major water movement occurs is western North America and India, both midlatitude areas.

July 5, 2023

TO: MWDOC Board of Directors

FROM: Peter Whittingham

SUBJECT: June, 2023 Report

There has been a tremendous amount of activity this month throughout Orange County, with a number of noteworthy events of significant importance to the region. A few of the more notable developments and issues of June are as follows:

- The Metropolitan Water District was awarded \$30 million from the Department of Water Resources (DWR) Urban Community Drought Relief Grant program to implement a turf replacement program, to be made available to all of its member agencies. It is estimated this program will save up to 4,050-acre feet of water per year by converting an estimated 30 million square-feet of non-functional turf to water-efficient landscaping.
- The City of Santa Ana was awarded \$5.9 million for a new well in one neighborhood and to create a system to capture rainwater in another of the historic neighborhoods. The funding comes from DWR's Integrated Regional Water Management Program. The Santa Ana Zoo Stormwater Capture and Diversion project will create an underground stormwater infiltration system underneath the Zoo's parking lot, and will be designed to capture roughly 67 acre-feet of stormwater per year, increasing the local water supply, improving water quality and reduce flooding.
- The Orange County Grand Jury released the findings of its latest report, entitled *Historic Rain, Yet Drought Remains*. The report includes four recommendations, including the establishment of a countywide "Climate Resiliency District" or JPA to fund and expedite implementation of a drought-resistant source of water; the planning, development, and construction of multiple desalination plants over the next five years; adoption by the County and all Orange County cities of an emergency development moratorium plan by the end of 2023 in recognition of the Colorado River water supply being constrained; and that Orange County water agencies update their public communication strategies to educate and inform the public regarding lifestyle changes to conserve water.

- The Orange County Health Care Agency released its biennial *Ocean, Harbor & Bay Water Quality Report*, which found that 2022 had the fewest number of beach closures due to sewage spills in the past 30 years. Most of the 85 spills last year were attributable to blockages in pipelines, which has been the cause of 72% of all beach closures since 1999.
- Santa Margarita Water District's San Juan Capistrano rate study and the agency's potential rate increases (particularly fire service rates) were the subject of a story on the *Voice of OC* website and on KCAL. The non-profit Shea Center in San Juan Capistrano, an equestrian center which offers equine therapy to persons with disabilities, has been amongst the most vocal parties expressing concerns to the District and the media.

It is a pleasure to work with you and to represent the Municipal Water District of Orange County.

Sincerely,



Peter Whittingham

Bill Matrix

Prepared by Syrus Devers, June 27th, 2023

A. Priority Support/Oppose

[AB 334](#)

(Rubio, Blanca D) Public contracts: conflicts of interest.

Status: 6/14/2023-Re-referred to Com. on JUD.

Calendar: 7/6/2023 Upon adjournment of Session - 1021 O Street, Room 2100 SENATE JUDICIARY, UMBERG, THOMAS, Chair

Summary: Current law prohibits members of the Legislature and state, county, district, judicial district, and city officers or employees from being financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Current law authorizes the Fair Political Practices Commission to commence an administrative or civil action against persons who violate this prohibition, as prescribed, and includes provisions for the collection of penalties after the time for judicial review of a commission order or decision has lapsed, or if all means of judicial review of the order or decision have been exhausted. Current law identifies certain remote interests in contracts that are not subject to this prohibition and other situations in which an official is not deemed to be financially interested in a contract. Existing law makes a willful violation of this prohibition a crime. This bill would establish that an independent contractor, who meets specified requirements, is not an officer for purposes of being subject to the prohibition on being financially interested in a contract.

Position	Priority
Support	A. Priority Support/Oppose

Notes 1: Support position adopted June 7th

[AB 460](#)

(Bauer-Kahan D) State Water Resources Control Board: water rights and usage: interim relief: procedures.

Status: 6/7/2023-Referred to Coms. on N.R. & W. and JUD.

Calendar: 6/27/2023 9 a.m. - 1021 O Street, Room 2100 SENATE NATURAL RESOURCES AND WATER, MIN, DAVE, Chair

Summary: Current law authorizes the State Water Resources Control Board to investigate all streams, stream systems, lakes, or other bodies of water, take testimony relating to the rights to water or the use of water, and ascertain whether water filed upon or attempted to be appropriated is appropriated under the laws of the state. Current law requires the board to take appropriate actions to prevent waste or the unreasonable use of water. This bill would authorize the board, in conducting specified investigations or proceedings to inspect the property or facilities of a person or entity, as specified. The bill would authorize the board, if consent is denied for an inspection, to obtain an inspection warrant, as specified, or in the event of an emergency affecting public health and safety, to conduct an inspection without consent or a warrant.

Position	Priority
Opposition	A. Priority Support/Oppose

[AB 557](#)

(Hart D) Open meetings: local agencies: teleconferences.

Status: 6/19/2023-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on JUD.

Calendar: 6/27/2023 Upon adjournment of Session - 1021 O Street, Room 2100 SENATE JUDICIARY, UMBERG, THOMAS, Chair

Summary: The Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding providing for the ability of the public to observe and provide comment. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. This bill would revise the authority of a legislative body to hold a teleconference meeting under those abbreviated teleconferencing procedures when a declared state of emergency is in effect. Specifically, the bill would extend indefinitely that authority in the circumstances under which the legislative body either (1) meets for the purpose of determining whether, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees, or (2) has previously made that determination.

Position	Priority
Support	A. Priority Support/Oppose

Notes 1: Support adopted April 5th

[AB 735](#)

(Berman D) Workforce development: utility careers.

Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/10/2023)(May be acted upon Jan 2024)

Summary: Would establish the High Road Utility Careers (HRUC) program, to be administered by the California Workforce Development Board, to connect existing resources with individuals interested in careers in the utility sector and ensure a continued reliable workforce for California utilities. The bill would require the board to administer the HRUC program through partnerships with statewide water, wastewater, and energy utility associations and to coordinate the program with existing and future programs and initiatives administered by the board, including high road training partnerships, in order to align interested individuals with available resources. The bill would require the HRUC program, upon appropriation by the Legislature, to dedicate funding and resources toward accomplishing specified goals, including connecting workers to high-quality jobs or entry-level work with defined routes to advancement and increasing skills and opportunities while expanding pipelines for low-income populations.

Position	Priority
Support	A. Priority Support/Oppose

Notes 1: Support adopted April 5th

[AB 755](#)

(Papan D) Water: public entity: cost-of-service analysis.

Status: 6/14/2023-Referred to Com. on N.R. & W.

Calendar: 7/10/2023 Upon adjournment of Military and Veterans Affairs Committee - 1021 O Street, Room 2200 SENATE NATURAL RESOURCES AND WATER, MIN, DAVE, Chair

Summary: Current law authorizes a public entity that supplies water at retail or wholesale within its service area to adopt, in accordance with specified procedures, and enforce a water conservation program. This bill would require a public entity, as defined, that conducts a cost-of-service analysis, as defined, to identify the total incremental costs incurred by all the major water users, as described, in the single-family residential class and the total incremental costs that would be avoided if major water users met a specified efficiency goal. The bill would also require both of those costs to be made publicly available by posting the information in the public entity's cost-of-service analysis.

Position	Priority
Opposition	A. Priority Support/Oppose

Notes 1: Oppose position adopted May 3rd

[AB 838](#)

(Connolly D) California Water Affordability and Infrastructure Transparency Act of 2023.

Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 4/19/2023)(May be acted upon Jan 2024)

Summary: The California Safe Drinking Water Act requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Current law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. The act prohibits a person from operating a public water system unless the person first submits an application to the state board and receives a permit to operate the system,

as specified. The act requires a public water system to submit a technical report to the state board as a part of the permit application or when otherwise required by the state board, as specified, and to submit the report in the form and format and at intervals specified by the state board. This bill would require, beginning January 1, 2025, and thereafter at intervals determined by the state board, public water systems to provide specified information and data related to customer water bills and efforts to replace aging infrastructure to the state board.

Position	Priority
Opposition	A. Priority Support/Oppose

AB 1337 **(Wicks D) State Water Resources Control Board: water diversion curtailment.**

Status: 6/21/2023-In committee: Hearing postponed by committee.

Calendar: 7/10/2023 Upon adjournment of Military and Veterans Affairs Committee - 1021 O Street, Room 2200 SENATE NATURAL RESOURCES AND WATER, MIN, DAVE, Chair

Summary: Under existing law, the diversion or use of water other than as authorized by specified provisions of law is a trespass, subject to specified civil liability. This bill would expand the instances when the diversion or use of water is considered a trespass. This bill contains other related provisions and other existing laws.

Position	Priority
Opposition	A. Priority Support/Oppose

Notes 1: Oppose adopted April 5th

AB 1572 **(Friedman D) Potable water: nonfunctional turf.**

Status: 6/21/2023-In committee: Hearing postponed by committee.

Calendar: 7/3/2023 10 a.m. - 1021 O Street, Room 1200 SENATE NATURAL RESOURCES AND WATER, MIN, DAVE, Chair

Summary: Would make legislative findings and declarations concerning water use, including that the use of potable water to irrigate nonfunctional turf is wasteful and incompatible with state policy relating to climate change, water conservation, and reduced reliance on the Sacramento-San Joaquin Delta ecosystem. The bill would direct all appropriate state agencies to encourage and support the elimination of irrigation of nonfunctional turf with potable water.

Position	Priority
Oppose unless amended	A. Priority Support/Oppose

Notes 1: OUA adopted April 5th

AB 1594 **(Garcia D) Medium- and heavy-duty zero-emission vehicles: public agency utilities.**

Status: 6/14/2023-Referred to Coms. on E.Q. and TRANS.

Calendar: 7/5/2023 9:30 a.m. - 1021 O Street, Room 1200 SENATE ENVIRONMENTAL QUALITY, ALLEN, BENJAMIN, Chair

Summary: Executive Order No. N-79-20 establishes the goal of transitioning medium- and heavy-duty vehicles in California to zero-emission vehicles by 2045 for all operations where feasible and by 2035 for drayage trucks, and requires the State Air Resources Board to develop and propose medium- and heavy-duty vehicle regulations to meet that goal. This bill would require any state regulation that seeks to require, or otherwise compel, the procurement of medium- and heavy-duty zero-emission vehicles by a public agency utility to ensure that those vehicles can support a public agency utility's ability to maintain reliable water and electric services, respond to disasters in an emergency capacity, and provide mutual aid assistance statewide and nationwide, among other requirements. The bill would define a public agency utility to include a local publicly owned electric utility, a community water system, and a wastewater treatment provider, as specified. This bill contains other existing laws.

Position	Priority
Support	A. Priority Support/Oppose

Notes 1: Support adopted May 3rd

AB 1637 **(Irwin D) Local government: internet websites and email addresses.**

Status: 6/14/2023-Referred to Com. on GOV. & F.

Calendar: 6/28/2023 9 a.m. - 1021 O Street, Room 1200 SENATE GOVERNANCE AND FINANCE, CABALLERO, ANNA, Chair

Summary: The California Constitution authorizes cities and counties to make and enforce within their limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws and further authorizes cities organized under a charter to make and enforce all ordinances and regulations in respect to municipal affairs, which supersede inconsistent general laws. This bill, no later than January 1, 2027, would require a local agency, as defined, that maintains an internet website for use by the public to ensure that the internet website utilizes a “.gov” top-level domain or a “.ca.gov” second-level domain and would require a local agency that maintains an internet website that is noncompliant with that requirement to redirect that internet website to a domain name that does utilize a “.gov” or “.ca.gov” domain. This bill, no later than January 1, 2027, would also require a local agency that maintains public email addresses to ensure that each email address provided to its employees utilizes a “.gov” domain name or a “.ca.gov” domain name. By adding to the duties of local officials, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Position	Priority
Watch	A. Priority
	Support/Oppose

Notes 1: No longer applies to special districts

[SB 23](#)

(Caballero D) Water supply and flood risk reduction projects: expedited permitting.

Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/15/2023)(May be acted upon Jan 2024)

Summary: Current law prohibits an entity from substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or deposit or dispose of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake, except under specified conditions, including requiring the entity to send written notification to the Department of Fish and Wildlife regarding the activity in the manner prescribed by the department. This bill would require a project proponent, if already required to submit a notification to the department, to submit to the department the certified or adopted environmental review document, as applicable, for the activity in the notification. The bill would require the department, under prescribed circumstances, to take certain actions within specified timelines, or within a mutually agreed-to extension of time.

Position	Priority
Support	A. Priority
	Support/Oppose

Notes 1: Support position approved on 3/1/2023

[SB 366](#)

(Caballero D) The California Water Plan: long-term supply targets.

Status: 6/8/2023-Referred to Com. on W., P., & W.

Calendar: 7/11/2023 9 a.m. - State Capitol, Room 447 ASSEMBLY WATER, PARKS AND WILDLIFE, BAUER-KAHAN, REBECCA, Chair

Summary: Current law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as “The California Water Plan.” Current law requires the department to include a discussion of various strategies in the plan update, including, but not limited to, strategies relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, water transfers, and alternative pricing policies that may be pursued in order to meet the future needs of the state. Current law requires the department to establish an advisory committee to assist the department in updating the plan. This bill would revise and recast certain provisions regarding The California Water Plan to, among other things, require the department to instead establish a stakeholder advisory committee and to expand the membership of the committee to include tribes, labor, and environmental justice interests. The bill would require the department, in coordination with the California Water Commission, the State Water Resources Control Board, other state and federal agencies as appropriate, and the stakeholder advisory committee to develop a comprehensive plan for addressing the state’s water needs and meeting specified long-term water supply targets established by the bill for purposes of “The California Water Plan.”

Position	Priority
Support	A. Priority
	Support/Oppose

[SB 389](#)

(Allen D) State Water Resources Control Board: determination of water right.

Status: 6/15/2023-Referred to Com. on W., P., & W.

Summary: Would, upon specified findings, authorize the State Water Resources Control Board to investigate the diversion and use of water from a stream system to determine whether the diversion and use are based upon appropriation, riparian right, or other basis of right, as specified.

Position	Priority
Opposition	A. Priority Support/Oppose

Notes 1: Oppose adopted April 5th

SB 687

(Eggman D) Water Quality Control Plan: Delta Conveyance Project.

Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/8/2023)(May be acted upon Jan 2024)

Summary: Would require the State Water Resources Control Board to adopt a final update of the 1995 Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary, as provided, before the board may consider a change in point diversion or any other water rights permit or order for the Delta Conveyance Project. The bill would also, if, after completing the update of the plan and in compliance with existing law, the board approves a change in point of diversion or any other water rights permit or order associated with the Delta Conveyance Project, prohibit the operation of the Delta Conveyance Project unless and until the updated plan is fully implemented. The bill would specify that these provisions do not constitute an authorization for or approval of funding for the Delta Conveyance Project or any other project that includes isolated Delta conveyance facilities, and do not reduce any statutory or other regulatory conditions or permit requirements for Delta conveyance projects.

Position	Priority
Opposition	A. Priority Support/Oppose

Notes 1: Oppose adopted per Policy Principles.

B. Watch

AB 30

(Ward D) Atmospheric rivers: research: reservoir operations.

Status: 6/26/2023-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on APPR.

Calendar: 7/3/2023 10 a.m. - 1021 O Street, Room 2200 SENATE APPROPRIATIONS, PORTANTINO, ANTHONY, Chair

Summary: Current law establishes the Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program in the Department of Water Resources. Current law requires the department, upon an appropriation for purposes of the program, to research climate forecasting and the causes and impacts that climate change has on atmospheric rivers, to operate reservoirs in a manner that improves flood protection, and to reoperate flood control and water storage facilities to capture water generated by atmospheric rivers. This bill would rename that program the Atmospheric Rivers Research and Forecast Improvement Program: Enabling Climate Adaptation Through Forecast-Informed Reservoir Operations and Hazard Resiliency (AR/FIRO) Program. The bill would require the department to research, develop, and implement new observations, prediction models, novel forecasting methods, and tailored decision support systems to improve predictions of atmospheric rivers and their impacts on water supply, flooding, post-wildfire debris flows, and environmental conditions.

Position	Priority
Watch	B. Watch

AB 62

(Mathis R) Statewide water storage: expansion.

Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/10/2023)(May be acted upon Jan 2024)

Summary: Current law establishes within the Natural Resources Agency the State Water Resources Control Board and the California regional water quality control boards. Current law requires the work of the state board to be divided into at least 2 divisions, known as the Division of Water Rights and the Division of Water Quality. This bill would establish a statewide goal to increase above- and below-ground water storage capacity by a total of 3,700,000 acre-feet by the year 2030 and a total of 4,000,000 acre-feet by the year 2040. The bill would require the Department of Water Resources, in consultation with the state board, to take reasonable actions to promote or assist efforts to achieve the statewide goal, as

provided. The bill would require the department, beginning July 1, 2027, and on or before July 1 every 2 years thereafter until January 1, 2043, in consultation with the state board, to prepare and submit a report to the Legislature on the progress made to achieve the statewide goal.

Position	Priority
Watch	B. Watch

AB 66

(Mathis R) Natural Resources Agency: water storage projects: permit approval.

Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 4/19/2023)(May be acted upon Jan 2024)

Summary: Current law establishes the Natural Resources Agency, composed of departments, boards, conservancies, and commissions responsible for the restoration, protection, and management of the state's natural and cultural resources. Current law establishes in the agency the Department of Water Resources, which manages and undertakes planning with regard to water resources in the state. This bill would require the agency, and each department, board, conservancy, and commission within the agency, to take all reasonable steps to approve the necessary permits for specified projects that meet certain employment conditions within 180 days from receiving a complete permit application.

Position	Priority
	B. Watch

AB 249

(Holden D) Water: schoolsites: lead testing: conservation.

Status: 6/22/2023-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on E.Q.

Calendar: 7/5/2023 9:30 a.m. - 1021 O Street, Room 1200 SENATE ENVIRONMENTAL QUALITY, ALLEN, BENJAMIN, Chair

Summary: Would require a community water system that serves a schoolsite, as defined, to test for lead in the potable water system outlets of the schoolsite before January 1, 2027, except for potable water system outlets in buildings that were either constructed after January 1, 2010, or modernized after January 1, 2010, and all faucets and other end point devices used for providing potable water were replaced as part of the modernization. The bill would require the community water system to report its findings to the applicable schoolsite or local educational agency and to the state board. The bill would require the local educational agency or schoolsite, if the lead level exceeds a specified level at a schoolsite, to notify the parents and guardians of the pupils who attend the schoolsite, take immediate steps to make inoperable and shut down from use all potable water system outlets where the excess lead levels may exist, and work to ensure that a lead-free source of drinking water is provided for pupils, as specified. The bill would require a community water system to test a potable water system outlet that replaces an outlet that is found to have excess levels of lead. The bill would require a community water system to prepare a sampling plan for each schoolsite where lead sampling is required under these provisions, as specified. The bill would require the schoolsite, local education agency, and state board to make the results of schoolsite lead sampling publicly available by posting the results on its internet website. The bill would require a schoolsite and a local educational agency, if an internet website is not maintained, to provide the results upon request. By imposing additional duties on local agencies, this bill would impose a state-mandated local program.

Position	Priority
Watch	B. Watch

AB 277

(Rodriguez D) Extreme Weather Forecast and Threat Intelligence Integration Center.

Status: 6/26/2023-Read second time and amended. Re-referred to Com. on G.O.

Calendar: 7/11/2023 9 a.m. - 1021 O Street, Room 1200 SENATE GOVERNMENTAL ORGANIZATION, DODD, BILL, Chair

Summary: Would establish the State-Federal Flood Operations Center within the Department of Water Resources and would authorize the department to administer the center in the department's divisions, offices, or programs. The bill would provide that the purpose of the center is to function as the focal point for gathering, analyzing, and disseminating flood and water-related information to stakeholders and would authorize the center to take specified actions for that purpose, including to function during emergency situations to enable the department to centrally coordinate statewide emergency responses.

Position	Priority
Watch	B. Watch

AB 305

(Villapudua D) California Flood Protection Bond Act of 2024.

Status: 6/14/2023-Referred to Coms. on N.R. & W. and GOV. & F.

Summary: Would enact the California Flood Protection Bond Act of 2024 which, if approved by the voters, would authorize the issuance of bonds in the amount of \$4,500,000,000 pursuant to the State General Obligation Bond Law for flood protection projects, as specified. The bill would provide for the submission of these provisions to the voters at the November 5, 2024, statewide general election.

Position	Priority
Watch	B. Watch

AB 338 **(Aguiar-Curry D) Public works: definition.**

Status: 6/14/2023-Referred to Com. on L., P.E. & R.

Summary: Current law requires that, except as specified, not less than the general prevailing rate of per diem wages, determined by the Director of Industrial Relations, be paid to workers employed on public works projects. Existing law defines the term “public works” for purposes of requirements regarding the payment of prevailing wages to include construction, alteration, demolition, installation, or repair work done under contract and paid for using public funds, except as specified. Current law makes a willful violation of laws relating to the payment of prevailing wages on public works a misdemeanor. This bill would, commencing January 1, 2025, expand the definition of “public works” to include fuel reduction work done under contract and paid for in whole or in part out of public funds performed as part of a fire mitigation project, as specified. The bill would limit those provisions to work that falls within an apprenticeship occupation in the building and construction trades for which an apprenticeship program has been approved and to contracts in excess of \$100,000. The bill would delay the application of those provisions until January 1, 2026, for nonprofits.

Position	Priority
Watch	B. Watch

AB 340 **(Fong, Vince R) California Environmental Quality Act: grounds for noncompliance.**

Status: 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 2/9/2023)(May be acted upon Jan 2024)

Summary: The California Environmental Quality Act (CEQA) prohibits an action or proceeding from being brought in a court to challenge the approval of a project by a public agency unless the alleged grounds for noncompliance are presented to the public agency orally or in writing by a person during the public comment period provided by CEQA or before the close of the public hearing on the project before the issuance of the notice of determination. This bill would require the alleged grounds for noncompliance with CEQA presented to the public agency in writing be presented at least 10 days before the public hearing on the project before the issuance of the notice of determination. The bill would prohibit the inclusion of written comments presented to the public agency after that time period in the record of proceedings and would prohibit those documents from serving as basis on which an action or proceeding may be brought.

Position	Priority
Watch	B. Watch

AB 676 **(Bennett D) Water: general state policy.**

Status: 6/22/2023-In committee: Hearing postponed by committee.

Calendar: 7/10/2023 Upon adjournment of Military and Veterans Affairs Committee - 1021 O Street, Room 2200 SENATE NATURAL RESOURCES AND WATER, MIN, DAVE, Chair

Summary: Current law establishes various state water policies, including the policy that the use of water for domestic purposes is the highest use of water and that the next highest use is for irrigation. This bill would specify that the use of water for domestic purposes includes water use for human consumption, cooking, sanitary purposes, and care of household livestock, animals, and gardens.

Position	Priority
Watch	B. Watch

AB 1072 **(Wicks D) Water conservation and efficiency: low-income residential customers.**

Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/17/2023)(May be acted upon Jan 2024)

Summary: Would declare the policy of the state that all residents have access to water conservation and efficiency programs. The bill would also set forth related findings including that reaching the state’s environmental justice goals and commitments requires designing climate adaptation programs so that all households may participate.

Position	Priority
Watch	B. Watch

AB 1205

(Bauer-Kahan D) Water rights: sale, transfer, or lease: agricultural lands.

Status: 5/31/2023-Referred to Com. on N.R. & W.

Calendar: 7/10/2023 Upon adjournment of Military and Veterans Affairs Committee - 1021 O Street, Room 2200 SENATE NATURAL RESOURCES AND WATER, MIN, DAVE, Chair

Summary: Would find and declare that speculation or profiteering by an investment fund in the sale, transfer, or lease of an interest in any surface water right or groundwater water right previously put to beneficial use on agricultural lands within the state is a waste or an unreasonable use of water.

Position	Priority
Watch	B. Watch

AB 1567

(Garcia D) Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024.

Status: 6/14/2023-Referred to Coms. on N.R. & W. and GOV. & F.

Summary: Would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$15,995,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, clean energy, and workforce development programs.

Position	Priority
Watch	B. Watch

AB 1573

(Friedman D) Water conservation: landscape design: model ordinance.

Status: 6/21/2023-In committee: Hearing postponed by committee.

Calendar: 7/3/2023 10 a.m. - 1021 O Street, Room 1200 SENATE NATURAL RESOURCES AND WATER, MIN, DAVE, Chair

Summary: The Water Conservation in Landscaping Act provides for a model water efficient landscape ordinance that is adopted and updated at least every 3 years by the Department of Water Resources, unless the department makes a specified finding. Current law requires a local agency to adopt the model ordinance or to adopt a water efficient landscape ordinance that is at least as effective in conserving water as the updated model ordinance, except as specified. Current law specifies the provisions of the updated model ordinance, as provided. Current law includes a related statement of legislative findings and declarations. This bill would require the updated model ordinance to include provisions that require that plants included in a landscape design plan be selected based on their adaptability to climatic, geological, and topographical conditions of the project site, as specified. The bill would also exempt landscaping that is part of ecological restoration projects that do not require a permanent irrigation system, mined-land reclamation projects that do not require a permanent irrigation system, and existing plant collections, as part of botanical gardens and arboretums open to the public, from the model ordinance. The bill would require the updated model ordinance to include provisions that require that all new or renovated nonresidential areas install plants that meet specified criteria, and that prohibit the inclusion of nonfunctional turf in nonresidential landscape projects after January 1, 2026.

Position	Priority
Watch	B. Watch

AB 1648

(Bains D) Water: Colorado River conservation.

Status: 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 3/16/2023)(May be acted upon Jan 2024)

Summary: Would prohibit the Metropolitan Water District of Southern California and the Department of Water and Power of the City of Los Angeles from achieving a reduction in, or conservation of, Colorado River water consumption required by an agreement with specified entities through increased water deliveries or imports from other regions of California, including the San Joaquin Valley and the Sacramento-San Joaquin Delta. The bill would require the Colorado River Board of California, the Department of Water Resources, and the State Water Resources Control Board to use their existing authority to enforce these provisions. The bill would specify that these provisions apply retroactively to January 1, 2023, and apply to any agreement entered into on or after that date.

Position	Priority
Watch	B. Watch

ACA 2

(Alanis R) Public resources: Water and Wildfire Resiliency Act of 2023.

Status: 4/20/2023-Referred to Coms. on W., P., & W. and NAT. RES.

Summary: Would establish the Water and Wildfire Resiliency Fund within the State Treasury, and would require the Treasurer to annually transfer an amount equal to 3% of all state revenues that may be appropriated as described from the General Fund to the Water and Wildfire Resiliency Fund. The measure would require the moneys in the fund to be appropriated by the Legislature and would require that 50% of the moneys in the fund be used for water projects, as specified, and that the other 50% of the moneys in the fund be used for forest maintenance and health projects, as specified.

Position	Priority
Out for Analysis	B. Watch

SB 3

(Dodd D) Discontinuation of residential water service: public water system.

Status: 6/21/2023-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 2.) (June 20). Re-referred to Com. on APPR.

Summary: Current law authorizes the State Water Resources Control Board to provide for the deposit into the Safe and Affordable Drinking Water Fund of certain moneys and continuously appropriates the moneys in the fund to the state board for grants, loans, contracts, or services to assist eligible recipients. This bill would require the board to, upon appropriation by the Legislature, expend moneys to provide training statewide to community water systems with between 15 and 200 service connections to meet compliance with the Water Shutoff Protection Act.

Position	Priority
Out for Analysis	B. Watch

SB 48

(Becker D) Building Energy Savings Act.

Status: 6/8/2023-From committee with author's amendments. Read second time and amended. Re-referred to Com. on U. & E.

Calendar: 6/28/2023 1:30 p.m. - State Capitol, Room 437 ASSEMBLY UTILITIES AND ENERGY, GARCIA, EDUARDO, Chair

Summary: Current law requires each utility to maintain records of the energy usage data of all buildings to which they provide service for at least the most recent 12 complete calendar months, and to deliver or otherwise provide that aggregated energy usage data for each covered building, as defined, to the owner, as specified. Current law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to adopt regulations providing for the delivery to the Energy Commission and public disclosure of benchmarking of energy use for covered buildings, and specifies that this requirement does not require the owner of a building with 16 or fewer residential utility accounts to collect or deliver energy usage information to the Energy Commission. This bill would additionally specify that the requirement does not require the owner of a building with less than 50,000 square feet of gross floor space to collect or deliver energy usage information to the Energy Commission.

Position	Priority
Watch	B. Watch

SB 57

(Gonzalez D) Utilities: disconnection of residential service.

Status: 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E. U., & C. on 3/22/2023)(May be acted upon Jan 2024)

Summary: Would require an electrical corporation, local publicly owned electric utility, gas corporation, local publicly owned gas utility, water corporation, or local agency that owns a public water system to postpone the disconnection of a customer's residential service for nonpayment of a delinquent account when the temperature will be 32 degrees Fahrenheit or cooler, or 95 degrees Fahrenheit or warmer, within the utility's service area during the 24 hours after that service disconnection would occur, as specified. The bill would require each of those utilities to notify its residential ratepayers of that requirement and to create an online reporting system available through its internet website, if it has one, that enables its residential ratepayers to report when their utility service has been disconnected in violation of that requirement, as specified. The bill would require the PUC to establish a citation program to impose a penalty on an electrical corporation or gas corporation that violates that requirement, and require each local publicly owned electric utility and local publicly owned gas utility to annually report to the State Energy Resources Conservation and Development Commission the number of residential service connections it disconnected for nonpayment of a delinquent account. The bill would authorize the State Water Resources Control Board to enforce the requirement that a water corporation and local agency that owns a public water system postpone a disconnection of a customer's residential service, as specified.

Position	Priority
Watch	B. Watch

SB 66

(Hurtado D) Water Quality, Supply, and Infrastructure Improvement Act of 2014: Drinking Water Capital

Reserve Fund: administration.

Status: 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.Q. on 3/29/2023)(May be acted upon Jan 2024)

Summary: The Water Quality, Supply, and Infrastructure Improvement Act of 2014 bond act provides that the sum of \$260,000,000 is to be available for grants and loans for public water system infrastructure improvements and related actions to meet safe drinking water standards, ensure affordable drinking water, or both, as specified. Current law requires the State Water Resources Control Board to deposit up to \$2,500,000 of the \$260,000,000 into the Drinking Water Capital Reserve Fund, to be available upon appropriation by the Legislature. Current law requires the state board to administer the Drinking Water Capital Reserve Fund for the purpose of serving as matching funds for disadvantaged communities and requires the state board to develop criteria to implement this provision. This bill would require the state board to provide an analysis of the criteria to implement that provision to the Senate Committee on Natural Resources and Water and Assembly Committee on Water, Parks, and Wildlife on January 1, 2025, and every 2 years thereafter.

Position	Priority
Watch	B. Watch

SB 69

(Cortese D) California Environmental Quality Act: local agencies: filing of notices of determination or exemption.

Status: 6/22/2023-From committee with author's amendments. Read second time and amended. Re-referred to Com. on NAT. RES. June 26 set for first hearing canceled at the request of author.

Calendar: 7/10/2023 2:30 p.m. - State Capitol, Room 447 ASSEMBLY NATURAL RESOURCES, RIVAS, LUZ, Chair

Summary: The California Environmental Quality Act (CEQA) requires a local agency that approves or determines to carry out a project subject to CEQA to file a notice of determination with the county clerk of each county in which the project will be located, as provided. CEQA authorizes a local agency that determines that a project is not subject to CEQA to file a notice of exemption with the county clerk of each county in which the project will be located, as provided. CEQA requires the county clerk to make the notice available for public inspection and post the notice within 24 hours of receipt in the office or on the internet website of the county clerk, as specified. CEQA requires an action or proceeding challenging an act or decision of a public agency, including a local agency, on the grounds of noncompliance with CEQA to be commenced within certain time periods, as specified. This bill would require a local agency to file a notice of determination with the State Clearinghouse in the Office of Planning and Research in addition to the county clerk of each county in which the project will be located. The bill would authorize a local agency to file a notice of exemption with the State Clearinghouse in the Office of Planning and Research in addition to the county clerk of each county in which the project will be located. The bill would require the notice, including any subsequent or amended notice, to be posted both in the office and on the internet website of the county clerk and by the Office of Planning and Research on the State Clearinghouse internet website within 24 hours of receipt. The bill would specify that the posting of the notice by the Office of Planning and Research would not affect the applicable time periods to challenge an act or decision of a local agency, as described above.

Position	Priority
Watch	B. Watch

SB 231

(Hurtado D) Department of Water Resources: water supply forecasting.

Status: 6/19/2023-From committee with author's amendments. Read second time and amended. Re-referred to Com. on W., P., & W.

Summary: Would require the Department of Water Resources, on or before December 31, 2025, to establish a formal process for annually evaluating and improving the accuracy of its water supply forecasts, adopt a new water supply forecasting model that better addresses the effects of climate change, implement a formal policy and procedures for documenting its operational plans for the state's water supply and its rationale for its operating procedures, and develop a comprehensive, long-term plan for mitigating and responding to the effects of drought. The bill would require the department to prepare, and submit to the Legislature, quarterly reports on its progress toward meeting these requirements. The bill would require the department to review and update the plan for mitigating and responding to the effects of drought on or before December 31, 2026, and annually thereafter. The bill would require the department, commencing in 2026 and annually thereafter, to present specified information at an open and public meeting, including the department's operational decisions and their rationale for the state's water supply during the preceding water year. The bill would require the department to include the information presented at the meeting in a report, make the report publicly available on the department's internet website, and submit the report to the Legislature.

Position	Priority
Watch	B. Watch

SB 272

(Laird D) Sea level rise: planning and adaptation.

Status: 6/20/2023-From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 1.) (June 19). Re-referred to

Com. on APPR.

Summary: Current law creates within the Ocean Protection Council the California Sea Level Rise State and Regional Support Collaborative to provide state and regional information to the public and support to local, regional, and other state agencies for the identification, assessment, planning, and, where feasible, the mitigation of the adverse environmental, social, and economic effects of sea level rise within the coastal zone, as provided. This bill would require a local government, as defined, lying, in whole or in part, within the coastal zone, as defined, or within the jurisdiction of the San Francisco Bay Conservation and Development Commission, as defined, to implement sea level rise planning and adaptation through either submitting, and receiving approval for, a local coastal program, as defined, to the California Coastal Commission or submitting, and receiving approval for, a subregional San Francisco Bay shoreline resiliency plan to the San Francisco Bay Conservation and Development Commission, as applicable, on or before January 1, 2034, as provided. By imposing additional requirements on local governments, the bill would impose a state-mandated local program. The bill would require local governments that receive approval for sea level rise planning and adaptation on or before January 1, 2029, to be prioritized for sea level rise funding, upon appropriation by the Legislature, for the implementation of projects in the local government's approved sea level rise adaptation plan.

Position	Priority
Watch	B. Watch

SB 315

(Hurtado D) Groundwater: groundwater sustainability agencies: probationary basins.

Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/1/2023)(May be acted upon Jan 2024)

Summary: The Sustainable Groundwater Management Act authorizes the State Water Resources Control Board to designate specified basins as probationary basins if certain conditions are met, including, but not limited to, that the Department of Water Resources, in consultation with the board, determines that a groundwater sustainability plan is inadequate or that the groundwater sustainability program is not being implemented in a manner that will likely achieve the sustainability goal. Current law requires the board, if it designates a basin as a probationary basin pursuant to specified conditions, to identify the specific deficiencies and potential remedies. Current law authorizes the board to request the department, within 90 days of the designation, to provide technical recommendations to local agencies to remedy the deficiencies and to develop an interim plan for the probationary basin one year after the designation, as specified. This bill would require any groundwater sustainability agency that hires a third-party consulting firm to ensure that the integrity of the science being used to develop a groundwater sustainability plan is protected and the data is not sold. The bill would delete the authorizations for the board to request technical recommendations from the department. The bill would additionally place various requirements on the board in working with a groundwater sustainability agency, including, among other things, requiring the board to provide clear benchmarks and guidance for groundwater sustainability agencies to improve their groundwater management plans.

Position	Priority
Watch	B. Watch

SB 865

(Laird D) Municipal water districts: automatic exclusion of cities.

Status: 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was GOV. & F. on 3/1/2023)(May be acted upon Jan 2024)

Summary: Current law authorizes a governing body of a municipal water district to adopt an ordinance excluding any territory annexed to a metropolitan water district organized under the Metropolitan Water District Act, if the territory is annexed prior to the effective date of the formation of the municipal water district. Current law requires the Secretary of State to issue a certificate reciting the passage of the ordinance and the exclusion of the area from the municipal water district within 10 days of receiving a certified copy of the ordinance. This bill would extend the number of days the Secretary of State has to issue a certificate to 14 days.

Position	Priority
Watch	B. Watch

SB 867

(Allen D) Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024.

Status: 6/22/2023-Read second time and amended. Re-referred to Com. on NAT. RES.

Calendar: 7/10/2023 2:30 p.m. - State Capitol, Room 447 ASSEMBLY NATURAL RESOURCES, RIVAS, LUZ, Chair

Summary: Would enact the Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$15,500,000,000 pursuant to the State General Obligation Bond Law to finance projects for drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat,

mitigation, biodiversity and nature-based climate solutions, climate smart agriculture, park creation and outdoor access, and clean energy programs.

Position	Priority
Watch	B. Watch

C. Spot Bill

[AB 422](#) **([Alanis](#) R)** **Natural Resources Agency: statewide water storage: tracking.**
Status: 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 2/9/2023)(May be acted upon Jan 2024)
Summary: Would require the Natural Resources Agency, on or before June 1, 2024, to post on its publicly available internet website information tracking the progress to increase statewide water storage, and to keep that information updated.

Position	Priority
Watch	C. Spot Bill

Total Measures: 40

Total Tracking Forms: 40

Metropolitan Water District of Southern California State Legislation Matrix

June 12, 2023 – First Year of Legislative Session

Item No. 2f

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 400 B. Rubio (D – Baldwin Park) Sponsors: California State Association of Counties, League of California Cities	Amended 5/1/2023 Senate Governance and Finance Committee	Local agency design-build projects: authorization. This measure would extend the existing sunset date to January 1, 2031, for the use of design-build as a delivery method for public works contracts.	Support Based on October 2021 Board Action	Metropolitan's current authority to use design-build under AB 1845 (Calderon, CH. 275, 2022) will sunset on January 1, 2028. The provisions of this bill would allow Metropolitan to use design-build for future projects through January 1, 2031.
AB 1572 Friedman (D - Glendale) Sponsors: Heal the Bay, National Resources Defense Council	Amended 05/18/2023 In Senate	Potable water: nonfunctional turf. This measure prohibits the use of potable water for the irrigation of non-functional turf located on commercial, industrial, institutional and multifamily residential properties by specified dates. This measure would also require the State Water Resources Control Board to establish compliance and certification requirements by July 1, 2026.	Support and Consider Co-Sponsorship if amended Based upon April 2023 Board action	This bill's intent is consistent with Metropolitan's efforts to conserve water and reduce non-functional turf in the service area. Based on input from the Board and member agencies, Metropolitan is seeking amendments to exclude multi-family residential buildings and protect the authority and local control of public water systems.
AB 1573 Friedman (D - Glendale) Sponsor: Earth Advocacy	Amended on 5/18/23 In Senate	Water conservation: landscape design: model ordinance. This measure would require the updated model water efficient landscape ordinance for all plants installed in new or renovated nonresidential areas to be at least 25% local native plants beginning January 1, 2026, 50% beginning January 1, 2030, and 75% beginning January 1, 2035. This measure would also prohibit the use of nonfunctional turf in nonresidential landscape projects after January 1, 2026.	Support Based upon 2023 Legislative Priorities and Principles, adopted December 2022	This measure is consistent to Metropolitan's effort to address the reduction of nonfunctional turf within its service area. Metropolitan staff identified implementation challenges and were able to work with the author's office to bring Metropolitan to a support position. Metropolitan's requested amendments included: (1) removal of the .3 plant factor, (2) reduction of the native plant requirement from 75 percent to 50 percent, with a phased approach from 25 percent up to 50 percent, and (3) require water efficient irrigation methods.
AB 1648	Amended on 3/16/2023	Water: Colorado River Conservation.	Oppose	This measure affects Metropolitan's flexibility with its entire water portfolio, including the integrated

Metropolitan Water District of Southern California

State Legislation Matrix

June 12, 2023 – First Year of Legislative Session

Bains (D - Bakersfield)	Assembly Water, Parks, and Wildlife Committee Two Year Bill	This measure would specifically prohibit Metropolitan and LADWP achieving federally required reductions on Colorado River resources through increased water deliveries from other regions of California, including the Delta, retroactively as of January 1, 2023.	Based upon 2023 Legislative Priorities and Principles, adopted December 2022	water resource management and the Annual Operating Plan. Metropolitan's reliability and its ability to meet demands would also be impaired by restrictions on Metropolitan's discretion to develop creative partnerships with its State Water Project and Colorado River Basin stakeholders.
SB 366 Caballero (D - Merced) Sponsors: California Municipal Utilities Association, California Council for Environmental and Economic Balance, California State Association of Counties	Amended 5/23/2023 Assembly	The California Water Plan: long-term supply targets. This measure would revise the California Water Plan to require the Department of Water Resources to update the California Water Plan by December 31, 2028, and every five years after, to include establishing a long-term water supply target for 2050 and discussion on the development of specified water supply sources to meet demand.	Support, if Amended Based upon 2023 Legislative Priorities and Principles, adopted December 2022	The intent of this bill is to help modernize California's water management practices and provide long-term reliable supplies in response to the current climate challenges. Metropolitan is seeking clarifying amendments that include: (1) ensuring the 2050 target will reflect statewide, regional, and local planning efforts. This amendment will ensure that regional and local efforts are properly considered and incorporated in the new 2050 water supply targets.
SB 659 Ashby (D – Sacramento) Sponsors: Sacramento Regional Water Board Authority	Amended 5/18/2023 Assembly	California Water Supply Solutions Act of 2023. This bill would require the Department of Water Resources to develop a groundwater recharge plan by January 1, 2026, to create additional groundwater recharge capacity.	Support, if Amended Based upon 2023 Legislative Priorities and Principles, adopted December 2022.	This bill is intended to address challenges in water supply management due to a shifting climate. This bill will further elevate the importance of groundwater in the state's planning efforts, which provides other benefits such as reducing flood risks and improving management for environmental flows. This bill does not include funding but does set a funding target for infrastructure or policy improvements as part of the action plan. Suggested amendments include: 1) adding a funding target for infrastructure improvements by 2025, and 2) Identifying the long-term recharge funding needs for 2040 and beyond.

Metropolitan Water District of Southern California

State Legislation Matrix

June 12, 2023 – First Year of Legislative Session

SB 687 Eggman (D - Stockton)	Amended 5/2/2023 Senate Appropriations Committee: Held on Suspende	Water Quality Control Plan: Delta Conveyance Project. This measure will require the State Water Resources Control Board to adopt a final update of the Bay-Delta Water Quality Control Plan before the Board may consider a change in the point of diversion or any other water rights permit or order for the Delta Conveyance Project.	Oppose Based upon 2023 Legislative Priorities and Principles, adopted December 2022	Metropolitan supports updating the Water Quality Control Plan to protect beneficial uses in the Delta. However, this bill would result in halting or delaying planning efforts on the Delta Conveyance Project and potentially prevent the project from operating if approved.
SB 706 Caballero (D- Merced) Sponsors: California State Association of Counties; County of San Diego; Design Build Institute of America Western Pacific Chapter; League of California Cities	Amended 4/10/2023 Assembly Local Government Committee	Public contracts: progressive design-build: local agencies. This bill would expand the types of projects that can be used for progressive design-build, and authorizes all cities, counties, city and counties, and special districts to use progressive design-build for projects through January 1, 2030. In addition, for any local agency that uses the progressive- design build process must submit a report to the Legislature.	Support Based upon 2023 Legislative Priorities and Principles, adopted December 2022	Currently, progressive design-build eligible projects are limited to wastewater treatment facilities, park and recreational facilities, solid waste management facilities and water recycling facilities. However, this bill will now authorize Metropolitan to address other physical structures and needs to further support Metropolitan's operations for reliable water supply deliveries throughout its service area.



ACTION ITEM

July 5, 2023

TO: Board of Directors

FROM: Harvey De La Torre
Interim General Manager

Staff Contact: Heather Baez

SUBJECT: CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) 2023 BOARD OF DIRECTORS ELECTION – SOUTHERN NETWORK REGION, SEAT C

STAFF RECOMMENDATION

Staff recommends that the Board of Directors:

- Review and discuss the candidates running for the CSDA Board of Directors, Southern Network, Seat C
- Authorize staff to cast the District's electronic ballot

SUMMARY

CSDA is governed by an 18-member Board of Directors elected by mail ballots. The Board consists of three directors from each of the six networks (Northern, Sierra, Bay Area, Central, Coastal & Southern) throughout California. The Board meets bimonthly in Sacramento to guide the Association's legislative and member benefit programs.

Each CSDA member in good standing is entitled to vote for one director to represent its network. This year, CSDA will be using a web-based online voting system. Electronic ballots were emailed on June 5, 2023. All votes must be received through the system no later than 5:00 p.m. July 14, 2023. MWD OC's electronic ballot was sent directly to Cathy Harris and Heather Baez, who are our designated CSDA staff contacts.

There are three candidates seeking election to fill Seat C on the CSDA Board of Directors, Southern Network, which includes Imperial, Los Angeles, Orange, Riverside, San Bernardino and San Diego Counties. Seat C is for a three-year term, ending in 2026.

Budgeted (Y/N): n/a	Budgeted amount: n/a	Core X	Choice __
Action item amount: None	Line item:		
Fiscal Impact (explain if unbudgeted):			

The following candidates are running for Seat C:

- Al Nederhood
Board Member, Municipal Water District of Orange County
- Arlene Schafer (incumbent)
Board Member, Costa Mesa Sanitary District
- John Skerbelis
Vice President, Rubidoux Community Services District

BOARD OPTIONS

Option #1

- Review and discuss the candidates running for the CSDA Board of Directors, Southern Network, Seat C; additionally, authorize staff to cast the District's ballot.

Fiscal Impact: None

Business Analysis: MWDOC has been a CSDA member in good standing for many years. Participating in the election process not only keeps our agency engaged in the organization, but helps ensure that CSDA continues with strong leadership with qualified representatives, such as a member of our own Board of Directors, leading the organization.

Option #2

- Take no action

Fiscal Impact: None

Business Analysis: Not participating in CSDA's election leaves the decision making to others. If the district does not vote on behalf of our interests, no one else will.

ATTACHED:

- Candidate statements and information sheets



**California Special
Districts Association**

Districts Stronger Together

2023 CSDA BOARD CANDIDATE INFORMATION SHEET The following information MUST accompany your nomination form and Resolution/minute order:

Name: Albert M. Nederhood

District/Company: Municipal Water District of Orange County (MWDOC)

Title: Director

Elected/Appointed/Staff: Elected

Length of Service with District: 2 years with MWDOC, 4 years with Yorba Linda Water District as elected Board Member

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.): I have attended most of the quarterly meetings for ISDOC (Independent Special Districts of Orange County) over the last 6 years. I spent 2 years working with Jim Fisler and Saundra Jacobs (both past ISDOC Presidents) to successfully revise the Special District dues structure created in 2000 to more accurately and fairly reflect revenue and dues payable to LAFCO. As part of this process I attended virtually all ISDOC Board meetings for 2 years.

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.): Over the last 6 years I have attended most of the conferences held by the Urban Water Institute, ACWA, the Colorado River Water Users, as well as many Metropolitan Water District Board meetings.

3. List local government involvement (such as LAFCo, Association of Governments, etc.): For the 2 years that it took to initiate, revise and successfully change the LAFCO dues required of Special Districts in Orange County, I attended virtually all of the monthly OC-LAFCO meetings.

4. List civic organization involvement: I was elected twice and served on the Yorba Linda Water District Board, a Special District. I've actively participated in the WACO (Water Advisory Committee of Orange County) both in attendance and planning of the meetings.



Al Nederhood

MWDOC Board

Elect to CSDA Board

Southern Network

Seat C

Professional & Personal History

6 Years as Elected Official for Special Districts, Yorba Linda Water District (YLWD) & Municipal Water District of Orange County (MWDOC)

LAFCO dues revision through Independent Special Districts of Orange County. First revision after 20 years saving small districts thousands of dollars annually.

Heli-Hydrant sponsor, supporter creating nations first system (helicopter enabled fire suppression in wild-fire zones)

President of a Non-Profit

30 years of Senior Management Leadership positions with nationally known firms

President of an Educational Institution with \$100 million in revenue, 500 staff and 5000 students.

BA, Long Beach State
MA, Central Michigan University

Retired, Married for 50+ years, 4 kids and 12 grandkids

Why should you vote for Al Nederhood?

Here's a sample of my history of measurable change created by active questioning and positive decision making based on the facts.

Seven years ago, I identified, initiated, and transformed an outdated LAFCO dues system on behalf of special districts in Orange County. The dues structure was developed in 2002 by ISDOC to fulfill their legal responsibility, but over time, it resulted in small districts subsidizing the large districts.

After two years of working with my fellow Special Districts, the new dues structure was unanimously approved and implemented. This effort created a balanced and proportionate LAFCO dues structure for Special Districts throughout the county, saving smaller districts with smaller operating budgets thousands of dollars each year.

As a Board Member for Yorba Linda Water District we investigated and implemented the nation's first Heli-hydrant to modernize fighting wild fires. YLWD now has two heli-hydrants with a third in development with Metropolitan Water District.

I would appreciate your Board voting for me, Al Nederhood.

If you want to contact me:

Al Nederhood

MWDOC, Director Division One

anederhood@mwdoc.com

C. 714-261-3964



2023 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: Arlene Schafer

District/Company: Costa Mesa Sanitary District

Title: Board of Directors – Vice President

Elected/Appointed/Staff: Elected

Length of Service with District: 25 Years

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

I served on CSDA Board of Directors and several committees including chair of the membership and professional development committees and served on the legislative and fiscal, and I served on the Alliance Executive Council. I have completed the Special District Leadership Academy, Good Governance Foundation workshop and I attend the annual conference and Legislative Days.

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

I have been associated with the Solid Waste Association of North America (SWANA) of Southern California, and the Independent Special Districts of Orange County (ISDOC) and

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

I am a current member of the Board of Directors for CSDA Finance Corporation, and I am the former Vice President of ISDOC and the former commissioner of the Orange County Local Formation Commission (LAFCO). I am also the former Mayor of the City of Costa Mesa.

4. List civic organization involvement:

Harbor Mesa Lions Club, Costa Mesa Chamber of Commerce, Ambassador for the City Costa Mesa during special events.

****Candidate Statement – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. Any statements received in the CSDA office after the nomination deadlines will not be included with the ballot.**

Candidate Statement

Arlene Schafer Costa Mesa Sanitary District Southern Network, Seat C

It has been an honor serving you on CSDA's Board of Directors for the past nineteen years. I have had the privilege of establishing long lasting relationships with local officials that forged an organization to become one of the leading advocacy groups in California on statewide and national issues. I am proud of my past and current board members for the accomplishments we achieved to enhance special district's visibility in the capital, as well as broadening educational opportunities to help you govern effectively and openly. There is much more important work to be done, so I humbly ask for your trust and support in re-electing me to Seat C of the Southern Network.

I believe we are approaching a year that could have an everlasting effect on the way we provide services. It is very likely the November 2024 Statewide Ballot will have Initiative 21-0042A1, which is now Initiative 1935. If approved by the voters, this initiative will significantly restrict how we fund critical services like fire, parks, libraries, sewers, water, etc. Initiative 1935 will jeopardize the ability of special districts to deliver essential services, which is why as your CSDA representative I am committed to helping defeat this deceptive and dangerous measure.

In addition to my advocacy efforts, I believe CSDA provides some of the best training and professional development programs for local government officials. I will continue serving on the Professional Development Committee to work with CSDA staff and others on making sure you continue receiving top quality workshops, seminars, and conferences. I hope I earned your trust by voting for me by **July 14, 2023**.



2023 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: John Skerbelis
District/Company: Rubidoux Community Services DIST
Title: Vice President
Elected/Appointed/Staff: Elected
Length of Service with District: 12 Years

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

None

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

None

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

Past member of Riverside County Solid Waste
Advisory Committee 7 Years

4. List civic organization involvement:

Riverside County Dept of Environmental Health
Community Clean ups and Illegal Dumping

*This information is for informational purposes only and is not intended to be used for any other purpose. The information is provided for the use of the CSDA and its members. The information is not to be used for any other purpose.



Item No. 5

DISCUSSION ITEM

July 5, 2023

TO: Board of Directors

**FROM: Harvey De La Torre,
Interim General Manager**

Staff Contact: Melissa Baum-Haley

**SUBJECT: METROPOLITAN WATER DISTRICT (MET) ITEMS CRITICAL TO ORANGE
COUNTY**

STAFF RECOMMENDATION

Staff recommends the Board of Directors to review and discuss this information.

DETAILED REPORT

This report provides a brief update on the current status of the following key MET issues that may affect Orange County:

- a. MET's Finance and Rate Issues
- b. Water Supply Condition Update
- c. Water Quality Update
- d. Colorado River Issues
- e. Delta Conveyance Activities and State Water Project Issues

ISSUE BRIEF #A

SUBJECT: MET Finance and Rate Issues

RECENT ACTIVITY

Water Transactions for April 2023 (for water delivered in February 2023) totaled 59.5 thousand acre-feet (TAF), which was 31.6 TAF lower than the budget of 91.1 TAF and translates to \$59.7 million in receipts for April 2023, which were \$26.0 million lower than the budget of \$85.7 million.

Year-to-date water transactions through April 2023 (for water delivered in May 2022 through February 2023) were 1,248.9 TAF, which was 123.0 TAF lower than the budget of 1,371.9 TAF.

Year-to-date water receipts through April 2023 were \$1,188.0 million, which was \$106.1 million lower than the budget of \$1,294.1 million. This amount includes \$21.0 million of revenues from the Reverse Cyclic program for which Metropolitan has 5 years to deliver the water.

ISSUE BRIEF #B

SUBJECT: MET's Supply Condition Update

RECENT ACTIVITY

The 2022-23 Water Year (2022-23 WY) officially started on October 1, 2022. Thus far, Northern California accumulated precipitation (8-Station Index) reported **63.9. inches or 131% of normal** as of June 21st. The Northern Sierra Snow Water Equivalent peaked at **59.1 inches on April 9th**, which is **215% of normal** for that day. Due to barrage of atmospheric rivers in January and March, the Department of Water Resources (DWR) has increased the State Water Project (SWP) **"Table A" allocation to 100%**. This allocation provides Metropolitan with approximately **1,911,500 AF in SWP deliveries this water year**. In Addition, Article 21 supplies (approximately 148,000 AF) were made to SWP contractors on March 24th 2023. DWR's SWP Allocation considers several factors including existing storage in SWP, conservation reservoirs, SWP operational regulatory constraints, and the 2023 contractor demands. In additional, Metropolitan received **134,000 AF for Human Health and Safety Supply in CY 2022**.

The Upper Colorado River Basin accumulated precipitation is reporting **28.5 inches or 121% of normal as of June 21st**. On the Colorado River system, snowpack is measured across four states in the Upper Colorado River Basin. The Upper Colorado River Basin Snow Water Equivalent peaked **26.2 inches as of April 10th**, which is **131% of normal** for that day. Due to the below average inflows into Lake Powell over the past several years, the United States Bureau of Reclamation **declared a shortage at Lake Mead that has been ongoing since January 1st, 2022**. As of May, **there is a 93% chance of shortage continuing in CY 2024 and a 3% chance that Metropolitan will see an 180,000 AF reduction in Colorado River water supplies in CY 2025**.

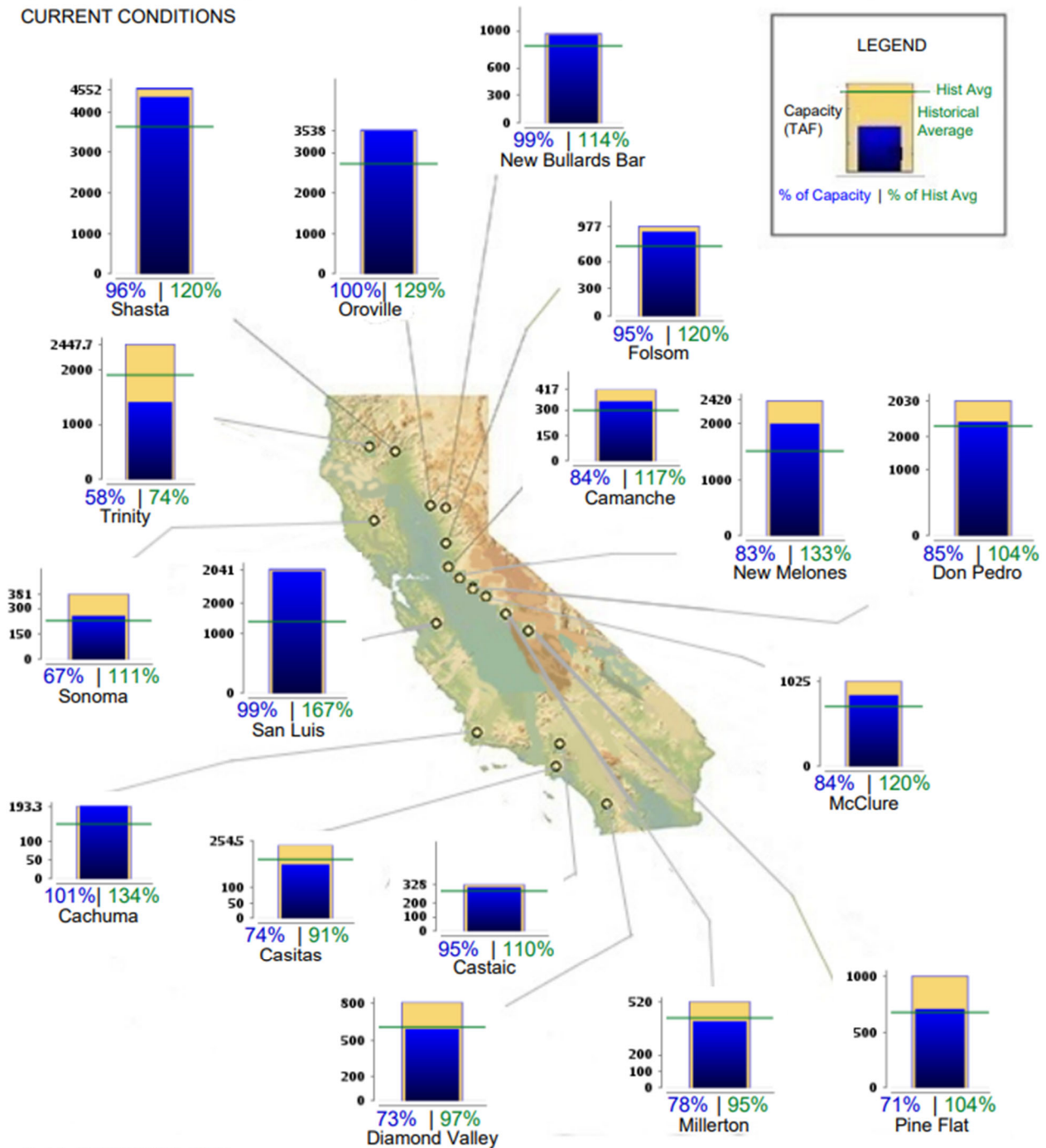
As of June 20th Lake Oroville storage is at **100% of total capacity and 129% of normal**. As of June 20th San Luis Reservoir has a current volume of **99% of the reservoir's total capacity and is 167% of normal**.

With CY 2023 estimated total demands and losses of 1.575 million acre-feet (MAF) and with a 100% SWP Table A Allocation, Metropolitan is projecting that supplies will exceed demands levels in Calendar Year (CY) 2023. Based on this, estimated total dry-year storage for Metropolitan at the end of **CY 2023 will increase to approximately 3.3 MAF**. A projected dry-year storage supply of **3.4 MAF would be the highest level in MWD History. Unfortunately due to the 100% SWP Table A Allocation, there is potential that MWD will not be able to store approximately 350 TAF**. A large factor in maintaining a high water storage level are lower than expected water demands. We are seeing regional water demands reaching a 38-year low. **However, with a majority of MWD's water supplies stored in Lake Mead and with still a 5 year shortage projection at Lake Mead, there remains a lot of uncertainty to where supply balances will be in the future.**

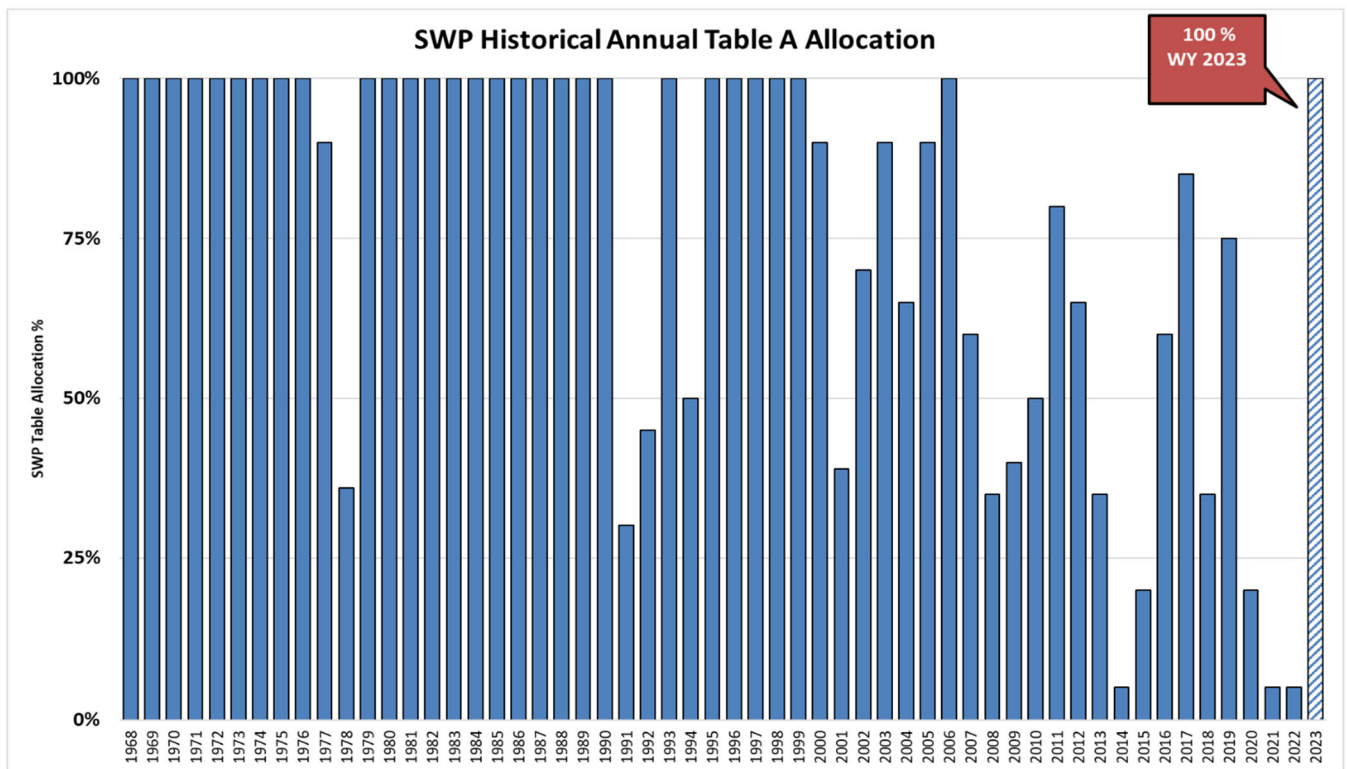
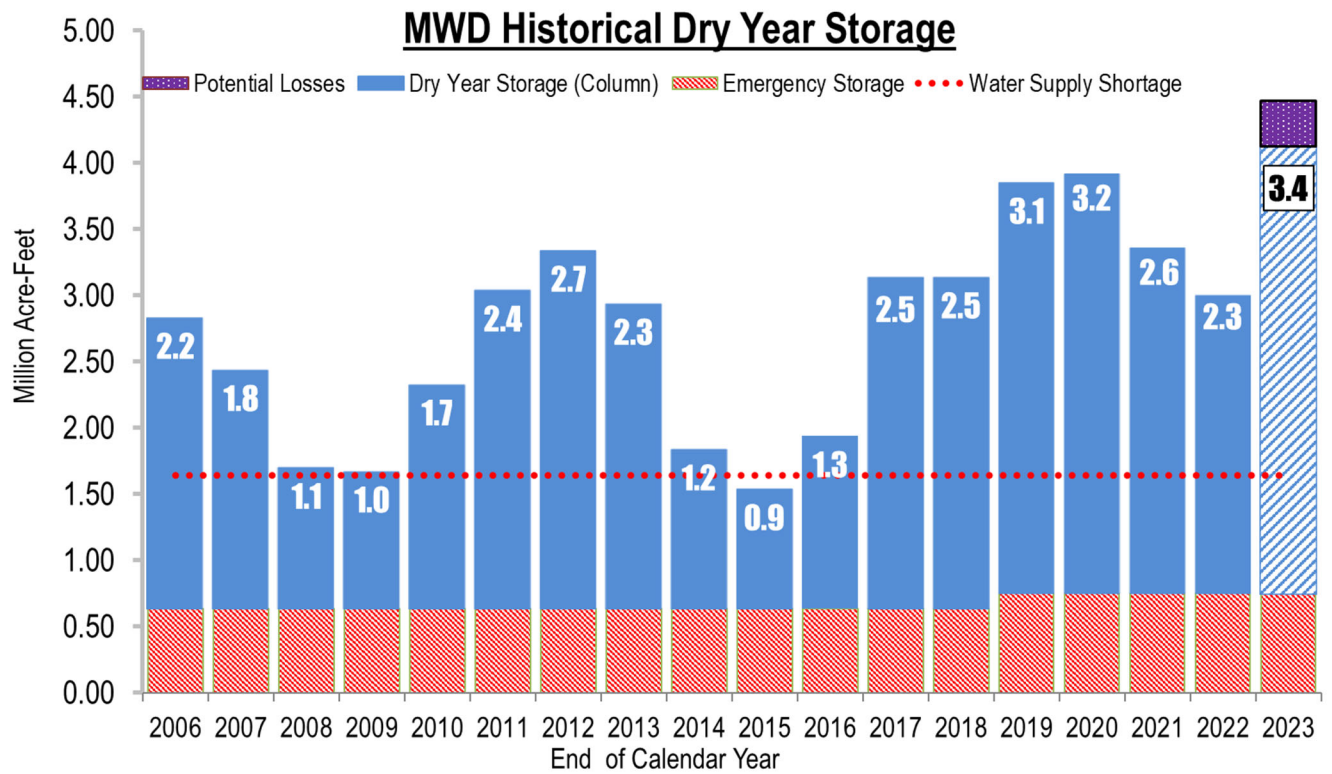
CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS

CURRENT CONDITIONS

Midnight - June 20, 2023



Updated 06/21/2023 04:48 PM



2023 WSDM Storage Detail

	1/1/2023 Estimated Storage Levels	CY 2023 Put Capacity ¹	2023 Total Storage Capacity
WSDM Storage			
Colorado River Aqueduct Delivery System	1,128,000	400,000	1,657,000
Lake Mead ICS	1,128,000 ²	400,000	1,657,000
State Water Project System	502,000	621,000	1,897,000
MWD SWP Carryover ³	39,000	297,000	350,000
DWCV SWP Carryover ³			
MWD Articles 14(b) and 12(e)	0	0	N/A
Castaic and Perris DWR Flex Storage	3,000	216,000	219,000
Arvin Edison Storage Program	119,000	0 ⁴	350,000
Semitropic Storage Program	158,000	32,000	350,000
Kern Delta Storage Program	137,000	45,000	250,000
Mojave Storage Program	19,000	10,000	330,000
AVEK Storage Program	27,000	3,000	30,000
AVEK High Desert Water Bank Program	0	18,000 ⁵	18,000 ⁶
In-Region Supplies and WSDM Actions	698,000	392,000	1,246,000
Diamond Valley Lake	494,000	316,000	810,000
Lake Mathews and Lake Skinner	194,000	32,000	226,000
Conjunctive Use Programs (CUP) ⁷	10,000	44,000	210,000
Other Programs	662,000	171,000	1,181,000
Other Emergency Storage	381,000	0	381,000
DWCV Advanced Delivery Account	281,000	171,000	800,000
Total	2,990,000	1,584,000	5,981,000
Emergency	750,000	0	750,000
Total WSDM Storage (AF) ⁸	2,240,000	1,584,000	5,231,000

¹ Put capacity assumed under a 100 percent SWP Table A Allocation. Storage program losses included where applicable.

² Reflects USBR's final accounting for 2022, released May 2023. This amount is net of the water Metropolitan stored for IID in Lake Mead in an ICS sub-account.

³ Total storage capacity varies year to year based on prior year remaining balance added to current year contractual limits.

⁴ Puts are limited due to water quality considerations.

⁵ Includes the early recharge in the High Desert Water Bank Program expected to commence in the summer.

⁶ Represents a portion of the total storage capacity. Total storage capacity is 280,000 AF once the program is fully constructed. Anticipated to be fully operational by the end of 2025.

⁷ Total of all CUP programs including IEUA/TVMWD (Chino Basin); Long Beach (Central Basin); Long Beach (Lakewood); Foothill (Raymond and Monk Hill); MWD OC (Orange County Basin); Three Valleys (Live Oak); Three Valleys (Upper Claremont); and Western.

⁸ Total WSDM Storage level subject to change based on accounting adjustments.

ISSUE BRIEF #C

SUBJECT: MET's Water Quality Update

RECENT ACTIVITY

Water System Operations

Metropolitan member agency water deliveries were 89,000 acre-feet (AF) for May with an average of 2,900 AF per day, which was 600 AF per day higher than in April. Treated water deliveries increased by 6,000 AF from April for a total of 48,600 AF, or 55 percent of total deliveries for the month. The Colorado River Aqueduct (CRA) pumped a total of 68,000 AF in May. State Water Project (SWP) imports averaged 3,500 AF per day, totaling about 107,200 AF for the month. The target SWP blend decreased to 80 percent for the Weymouth and Diemer plants and to approximately 20 percent for the Skinner plant. The SWP blend for the Skinner plant will continue to increase to about 70 percent as more SWP is delivered to Lake Skinner.

Water Treatment and Distribution

Because of decreasing alkalinity in Silverwood Lake, the State Water Project (SWP) target blend entering the Weymouth and Diemer plants was lowered from 100 to 80 percent in mid-May. The Mills plant's source water was transitioned from solely Silverwood Lake to a blend of Silverwood Lake (75 percent) and Lake Perris (25 percent) in late May. The SWP target entering Lake Skinner fluctuates to accommodate multiple operational needs and to maximize the delivery of water from the SWP. The SWP blend leaving the lake has been increasing during May and is expected to reach 50–75 percent within a few weeks. Chemical dosages were adjusted at Weymouth, Diemer, Mills, and Skinner plants to ensure that water quality objectives continue to be achieved following the blend changes.

Flow-weighted running annual averages for total dissolved solids from March 2022 through February 2023 for Metropolitan's treatment plants capable of receiving a blend of supplies from the SWP and the Colorado River Aqueduct were 605, 609, and 608 mg/L for the Weymouth, Diemer, and Skinner plants, respectively.

Future Legislation and Regulation

On April 28, the California Air Resources Board unanimously voted to adopt the Advanced Clean Fleets (ACF) Regulation. The ACF includes a 50 percent zero-emission vehicle (ZEV) purchase mandate for medium to heavy-duty vehicles weighing more than 8,500 pounds starting in 2024, and 100 percent by 2027. The ACF will affect more than 500 Metropolitan vehicles, though it includes several exemptions that would allow Metropolitan to delay the purchase of ZEVs under certain conditions. Metropolitan staff is currently working with Metropolitan's ZEV Executive Task Force to implement the rule.

On May 8, the Environmental Protection Agency (EPA) sent to the Office of Management

and Budget (OMB) its proposal to list four PFAS chemicals (PFOA, PFOS, PFBS, and GenX chemicals) as “hazardous constituents” under the Resource Conservation Recovery Act (RCRA). After OMB’s review, the EPA will publish the rule in the Federal Register for public comment. If finalized, this listing would require investigation and cleanup of these PFAS chemicals if released from an RCRA facility. Metropolitan staff will track this rule as it relates to the issue of CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act) liability for water agencies.

On May 9, a U.S. Court of Appeals overruled EPA’s July 21, 2020 decision not to regulate perchlorate in drinking water. The decision stems from a Natural Resources Defense Council lawsuit stating that the EPA had no authority to withdraw from a 2011 determination that perchlorate should be regulated. The Court’s ruling is consistent with Metropolitan’s previous comments that the EPA’s decision not to regulate perchlorate was in error and that a perchlorate standard should be established that is protective of human health and the Colorado River.

On May 9, Metropolitan staff gave a presentation on Constituents of Emerging Concern (CECs) to the Board’s Engineering, Operations & Technology Committee, providing a general overview on the regulatory process for CECs and focusing on Metropolitan’s preparation and engagement on microplastics and PFAS regulatory monitoring.

On May 11, the EPA released a prepublication copy of proposed new greenhouse gas (GHG) emission standards for new, existing, and retrofitted fossil fuel-fired electric generating units. The standards include the use of carbon capture and sequestration/storage (CCS) and co-firing with lower-GHG fuels. Under the proposed rule, nearly all of the United States’ coal and large gas plants would have to reduce or capture 90 percent of their carbon dioxide emissions by 2038 or be forced to retire. The EPA is simultaneously proposing to repeal the Trump-era Affordable Clean Energy (ACE) Rule because the rule is inconsistent with section 111 of the Clean Air Act. If promulgated, the rule would help to “green” the grid, but the costs are uncertain at this time.

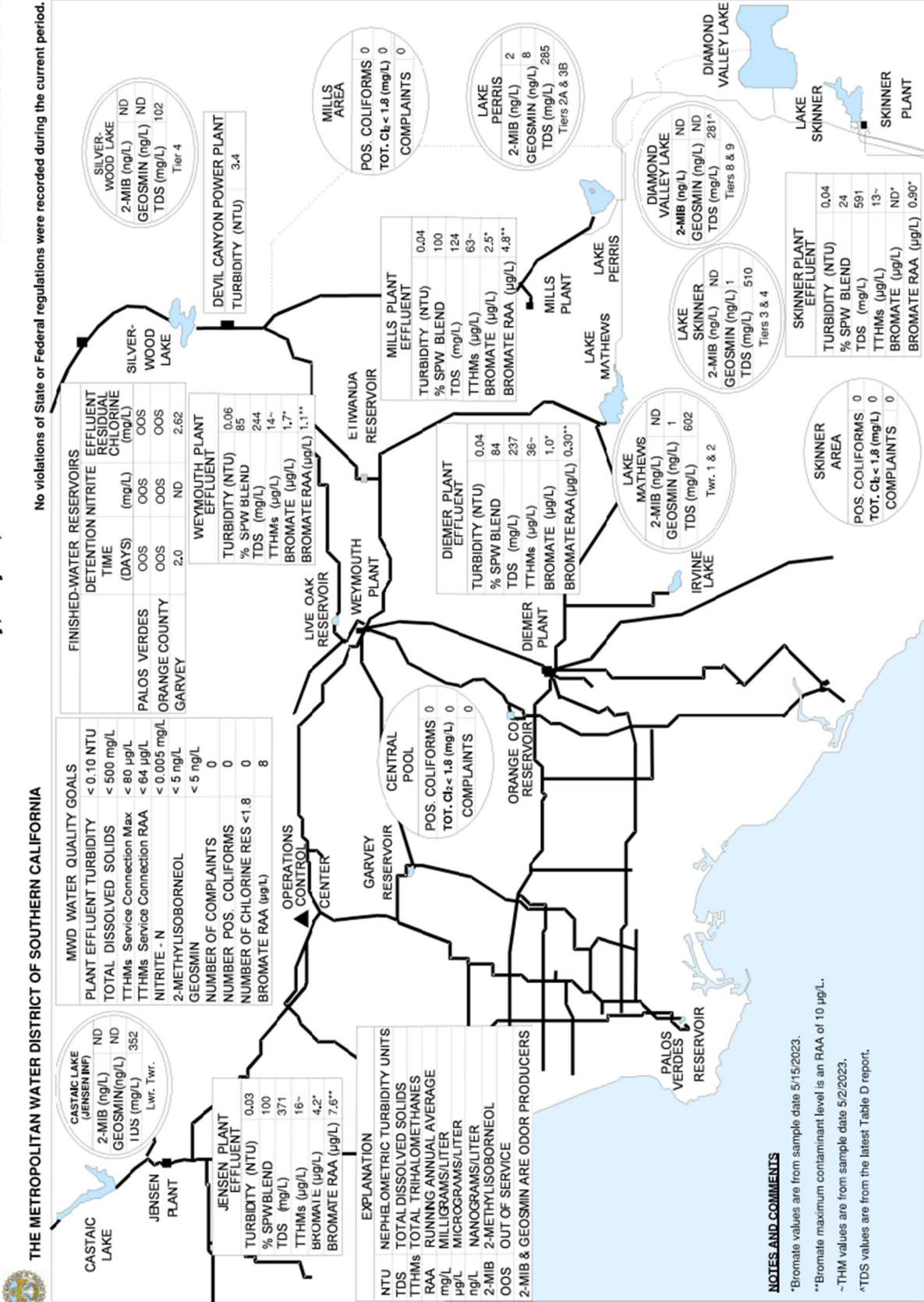
Metropolitan staff attended several webinars on microplastics and per- and polyfluoroalkyl substances (PFAS) to prepare for upcoming regulation and monitoring of these two groups of constituents. Metropolitan’s participation included providing a presentation on developing sampling plans during a May 22 SWRCB workshop on microplastics sampling.

On May 30, Metropolitan submitted a comment letter to the U.S. Environmental Protection Agency in response to the agency’s proposed regulations for six PFAS in drinking water (PFOA, PFOS, PFHxS, PFNA, PFBS, and GenX chemicals). Metropolitan’s comments focused on whether regulation of some PFAS may be premature based on the current state of the science and occurrence data, sensitivity of analytical methods and laboratory capacity, economic feasibility, and potential liability for water utilities if PFAS are designated as hazardous substances under CERCLA.

Weekly Water Quality System Status

Wednesday, May 24, 2023

Generated On: 5/24/2023 12:50:02 PM



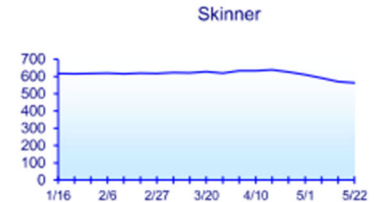
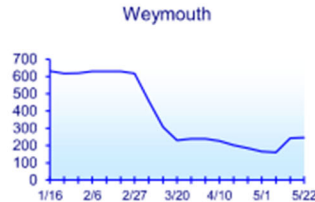
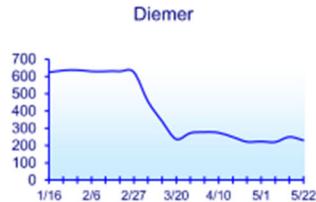
Water Quality Section Weekly TDS Report

For the week of 5/21/2023

Percent SPW Needed to Achieve TDS Goal of 500 mg/L				Estimated TDS for Reservoirs		
Source Water TDS		SPW Required		Reservoir (Effluent)	Date	mg/L
Plant	CRW	SPW	Percent			
Weymouth	602	102	20%	Lake Havasu (Table D)	2/1/23	639
Diemer	602	102	20%	Lake Mathews (DFPI-LWRFDR)	5/22/23	602
Skinner-Silverwood	0	102	490%	Lake Skinner (Outlet Structure)	5/22/23	510
Skinner-Perris	0	285	175%	Castaic Lake (JFPI)	5/21/23	352
CRW for Diemer and Weymouth is Lake Mathews and San Jacinto - West Portal for Skinner.				Silverwood (Mills Inf)	5/22/23	102
				Lake Perris	5/22/23	285
				DVL Outlet (Table D)	2/13/23	281

SUNDAY COMPOSITE ESTIMATED TDS FOR 01/15/23 - 05/21/23

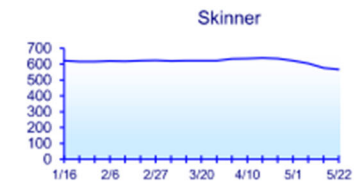
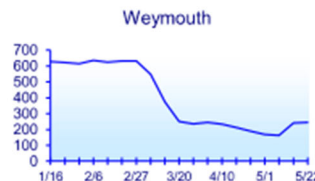
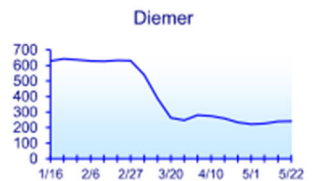
TDS For Week of 5/21	
Plant Eff.	mg/L
Diemer	231
Weymouth	246
Skinner	563
Jensen	371
*Mills	124



Sunday composite estimated TDS measured from plant effluent composite samples collected on Sunday and analyzed for hardness and electrical conductivity. *Collected on Monday 5/22/2023

WEEKLY COMPOSITE ESTIMATED TDS FOR 01/15/23 - 05/21/23

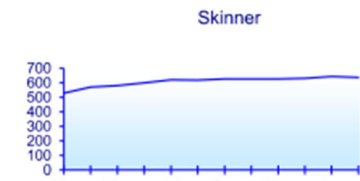
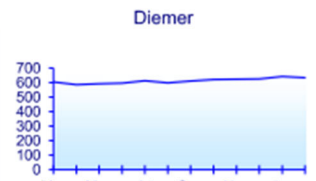
TDS For 5/15 - 5/21	
Plant Eff.	mg/L
Diemer	241
Weymouth	244
Skinner	566



Weekly composite estimated TDS measured from plant effluent composite samples collected Monday through Sunday and analyzed for hardness and electrical conductivity.

MONTHLY COMPOSITE CALCULATED TDS FOR March 2022 - February 2023

TDS For Feb 2023	
Plant Eff.	mg/L
Diemer	635
Weymouth	638
Skinner	636
Jensen	350
Mills	300



Monthly calculated TDS calculated from plant effluent monthly composite sample for total anions and cations. These results are also used for Table D.

FLOW WEIGHTED RAA TDS FOR March 2022 - February 2023

Flow-Weighted RAA TDS	
Mar 2022 - Feb 2023	
Plant	mg/L
Diemer	609
Weymouth	605
Skinner	608
Jensen	328
Mills	297



Seasonal flow weighted RAA TDS calculated from plant effluent monthly composite sample for total anions and cations. Results are based on average monthly flows.

ISSUE BRIEF #D

SUBJECT: Colorado River Issues

RECENT ACTIVITY

Lower Basin States Agreement on Colorado River Conservation Actions

In late 2022, the Bureau of Reclamation (Reclamation) began a process to modify the 2007 Interim Colorado River Guidelines by developing a Supplemental Environmental Impact Statement (SEIS). Reclamation stated that it needed to be able to implement additional actions to protect critical infrastructure at Hoover Dam and Glen Canyon Dam if critically dry conditions continued. The SEIS was to consider additional Lower Basin Shortages and modified Lake Powell operations and allowed a seven-state consensus alternative to be included in the analysis. The seven states worked to meet the January 31 deadline but were unable to reach a seven-state consensus.

On April 14, 2023, the Draft SEIS was released for public comment, with two action alternatives included in it. Comments were due on the Draft SEIS by May 30. Metropolitan worked with the Lower Basin States to see whether a consensus approach could be developed, and on May 22 the Lower Basin states submitted the Lower Basin consensus proposal to Reclamation. The Upper Basin was not part of the proposal, but it did send in a letter requesting Reclamation analyze the Lower Basin Proposal. The Lower Basin Proposal includes 3 million acre-feet of new conservation to be added to Lake Mead, in addition to existing shortage and Drought Contingency Plan commitments, through 2026. Most of that conservation will be from programs funded by Reclamation through the Inflation Reduction Act. It also states that Intentionally Created Surplus water added to Lake Mead also counts toward that goal, provided that any new water remains stored through 2027.

In response to the request from the Basin States, Reclamation paused the development of the SEIS and cancelled the May 30 comment deadline. Instead, Reclamation is working with the Basin States to model the Lower Basin Proposal and include it in a follow-up analysis in the SEIS process. Ultimately, if Reclamation chooses the Lower Basin Proposal as a preferred alternative, approval of the governing boards of the implementing parties, including Metropolitan, will be needed. Additionally, the Lower Basin states urged Reclamation to begin the scoping process for the post-2026 Guidelines within the next few months. The draft EIS for the post-2026 Guidelines is scheduled to be completed by the end of 2024.

ISSUE BRIEF #E

SUBJECT: Delta Conveyance Activities and State Water Project Issues

RECENT ACTIVITY

Delta Conveyance

The California Department of Water Resources (DWR) released a draft Environmental Impact Report (EIR) to comply with the California Environmental Quality Act for a public review that ended on December 16, 2022. DWR received more than 700 unique comment letters with over 6,000 individual comments. DWR is currently working to organize the comments and begin developing responses. The Final EIR is expected at the end of 2023. It will include responses to all substantive comments on the Draft EIR and edits to the Draft EIR, as appropriate, to respond to the comments.

The U.S. Army Corps of Engineers (USACE), as part of its permitting review under the Clean Water Act and Rivers and Harbors Act, released a draft Environmental Impact Statement (EIS) to comply with the National Environmental Policy Act for a public review that ended on March 16, 2023. USACE is starting the initial organization of the comments received.

On May 18, the Delta Conveyance Design and Construction Authority (DCA) Board of Directors participated in a discussion regarding the proposed draft budget for fiscal year 2023/24, which is \$39.9 million. DCA staff will present the final budget for DCA board approval at the June Meeting. The DCA board also acted on multiple resolutions regarding various agreement amendments. The amendment to the Baker Tilly US, LLP Agreement for Executive Director services included changing the Agreement Administrator from Shane Chapman, Metropolitan Assistant General Manager/Chief Administrative Officer to Nina Hawk, Metropolitan Chief of Bay-Delta Resources/Group Manager Bay-Delta Initiatives. The amendment also modified the insurance cancellation language to ensure consistency with other similar agreements, and increased compensation to the Executive Director. The resolutions regarding amendments to the Jacobs Engineering Group Inc. Agreement and the Parsons Transportation Group Inc. Agreement were also approved to extend the term of the Agreements for an additional five-year term, through June 30, 2029.

The Delta Conveyance Finance Authority (DCFA) Board of Directors approved two resolutions recognizing the contribution of former DCFA Director Gary Kremen and former DCFA Director Randy Record during the May 18 DCFA Board of Directors meeting. The DCFA board also approved the Fiscal Year 2023/24 Operating Budget totaling \$188,350 to be funded with \$182,350 of reserves and \$6,000 in interest earnings.

Sites Reservoir

At the May 19 Joint Sites Reservoir Committee and Authority Board meeting, the Authority Board and Reservoir Committee approved a new Investment Policy that describes the parameters for investing Authority funds.

The Authority Board and Reservoir Committee also discussed and approved preliminary final allocations of available storage, the proportionate shares of diverted water for storage partners, and the transition from yield-based to storage-based participation. The transition to storage-based participation is necessary for the contracting of benefits and obligations in the Sites Reservoir as cost allocation needs to be based on physical capacity attributes of the facilities and will be reflected in the future negotiated Benefits and Obligations Contracts. Based on the most current surveying data, the current assumption of the total storage space available in Sites Reservoir is 1,470,000 acre-feet. Of this total storage amount, the allocation of deadpool is 60,000 acre-feet. Given the methodology for allocating storage space in Sites Reservoir to local storage partners using the approach of one acre-foot participation to 6.234 acre-feet of storage space, Metropolitan's Amendment 3 participation level of 50,000 acre-feet of participation equates to 311,700 acre-feet of storage allocation which is 22.1 percent of storage.

Science Activities

Metropolitan staff worked with researchers from UC Davis and the U.S. Geological Survey to conclude the second deployment of the Delta Smelt Pilot Propagation Study on Bouldin Island. The purpose of the study is to evaluate whether the impoundments on Metropolitan's islands can be leveraged to conduct Delta smelt supplementation research. The first deployment from November 21, 2022, to January 5, 2023, successfully demonstrated that it is possible. The second deployment was initiated in February to repeat and verify the results and test conditions during the warmer period of March 2023. The second deployment of Delta smelt was ended in early May. Results show that survival was very good with the deployed Delta smelt, successfully validating that the impoundments can be used to culture Delta smelt. The second deployment also verified that Delta smelt can survive in warmer temperatures. The researchers at UC Davis will continue to evaluate the results and will provide a report by the end of the year.

On May 17, Metropolitan staff gave an informational presentation on the basics of structured decision making to the State Water Contractors at their monthly board meeting.

Regulatory Activities

Metropolitan staff continued to participate in the collaborative science groups established to inform implementation of the 2019 Biological Opinions for the State Water Project (SWP) and Central Valley Project, and the 2020 Incidental Take Permit (ITP) for long-term operation of the SWP. In May, staff participated in Delta Coordination Group meetings with state and federal water contractors, resource agencies, and fisheries agencies to inform the Summer Fall Habitat Action for 2023. The water year type for 2023 is designated as a Wet Year, and the ITP actions to be implemented this year include operation of Fall X2 at 80 km and the use of 100,000 acre-feet of water supply to support Delta smelt.

Delta Island Activities

On May 24, Metropolitan staff was awarded a \$20.9 million state grant to restore habitat and sustainability to an entire island in the Sacramento-San Joaquin Delta, an unprecedented effort that will support the area's delicate ecosystem and help protect the ability to deliver critical water supplies throughout California. The funding from the state's Sacramento-San Joaquin Delta Conservancy will allow Metropolitan to improve the nearly 5,500-acre Webb Tract from current agricultural practices to wetlands and rice farming. The project is a collaboration among Metropolitan, local interests, and the Delta Conservancy, and it will address challenges that many islands in the Delta face by slowing or reversing land subsidence, reducing greenhouse gas emissions, promoting sustainable agriculture, and creating habitat to bolster the local ecosystem. The grant will fund design, environmental documentation, permitting and construction of wetlands and rice fields on Webb Tract over a three-year period, with planning slated for the fall and construction starting in spring 2025 after board approval of the environmental documentation. The grant funding will also help Metropolitan quantify the greenhouse gas emission reductions realized from the project, which supports Metropolitan's Climate Action Plan goals.

**Summary Report for
The Metropolitan Water District of Southern California
Board Meeting
June 13, 2023**

CONSENT CALENDAR OTHER ITEMS – ACTION

Approved Committee Assignments:

Subcommittee on Pure Water Southern California and Regional Conveyance

Michael Camacho – Chair

Equity, Inclusion, and Affordability Committee

Brenda Dennstedt

Ad Hoc Committee on Facilities Naming

Michael Camacho - Chair

Gloria Cordero

Juan Garza

Tana McCoy

Anthony Fellow

Subcommittee on Demand Management and Conservation Programs and Priorities

Marsha Ramos – Vice Chair (Appointed by Director Tracy Quinn)

(Agenda Item 7B)

CONSENT CALENDAR ITEMS – ACTION

Authorize professional services agreements with AECOM Technical Services Inc. and CDM Smith Inc., each in an amount not to exceed \$800,000, to provide engineering services for water desalination studies in Metropolitan's service area. **(Agenda Item 7-1) (DEFERRED)**

(a) Amended the Capital Investment Plan for fiscal years 2022/2023 and 2023/2024 to include the Jensen Administration Building Column Panel Replacement, Skinner Chemical Storage Tank Replacement, and the upgrades to the Auld Valley and Red Mountain Control Structures; and (b) Awarded a \$281,900 contract to MMJ Contracting Inc. to replace the GFRC panels in the entrance columns of the Jensen Administration Building. **(Agenda Item 7-2)**

Approved up to \$1.894 million to purchase insurance coverage for Metropolitan's Property and Casualty Insurance Program to renew or replace all the expiring excess liability and specialty insurance policies and maintain the \$25 million self-insured retention for general liability coverage. **(Agenda Item 7-3)**

Approved the Statement of Investment Policy for fiscal year 2023/24; and delegated authority to the Treasurer to invest Metropolitan's funds for fiscal year 2023/24. **(Agenda Item 7-4)**

Authorized the General Manager to execute six lease/license amendments and two new license agreements for the installation and upgrade of telecommunication equipment and changes in the terms at existing telecommunication sites known as Edom Hill, Vidal Junction, Crossman Peak, Las Vegas Junction, Searchlight, Christmas Tree, and Black Peak, and to commence occupying a new site known as Super Nap, in Southern California, Southern Nevada, and Southern Arizona, as part of Metropolitan's Desert Microwave Project. **(Agenda Item 7-5)**

Authorized the General Manager to grant a permanent 40-foot easement to Eastern Municipal Water District for water pipeline purposes northeast of Diamond Valley Lake in the city of Hemet within Assessor Parcel Numbers 464-250-002, 464-250-003, 454-270-020 and 454-270-032. **(Agenda Item 7-6)**

By a two-thirds vote, authorized payment of up to \$932,800 for support of the Colorado River Board and Six Agency Committee for FY 2023/2024. **(Agenda Item 7-7)**

Adopted the Mitigated Negative Declaration for the Delta Smelt and Native Species Preservation Project and take related CEQA actions. **(Agenda Item 7-8)**

Authorized adding a \$500,000 line item to the fiscal year 2023/2024 Equal Employment Opportunity Office budget to cover outside legal services; and authorized an agreement with Meyers Nave in an amount not to exceed \$500,000 for ongoing legal advice in support of Equal Employment Opportunity Office activities and Equal Employment Opportunity related personnel and compliance matters. **(Agenda Item 7-9)**

OTHER BOARD ITEMS - ACTION

Authorized on-call agreements with Kennedy Jenks Consultants Inc., Lee & Ro Inc., and Stantec Consulting Services Inc., in amounts not to exceed \$10 million each, for a maximum period of five years for engineering services. **(Agenda Item 8-1)**

Deferred awarding a contract for furnishing and installation of pre-engineered storage buildings at the Hinds, Eagle Mountain, and Iron Mountain pumping plants and directed staff to present additional value engineering information for the project at the July EO&T meeting and bring an action item back to the Board in August. **(Agenda Item 8-2)**

Expressed support, if amended, on two legislative bond proposals, Assembly Bill 1567 (Garcia) and Senate Bill 867 (Allen), to provide funding for water projects to address climate change impacts. **(Agenda Item 8-3)**

Authorized the General Manager to exercise discretion under Administrative Code Section 6101(k) to enter into a successor Memorandum of Understanding with the Supervisors' Association. **(Agenda Item 8-4)**

THIS INFORMATION SHOULD NOT BE CONSIDERED THE OFFICIAL MINUTES OF THE MEETING.

All current month materials, and materials after July 1, 2021 are available on the public website here: <https://mwdh2o.legistar.com/Calendar.aspx>

This database contains archives from the year 1928 to June 30, 2021:
<https://bda.mwdh2o.com/Pages/Default.aspx>

The Metropolitan Water District of Southern California

Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

Board of Directors - Hidden

July 11, 2023

1:00 PM

Tuesday, July 11, 2023
Meeting Schedule

08:30 a.m. FAIRP
10:30 a.m. EOP
12:30 p.m. Break
01:00 p.m. BOD
02:30 p.m. Sp Exec

Agendas, live streaming, meeting schedules, and other board materials are available here: <https://mwdh2o.legistar.com/Calendar.aspx>. A listen-only phone line is available at 1-877-853-5257; enter meeting ID: 891 1613 4145. Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via in-person or teleconference. To participate via teleconference 1-833-548-0276 and enter meeting ID: 815 2066 4276 or click <https://us06web.zoom.us/j/81520664276pwd=a1RTQWh6V3h3ckFhNmDsUWpKR1c2Zz09>

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

1. Call to Order

- a. Invocation: Director John T. Morris, City of San Marino
- b. Pledge of Allegiance: Board Secretary Lois Fong-Sakai, San Diego County Water Authority

2. Roll Call

3. Determination of a Quorum

4. Jordan D. Joaquin, President Fort Yuma Quechan Indian Tribe

5. Opportunity for members of the public to address the Board on matters within the Board's jurisdiction. (As required by Gov. Code §54954.3(a))

6. OTHER MATTERS AND REPORTS

- A. Report on Directors' Events Attended at Metropolitan's Expense **21-2261**
- B. Chair's Monthly Activity Report **21-2262**

- | | | |
|-----------|---|----------------|
| C. | General Manager's summary of activities | 21-2263 |
| D. | General Counsel's summary of activities | 21-2264 |
| E. | General Auditor's summary of activities | 21-2265 |
| F. | Ethics Officer's summary of activities | 21-2266 |
| G. | Presentation of 5-year Service Pin to Director Tim M. Smith, San Diego County Water Authority | |

**** CONSENT CALENDAR ITEMS -- ACTION ****

7. CONSENT CALENDAR OTHER ITEMS - ACTION

- | | | |
|-----------|---|----------------|
| A. | Approval of the Minutes of the Board of the Directors Meeting for June 13, 2023 (Copies have been submitted to each Director, any additions, corrections, or omissions) | 21-2267 |
| B. | Approve Committee Assignments | 21-2487 |

8. CONSENT CALENDAR ITEMS - ACTION

- | | | |
|------------|---|----------------|
| 7-1 | Authorize an increase of \$950,000 in change order authority for the contract with W.A. Chester, LLC to terminate 6.9 kV power cables at all five Colorado River Aqueduct pumping plants; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT) | 21-2456 |
| 7-2 | Authorize an increase of \$2 million to an agreement with Jacobs Engineering Group, Inc. for a new not-to-exceed total amount of \$2.65 million for final design of the first stage of security upgrades for the Colorado River Aqueduct Region; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT) | 21-2457 |
| 7-3 | Award a \$452,886 contract to Best Contracting Services, Inc. for replacement of the administration and warehouse building roofs at the Lake Mathews site; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT) | 21-2458 |
| 7-4 | Award a \$349,527.80 procurement contract to TechnoFlo Systems Inc. for 50 magnetic flowmeters to comply with surface water diversion regulations on Metropolitan's Delta Island properties; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT) | 21-2459 |

- 7-5** Adopt Ordinance No. 152: Determining that the interests of Metropolitan require the use of revenue bonds in the aggregate principal amount of \$500 million to finance a portion of capital expenditures and waive the full reading of the ordinance; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAIRP) **21-2475**
- 7-6** Review and consider the Lead Agency's adopted Mitigated Negative Declaration and take related CEQA actions, and adopt resolution for 114th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan (FAIRP) **21-2476**
- 7-7** Award a \$TBD contract to TBD for the refurbishment of chiller #2 located at Headquarters; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAIRP) **21-2477**

**** END OF CONSENT CALENDAR ITEMS ****

9. OTHER BOARD ITEMS - ACTION

- 8-1** Award a \$3,740,792 contract to M.S. Construction Management Group, Inc. to replace a portion of the existing fire sprinkler system's piping and network components at Metropolitan's Headquarters Building; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT) **21-2455**
- 8-2** Authorize the General Manager to: (1) enter into an agreement with the U.S. Bureau of Reclamation to create Colorado River system water for Lake Mead from 2023 through 2026 using funds provided by the federal government; and (2) forebear up to 268,500 acre-feet; and adopt CEQA determination that the environmental effects of the conservation efforts that are the subject of the proposed action were previously addressed in various CEQA documents and related actions, and that no further CEQA review is required (OWS) **21-2464**
- 8-3** Approve amendment of the Metropolitan Water District Administrative Code to delete the requirement that matters may not be placed on consent if a roll call vote is required and increase the cost of items that may be placed on the Consent Calendar from \$2 million to \$10 million; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (LC) **21-2473**

- 8-4** Approve General Auditor's Business Plan for fiscal year 2023/24; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAIRP) **21-2478**
- 8-5** Placeholder on Governor Newsom's infrastructure trailer bill package (LRAC) **21-2484**

10. BOARD INFORMATION ITEMS

- 9-1** Conservation Program Board Report **21-2268**

11. OTHER MATTERS

NONE

12. FOLLOW-UP ITEMS

NONE

13. FUTURE AGENDA ITEMS

14. ADJOURNMENT

NOTE: Each agenda item with a committee designation will be considered and a recommendation may be made by one or more committees prior to consideration and final action by the full Board of Directors. The committee designation appears in parenthesis at the end of the description of the agenda item, e.g. (EOT). Board agendas may be obtained on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>.

Requests for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.